

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM F-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

TH International Limited

(Exact name of registrant as specified in its charter)

Cayman Islands
(State or other jurisdiction of
incorporation or organization)

5812
(Primary Standard Industrial
Classification Code Number)

Not Applicable
(I.R.S. Employer
Identification Number)

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(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

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Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is emerging growth company as defined in Rule 405 of Securities Act.

Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended or until the registration statement shall become effective on such date as the Commission, acting pursuant to such Section 8(a), shall determine.

SUBJECT TO COMPLETION, DATED OCTOBER 13, 2022

PRELIMINARY PROSPECTUS

Up to 22,900,000 Ordinary Shares issuable upon the exercise of warrants
Up to 62,151,365 Ordinary Shares and 5,650,000 Warrants to purchase Ordinary Shares
offered by Selling Securityholders
 OF
TH International Limited

This prospectus relates to the issuance by TH International Limited (“we,” “us,” the “Company” or “THIL”) of up to 22,900,000 ordinary shares, par value \$0.00000939586994067732 per share, of the Company (“Ordinary Shares”), including (i) 17,250,000 Ordinary Shares issuable upon the exercise of warrants to purchase Ordinary Shares at an exercise price of \$11.50, which were issued on September 28, 2022 (the “Closing Date”) in exchange for the public warrants of Silver Crest Acquisition Corporation (“Silver Crest”) that were issued in the initial public offering of Silver Crest (the “Public Warrants”); (ii) 4,450,000 Ordinary Shares issuable upon the exercise of warrants to purchase Ordinary Shares at an exercise price of \$11.50 per share, which were issued to Silver Crest Management LLC (the “Sponsor”) on the Closing Date (the “Sponsor Warrants”) in exchange for the private placement warrants purchased by the Sponsor for a total consideration of \$9,400,000 in a private placement concurrent with the initial public offering of Silver Crest; and (iii) 1,200,000 Ordinary Shares issuable upon the exercise of warrants to purchase Ordinary Shares at an exercise price of \$11.50 per share, which were issued on the Closing Date to certain investors (the “PIPE Investors”) who invested \$10 million or more pursuant to separate subscription agreements dated March 9, 2022 (the “PIPE Subscription Agreements”) for no consideration (the “PIPE Warrants,” and collectively with the Public Warrants and the Sponsor Warrants, the “Warrants”).

This prospectus also relates to the potential offer and sale from time to time by the selling securityholders named in this prospectus or their pledgees, donees, transferees, assignees or other successors in interest (that receive any of the securities as a gift, distribution, or other non-sale related transfer) (collectively, the “Selling Securityholders”) of up to (A) 62,151,365 Ordinary Shares, which include (i) an aggregate of 35,186,824 Ordinary Shares beneficially owned by Pangaea Two Acquisition Holdings XXIIA Limited, Tencent Mobility Limited, SCC Growth VI Holdco D, Ltd., Eastern Bell International XXVI Limited and Pangaea Two Acquisition Holdings XXIII, Ltd. (the “Legacy Shares”), which were acquired by Pangaea Two Acquisition Holdings XXIIA Limited and Pangaea Two Acquisition Holdings XXIII, Ltd. for nominal consideration and by Tencent Mobility Limited, SCC Growth VI Holdco D, Ltd. and Eastern Bell International XXVI Limited at a price of approximately \$2.10, \$2.82 and \$2.82 per share, respectively; (ii) 4,312,500 Ordinary Shares issued to the Sponsor (the “Sponsor Shares”) on the Closing Date in exchange for the Class B ordinary shares of Silver Crest, which were purchased by the Sponsor at a price of approximately \$0.006 per share; (iii) 4,450,000 Ordinary Shares issuable upon the exercise of the Sponsor Warrants; (iv) 5,050,000 Ordinary Shares issued to the PIPE Investors pursuant to the PIPE Subscription Agreements on the Closing Date (the “PIPE Shares”), at a price of \$10.00 per share for investors who invested less than \$10 million and an effective price of \$8.00 per share for investors who invested \$10 million or more; (v) 1,200,000 Ordinary Shares issuable upon the exercise of the PIPE Warrants; (vi) 5,000,000 Ordinary Shares issued to Shaolin Capital Partners Master Fund Ltd, DS Liquid DIV RVA SCM LLC, MAP 214 Segregated Portfolio, a segregated portfolio of LMA SPC, and Shaolin Capital Partners SP, a segregated portfolio of PC MAP SPC (the “ESA Investors”) on the Closing Date pursuant to an Equity Support Agreement dated May 25, 2022 at a price of \$10.00 per share (the “ESA Shares”); (vii) 6,752,041 Ordinary Shares issuable upon conversion of convertible notes (the “Notes”) issued to Sona Credit Master Fund Limited and Sunrise Partners Limited Partnership (the “Notes Investors”) pursuant to the Convertible Note Purchase Agreements that each of the Notes Investors entered into with THIL and Pangaea Two Acquisition Holdings XXIIA Limited (the “Conversion Shares”), whereby the Notes Investors purchased an aggregate principal amount of \$50 million Notes for a purchase price of 98% of the principal amount thereof; and (viii) 200,000 Ordinary Shares held by Pangaea Two Acquisition Holdings XXIIA Limited that may be acquired by Sona Credit Master Fund Limited through its exercise of the option to purchase such shares at its discretion at a purchase price of \$11.50 (the “Option Shares”) pursuant to an Option Agreement, dated August 19, 2022, by and between, on the one hand, THIL, Pangaea Two Acquisition Holdings XXIIA Limited and Pangaea Two Acquisition Holdings XXIIA Limited and, on the other hand, Sona Credit Master Fund Limited; and (B) 5,650,000 Warrants, which include (i) 4,450,000 Sponsor Warrants and (ii) 1,200,000 PIPE Warrants. We are registering these securities to satisfy certain registration rights we have granted to permit the Selling Securityholders to sell securities from time to time, in amounts, at prices and on terms determined at the time of offering.

The Selling Securityholders may offer, sell or distribute all or a portion of these securities from time to time through public or private transactions, at either prevailing market prices or at privately negotiated prices. See the section titled “Plan of Distribution” for details. In connection with any sales of securities offered hereunder, the Selling Securityholders, any underwriters, agents, brokers or dealers participating in such sales may be deemed to be “underwriters” within the meaning of the Securities Act of 1933, as amended, or the “Securities Act.”

The securities registered herein are identified in this prospectus as the Registered Securities. Subject to the lock-up restrictions described in this prospectus under the section titled “Plan of Distribution,” the Selling Securityholders can sell, under this prospectus, up to 62,151,365 Ordinary Shares constituting (on a post-exercise basis) approximately 38.7% of our issued and outstanding Ordinary Shares as of September 28, 2022 (assuming the exercise of all of our outstanding Warrants and the conversion of the Notes). The sales of a substantial number of Registered Securities could result in a significant decline in the public trading price of our securities and could impair our ability to raise capital through the sale or issuance of additional equity securities. We are unable to predict the effect that such sales may have on the prevailing market price of our securities.

The information contained in this prospectus is not complete and may be changed. No securities may be sold pursuant to this prospectus until the registration statement filed with the Securities and Exchange Commission with respect to such securities has been declared effective. This prospectus is not an offer to sell these securities and no offers to buy these securities are being solicited in any jurisdiction where their offer or sale is not permitted.

Despite such a decline in the public trading price, certain Selling Securityholders may still experience a positive rate of return on the Registered Securities due to the lower price that they purchased the Registered Securities compared to other public investors and may be incentivized to sell our Ordinary Shares or Warrants when others are not. For example, based on the closing price of our Ordinary Shares on October 12, 2022, the Sponsor may experience a potential profit of up to \$4.13 per share; holders of the Legacy Shares may experience a potential profit of up to \$2.03 per share; the PIPE Investors and the ESA Investors may experience a potential profit if the price of our Ordinary Shares exceeds \$10.00 per Ordinary Share; and the Sponsor and the PIPE Investors may experience a potential profit on their Warrants if the price of our Ordinary Shares exceeds \$11.50 per Ordinary Share.

We will not receive any proceeds from any sale of the Registered Securities by the Selling Securityholders. We will receive proceeds from the exercise of Warrants if the Warrants are exercised for cash. The likelihood that warrant holders will exercise the Warrants and any cash proceeds that we would receive is dependent upon the market price of our Ordinary Shares. If the market price for our Ordinary Shares is less than \$11.50 per share, we believe warrant holders will be unlikely to exercise their Warrants. We will pay the expenses associated with registering the sales by the Selling Securityholders, as described in more details in the section titled “Use of Proceeds” appearing elsewhere in this prospectus.

Our Ordinary Shares and Public Warrants are currently traded on the Nasdaq Stock Market LLC (“Nasdaq”) under the symbols “THCH” and “THCHW,” respectively. Our Ordinary Shares and Public Warrants began trading on Nasdaq on September 29, 2022. On October 12, 2022, the closing price of our Ordinary Shares on Nasdaq was \$4.13 per share, and the closing price of our Public Warrants on Nasdaq was \$0.239 per warrant.

We are an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012 and are therefore eligible to take advantage of certain reduced reporting requirements otherwise applicable to other public companies.

We are also a “foreign private issuer,” as defined in the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and are exempt from certain rules under the Exchange Act that impose certain disclosure obligations and procedural requirements for proxy solicitations under Section 14 of the Exchange Act. In addition, our officers, directors and principal shareholders are exempt from the reporting and “short-swing” profit recovery provisions under Section 16 of the Exchange Act. Moreover, we are not required to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act.

In addition, as of the date of this prospectus, Peter Yu, our Chairman and the Managing Partner of Cartesian Capital Group, LLC (“Cartesian”), indirectly owns approximately 53.4% of our outstanding Ordinary Shares through entities controlled by him. As a result, we qualify as a “controlled company” within the meaning of Nasdaq’s corporate governance standards and have the option not to comply with certain requirements to which companies that are not controlled companies are subject, including the requirement that a majority of our board of directors shall consist of independent directors and the requirement that our nominating and corporate governance committee and compensation committee shall be composed entirely of independent directors. We currently do not intend to take advantage of these exemptions. However, we cannot guarantee that this may not change going forward. In addition, four out of the nine members of our board of directors, including Peter Yu, are executives of Cartesian.

THIL is a Cayman Islands holding company that conducts its operations in mainland China through wholly owned subsidiaries. THIL is not a Chinese operating company and does not directly own any substantive business operations in mainland China. The securities registered hereby are securities of THIL, not those of its operating companies. Therefore, investors in THIL will not directly hold any equity interests in its operating companies. This holding company structure involves unique risks to investors. For example, PRC regulatory authorities could disallow this operating structure and limit or hinder THIL’s ability to conduct its business through, receive dividends from or transfer funds to the operating companies or maintain listing on a U.S. or other foreign exchange, which could cause the value of THIL’s securities to significantly decline or become worthless. In addition, THIL and its subsidiaries incorporated under the laws of the People’s Republic of China (the “PRC Subsidiaries”) face various legal and operational risks associated with doing business in China. For a detailed description of the risks related to THIL’s holding company structure and doing business in China, see “Risk Factors — Risks Related to Doing Business in China.” These risks arise from, among other things, PRC governmental authorities’ significant oversight and discretion over the business and financing activities of its PRC Subsidiaries, the complex and evolving PRC legal system, frequent changes in laws, regulations and government policies, uncertainties and inconsistencies regarding the interpretation and enforcement of laws and regulations, difficulties or delays in obtaining regulatory approvals for listing on a foreign stock exchange or conducting certain business activities and increasing oversight on cybersecurity and data privacy and potential anti-monopoly actions related to the PRC government’s recently issued statements and instituted regulatory actions. These risks could result in a material change in the operations of THIL’s PRC Subsidiaries and significantly limit or completely hinder THIL’s ability to maintain listing on a U.S. or other foreign stock exchange, to accept foreign investments and to offer or continue to offer securities to foreign investors. THIL and its PRC Subsidiaries are also subject to various restrictions on intercompany fund transfers and foreign exchange control under current PRC laws and regulations and could be subject to additional, more onerous restrictions under new PRC laws and regulations that may come into effect in the future. For example, THIL’s PRC Subsidiaries may pay dividends only out of their accumulated after-tax profits upon satisfaction of relevant statutory conditions and procedures, if any, determined in accordance with PRC accounting standards and regulations; each of the PRC Subsidiaries is required to set aside at least 10% of its after-tax profits each year, if any, to fund certain reserve funds until the total amount set aside reaches 50% of its registered capital; the PRC Subsidiaries are required to complete certain procedural requirements related to foreign exchange control in order to make dividend payments in foreign currencies; a withholding tax, at the rate of 10% or lower, is payable by the PRC Subsidiaries upon dividend remittance; approval from or registration with competent PRC government authorities is required where Renminbi is to be converted into foreign currency and remitted out of mainland China to pay capital expenses, such as the repayment of loans denominated in foreign currencies; loans by THIL to its PRC Subsidiaries to finance their operations shall not exceed certain statutory limits and must be registered with the local counterpart of the State Administration of Foreign Exchange (the “SAFE”); and any capital contribution from THIL to its PRC Subsidiaries is required to be registered with the competent PRC government authorities. Due to the existing and/or potential interventions in or the imposition of restrictions and limitations by the PRC government on the ability of THIL or its PRC Subsidiaries to transfer cash and/or non-cash assets based on existing or new PRC laws and regulations, cash and/or non-cash assets located in mainland China or held by THIL’s PRC Subsidiaries, such as Tim Hortons (China) Holdings Co., Ltd.

“Tim Hortons China”) and Tim Hortons (Shanghai) Food and Beverage Management Co., Ltd., may not be available to fund THIL’s foreign currency needs or any foreign operations that THIL may have in the future or for other uses outside of mainland China, and THIL may not be able to effectively utilize the proceeds from the Business Combination (as defined and described in greater detail in this prospectus under “Prospectus Summary — Recent Developments — Business Combination”) and related financings to fund the operations or liquidity needs of its PRC Subsidiaries. For a detailed description of the restrictions and related risks, see “Summary — Corporate Structure,” “Risk Factors — Risks Related to Doing Business in China — Restrictions on our subsidiaries on paying dividends or making other payments to us under existing or new laws and regulations of the PRC and the HKSAR may restrict our ability to satisfy our liquidity requirements” and “Risk Factors — Risks Related to Doing Business in China — Foreign exchange controls may limit our ability to effectively utilize our revenues and the proceeds from the Business Combination and related financings and adversely affect the value of your investment.” Based on the experience of its management team, THIL does not believe that remittance of cash and/or non-cash assets from Hong Kong, including cash and/or non-cash assets held by TH Hong Kong International Limited (“THHK”), a wholly-owned subsidiary of THIL incorporated under the laws of the Hong Kong Special Administrative Region (the “HKSAR”), is subject to the aforementioned interventions, restrictions and limitations by the PRC government or similar interventions, restrictions or limitations from the government of the HKSAR, nor does THIL believe such interventions, restrictions and limitations will be imposed on THHK or any future Hong Kong subsidiary that THIL may have in the foreseeable future. To the extent that THIL’s cash and/or non-cash assets in Hong Kong or any cash and/or non-cash assets held by its Hong Kong Subsidiaries are subject to the aforementioned interventions, restrictions and limitations by the PRC government or the government of the HKSAR, then, as a result of such interventions, restrictions and limitations, such cash/assets may not be available to pay dividends to THIL, to fund the operations of THIL’s subsidiaries outside Hong Kong or to be used outside of Hong Kong for other purposes. As of the date of this prospectus, neither THIL nor any of its subsidiaries has made any dividends or distributions to its parent company or any investor, and there has been no transfer of capital expenses among THIL and its subsidiaries. As of the date of this prospectus, THIL has transferred an aggregate of US\$180.0 million in cash to THHK as capital injections and shareholder loans, and THHK has transferred an aggregate of US\$143.0 million in cash to Tim Hortons China, a wholly-owned PRC subsidiary of THHK, and US\$25.0 million in cash to Tim Hortons (Shanghai) Food and Beverage Management Co., Ltd., a wholly-owned PRC subsidiary of Tim Hortons China, as capital injections and shareholder loans. THIL currently does not have a specific timetable on when to settle the amounts owed within the Company and plans to distribute cash dividends after it becomes profitable. See pages F-11 and F-47 of this prospectus for additional information on the amount of cash balances held at financial institutions in mainland China, Hong Kong and the Cayman Islands as of December 31, 2020 and 2021 and June 30, 2022, respectively. Any determination to pay dividends in the future will be at the discretion of the Board. THIL does not currently have any cash management policy that dictates how funds shall be transferred between THIL and its subsidiaries, including its PRC Subsidiaries, THHK and any other non-PRC subsidiaries that it may have in the future, or among its subsidiaries.

In addition, on December 2, 2021, the SEC adopted final amendments implementing the disclosure and submission requirements under the Holding Foreign Companies Accountable Act (the “HFCAA”), pursuant to which the SEC will (i) identify an issuer as a “Commission-Identified Issuer” if the issuer has filed an annual report containing an audit report issued by a registered public accounting firm that the PCAOB has determined it is unable to inspect or investigate completely because of the position taken by the authority in the foreign jurisdiction and (ii) impose a trading prohibition on the issuer after it is identified as a Commission-Identified Issuer for three consecutive years. The Accelerating Holding Foreign Companies Accountable Act, which was passed by the U.S. Senate in June 2021, (the “AHFCAA”), if enacted, would shorten the three-consecutive-year compliance period under the HFCAA to two consecutive years and, as a result, reduce the time before the potential trading prohibition against or delisting of THIL’s securities. On December 16, 2021, the Public Company Accounting Oversight Board (the “PCAOB”) issued a report on its determination that it is unable to inspect or investigate completely PCAOB-registered public accounting firms headquartered in mainland China and Hong Kong because of positions taken by local authorities. THIL’s auditors, who are headquartered in mainland China, are subject to the determinations announced by the PCAOB. As a result, the PCAOB has been and currently is unable to inspect THIL’s auditors. On August 26, 2022, the PCAOB announced that it had signed a Statement of Protocol (the “Protocol”) with the China Securities Regulatory Commission and the Ministry of Finance of China. The terms of the Protocol would grant the PCAOB complete access to audit work papers and other information so that it may inspect and investigate PCAOB-registered accounting firms headquartered in mainland China and Hong Kong. However, it is uncertain whether and how the Protocol will be implemented and whether THIL’s auditors will be able to fully cooperate with the PCAOB’s request for audit workpapers without the approval of the Chinese authorities. The fact that the PCAOB has been and currently is unable to inspect THIL’s auditors could deprive investors of the benefits of such inspections and cause THIL’s securities to be delisted under the HFCAA and the AHFCAA. The delisting of THIL’s securities, or the threat of such securities being delisted, may materially and adversely affect the value of your investment. For a detailed description of the related risks, see “Risk Factors — Risks Related to Doing Business in China — The PCAOB has been and currently is unable to inspect our auditor. Our securities may be delisted under the HFCAA if the PCAOB is unable to inspect our auditors for three consecutive years after we are identified by the SEC as a Commission-Identified Issuer, or two consecutive years if the AHFCAA is enacted. The delisting of our securities, or the threat of our securities being delisted, may materially and adversely affect the value of your investment. Additionally, the inability of the PCAOB to conduct inspections deprives investors of the benefits of such inspections.”

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Registered Securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

Investing in our securities involves a high degree of risk. Before buying any of our securities, you should carefully read the discussion of material risks of investing in such securities under “Risk Factors” beginning on page 26 of this prospectus.

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ABOUT THIS PROSPECTUS

You should rely only on the information contained or incorporated by reference in this prospectus or any supplement. Neither we nor any of the Selling Securityholders has authorized anyone to provide you with different or additional information, other than that contained in this prospectus or in any free writing prospectus prepared by or on behalf of us or to which we may have referred you, and neither we nor any of the Selling Securityholders takes any responsibility for, or provide any assurance as to the reliability of, any other information that others may give you. We may also provide a prospectus supplement or post-effective amendment to the registration statement to add information to, or update or change information contained in, this prospectus. You should not assume that the information in this prospectus or any supplement is accurate as of any date other than the date on the front of each document. Our business, financial condition, results of operations and prospects may have changed since that date. You should read both this prospectus and any applicable prospectus supplement or post-effective amendment to the registration statement together with the additional information to which we refer you in the sections of this prospectus entitled “Where You Can Find More Information.”

The securities offered by this prospectus are being offered only in jurisdictions where the offer is permitted. Neither we nor any of the Selling Securityholders is making an offer to sell the Registered Securities in any jurisdiction where the offer or sale thereof is not permitted, nor have we or the Selling Securityholders taken any action to permit the possession or distribution of this prospectus in any jurisdiction other than the United States where action for that purpose is required. Persons outside the United States who come into possession of this prospectus must inform themselves about and observe any restrictions relating to the Registered Securities and the distribution of this prospectus outside the United States.

MARKET, INDUSTRY AND OTHER DATA

This prospectus contains estimates, projections and other information concerning the industry in which THIL's subsidiaries operate, including market size and growth of the markets in which it participates, that are based on industry publications and reports and forecasts prepared by its management. In some cases, THIL does not expressly refer to the sources from which these estimates and information are derived. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to these estimates. THIL has not independently verified the accuracy or completeness of the data contained in these industry publications and reports. The industry in which THIL's subsidiaries operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the section titled "Risk Factors." These and other factors could cause results to differ materially from those expressed in these publications and reports.

The sources of certain statistical data, estimates, and forecasts contained in this prospectus include independent industry reports from Global Market Trajectory & Analytics and the Department of Agriculture Foreign Agricultural Service.

Certain estimates of market opportunity, including internal estimates of the addressable market for THIL's subsidiaries and forecasts of market growth, included in this prospectus, may prove inaccurate. Market opportunity estimates and growth forecasts, whether obtained from third-party sources or developed internally, are subject to significant uncertainty and are based on assumptions and estimates that may prove to be inaccurate. The estimates and forecasts in this prospectus relating to the size of THIL's target market, market demand and adoption, capacity to address this demand, and pricing may prove to be inaccurate. The addressable market THIL estimates may not materialize for many years, if ever, and even if the markets in which it competes meet the size estimates in this prospectus, THIL could fail to successfully address or compete in such markets, if at all.

Certain monetary amounts, percentages and other figures included in this prospectus have been subject to rounding adjustments. Certain other amounts that appear in this prospectus may not sum due to rounding.

STATEMENT REGARDING TIM HORTONS

TIM HORTONS® is a registered trademark of Tim Hortons Restaurants International GmbH (“THRI”), a subsidiary of Restaurant Brands International Inc. (“RBI”). The offering of the Registered Securities has not been endorsed by RBI or any its subsidiaries, affiliates, officers, directors, agents, employees or advisors; other than in their capacity, as applicable, as a director of THIL. The grant of a “Tim Hortons” franchise to THIL in mainland China, Hong Kong and Macau by THRI should not be construed as an express or implied approval or endorsement of any statement regarding performance of THIL and/or its subsidiaries (financial or otherwise) in this prospectus. In making an investment decision, an investor must rely on its own examination of THIL.

The enforcement or waiver of any obligation of THIL under the applicable franchise agreements is generally a matter of the franchisor’s sole discretion. No investor should rely on any representation, assumption or belief that THRI will enforce or waive particular obligations of THIL under those agreements.

TRADEMARKS, TRADE NAMES AND SERVICE MARKS

THIL has proprietary rights to trademarks used in this prospectus that are important to its business, many of which are registered under applicable intellectual property laws. This prospectus also contains trademarks, trade names and service marks of other companies, which are the property of their respective owners. Solely for convenience, trademarks, trade names and service marks referred to in this prospectus may appear without the ®, ™ or SM symbols, but such references are not intended to indicate, in any way, that THIL will not assert, to the fullest extent permitted under applicable law, its rights or the right of the applicable licensor to these trademarks, trade names and service marks. THIL does not intend its use or display of other parties’ trademarks, trade names or service marks to imply, and such use or display should not be construed to imply, a relationship with, or endorsement or sponsorship of THIL by, any other parties.

IMPORTANT INFORMATION ABOUT EXCHANGE RATES

Certain information presented in this prospectus has been converted from Renminbi to U.S. dollars at a rate of RMB6.6981 to US\$1.00, the exchange rate set forth in the H.10 statistical release of the Federal Reserve Board on June 30, 2022. Exchange rates fluctuate, and such fluctuation can be significant.

SELECTED DEFINITIONS

“Board” means the board of directors of THIL.

“Cayman Companies Law” means the Companies Act (as amended) of the Cayman Islands.

“DataCo” means Pangaea Data Tech (Shanghai) Co., Ltd.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Hong Kong Subsidiaries” means TH Hong Kong International Limited and any other Hong Kong-incorporated subsidiary that THIL may have in the future.

“PCAOB” means the Public Company Accounting Oversight Board.

“Plan of Merger” means the plan of merger for the First Merger pursuant to which Merger Sub will be merged with and into Silver Crest, following which the separate corporate existence of Merger Sub shall cease and Silver Crest shall continue as the surviving entity.

“PRC” means the People’s Republic of China.

“PRC Subsidiaries” means Tim Hortons (China) Holdings Co., Ltd., Shanghai Donuts Enterprise Management Co., Ltd., Tim Hortons (Shanghai) Food and Beverage Management Co., Ltd., Tim Hortons (Beijing) Food and Beverage Services Co., Ltd., Tim Coffee (Shenzhen) Co., Ltd., Tim Hortons (Shenzhen) Food and Beverage Co., Ltd. and/or any other PRC-incorporated subsidiary that THIL may have in the future.

“Same-store sales growth” means the percentage change in the sales of stores that have been operating for 12 months or longer during a certain period compared to the same period from the prior year. The same-store sales growth for any period of more than a month equals to the arithmetic average of the same-store sales growth of each month covered in the period. If a store was closed for seven days or more during any given month, its sales during that month and the same month in the comparison period are excluded for purposes of measuring same-store sales growth.

“Securities Act” means the Securities Act of 1933, as amended.

“Sponsor” means Silver Crest Management LLC.

“system-wide stores” means stores owned and operated by THIL and franchise stores.

“THIL” means TH International Limited and/or its subsidiaries. All references to “THIL” with respect to business operations shall mean THIL’s PRC Subsidiaries, unless otherwise indicated.

“THIL Articles” means the second amended and restated memorandum and articles of association of THIL

“U.S. dollars”, “U.S.\$” or “\$” means the legal currency of the United States.

“U.S. GAAP” means accounting principles generally accepted in the United States of America.

SUMMARY

This summary highlights selected information from this prospectus. It may not contain all of the information that is important to you. You should carefully read the entire prospectus and the other documents referred to in this prospectus. For additional information, see “Where You Can Find More Information” on page 144. Each item in this summary refers to the page of this prospectus on which that subject is discussed in more detail.

Overview

THIL is an emerging coffee champion in China. THIL’s vision is as simple as it is ambitious: to build the premier coffee and bake shop in mainland China. Founded by affiliates of Cartesian Capital Group, LLC (“Cartesian”) and Tim Hortons Restaurants International GmbH, the owner of the Tim Hortons brand, THIL is the parent company of the master franchisee of, and holds the right to operate, Tim Hortons coffee shops in mainland China, Hong Kong and Macau. Tim Hortons, one of the largest coffee, donut, and tea restaurant chains in the world, is deeply rooted in core values of inclusivity and community. THIL opened its first coffee shop in China in February 2019 and has grown dramatically since then, selling high-quality coffee and freshly prepared food items at attractive price points through both company owned and operated stores and franchised stores. As of June 30, 2022, THIL had 440 system-wide stores across 24 cities in mainland China. As of the date of this prospectus, THIL does not have any stores outside of mainland China. In addition to its physical store network, THIL has built a rapidly expanding base of loyal customers and a robust technology infrastructure that facilitates digital ordering and supports the efficient growth of its business. In 2021, digital orders, including both delivery and mobile ordering for self pick-up, accounted for approximately 73.0% of THIL’s revenues from company owned and operated stores, representing an increase of 8.8 percentage points from approximately 64.2% in 2020. During the six months ended June 30, 2022, 77.0% of THIL’s revenues were generated from digital orders. THIL also has a popular loyalty program, which has experienced tremendous growth since its establishment in 2019, reaching 2.3 million, 6.0 million and 7.5 million as of December 31, 2020, December 31, 2021 and June 30, 2022, respectively. As of the date of this prospectus, the number of its loyalty program members has further grown to over 9.0 million. In February 2022, Tim Hortons China transferred control and possession of the personal data of THIL’s customers to Pangaea Data Tech (Shanghai) Co., Ltd. (the “DataCo”), a PRC-incorporated company, pursuant to a Business Cooperation Agreement. For a more detailed description, see the section of this prospectus titled “Business — Digital Technology and Information Systems.”

THIL provides customers with a distinctive value proposition, combining freshly prepared, high-quality and locally relevant food and beverages, priced attractively and served to its guests with an inviting customer experience. THIL’s business philosophy is anchored by four fundamental cornerstones: true local relevance, continuous innovation, genuine community, and absolute convenience, and THIL seeks to deliver these through world-class execution and data-driven decision making.

- **True local relevance:** As a global brand, THIL strives to understand and embrace what its guests like, want and need. True localization is evident in its menu, store designs and digital identity, allowing it to create familiarity and grow rapidly in the Chinese market.
- **Continuous innovation:** In China’s dynamic and demanding consumer market, THIL bolsters its strong core menu offering by continually updating its product offerings and innovating on its digital systems from customer facing elements like ordering to back-of-the-house systems like training and supply chain.
- **Genuine community:** THIL is not just about caffeine but also connections. THIL’s physical and digital spaces allow its community to interact around its products, and its loyalty club offers incentives and discounts to build the community and drive sales.
- **Absolute convenience:** THIL strives to make buying its products as simple and convenient as possible for guests. Towards this goal, THIL (i) strategically deploys three complementary store formats, namely flagship stores, classic stores and “Tims Go” stores, (ii) leverages mobile ordering to streamline the customer experience, and (iii) utilizes delivery to increase its reach and efficiency.

Building on these four cornerstones, THIL’s revenue has grown rapidly since its inception, and THIL has maintained positive adjusted store EBITDA for its company owned and operated stores for 2020, 2021

and the six months ended June 30, 2022. The fully-burdened gross profit of THIL's company owned and operated stores, the most comparable GAAP measure to adjusted store EBITDA, for 2020, 2021 and the six months ended June 30, 2022 was negative RMB46.3 million, negative RMB157.4 million (US\$23.5 million) and negative RMB148.5 million (US\$22.2 million), respectively. During the same periods, THIL's adjusted store EBITDA was RMB13.5 million, RMB27.5 million (US\$4.1 million) and negative RMB61.3 million (US\$9.2 million), respectively. For more details regarding adjusted store EBITDA, a non-GAAP financial measure, which is a key measure used by THIL's management and board of directors in evaluating THIL's operating performance and making strategic decisions regarding capital allocation, see "Management's Discussion and Analysis of Financial Condition and Results of Operations — Non-GAAP Financial Measure." THIL's revenues grew significantly from RMB57.3 million in 2019 to RMB212.1 million in 2020, and further grew to RMB643.4 million (US\$96.1 million) in 2021, and maintained a year-over-year revenue growth of over 70% in the six months ended June 30, 2022 from RMB237.3 million for the six months ended June 30, 2021 to RMB403.9 million (US\$60.3 million) for the same period in 2022. Its total costs and expenses increased from RMB148.5 million in 2019 to RMB353.3 million in 2020, and further increased to RMB1,017.8 million (US\$152.0 million) in 2021. Its total costs and expenses increased from RMB369.4 million for the six months ended June 30, 2021 to RMB703.2 million (US\$105.0 million) for the same period in 2022. Its net loss increased from RMB87.8 million in 2019 to RMB143.1 million in 2020, and further increased to RMB382.9 million (US\$57.2 million) in 2021. Its net loss increased from RMB132.8 million for the six months ended June 30, 2021 to RMB326.9 million (US\$48.8 million) for the same period in 2022.

Impact of COVID-19

THIL has demonstrated resilience and agility throughout the COVID-19 pandemic, but serious challenges endure. The COVID-19 pandemic has adversely affected THIL's store operations and the sales of affected stores since 2020, primarily as a result of temporary store closures, reduced operating hours and decreased customer traffic. In late January and February 2020, its total sales dropped by approximately 20%-30% compared to pre-COVID levels. Its total sales began to gradually recover in March 2020, almost reaching pre-COVID levels by the end of June 2020. During the first half of 2020, home delivery of its products was very strong, which partially offset the impact from COVID-19. In late 2020, THIL's dine-in business was again negatively affected for a brief period due to a moderate resurgence of COVID-19 cases. Beginning in March 2022, the outbreak of the Omicron variant of COVID-19 and the zero-COVID measures, such as lengthy city-wide lock-downs, undertaken in certain cities in which THIL's PRC subsidiaries operate (including Shanghai, where we have the highest number of stores), have caused significant disruptions to the operations of THIL's PRC Subsidiaries in these cities, such as temporary closure of certain stores as a result of the lock-downs imposed in these cities, restrictions on delivery services in locked-down areas, shortage of production, service and delivery staff, slower pace of store network expansion, and volatility in the supply and price of raw materials and intermediary products. During this period, THIL continued to offer home-delivery services through group buying and e-commerce sales to the extent permitted, which mitigated the impact of the disruptions to some extent and enabled us to further expand our customer base. In addition, the COVID-19 pandemic has had an adverse impact on the global and local supply chain. For a more detailed discussion, see "— Inflation and Supply Chain Impacts." Despite the challenges posed by COVID-19, its disruptive impact on other retail groups also provided an opportunity to access many attractive sites and expand rapidly. Overall, THIL believes that the impact of COVID-19 on its business is manageable. The revenues of THIL's company owned and operated stores have continued to grow on a year-over-year basis since 2020, and the same-store sales growth of its company owned and operated stores was 7.4%, 15.7% and 0.7% in 2020, 2021 and the six months ended June 30, 2022, respectively. As the pandemic continues to rapidly evolve in China around the world, with several new COVID-19 variants continuing to be discovered, THIL is continuously assessing the impact of COVID-19 on its business operations and financial condition. While the rate of THIL's same-store sales growth may continue to be adversely impacted by the COVID-19 pandemic and related public health measures, such as lock-downs, until such measures are largely relaxed or lifted, it cannot anticipate with certainty the length or severity of such impact. As of the date of this prospectus, the lock-downs in Shanghai and certain other cities in mainland China have eased to a substantial degree.

Inflation and Supply Chain Impacts

In addition to the COVID-19 pandemic and related control measures, rising inflation, geopolitical conflicts, including the recent war in Ukraine, and the related supply chain disruptions have also had a direct or indirect impact on THIL's business, customer base, results of operations, profit margins and outlook.

Increases in the inflation rate of prices of commodities that are inputs to THIL's products and services, such as agricultural and energy commodities, have led to higher raw material, fuel, freight, warehousing and labor costs and operating expenses. The unit purchase prices of THIL's regionally sourced raw materials and other products, such as dairy, bakery and food ingredients and packing materials, have remained relatively stable, while the unit price of THIL's coffee beans has continued to increase since its inception and was approximately 16.6% higher in January 2022 than January 2021. THIL has also enjoyed favorable discounts as its store network and procurement volume continue to grow. THIL anticipates that the average unit price of imported coffee beans will continue to increase in the foreseeable future and that continued inflationary pressure will continue to pressure its margins. Increased inflation rates could also cause discretionary purchases to decline and adversely affect THIL's ability to attract and retain customers and encourage customer spending. In addition, if the disposable income of THIL's customers does not increase at a similar rate as inflation does, its sales could suffer, which could materially and adversely affect its business and financial condition and cause it to have additional working capital needs. However, THIL cannot predict whether or how long these higher inflation rates will persist. For a more detailed disclosure on the related risks, see "Risk Factors — Risks Related to THIL's Business and Industry — We face risks related to the fluctuations in the cost, availability and quality of our raw materials and other products, as well as third-party data maintenance and management services, technical support and consulting services, which could adversely affect our results of operations" and "Risk Factors — Risks Related to Doing Business in China — Changes in China's economic, political or social conditions or government policies could have a material adverse effect on our business and operations."

In addition, although THIL does not have any operations outside of mainland China or any business relationships, connections to, or assets in, Russia, Belarus, or Ukraine, its business, financial condition and results of operations have been, and could continue to be, indirectly and adversely affected by the ongoing military conflict between Russia and Ukraine. Such impact arises from: (i) volatility in the global supply of wheat, corn, barley, sunflower oil and other agricultural commodities; (ii) higher food prices due to supply constraints and the general inflationary impact of the war; (iii) increases in energy prices globally, in particular for electricity and fossil fuels such as crude oil and natural gas, and related transportation, freight and warehousing costs; and (iv) disruptions to logistics and supply chains. See "Risk Factors — Risks Related to THIL's Business and Industry — We are currently operating in a period of economic uncertainty and capital markets disruption, which has been significantly impacted by geopolitical instability due to the ongoing military conflict between Russia and Ukraine. Our business, financial condition and results of operations may be materially and adversely affected by any negative impact on the global economy and capital markets resulting from the conflict in Ukraine or any other geopolitical tensions."

The impact on THIL's supply chains from rising inflation and geopolitical tensions primarily consists of: (i) higher purchase prices and fuel, freight and warehousing costs for both imported and regionally sourced raw materials and other products, (ii) delays in the manufacturing, processing and transportation of raw materials and other products; and (iii) logistics and operational disruptions. In addition, the COVID-19 pandemic has had an adverse impact on the global and local supply chain. Specifically, (i) the COVID-19 pandemic has resulted in disruptions to the operations of the supplier of THIL's coffee beans, all of which are imported from the United States, and delays in the transportation of coffee beans from the United States to China; and (ii) measures taken by the PRC government to contain the spread of COVID-19, such as lock-downs and travel restrictions, have caused temporary supply shortages or unstable supplies of certain raw materials and other products, longer lead times, and increased transportation, freight and warehousing costs during the implementation of these measures. As many of THIL's coffee condiments and pre-made products have a relatively short shelf life, the lack of availability of these products that meet THIL's or THRI's quality standards or timing requirements could have a material adverse impact on its business, financial condition and results of operations. The magnitude of such impact is difficult to predict, in part because it closely hinges on the outbreaks of COVID-19 and related measures, which are highly unpredictable.

Future interruptions or friction in THIL's supply chains, as well as anticipation of interruptions or friction, may cause it to be unable to meet customer demand, retain extra inventory and make operational plans with less precision. Each of these impacts, if THIL is affected more than its competitors, could materially and adversely affect its business, adversely impact its prices and/or margins, and cause it to have additional working capital needs.

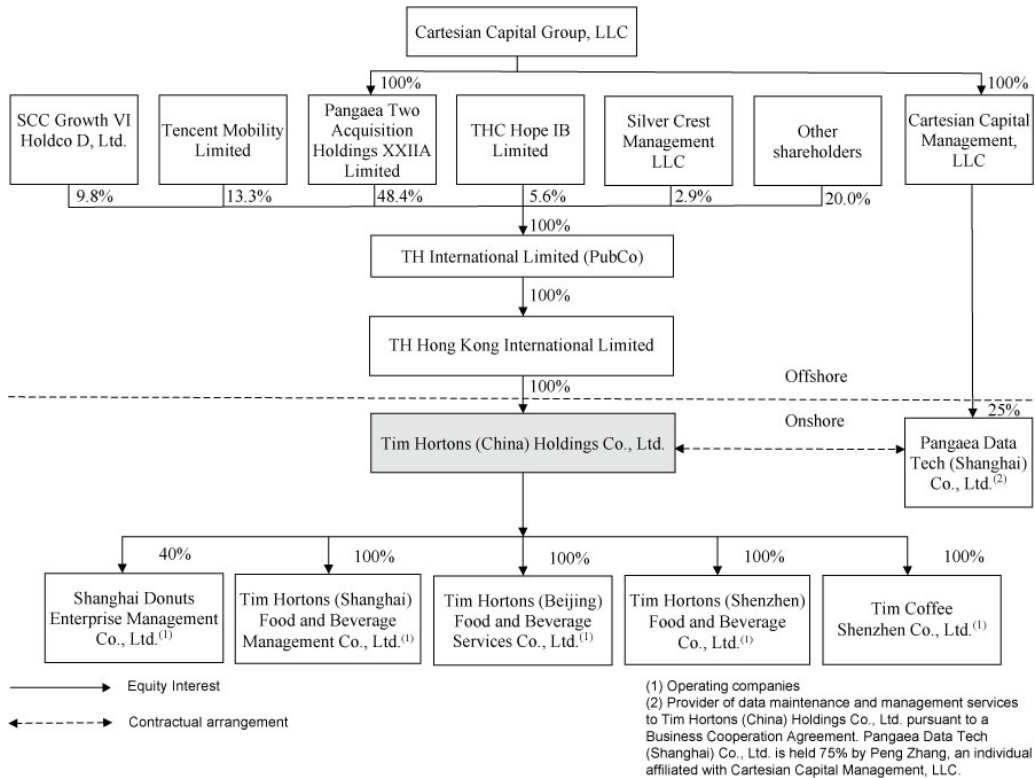
The increases in THIL's costs and expenses described above have been mitigated to some extent by its growing economies of scale and operating efficiency as it continues to expand its store network and grow its business. As a result of favorable discounts granted in connection with bulk purchases of regionally sourced food ingredients and pre-made products, the profit margins for THIL's food products have remained relatively stable.

Towards the goal of further mitigating the pressure on THIL's overall cost structure as a result of price inflation, geopolitical tensions and additional costs and expenses associated with supply chain disruptions, since January 2022, THIL has raised the list price of its beverage products, including coffees, by RMB1 to RMB2 per cup (or approximately 5-8% of the list price) and reduced the rate of its promotional discounts by 3-5%. As a result of these mitigation efforts, THIL's profit margins for these beverage products also have remained relatively stable. However, if the costs and expenses described above continue to increase, there can be no assurance that THIL can continue to increase prices to maintain its margins. Lower margins could adversely impact the profitability of THIL's business and adversely impact its share price and prospects. If the amounts THIL charges its customers increase at a rate that is either unaffordable to its customers or insufficient to compensate for the rise in its material costs and operational expenses, its business may be materially and adversely affected, its product margin may deteriorate and it may have additional working capital needs. THIL does not believe that such mitigation efforts have introduced any other new material risks, including, but not limited to, those related to product quality or reliability or regulatory approval. For a more detailed discussion of the related risks, see "Risk Factors — Risks Related to THIL's Business and Industry — If we are unable to maintain or increase prices, we may fail to maintain a positive margin." In order to mitigate the potential adverse impact of price increases on its financial condition and results of operations, THIL plans to continue to improve its operating efficiency and further strengthen its bargaining power with its suppliers through the continued expansion of its store network.

Corporate Structure

THIL is a Cayman Islands holding company that conducts its operations in mainland China through wholly owned subsidiaries and does not directly own any substantive business operations in mainland China. Therefore, investors in THIL will not directly hold any equity interests in its operating companies. This holding company structure involves unique risks to investors. For example, PRC regulatory authorities could disallow this operating structure and limit or hinder THIL's ability to conduct its business through, receive dividends from or transfer funds to its operating subsidiaries or list on a U.S. or other foreign exchange, which could cause the value of THIL's securities to significantly decline or become worthless. See "Risk Factors — Risks Related to Doing Business in China" for more details.

The following diagram illustrates THIL's corporate structure as of the date of this prospectus.



On December 2, 2021, Tim Hortons China entered into a Business Cooperation Agreement with DataCo, the terms of which are set forth below:

- Tim Hortons China will assign, convey and transfer, and shall cause its affiliates to assign, convey and transfer, to DataCo all rights, title and interests in and to (a) all personal data of customers in mainland China that is used, or held for use, in the operation of the loyalty program, (b) all intellectual property in and to such data, (c) all tangible embodiments of such data in any form and in any media and all records and documentation relating thereto, (d) copies of any of the foregoing, and (e) all other aggregated, processed or other data arising from DataCo's performance of the services under the Agreement and all intellectual property therein (collectively, "TH China Data"), which was completed in February 2022;
- DataCo will provide Tim Hortons China with various data maintenance and management services, technical support and consulting services (collectively, the "Services") in support of the operation of the loyalty program;
- In consideration for the Services, Tim Hortons China shall pay a service fee to DataCo on an annual basis (or at any time agreed by the parties), which shall be reasonably determined by DataCo based on (i) the complexity and difficulty of the Services, (ii) the seniority of and time consumed by the employees of DataCo providing the Services; (iii) the specific contents, scope and value of the Services; and (iv) the market price for services similar to the Services; and
- DataCo will grant to Tim Hortons China a non-exclusive, non-assignable, generally non-sublicensable, fully paid-up and royalty-free license to access, use, reproduce, modify and prepare derivative works based upon TH China Data, solely on an aggregated or de-identified basis and solely for purposes of the operation of the loyalty program in mainland China.

Based on the opinion of THIL's PRC counsel, Han Kun Law Offices, according to its interpretation of the currently in-effect PRC laws and regulations, THIL believes that neither THIL nor any of its PRC Subsidiaries is subject to cybersecurity review, reporting or other permission requirements by the Cyberspace Administration of China (the "CAC") under the applicable PRC cybersecurity laws and regulations with respect to this offering or the business operations of its PRC Subsidiaries, because neither THIL nor any of its PRC Subsidiaries qualifies as a critical information infrastructure operator or has conducted any data processing activities that affect or may affect national security or holds personal information of more than one million users. However, as PRC governmental authorities have significant discretion in interpreting and implementing statutory provisions and there remains significant uncertainty in the interpretation and enforcement of relevant PRC cybersecurity laws and regulations, there is no assurance that THIL or any of its PRC Subsidiaries will not be deemed to be subject to PRC cybersecurity review or that THIL or any of its PRC Subsidiaries will be able to pass such review. In addition, THIL and its PRC Subsidiaries could become subject to enhanced cybersecurity review or investigations launched by PRC regulators in the future pursuant to new laws, regulations or policies. Any failure or delay in the completion of the cybersecurity review procedures or any other non-compliance with applicable laws and regulations may result in fines, suspension of business, website closure, revocation of business licenses or other penalties, as well as reputational damage or legal proceedings or actions against THIL or its PRC Subsidiaries, which may have a material adverse effect on their business, financial condition or results of operations.

In addition, because THIL and its PRC Subsidiaries rely, and expect to continue to rely, significantly on DataCo to provide data maintenance and management services, technical support and consulting services in support of the operation of its loyalty program, any failure by DataCo to provide these services to THIL's satisfaction, whether in terms of quality or timeliness, could have a material adverse effect on the business, financial condition and results of operations of THIL and its PRC Subsidiaries. Should DataCo fail to meet THIL's expectations or unreasonably charge THIL for the services, THIL may be unable to find an alternative service provider in a timely manner, or at all, and the failure to do so could have a material adverse effect on its business, financial condition and results of operations.

THIL and its PRC Subsidiaries are subject to various restrictions on intercompany fund transfers and foreign exchange control under current PRC laws and regulations and could be subject to additional, more onerous restrictions under new PRC laws and regulations that may come into effect in the future. Due to the existing and/or potential interventions in or the imposition of restrictions and limitations detailed below by the PRC government on the ability of THIL or its PRC Subsidiaries to transfer cash and/or non-cash assets based on existing or new PRC laws and regulations, cash and/or non-cash assets located in mainland China or held by its PRC Subsidiaries, such as Tim Hortons China and Tim Hortons (Shanghai) Food and Beverage Management Co., Ltd., may not be available to fund THIL's foreign currency needs or any foreign operations that THIL may have in the future or for other uses outside of mainland China, and THIL may not be able to effectively utilize the proceeds from the Business Combination and related financings to fund the operations or liquidity needs of its PRC Subsidiaries. Based on the experience of its management team, THIL does not believe that remittance of cash and/or non-cash assets from Hong Kong, including cash and/or non-cash assets held by THHK, an intermediary holding company with no current business operations, is subject to the aforementioned interventions, restrictions and limitations by the PRC government or similar interventions, restrictions or limitations from the government of the HKSAR, nor does THIL believe such interventions, restrictions and limitations will be imposed on THHK or any future Hong Kong subsidiary that THIL may have in the foreseeable future. To the extent that THIL's cash and/or non-cash assets in Hong Kong or any cash and/or non-cash assets held by its Hong Kong Subsidiaries are subject to the aforementioned interventions, restrictions and limitations by the PRC government or the government of the HKSAR, then, as a result of such interventions, restrictions and limitations, such cash/ assets may not be available to pay dividends to THIL, to fund the operations of THIL's subsidiaries outside Hong Kong or to be used outside of Hong Kong for other purposes. THIL does not currently have any cash management policy that dictates show funds shall be transferred between THIL and its subsidiaries, including its PRC Subsidiaries, THHK and any other non-PRC subsidiaries that it may have in the future, or among its subsidiaries.

Dividends. Dividends from its subsidiaries is an important source of financing for THIL. Restrictions on THIL's PRC Subsidiaries' ability to pay dividends to an offshore entity primarily include: (i) the PRC Subsidiaries may pay dividends only out of their accumulated after-tax profits upon satisfaction of relevant

statutory conditions and procedures, if any, determined in accordance with PRC accounting standards and regulations; (ii) each of the PRC Subsidiaries is required to set aside at least 10% of its after-tax profits each year, if any, to fund certain reserve funds until the total amount set aside reaches 50% of its registered capital; (iii) the PRC Subsidiaries are required to complete certain procedural requirements related to foreign exchange control in order to make dividend payments in foreign currencies; and (iv) a withholding tax, at the rate of 10% or lower, is payable by the PRC subsidiary upon dividend remittance. Such restrictions under current PRC laws and regulations, or any new restrictions that could be imposed by new PRC laws and regulations that may come into effect in the future, could have a material and adverse effect on THIL's ability to distribute profits to its shareholders. As of the date of this prospectus, neither THIL nor any of its subsidiaries has made any dividends or distributions to its parent company or any U.S. investor. THIL is not subject to any restrictions under Cayman Islands law on dividend distribution to its shareholders and currently intends to distribute cash dividends after it becomes profitable. Any determination to pay dividends in the future will be at the discretion of the Board.

Capital expenses. Approval from or registration with competent government authorities is required where Renminbi is to be converted into foreign currency and remitted out of mainland China to pay capital expenses, such as the repayment of loans denominated in foreign currencies. As a result, THIL's PRC Subsidiaries are required to obtain approval from the State Administration of Foreign Exchange (the "SAFE") or complete certain registration process in order to use cash generated from their operations to pay off their respective debt in a currency other than Renminbi owed to entities outside mainland China, or to make other capital expenditure payments outside mainland China in a currency other than Renminbi. As of the date of this prospectus, there has been no transfer of capital expenses among THIL and its subsidiaries.

Shareholder loans and capital contributions. THIL's subsidiaries may only access the proceeds from the Business Combination through loans or capital contributions from THIL. Loans by THIL to its PRC Subsidiaries to finance their operations shall not exceed certain statutory limits and must be registered with the local counterpart of the SAFE, and any capital contribution from THIL to its PRC Subsidiaries is required to be registered with the competent PRC governmental authorities. As of the date of this prospectus, THIL has transferred an aggregate of US\$180.0 million in cash to TH Hong Kong International Limited ("THHK") as capital injections and shareholder loans, and THHK has transferred an aggregate of US\$143.0 million in cash to Tim Hortons China and US\$25.0 million in cash to Tim Hortons (Shanghai) Food and Beverage Management Co., Ltd. as capital injections and shareholder loans. See pages F-11 and F-47 of this prospectus for additional information on the amount of cash balances held at financial institutions in mainland China, Hong Kong and the Cayman Islands as of December 31, 2020 and 2021 and June 30, 2022, respectively.

THIL's registered address is at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The mailing address of THIL's principal executive office is 2501 Central Plaza, 227 Huangpi North Road, Shanghai, People's Republic of China and its telephone number is +86-021-6136-6616.

Implications of Being an Emerging Growth Company and a Foreign Private Issuer

Emerging Growth Company

THIL is an "emerging growth company," as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). As such, THIL is eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies," including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), reduced disclosure obligations regarding executive compensation in their periodic reports and proxy statements, and exemptions from the requirements of holding a non-binding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. If some investors find THIL's securities less attractive as a result, there may be a less active trading market for its securities and the prices of its securities may be more volatile.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. THIL does not intend to opt out of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, THIL, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of THIL's financial statements with certain other public companies difficult or impossible because of the potential differences in accounting standards used.

THIL will remain an emerging growth company until the earlier of: (i) the last day of the fiscal year in which it has a total annual gross revenue of at least \$1.07 billion or is deemed to be a large accelerated filer, which means the market value of its common equity that is held by non-affiliates exceeds \$700 million as of the last business day of its most recently completed second fiscal quarter; and (ii) the date on which it has issued more than \$1.00 billion in non-convertible debt securities during the prior three-year period. References herein to "emerging growth company" have the meaning associated with it in the JOBS Act.

Foreign Private Issuer

THIL is a foreign private issuer within the meaning of the rules under the Exchange Act and, as such, THIL is permitted to follow the corporate governance practices of its home country, the Cayman Islands, in lieu of the corporate governance standards of Nasdaq applicable to U.S. domestic companies. For example, THIL is not required to have a majority of the Board consisting of independent directors nor have a compensation committee or a nominating and corporate governance committee consisting entirely of independent directors. THIL intends to continue to follow its home country's corporate governance practices as long as it remains a foreign private issuer. As a result, THIL's shareholders may not have the same protection afforded to shareholders of U.S. domestic companies that are subject to Nasdaq corporate governance requirements. As a foreign private issuer, THIL is also subject to reduced disclosure requirements and are exempt from certain provisions of the U.S. securities rules and regulations applicable to U.S. domestic issuers such as the rules regulating solicitation of proxies and certain insider reporting and short-swing profit rules.

Controlled Company

As of the date of this prospectus, Peter Yu, THIL's Chairman and the Managing Partner of Cartesian, indirectly owns approximately 53.4% of THIL's outstanding Ordinary Shares through entities controlled by him. As a result of Peter Yu's majority ownership and voting power, which would give him the ability to control the outcome of certain matters submitted to our shareholders for approval, including the appointment or removal of directors (subject to certain limitations described elsewhere in this registration statement), THIL qualifies as a "controlled company" within the meaning of Nasdaq's corporate governance standards and has the option not to comply with certain requirements to which companies that are not controlled companies are subject, including the requirement that a majority of its board of directors shall consist of independent directors and the requirement that its nominating and corporate governance committee and compensation committee shall be composed entirely of independent directors. THIL currently does not intend to take advantage of these exemptions. However, THIL cannot guarantee that this may not change going forward. In addition, four out of the nine members of the Board, including Peter Yu, are executives of Cartesian. For more details on related risks, see "Risk Factors — Risks Related to THIL's Securities and this Offering — We are a "controlled company" within the meaning of Nasdaq corporate governance rules, which could exempt us from certain corporate governance requirements that provide protection to shareholders of companies that are not controlled companies."

Recent Development

On September 28, 2022, THIL consummated the previously announced business combination (the "Business Combination") with Silver Crest, pursuant to that certain the Agreement and Plan of Merger

(the “Merger Agreement”), dated as of August 13, 2021, by and among Silver Crest, THIL, and Miami Swan Ltd, a Cayman Islands exempted company and a wholly-owned subsidiary of THIL (“Merger Sub”), as amended by Amendment No. 1 to the Agreement and Plan of Merger, dated as of January 30, 2022, Amendment No. 2 to the Agreement and Plan of Merger, dated March 9, 2022, Amendment No. 3 to the Agreement and Plan of Merger, dated as of June 27, 2022, and Amendment No. 4 to the Agreement and Plan of Merger, dated as of August 30, 2022, in each case by and among Silver Crest, THIL and Merger Sub.

Pursuant to the Merger Agreement, Merger Sub merged with and into Silver Crest (the “First Merger”), with Silver Crest surviving the First Merger as a wholly owned subsidiary of THIL (the “Surviving Entity”). Immediately following the consummation of the First Merger, the Surviving Entity merged with and into THIL (the “Second Merger”), with THIL surviving the Second Merger. As a result, the shareholders of Silver Crest became shareholders of THIL.

Immediately prior to the effective time of the First Merger (the “First Effective Time”), THIL effected a share split of each Ordinary Share in accordance with the terms of the Merger Agreement (the “Share Split”). Pursuant to the Merger Agreement, (i) immediately prior to the First Effective Time, each Class B ordinary share of Silver Crest, par value \$0.0001 per share (“Silver Crest Class B Shares”), outstanding immediately prior to the First Effective Time was automatically converted into one Class A ordinary share of Silver Crest, par value \$0.0001 per share (“Silver Crest Class A Shares”) and, after giving effect to such automatic conversion, at the First Effective Time and as a result of the First Merger, each Silver Crest Class A Share outstanding immediately prior to the First Effective Time was automatically converted into the right of the holder thereof to receive one Ordinary Share, after giving effect to the Share Split; (ii) each issued and outstanding warrant to purchase Silver Crest Class A Shares was assumed by THIL and converted into a corresponding warrant to purchase Ordinary Share; and (iii) at the effective time of the Second Merger (the “Second Effective Time”) and as a result of the Second Merger, each ordinary share of the Surviving Entity issued and outstanding immediately prior to the Second Effective Time (all such ordinary shares being held by THIL) was automatically cancelled and extinguished without any conversion thereof or payment therefor.

Regulatory Matters

Substantially all of THIL’s revenue is derived from the operations of its PRC Subsidiaries in mainland China. THIL and its PRC Subsidiaries are subject to PRC laws relating to, among others, restrictions over foreign investments and data security. The PRC government has been seeking to exert more control and impose more restrictions on companies based in mainland China raising capital offshore and such efforts may continue or intensify in the future. The PRC government’s exertion of more control over offerings conducted overseas and/or foreign investment in issuers based in mainland China could result in a material change in the operations of THIL’s PRC Subsidiaries, significantly limit or completely hinder THIL’s ability to offer or continue to offer securities to investors, and cause the value of THIL’s securities to significantly decline or be worthless. Based on the opinion of THIL’s PRC counsel, Han Kun Law Offices, according to its interpretation of the currently in-effect PRC laws and regulations, THIL believes that the issuance of THIL’s securities to foreign investors does not require permission or approval from any PRC governmental authority. However, as PRC governmental authorities have significant discretion in interpreting and implementing statutory provisions, there is no assurance that such approval or permission will not be required under existing PRC laws, regulations or policies if the relevant PRC governmental authorities take a contrary position or adopt new interpretations, or under any new laws or regulations that may be promulgated in the future. Below is a summary of potential PRC laws and regulations that, in the opinion of Han Kun Law Offices according to its interpretation of the currently in-effect PRC laws and regulations, could be interpreted by the in-charge PRC government authorities, namely, the China Securities Regulatory Commission (the “CSRC”), the CAC and their enforcement agencies, to require THIL to obtain permission or approval in order to issue securities to foreign investors. Based on the experience of THIL’s management team, THIL does not believe that any permission or approval is required under any laws or regulations of the HKSAR for it to issue securities to non-PRC investors or for any of its PRC Subsidiaries to conduct their business operations in mainland China. However, there is no assurance that such approval or permission will not be required under HKSAR laws, regulations or policies if the relevant HKSAR governmental authorities take a contrary position, nor can THIL predict whether or how long it will take to obtain such approval.

The Regulations on Mergers and Acquisitions of Domestic Companies by Foreign Investors adopted by six PRC regulatory agencies, including the Ministry of Commerce of the PRC (the “MOFCOM”), the State-Owned Assets Supervision and Administration Commission, the State Administration of Taxation, the State Administration for Industry and Commerce, currently known as the PRC State Administration for Market Regulation (the “SAMR”), the CSRC, and the SAFE in 2006 and amended in 2009, as well as some other regulations and rules concerning mergers and acquisitions (collectively, the “M&A Rules”) include provisions that purport to require that an offshore special purpose vehicle that is controlled by PRC domestic companies or individuals and that has been formed for the purpose of an overseas listing of securities through acquisitions of PRC domestic companies or assets to obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle’s securities on an overseas stock exchange. On September 21, 2006, the CSRC published its approval procedures for overseas listings by special purpose vehicles. However, substantial uncertainty remains regarding the scope and applicability of the M&A Rules to offshore special purpose vehicles. While the application of the M&A Rules remains unclear, THIL believes, based on the advice of its PRC legal counsel and its understanding of the current PRC laws and regulations, that the CSRC approval is not required in the context of this offering because (i) its PRC Subsidiaries were established by means of direct investment, rather than by merger or acquisition, directly or indirectly, of the equity interest or assets of any “domestic company,” as defined under the M&A Rules, and (ii) the CSRC currently has not issued any definitive rule or interpretation concerning whether a transaction of the kind contemplated herein is subject to the M&A Rules. However, there can be no assurance that the relevant PRC government agencies, including the CSRC, would reach the same conclusion as THIL’s PRC legal counsel.

On December 24, 2021, the CSRC released the draft Administrative Provisions on the Offshore Listing and Securities Issuance of PRC-Based Companies and the draft Administrative Measures on the Filing of Offshore Listing and Securities Issuance of PRC-Based Companies for public comments through January 23, 2022 (collectively, the “CSRC Draft Rules”), which seek to impose certain filing requirements on issuers that intend to list or offer securities on foreign stock exchanges through direct or indirect offshore listings. Based on the opinion of THIL’s PRC counsel, Han Kun Law Offices, according to its interpretation of the currently in-effect PRC laws and regulations, THIL does not believe there will be any substantial obstacle in making the filings if it is deemed to be subject to the filing requirements, unless the relevant government authorities fail to issue any required regulatory opinions or approvals, including cybersecurity assessment review opinions. Failure to comply with the filing requirements or any other requirements under the CSRC Draft Rules (if enacted) could result in warnings, a fine ranging from RMB1 million to RMB10 million, suspension of certain business operations, orders of rectification and revocation of business license. If THIL fails to receive or maintain any requisite permission or approval from the CSRC for this offering or any future offerings, or the waiver for such permission or approval, in a timely manner, or at all, or inadvertently concludes that such permission or approval is not required, or if applicable laws, regulations or interpretations change and obligate it to obtain such permission or approvals in the future, THIL or its PRC Subsidiaries may be subject to fines and penalties (the details of which are unknown at this point), limitations on its business activities in mainland China, delay or restrictions on the contribution of the proceeds from the Business Combination into the PRC, or other sanctions that could have a material adverse effect on its business, financial condition, results of operations, reputation and prospects. The CSRC may also take actions requiring THIL, or making it advisable for THIL, to halt future offerings of THIL’s securities to foreign investors. For a more detailed analysis, see “Risk Factors — Risks Related to Doing Business in China — The approval and/or other requirements of Chinese governmental authorities may be required in connection with this offering or our future issuance of securities to foreign investors under PRC laws, regulations or policies.”

Furthermore, in April 2020, the PRC government promulgated the Cybersecurity Review Measures (the “2020 Cybersecurity Review Measures”), which came into effect on June 1, 2020. On November 14, 2021, the CAC released the draft Administrative Regulation on Network Data Security for public comments through December 13, 2021 (the “Draft Administrative Regulation”). Under the Draft Administrative Regulation, (i) data processors (i.e., individuals and organizations who can decide on the purpose and method of their data processing activities at their own discretion) that process personal information of more than one million individuals shall apply for cybersecurity review before listing in a foreign country; (ii) foreign-listed data processors shall carry out annual data security evaluation and submit the evaluation report to the municipal cyberspace administration authority; and (iii) where a data processor undergoes merger,

reorganization and subdivision that involves important data and personal information of more than one million individuals, the recipient of the data shall report the transaction to the in-charge authority at the municipal level. On December 28, 2021, the PRC government promulgated amended Cybersecurity Review Measures (the “2022 Cybersecurity Review Measures”), which came into effect and replaced the 2020 Cybersecurity Review Measures on February 15, 2022. According to the 2022 Cybersecurity Review Measures, (i) critical information infrastructure operators that purchase network products and services and internet platform operators that conduct data processing activities shall be subject to cybersecurity review in accordance with the 2022 Cybersecurity Review Measures if such activities affect or may affect national security; and (ii) internet platform operators holding personal information of more than one million users and seeking to have their securities list on a stock exchange in a foreign country shall file for cybersecurity review with the Cybersecurity Review Office. Based on the opinion of THIL’s PRC counsel, Han Kun Law Offices, according to its interpretation of the currently in-effect PRC laws and regulations, THIL believes that neither THIL nor any of its PRC Subsidiaries is subject to cybersecurity review, reporting or other permission requirements by the CAC under the applicable PRC cybersecurity laws and regulations with respect to this offering or the business operations of its PRC Subsidiaries, because neither THIL nor any of its PRC Subsidiaries qualifies as a critical information infrastructure operator or has conducted any data processing activities that affect or may affect national security or holds personal information of more than one million users. However, as PRC governmental authorities have significant discretion in interpreting and implementing statutory provisions and there remains significant uncertainty in the interpretation and enforcement of relevant PRC cybersecurity laws and regulations, there is no assurance that THIL or any of its PRC Subsidiaries will not be deemed to be subject to PRC cybersecurity review or that THIL or any of its PRC Subsidiaries will be able to pass such review. If THIL or any of its PRC Subsidiaries fails to receive any requisite permission or approval from the CAC for its business operations, or the waiver for such permission or approval, in a timely manner, or at all, or inadvertently concludes that such permission or approval is not required, or if applicable laws, regulations or interpretations change and obligate it to obtain such permission or approvals in the future, THIL or its PRC Subsidiaries may be subject to fines, suspension of business, website closure, revocation of business licenses or other penalties, as well as reputational damage or legal proceedings or actions against THIL or its PRC Subsidiaries, which may have a material adverse effect on its business, financial condition or results of operations. In addition, THIL and its PRC Subsidiaries could become subject to enhanced cybersecurity review or investigations launched by PRC regulators in the future pursuant to new laws, regulations or policies. Any failure or delay in the completion of the cybersecurity review procedures or any other non-compliance with applicable laws and regulations may result in fines, suspension of business, website closure, revocation of business licenses or other penalties, as well as reputational damage or legal proceedings or actions against THIL or its PRC Subsidiaries, which may have a material adverse effect on their business, financial condition or results of operations. For a more detailed analysis, see “Risk Factors — Risks Related to THIL’s Business and Industry — We and our PRC Subsidiaries are subject to a variety of laws and regulations regarding cybersecurity and data protection, and any failure to comply with applicable laws and regulations could have a material adverse effect on our business, financial condition and results of operations.”

In addition, with respect to their business operations, THIL’s PRC Subsidiaries are required to maintain various approvals, licenses and permits to operate the company owned and operated stores and engage in commercial franchising activities in accordance with relevant PRC laws and regulations. In the opinion of Han Kun Law Offices according to its interpretation of the currently in-effect PRC laws and regulations, THIL’s PRC Subsidiaries are required to obtain and maintain the following approvals, licenses and permits for the operation of THIL’s company owned and operated stores: (i) business licenses issued by the local SAMR, (ii) food operation licenses issued by the competent food safety supervision and administration department, and (iii) for some stores, fire safety inspection permits from the local fire department. These approvals, licenses and permits can be obtained upon satisfactory compliance with, among other things, the applicable laws and regulations. Any PRC Subsidiary that is engaged in commercial franchising is required to (i) register as a commercial franchisor with the commerce department of the local government within fifteen days after entering into a franchise agreement with a franchisee located in mainland China for the first time; (ii) file with the in-charge authority information regarding franchise agreements entered into, withdrawn, renewed or amended each year by March 31 of the following year; and (iii) report any changes to its previously filed registration information and information on its operational resources and the geographical distribution of its franchisees’ stores in mainland China within 30 calendar days following such change.

As of June 30, 2022, out of the 419 company owned and operated stores operated by THIL's PRC Subsidiaries, seven stores had not obtained the requisite business licenses or the requisite food operation licenses, which stores represented less than 1% of THIL's total revenues for the six months ended June 30, 2022. Local governments have significant discretion in promulgating, interpreting and implementing fire safety rules and policies. As a result, there is no assurance that the fire safety inspection permit will not be required for certain company owned and operated stores that THIL believes, based on evaluations conducted by external fire safety specialists, are not required to obtain a fire safety inspection permit under existing PRC laws, regulations or policies if relevant PRC governmental authorities take a contrary position or adopt new interpretations, or under any new laws or regulations that may be promulgated in the future. Based on evaluations conducted by fire safety specialists engaged by THIL, five of THIL's company owned and operated stores have not obtained those fire safety inspection permits that THIL believes are required under the applicable laws and regulations. THIL's PRC Subsidiaries are still in the process of applying for these outstanding licenses and permits, and how soon these licenses and permits can be obtained is subject to regulatory approvals and certain other factors that are beyond their control. Failure to obtain the necessary licenses, permits and approvals could subject THIL's PRC Subsidiaries to fines, confiscation of gains derived from the stores, or the suspension of operations of the stores. Specifically, (i) for stores without a business license, the in-charge government authorities may order such stores to rectify the non-compliance and impose a fine of up to RMB100,000 for each store; (ii) for stores without a food operation license, the in-charge government authorities may confiscate the income of such stores and their food and beverage products, raw materials and equipment and impose fines based on the value of the food and beverage products of such store; and (iii) for stores that operate without the requisite fire safety inspection permit, the in-charge government authorities may order such stores to rectify the non-compliance, suspend their operations and impose a fine ranging from RMB30,000 to RMB300,000 for each store. None of THIL's PRC Subsidiaries have been denied of any of such approvals, licenses and permits for the company owned and operated stores that they operate, nor have they been subject to any fines or penalties with respect to the lack of such approvals, licenses and permits.

Tim Hortons China, the only PRC Subsidiary of THIL that is, or has been, engaged in commercial franchising, has received the requisite governmental approval to be registered as a commercial franchisor and has fulfilled its annual and ongoing reporting obligations up until March 2022, when the government reporting system was shut down due to the COVID-19 outbreak in Shanghai. In general, if a commercial franchisor fails to comply with the annual filing requirement by the filing deadline, it could be ordered by the in-charge authority to rectify the non-compliance and be subject to a fine ranging from RMB10,000 to RMB50,000. However, based on its discussions with local government officials, Tim Hortons China does not believe that it will be subject to any administrative penalty, including fines, as a result of its failure to timely file the 2021 annual report because the reporting system was closed to all local filers before the filing deadline.

THHK, a wholly-owned subsidiary of THIL incorporated under the laws of the HKSAR, does not currently have any business operations. THHK holds the requisite business license and has not been required by the HKSAR government to hold any other license, permit or approval under the laws and regulations of the HKSAR. Based on the experience of its management team, THIL does not believe that THHK is required to obtain such license, permit or approval. However, there is no assurance that the relevant HKSAR governmental authorities will not take a contrary position or that THHK can obtain such license, permit or approval, if required. If THHK fails to obtain such license, permit or approval in a timely manner, or at all, THIL's business and results of operations could be materially and adversely affected. For a more detailed analysis, see "Risk Factors — Risks Related to Doing Business in China — Any lack of requisite approvals, licenses or permits applicable to our business may have a material adverse effect on our business, financial condition and results of operations."

Summary Risk Factors

You should consider all the information contained in this prospectus in before investing in our securities. In particular, you should consider the risk factors described under "Risk Factors" beginning on page 26. Such risks include, but are not limited to:

- THIL has a limited operating history in China, which makes it difficult to predict its business, financial performance and prospects, and THIL may not be able to maintain its historical growth rates in future periods.

- THIL may not be able to successfully execute its strategies, sustain its growth or manage the increasing complexity of its business.
- Economic conditions have adversely affected, and may continue to adversely affect, consumer discretionary spending, which could negatively impact THIL's business, financial condition and results of operations.
- Uncertainties relating to the growth of China's coffee industry and food and beverage sector could adversely affect THIL's results of operations and business prospects.
- Food safety concerns and concerns about the health risk of THIL's products may have an adverse effect on its business.
- The COVID-19 pandemic has adversely affected and may from time to time adversely affect THIL's financial condition and results of operations in the future.
- If relations between China and the United States or China and Canada deteriorate, THIL's business, results of operations and financial condition could be adversely affected.
- If we are unable to maintain or increase prices, we may fail to maintain a positive margin.

In addition, THIL and its PRC Subsidiaries face various other legal and operational risks associated with doing business in China, which could result in a material change in the operations of THIL's PRC Subsidiaries, cause the value of THIL's securities to significantly decline or become worthless, and significantly limit or completely hinder its ability to accept foreign investments and offer or continue to offer securities to foreign investors. These risks include:

- The offering of THIL securities may be subject to additional disclosure requirements and review that the SEC or other regulatory authorities in the United States may adopt for companies with China-based operations, which could increase THIL's compliance costs, subject it to additional disclosure requirements, and/or suspend or terminate its future securities offerings. See "Risk Factors — Risks Related to Doing Business in China — Additional disclosure requirements to be adopted by and regulatory scrutiny from the SEC in response to risks related to companies with substantial operations in China, which could increase its compliance costs, subject it to additional disclosure requirements, and/or suspend or terminate its future securities offerings, making capital-raising more difficult."
- Regulatory developments in mainland China, in particular with respect to restrictions on companies based in mainland China raising capital offshore and the government-led cybersecurity reviews of certain companies, may lead to additional PRC regulatory review over THIL's financing and capital raising activities in the United States. The approval and/or other requirements of PRC governmental authorities, such as the CSRC and the CAC, may be required under PRC laws, regulations or policies. See "Risk Factors — Risks Related to Doing Business in China — The approval and/or other requirements of Chinese governmental authorities may be required in connection with this offering or our future issuance of securities to foreign investors under PRC laws, regulations or policies."
- PRC governmental authorities have significant oversight and discretion over the business operations of THIL's PRC Subsidiaries and may seek to intervene or influence such operations at any time that the government deems appropriate to further its regulatory, political and societal goals. In addition, the PRC governmental authorities may also exert more control over offerings that are conducted overseas and/or foreign investment in issuers based in mainland China. The PRC government's exertion of more control over offerings conducted overseas and/or foreign investment in issuers based in mainland China could result in a material change in the operations of THIL's PRC Subsidiaries, significantly limit or completely hinder THIL's ability to offer or continue to offer securities to investors, and cause the value of THIL's securities to significantly decline or be worthless. See "Risk Factors — Risks Related to Doing Business in China — PRC governmental authorities' significant oversight and discretion over our business operations could result in a material adverse change in our operations and the value of our securities."
- THIL's business, financial condition, results of operations and prospects may be influenced to a significant degree by political, economic and social conditions in China, including, among others,

overall economic growth, level of urbanization and level of per capita disposable income. See “Risk Factors — Risks Related to Doing Business in China — Changes in China’s economic, political or social conditions or government policies could have a material adverse effect on our business and operations.”

- THIL is subject to significant uncertainty and inconsistency regarding the interpretation and enforcement of many PRC laws and regulations, and these laws and regulations can change quickly with limited advance notice. See “Risk Factors — Risks Related to Doing Business in China — The business operations of our PRC Subsidiaries are subject to various PRC laws and regulations, the interpretation and enforcement of which involve significant uncertainties as the PRC legal system is evolving rapidly.”
- Due to the existing and/or potential interventions in or the imposition of restrictions and limitations by the PRC government on the ability of THIL or its PRC Subsidiaries to transfer cash and/or non-cash assets based on existing or new PRC laws and regulations, THIL’s cash and/or non-cash assets located in mainland China or held by THIL’s PRC Subsidiaries, such as Tim Hortons China and Tim Hortons (Shanghai) Food and Beverage Management Co., Ltd., may not be available to fund its foreign currency needs or any foreign operations that it may have in the future or for other uses outside of mainland China, and THIL may not be able to effectively utilize the proceeds from the Business Combination and related financings to fund the operations or liquidity needs of its PRC Subsidiaries. For example, payment of dividends by THIL’s PRC Subsidiaries is subject to various restrictions, loans by THIL to its PRC Subsidiaries to finance their operations are subject to certain statutory limits and must be registered with the local counterpart of the SAFE, and any capital contribution from THIL to its PRC Subsidiaries is required to be registered with the competent PRC governmental authorities. Based on the experience of its management team, THIL does not believe that remittance of cash and/or non-cash assets from Hong Kong, including cash and/or non-cash assets held by THHK, a wholly-owned subsidiary of THIL incorporated under the laws of the HKSAR with no current business operations, is subject to the aforementioned interventions, restrictions and limitations by the PRC government or similar interventions, restrictions or limitations from the government of the HKSAR. To the extent that THIL’s cash and/or non-cash assets in Hong Kong or any cash and/or non-cash assets held by its Hong Kong Subsidiaries are subject to the aforementioned interventions, restrictions and limitations by the PRC government or the government of the HKSAR, then, as a result of such interventions, restrictions and limitations, such cash/assets may not be available to pay dividends to THIL, to fund the operations of THIL’s subsidiaries outside Hong Kong or to be used outside of Hong Kong for other purposes. See “Risk Factors — Risks Related to Doing Business in China — Restrictions on our subsidiaries on paying dividends or making other payments to us under existing or new laws and regulations of the PRC and the HKSAR may restrict our ability to satisfy our liquidity requirements” and “Foreign exchange controls may limit our ability to effectively utilize our revenues and the proceeds from the Business Combination and related financings and adversely affect the value of your investment.”
- THIL’s auditors are headquartered in mainland China and are subject to the determinations announced by the PCAOB on December 16, 2021, which set out a list of PCAOB-registered public accounting firms headquartered in mainland China and Hong Kong that the PCAOB is unable to inspect or investigate completely because of positions taken by local authorities. As such, the PCAOB has been and currently is unable to inspect THIL’s auditors, which may cause THIL’s securities to be delisted under the HFCAA and the AHFCAA. See “Risk Factors — Risks Related to Doing Business in China — The PCAOB has been and currently is unable to inspect our auditor. Our securities may be delisted under the HFCAA if the PCAOB is unable to inspect our auditors for three consecutive years after we are identified by the SEC as a Commission-Identified Issuer, or two consecutive years if the AHFCAA is enacted. The delisting of our securities, or the threat of our securities being delisted, may materially and adversely affect the value of your investment. Additionally, the inability of the PCAOB to conduct inspections deprives investors of the benefits of such inspections.”
- THIL is a Cayman Islands holding company that conducts its operations in mainland China through wholly owned subsidiaries. A majority of THIL’s assets, its entire management team and three of its directors are based in mainland China, and one of its directors are based in Hong Kong.

Therefore, it may be difficult or costly for you to effect service of process within the U.S., enforce judgments of U.S. courts against THIL, its officers or these directors based upon the civil liability provisions of the U.S. federal securities laws or bring an original action in an appropriate foreign court to enforce liabilities against THIL, its officers or these directors or any person based upon the U.S. federal securities laws. See “Risk Factors — Risks Related to Doing Business in China — Your ability to effect service of legal process, enforce judgments or bring actions against us or certain of our officers and directors outside the U.S. will be limited and addition costs may be required.”

In addition, this offering involves a number of risks, including:

- The price of our securities may be volatile, and the value of our securities may decline.
- A market for our securities may not develop or be sustained, which would adversely affect the liquidity and price of our securities.
- If we do not meet the expectations of equity research analysts, if they do not publish research reports about our business or if they issue unfavorable commentary or downgrade our securities, the price of our securities could decline.
- Sales of a substantial number of our securities in the public market by the Selling Securityholders and/or by our existing securityholders could cause the price of our securities to fall.
- Future issuance of our Ordinary Shares will result in additional dilution of the percentage ownership of our shareholders and could cause our share price to fall.

THE REGISTERED SECURITIES

The summary below describes the principal terms of the offering. The "Description of Securities" section of this prospectus contains a more detailed description of our securities.

We are registering the issuance by us of up to 22,900,000 Ordinary Shares that may be issued upon exercise of Warrants at an exercise price of \$11.50 per share.

We are also registering the resale by the Selling Securityholders of up to 55,399,324 Ordinary Shares (including 5,650,000 Ordinary Shares underlying Warrants), 5,650,000 Warrants to purchase Ordinary Shares, and 6,752,041 Ordinary Shares underlying the Notes.

Any investment in the securities offered hereby is speculative and involves a high degree of risk. You should carefully consider the information set forth under "Risk Factors" on page 26 of this prospectus.

Issuance of Ordinary Shares

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| Ordinary Shares outstanding prior to exercise of all Warrants and conversion of the Notes | 148,355,092 Ordinary Shares. |
| Ordinary Shares issuable upon exercise of all Warrants | 22,900,000 Ordinary Shares. |
| Ordinary Shares issuable upon the conversion of the Notes | 6,752,041 |
| Use of proceeds | We will receive up to an aggregate of approximately \$263,350,000 from the exercise of all Warrants, assuming the exercise in full of all of the Warrants for cash. The exercise price of the Warrants is \$11.50 per share, subject to adjustment as described herein, and the closing price of our Ordinary Shares on Nasdaq on October 12, 2022 was \$4.13 per share. The likelihood that warrant holders will exercise the Warrants and any cash proceeds that we would receive is dependent upon the market price of our Ordinary Shares. If the market price for our Ordinary Shares is less than \$11.50 per share, we believe warrant holders will be unlikely to exercise their Warrants. We expect to use the net proceeds from the exercise of Warrants for general corporate purposes. See the section titled "Use of Proceeds" appearing elsewhere in this prospectus for more information. |

Resale of Ordinary Shares and Warrants

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| Ordinary Shares offered by the Selling Securityholders | Up to 62,151,365 Ordinary Shares consisting of: <ul style="list-style-type: none"> • 35,186,824 Legacy Shares; • 4,312,500 Sponsor Shares; • 4,450,000 Ordinary Shares issuable upon the exercise of the Sponsor Warrants; • 5,050,000 PIPE Shares; • 1,200,000 Ordinary Shares issuable upon the exercise of the PIPE Warrants; • 5,000,000 ESA Shares; • 6,752,041 Conversion Shares; and • 200,000 Option Shares. |
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| Warrants offered by the Selling Securityholders | <p>Up to 5,650,000 Warrants consisting of:</p> <ul style="list-style-type: none"> • 4,450,000 Sponsor Warrants; and • 1,200,000 PIPE Warrants. |
| Offering price | The Registered Securities offered by this prospectus may be offered, sold or distributed from time to time through public or private transactions, at either prevailing market prices or at privately negotiated prices. See the section titled “Plan of Distribution.” |
| Redemption | The Sponsor Warrants and PIPE Warrants are redeemable in certain circumstances. See the section titled “Description of Securities — Warrants” for further discussion. |
| Use of proceeds | We will not receive any proceeds from the sale of the securities to be offered by the Selling Securityholders. The likelihood that warrant holders will exercise the Warrants and any cash proceeds that we would receive is dependent upon the market price of our Ordinary Shares. If the market price for our Ordinary Shares is less than \$11.50 per share, we believe warrant holders will be unlikely to exercise their Warrants. See the section titled “Use of Proceeds.” |
| Dividend policy | As of the date of this prospectus, neither THIL nor any of its subsidiaries has made any dividends or distributions to its parent company or any investor. THIL plans to distribute cash dividends after it becomes profitable. See “Dividend Policy.” |
| Earn-out shares | <p>If the trading price per share of our Ordinary Shares at any point during the trading hours of a trading day equals or exceeds \$12.50 per share for any 20 trading days within any consecutive 30 trading day period at any time commencing on or after the Closing Date and ending on or prior to the five-year anniversary of the Closing Date (the “Earn-out Expiration Date”), then the Company shall issue, as promptly as reasonably practicable following the date of the first occurrence of the foregoing, an aggregate of 7,000,000 Ordinary Shares to Pangaea Two Acquisition Holdings XXIIA Limited, Tencent Mobility Limited, SCC Growth VI Holdco D, Ltd., Eastern Bell International XXVI Limited, Pangaea Two Acquisition Holdings XXIII, Ltd., Tim Hortons Restaurants International GmbH, L&L Tomorrow Holdings Limited and Lord Winterfell Limited, pro rata to their shareholding as of October 12, 2022, provided that the share price milestone in the succeeding paragraph has been not achieved.</p> <p>If the trading price per share of our Ordinary Shares at any point during the trading hours of a trading day equals or exceeds \$15.00 per share for any 20 trading days within any consecutive 30 trading day period at any time commencing on or after the Closing Date and ending on or prior to the Earn-out Expiration Date, then the Company shall issue, as promptly as reasonably practicable following the date of the first occurrence of the foregoing, an aggregate of 7,000,000 Ordinary Shares (if the share price milestone in the preceding paragraph has been achieved), or 14,000,000 Ordinary Shares (if the share price milestone in the preceding paragraph has not been achieved), to the aforementioned shareholders pro rata to their shareholding as of October 12, 2022.</p> |

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| | <p>Such Earn-out Shares may also be issued in connection with a transfer to or acquisition by a person or entity or group of affiliated persons or entities (other than an underwriter pursuant to an offering) (whether by tender offer, merger, consolidation, division or other similar transaction), in one transaction or a series of related transactions, of the Company’s voting securities if, after such transfer or acquisition, such person, entity or group of affiliated persons or entities would beneficially own (as defined in Rule 13d-3 promulgated under the Exchange Act) more than 50% of the outstanding voting securities of the Company, provided that the per share value of the consideration to be received by our shareholders in such company sale equals or exceeds \$12.50 or \$15.00, as applicable, and certain other conditions are met.</p> |
| Lock-up agreements | <p>On August 13, 2021, we entered into the Sponsor Lock-Up Agreement with the Sponsor and the Lock-up and Support Agreement with Pangaea Two Acquisition Holdings XXIIIB Limited, Tim Hortons Restaurants International GmbH, L&L Tomorrow Holdings Limited and Lord Winterfell Limited. On October 11, 2022, Pangaea Two Acquisition Holdings XXIIIB Limited distributed all of its Ordinary Shares to its shareholders, namely, Pangaea Two Acquisition Holdings XXIIA Limited, Tencent Mobility Limited, SCC Growth VI Holdco D, Ltd. and Eastern Bell International XXVI Limited, each of which entered into a joinder agreement to the Lock-up and Support Agreement with us on the same day. On October 12, 2022, Tim Hortons Restaurants International GmbH transferred 6,191,018 Ordinary Shares to Pangaea Two Acquisition Holdings XXIII, Ltd., which entered into a joinder agreement to the Lock-up and Support Agreement with us on the same day. For a more detailed description of the lock-up restrictions, see the section titled “Plan of Distribution.”</p> |
| Vesting conditions for certain Sponsor Shares | <p>Pursuant to the Sponsor Lock-Up Agreement, 1,400,000 Ordinary Shares held by the Sponsor became unvested and subject to forfeiture upon the Closing, only to be vested again if certain share price milestones are achieved before the five-year anniversary of the Closing Date, subject to the terms and conditions contemplated by the Sponsor Lock-Up Agreement. If the trading price of our Ordinary Shares at any point during the trading hours of a trading day equals or exceeds \$12.50 per share for any 20 trading days within any consecutive 30-trading day period, 700,000 of such Ordinary Shares shall vest. If the trading price of our Ordinary Shares at any point during the trading hours of a trading day equals or exceeds \$15.00 per share for any 20 trading days within any consecutive 30-trading day period, 700,000 of such Ordinary Shares (if the \$12.50 milestone has previously been achieved) or 1,400,000 of such Ordinary Shares (if the \$12.50 milestone has not previously been achieved) shall vest.</p> |
| Market for our securities | <p>Our Ordinary Shares and Public Warrants are listed on The Nasdaq Stock Market LLC under the symbols “THCH” and “THCHW,” respectively.</p> |

SUMMARY CONSOLIDATED FINANCIAL INFORMATION

The following tables present the summary consolidated financial data of THIL. THIL prepares its consolidated financial statements in accordance with U.S. GAAP. Except for numbers in U.S. dollars, the summary consolidated statement of operations data for the years ended December 31, 2021, 2020 and 2019, the summary consolidated balance sheet data as of December 31, 2021 and 2020 and the summary consolidated statement of cash flows data for the years ended December 31, 2021, 2020 and 2019 have been derived from THIL's audited consolidated financial statements, which are included elsewhere in this prospectus. The following summary consolidated statement of operations data and statement of cash flows data for the six months ended June 30, 2021 and 2022 and summary consolidated balance sheet data as of June 30, 2022 have been derived from our unaudited consolidated financial statements included elsewhere in this prospectus. THIL's historical results for any prior period are not necessarily indicative of results expected in any future period.

The financial data set forth below should be read in conjunction with, and is qualified by reference to "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and notes thereto included elsewhere in this prospectus.

Summary Consolidated Statements of Operations Data

| | Year ended December 31, | | | | Six months ended June 30, | | |
|---|--------------------------------------|------------------|------------------|-----------------|---------------------------|------------------|-----------------|
| | 2019 | 2020 | 2021 | | 2022 | | |
| | (in thousands except per share data) | | | | | | |
| | RMB | RMB | RMB | US\$ | RMB | RMB | US\$ |
| Total revenues | 57,257 | 212,085 | 643,372 | 96,053 | 237,266 | 403,864 | 60,295 |
| Company owned and operated store costs and expenses | 76,614 | 243,731 | 755,818 | 112,841 | 273,426 | 509,749 | 76,104 |
| Costs of other revenues | 7,842 | 5,208 | 16,731 | 2,498 | 4,642 | 16,994 | 2,537 |
| Marketing expenses | 8,020 | 16,986 | 50,317 | 7,512 | 15,213 | 31,865 | 4,757 |
| General and administrative expenses | 51,067 | 79,366 | 174,963 | 26,121 | 67,040 | 113,518 | 16,948 |
| Franchise and royalty expenses | 4,727 | 8,592 | 18,800 | 2,807 | 8,330 | 14,280 | 2,132 |
| Other operating costs and expenses | 439 | 2,713 | 2,135 | 319 | 66 | 4,568 | 682 |
| Loss on disposal of property and equipment | — | — | 1,546 | 231 | 741 | 7,360 | 1,099 |
| Impairment losses of long-lived assets | — | — | 1,002 | 149 | — | 5,473 | 817 |
| Other income | (196) | (3,339) | (3,476) | (519) | (38) | (596) | (89) |
| Total costs and expenses, net | 148,513 | 353,257 | 1,017,836 | 151,959 | 369,420 | 703,211 | 104,987 |
| Operating loss | (91,256) | (141,172) | (374,464) | (55,906) | (132,154) | (299,347) | (44,691) |
| Interest income | 2,272 | 511 | 316 | 47 | 266 | 334 | 50 |
| Interest expenses | — | — | (1,902) | (284) | — | (6,018) | (898) |
| Foreign currency transaction gain / (loss) | 1,156 | (2,399) | (1,302) | (194) | (941) | (768) | (115) |
| Changes in fair value of convertible notes, excluding impact of instrument-specific credit risk | — | — | (5,577) | (833) | — | (21,078) | (3,147) |
| Loss before income taxes | (87,828) | (143,060) | (382,929) | (57,170) | (132,829) | (326,877) | (48,801) |
| Income tax expenses | — | — | — | — | — | — | — |
| Net loss | (87,828) | (143,060) | (382,929) | (57,170) | (132,829) | (326,877) | (48,801) |

| | Year ended December 31, | | | | Six months ended June 30, | | |
|--|--------------------------------------|-----------|-----------|----------|---------------------------|-----------|----------|
| | 2019 | 2020 | 2021 | | 2021 | 2022 | |
| | (in thousands except per share data) | | | | | | |
| | RMB | RMB | RMB | US\$ | RMB | RMB | US\$ |
| Less: Net Loss attributable to non-controlling interests | (174) | (1,060) | (1,208) | (180) | (447) | (2,480) | (370) |
| Net Loss attributable to shareholders of THIL | (87,654) | (142,000) | (381,721) | (56,989) | (132,382) | (324,397) | (48,431) |
| Basic and diluted loss per ordinary share | (877) | (1,416) | (3,340) | (499) | (1,183) | (2,780) | (415) |

Summary Consolidated Balance Sheet Data

| | As of December 31, | | | As of June 30, | |
|--|--------------------|-----------|---------|----------------|---------|
| | 2020 | 2021 | | 2022 | |
| | (in thousands) | | | | |
| | RMB | RMB | US\$ | RMB | US\$ |
| Total current assets | 250,893 | 585,973 | 87,483 | 503,397 | 75,155 |
| Total non-current assets | 329,467 | 698,920 | 104,346 | 734,002 | 109,584 |
| Total assets | 580,360 | 1,284,893 | 191,829 | 1,237,399 | 184,739 |
| Total current liabilities | 128,244 | 567,290 | 84,694 | 803,621 | 119,977 |
| Total non-current liabilities | 19,064 | 378,508 | 56,510 | 420,899 | 62,839 |
| Total liabilities | 147,308 | 945,798 | 141,204 | 1,224,520 | 182,816 |
| Total shareholders' equity | 433,052 | 339,095 | 50,625 | 12,879 | 1,923 |
| Total liabilities and shareholders' equity | 580,360 | 1,284,893 | 191,829 | 1,237,399 | 184,739 |

Summary Consolidated Statements of Cash Flow Data

| | Year ended December 31, | | | | Six months ended June 30, | | |
|--|-------------------------|-----------|-----------|----------|---------------------------|-----------|----------|
| | 2019 | 2020 | 2021 | | 2021 | 2022 | |
| | (in thousands) | | | | | | |
| | RMB | RMB | RMB | US\$ | RMB | RMB | US\$ |
| Net cash used in operating activities | (77,121) | (145,773) | (244,966) | (36,573) | (114,727) | (154,942) | (23,132) |
| Net cash used in investing activities | (56,095) | (144,747) | (335,277) | (50,056) | (121,236) | (180,355) | (26,926) |
| Net cash provided by financing activities | 212,802 | 221,125 | 797,997 | 119,138 | 287,470 | 226,606 | 33,831 |
| Effect of foreign currency exchange rate changes on cash | 4,730 | (16,173) | (1,791) | (267) | (1,379) | 2,988 | 446 |
| Net increase/(decrease) in cash | 84,316 | (85,568) | 215,963 | 32,242 | 50,128 | (105,703) | (15,781) |
| Cash at beginning of year/period | 176,126 | 260,442 | 174,874 | 26,108 | 174,874 | 390,837 | 58,350 |
| Cash at end of year/period | 260,442 | 174,874 | 390,837 | 58,350 | 225,002 | 285,134 | 42,569 |

Non-GAAP Financial Measure

In this prospectus, THIL has included adjusted store EBITDA, a non-GAAP financial measure, which is a key measure used by THIL's management and board of directors in evaluating its operating performance and making strategic decisions regarding capital allocation.

Adjusted store EBITDA is a measure that results from the removal of certain items to reflect what THIL's management and board of directors believe presents a clearer picture of store-level performance.

THIL believes that the exclusion of certain items in calculating adjusted store EBITDA facilitates store-level operating performance comparisons on a period-to-period basis. Accordingly, THIL believes that adjusted store EBITDA provides useful information to investors and others in understanding and evaluating THIL's operating results in the same manner as its management and board of directors.

Adjusted store EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of its results as reported under U.S. GAAP. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Non-GAAP Financial Measure."

The following table reflects the reconciliation of revenues of company owned and operated stores to adjusted store EBITDA for the periods indicated.

| | Year ended December 31, | | | Six months ended June 30, | |
|--|-------------------------|------------------|-----------------|---------------------------|-----------------|
| | 2020 | 2021 | | 2022 | |
| | (in thousands) | | | | |
| | RMB | RMB | US\$ | RMB | US\$ |
| Revenues – company owned and operated stores | 206,036 | 617,226 | 92,149 | 375,579 | 56,072 |
| Food and packaging costs – company owned and operated stores | (74,402) | (207,948) | (31,046) | (128,466) | (19,180) |
| Rental expenses – company owned and operated stores | (54,719) | (148,152) | (22,118) | (98,014) | (14,633) |
| Payroll and employee benefits – company owned and operated stores | (50,314) | (199,330) | (29,759) | (136,166) | (20,329) |
| Delivery costs – company owned and operated stores | (12,233) | (38,605) | (5,764) | (28,109) | (4,197) |
| Other operating expenses – company owned and operated stores | (52,063) | (161,783) | (24,154) | (118,994) | (17,765) |
| Franchise and royalty expenses – company owned and operated stores | (8,592) | (18,800) | (2,806) | (14,280) | (2,132) |
| Fully-burdened gross profit – company owned and operated stores | (46,287) | (157,392) | (23,498) | (148,450) | (22,164) |
| Depreciation and amortization ⁽¹⁾ | 27,838 | 74,276 | 11,089 | 64,738 | 9,666 |
| Pre-opening material and labor costs ⁽²⁾ | 19,850 | 81,109 | 12,110 | 14,312 | 2,137 |
| Pre-opening rental expenses ⁽³⁾ | 12,118 | 29,474 | 4,400 | 8,072 | 1,205 |
| Adjusted Store EBITDA | 13,519 | 27,467 | 4,101 | (61,328) | (9,156) |

Notes:

- (1) Primarily consists of depreciation related to property, equipment and store renovations and amortization of the franchise right to use the Tim Hortons brand.
- (2) Primarily consists of material costs and labor costs incurred for training purposes during the store pre-opening period.
- (3) Primarily consists of rental expenses recognized under U.S. GAAP, using straight-line recognition, during the store pre-opening period.

RISK FACTORS

You should consider carefully the risks described below and the risks described under the heading “Risk Factors” in this prospectus. In addition, you should consider the risk factors in any prospectus supplement. Such risks are not exhaustive. We may face additional risks that are presently unknown to us or that we believe to be immaterial as of the date of this prospectus. Known and unknown risks and uncertainties may significantly impact and impair our business operations.

Risks Related to THIL’s Business and Industry

We have a limited operating history in China, which makes it difficult to predict our business, financial performance and prospects, and we may not be able to maintain our historical growth rates in future periods.

We opened our first coffee shop in China in February 2019. Although, as of June 30, 2022, we had grown to 440 system-wide stores across 24 cities in mainland China, our limited operating history may not be indicative of our future growth or financial results. Our growth rates may decline for any number of possible reasons, some of which are beyond our control. This includes changes to the general and specific market conditions, such as decreased customer spending, increased competition, declining growth in China’s coffee industry or China’s food and beverage sector in general, the emergence of alternative business models, COVID-19 outbreaks and the related control measures or changes in government policies or general economic conditions. We plan to continue to expand our store network and product offerings to bring greater convenience to our customers and to increase our customer base and number of transactions. However, we may decide to slow down the pace of our store network expansion, the execution of our expansion plan is subject to uncertainty and the number of orders and items sold may not grow at the rate we expect for the reasons stated above and the other reasons disclosed in this section. In addition, under our Amended and Restated Master Development Agreement with THRI, a subsidiary of RBI, dated August 13, 2021, the monthly royalty rate for stores owned and operated by THIL’s PRC Subsidiaries (the “company owned and operated stores”) and franchise stores opened from January 1, 2021 to August 30, 2021 will be higher than the monthly royalty rate for stores opened before January 1, 2021, and the monthly royalty rate for stores opened from September 2022 to August 2023, from September 2023 to August 2024 and from September 2024 to August 2025 will be higher than the monthly royalty rate for stores opened in the immediately prior 12-month period. If our growth rates decline, investors’ perceptions of our business and prospects may be adversely affected, and the market price of our securities could decline.

We may not be able to successfully execute our strategies, sustain our growth or manage the increasing complexity of our business.

To maintain our growth, our business strategies must be effective in maintaining and strengthening customer appeal and delivering sustainable growth in guest traffic and spending. Whether these strategies can be successful depends mainly on our ability to:

- capitalize on the Tim Hortons brand and localization expertise to enhance our ability to attract and retain customers;
- contribute to the overall cultural acceptance of coffee as a daily consumption;
- continue to innovate and differentiate our products and services;
- continue to identify strong prospective sites for new store development and efficiently build stores in such areas;
- integrate and augment our technology and digital initiatives, including mobile ordering and delivery;
- continue to operate stores with high service levels, while creating efficiencies from greater scale and through innovative use of technology;
- leverage our strategic partnerships and support from investors;
- accelerate our existing strategies, including through organic growth opportunities and partnerships; and
- continue to effectively hire, train, manage and integrate new employees.

If we are delayed or unsuccessful in executing our strategies, or if our strategies do not yield the desired results, our business, financial condition and results of operations may suffer.

Economic conditions have adversely affected, and may continue to adversely affect, consumer discretionary spending, which could negatively impact our business, financial condition and results of operations.

We believe that our store sales, guest traffic and profitability are strongly correlated to consumer discretionary spending on food and beverage in general and freshly-brewed coffee in particular, which is mainly influenced by general economic conditions, unemployment levels, the availability of discretionary income and, ultimately, consumer confidence. A protracted economic slowdown, increased unemployment and underemployment of our customer base, decreased salaries and wage rates, inflation, rising interest rates or other industry-wide cost pressures adversely affect consumer behavior by weakening consumer confidence and decreasing consumer discretionary spending. For instance, economic growth in China has been slowing in the past few years and China's GDP growth dropped to 2.3% in 2020 due to the COVID-19 outbreak before recovering to 8.1% in 2021. Governmental or other responses to economic challenges may be unable to restore or maintain consumer confidence. As a result of these factors, we may experience reduced sales and profitability, which may cause our business, financial condition and results of operations to suffer.

We are currently operating in a period of economic uncertainty and capital markets disruption, which has been significantly impacted by geopolitical instability due to the ongoing military conflict between Russia and Ukraine. Our business, financial condition and results of operations may be materially and adversely affected by any negative impact on the global economy and capital markets resulting from the conflict in Ukraine or any other geopolitical tensions.

The U.S. and global markets are experiencing volatility and disruption following the escalation of geopolitical tensions and the start of the military conflict between Russia and Ukraine. On February 24, 2022, a full-scale military invasion of Ukraine by Russian troops was reported, which has since caused significant volatility in commodity prices, credit and capital markets, as well as supply chain interruptions.

Although we do not have any operations outside of mainland China nor any business relationships, connections to, or assets in, Russia, Belarus, or Ukraine, our business, financial condition and results of operations have been, and could continue to be, indirectly and adversely affected by the ongoing military conflict between Russia and Ukraine. Such impact arises from: (i) volatility in the global supply of wheat, corn, barley, sunflower oil and other agricultural commodities; (ii) higher food prices due to supply constraints and the general inflationary impact of the war; (iii) increases in energy prices globally, in particular for electricity and fossil fuels such as crude oil and natural gas, and related transportation, freight and warehousing costs; and (iv) disruptions to logistics and supply chains. If the price of our products and services increases at a rate that is either unaffordable to our customers or insufficient to compensate for the rise in our costs and expenses, our business, financial condition, results of operations and prospects could be materially and adversely affected. In addition, Russian military actions and the resulting sanctions could adversely affect the global economy and financial markets and lead to increased instability and lack of liquidity in capital markets, potentially making it more difficult for us to obtain additional funds.

The extent and duration of the military action, sanctions and resulting market and supply chain disruptions are highly unpredictable but could be substantial. Any such disruptions may also magnify the impact of other risks described in this prospectus.

Uncertainties relating to the growth of China's coffee industry and food and beverage sector could adversely affect our results of operations and business prospects.

The demand for our products and our future results of operations will depend on numerous factors affecting the development of China's coffee industry and the food and beverage sector in general, many of which are beyond our control. These factors include governmental regulations and policies, investments in these industries, and the popularity and perception of coffee and foreign food in China. A decline in the popularity of coffee, especially freshly-brewed coffee, or any failure by us to adapt our strategies in response to trends in China's coffee industry and food and beverage sector in general may adversely affect our results of operations and business prospects.

Food safety concerns and concerns about the health risk of our products may have an adverse effect on our business.

Food safety is a top priority for us, and we dedicate substantial resources to ensure that our customers enjoy safe and high-quality food products. However, foodborne illnesses and other food safety issues have occurred in the food industry in the past and could occur in the future. Also, our reliance on third-party food suppliers, distributors and food delivery aggregators increases the risk that foodborne illness incidents could be caused by factors outside of our control and that multiple locations would be affected rather than a single restaurant. Any report or publicity, including through social media, linking us or one of our sub-franchisees or suppliers to instances of foodborne illness or other food safety issues, including food tampering, adulteration or contamination, could adversely affect our image and reputation as well as our sales and profits. Such occurrences at restaurants of competitors could adversely affect sales as a result of negative publicity about the industry generally. The occurrence of foodborne illnesses or food safety issues could also adversely affect the price and availability of affected ingredients, which could result in disruptions in our supply chain, significantly increase costs and/or lower margins for us and our sub-franchisees.

In addition, there is increasing consumer awareness of, and increased media coverage on, the alleged adverse health impacts of consumption of various food products in China. Some of our products contain caffeine, dairy products, fats, sugar and other compounds and allergens, the health effects of which are the subject of public scrutiny, including the suggestion that excessive consumption of caffeine, dairy products, sugar and other compounds can lead to a variety of adverse health effects. An unfavorable report on the health effects of caffeine or other compounds present in our products, or negative publicity or litigation arising from other health risks such as obesity, could significantly reduce the demand for our beverages and food products. Additionally, there may be new laws and regulations that could impact the ingredients and nutritional content of our menu offerings, or laws and regulations requiring us to disclose the nutritional content of our food offerings. A decrease in customer traffic as a result of these health concerns or negative publicity could materially and adversely affect our image and our business.

The COVID-19 pandemic has adversely affected and may from time to time adversely affect our financial condition and results of operations in the future.

A novel coronavirus, known as SARS-CoV-2, causes COVID-19. COVID-19 was first reported in December 2019 and was subsequently declared a pandemic by the World Health Organization in March 2020. In recent years, the pandemic continues to rapidly evolve around the world, with several new COVID-19 variants discovered. The COVID-19 pandemic has adversely affected our store operations and the sales of affected stores since 2020, primarily as a result of temporary store closures, reduced operating hours and decreased customer traffic. In late January and February 2020, our total sales dropped by approximately 20% — 30% compared to pre-COVID levels. In late 2020, our dine-in business was again negatively affected for a brief period due to a moderate resurgence of COVID-19 cases. Beginning in March 2022, the outbreak of the Omicron variant of COVID-19 and the zero-COVID measures, such as lengthy city-wide lock-downs, undertaken in certain cities in which our PRC Subsidiaries operate (including Shanghai, where we have the highest number of stores), have caused significant disruptions to our operations in these cities, such as temporary closure of certain stores as a result of the lock-downs imposed in these cities, restrictions on delivery services in locked-down areas, shortage of production, service and delivery staff, slower pace of store network expansion, and volatility in the supply and price of raw materials and intermediary products. See “— We face risks related to the fluctuations in the cost, availability and quality of our raw materials and pre-made products, as well as third-party data maintenance and management services, technical support and consulting services, which could adversely affect our results of operations.” Concerns about the transmission of COVID-19 and mandates or orders from government authorities could continue to affect consumer behaviors, such as less time spent commuting or outside the home, leading to fewer store visits and more food and beverage prepared and consumed at home. In addition, the COVID-19 pandemic has had an adverse impact on the global and local supply chain, including the availability and costs of certain raw materials, such as imported coffee beans.

We expect that our operations will continue to be impacted by the effects of the COVID-19 pandemic, including lock-downs in the cities in which our PRC Subsidiaries operate, the disruption of customer routines, changes to employer “work-from-home” policies, reduced business and recreational travel, and changes in

consumer behavior and the ability or willingness to spend discretionary income on our products. The COVID-19 pandemic could fundamentally impact the way our PRC Subsidiaries work and the products and services that they provide. The extent to which our operations continue to be impacted by the COVID-19 pandemic will depend largely on future developments, including, but not limited to, the resurgence and further spread of COVID-19 cases, the actions taken by government authorities to mitigate the spread, the effectiveness of those efforts, and the availability and effectiveness of vaccines, which are highly uncertain and cannot be accurately predicted. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this “Risk Factors” section.

If we fail to grow our customer base or are unable to encourage customers to make repeat purchases in a cost-effective manner, our business, financial condition and results of operations may be materially and adversely affected.

Our continued success depends on our ability to cost-effectively attract and retain customers. We have invested, and plan to continue to invest, significantly in branding, sales and marketing to acquire and retain customers since our inception. There can be no assurance that customers will stay with us or that the revenues from first-time customers will ultimately exceed the cost of acquiring these customers. In addition, if we reduce or discontinue our current promotions, if our existing customers no longer find our products appealing or if our competitors offer more attractive products, prices or discounts or better customer service, our sales could suffer. If we are unable to grow our customer base or encourage customers to make repeat purchases in a cost-effective manner, our revenues may decrease, and our results of operations will be adversely affected.

If we do not successfully develop new products or product extensions or otherwise enhance customer experience, our business could suffer.

New product development is a key driver of our long-term success. Our revenues are heavily influenced by our ability to develop and launch new and innovative products that are well received by consumers. We have devoted significant resources to launching and promoting new products from time to time, such as new coffee flavors and localized non-coffee beverages and food items, to serve a broader customer base and adapt to changes in market trends and shifts in customer tastes and preferences. However, our PRC Subsidiaries may not be successful in developing innovative new products, and our new products may not be favored by customers or commercially successful. To the extent that our PRC Subsidiaries are not able to respond to changes in consumer taste and preferences in a timely manner and successfully identify, develop and promote new or improved products, our business, financial condition and results of operations may be materially and adversely affected.

Our PRC Subsidiaries may not be able to operate our stores in the manner consistent with the procedures, requirements or standards set by our franchise agreements with THRI, which in turn could materially and adversely affect our business, financial condition and results of operations.

Our Amended and Restated Master Development Agreement, as amended (the “A&R MDA”) and our amended and restated company franchise agreement with THRI, among other things, set forth the procedures, requirements or standards for our store operations, including food safety, sanitation and workplace safety standards, and the obligations of THIL, its subsidiaries and all entities controlled by THIL. Our PRC Subsidiaries may not be able to successfully operate each of our stores in a manner consistent with such procedures, requirements or standards, or fulfill our obligations under such agreements, including with respect to store opening targets and quality control, and we may not be able to timely identify and rectify such issues, if at all. We also cannot assure you that we will be able to extend the term of the A&R MDA after the current term expires or that THRI will not unilaterally terminate the A&R MDA pursuant to its terms before the current term expires. If any of the foregoing were to occur, our business, financial condition and results of operations could be materially and adversely affected.

A failure by THRI, or us to assist THRI, in protecting the intellectual property rights critical to our success could adversely affect our business, financial condition and results of operations.

Our business depends in part on consumers’ perception of the strength of the Tim Hortons brand. Under the terms of the A&R MDA, we are required to assist THRI with protecting its intellectual property

rights in the territories in which we operate. Nevertheless, any failure by THRI, or us to assist THRI, in protecting its intellectual property rights in the territories in which we operate or elsewhere could harm the brand image of Tim Hortons, which could adversely affect our competitive position, our business, financial condition and our results of operations.

Third parties may knowingly or unknowingly infringe, misappropriate or otherwise violate intellectual property rights critical to our success and competitive position despite efforts to prevent such infringement and may challenge such intellectual property rights before a judicial or administrative body. Litigation, which could result in substantial costs and diversion of our resources, may be necessary to enforce such intellectual property rights and protect our proprietary information. However, the interpretation and implementation of laws and regulations governing intellectual property rights in mainland China are still evolving and involve a significant degree of uncertainty. If litigation were to be pursued to assert or demand intellectual property or proprietary rights, an adverse decision could limit the value of such intellectual property or proprietary rights, while a favorable decision may not necessarily be successfully enforced or award adequate damages. As such, it may not be possible for THRI or us to timely and adequately protect the intellectual property rights critical to our success and competitive position, if at all, which could weaken our competitive advantage, harm our image and materially and adversely impact our business, financial condition and results of operations.

Our franchise business model presents a number of risks. Our results are affected by the success of independent sub-franchisees, over which we have limited control.

We have 21 franchise stores as of June 30, 2022, all of which are operated by independent operators with whom Tim Hortons China entered into franchise agreements. Under these franchise agreements, Tim Hortons China will receive monthly payments from the sub-franchisees, which are a percentage of the sub-franchised restaurant's gross sales. In 2019, 2020, 2021 and the six months ended June 30, 2022, revenue attributable to such sub-franchisees accounted for approximately 0.7%, 0.4%, 0.3% and 0.5% of our total revenues, respectively. Our future prospects depend on (i) our ability to attract new sub-franchisees that meet our criteria and (ii) the willingness and ability of sub-franchisees to open stores in existing and new markets. We may be unable to identify sub-franchisees who meet our criteria, or if we identify such sub-franchisees, they may not successfully implement their expansion plans. Furthermore, sub-franchisees may not be willing or able to renew their franchise agreements with us due to low sales volumes, high real estate costs or regulatory issues. If our sub-franchisees fail to renew their franchise agreements, our revenues attributable to such sub-franchisees may decrease, which in turn could materially and adversely affect our business and operating results.

We have limited influence over sub-franchisees and the enforcement of sub-franchise obligations under our agreements with them may be limited due to bankruptcy or insolvency proceedings. While Tim Hortons China has the right to mandate certain strategic initiatives under the franchise agreements, we will need the active support of our sub-franchisees if the implementation of these initiatives is to be successful. The failure of these sub-franchisees to support our marketing programs and strategic initiatives could adversely affect our ability to implement our business strategy and could materially harm our business, results of operations and financial condition. In addition, our sub-franchisees are contractually obliged to operate restaurants in accordance with certain operating procedures and transact only with approved suppliers, distributors and products. However, sub-franchisees may not successfully operate stores in a manner consistent with THRI's and our standards and requirements or standards set by applicable laws and regulations, including food handling procedures, product quality, sanitation and pest control standards. Any operational shortcoming of a sub-franchise store is likely to be attributed by guests to us, thus damaging our reputation and potentially affecting our revenues and profitability. Any lack of requisite approvals, licenses or permits applicable to our sub-franchisees' business, while will not subject us to additional legal or administrative liabilities by law, could adversely affect our reputation and results of operations. We may not be able to identify problems and take effective action quickly enough, and as a result, our image and reputation may suffer, and our franchise revenues and results of operations could decline. Challenges in obtaining specific financial and operational results from our sub-franchisees in a consistent and timely manner could also negatively impact our business, financial condition and results of operations.

Our PRC Subsidiaries or sub-franchisees may not be able to secure desirable store locations to maintain and effectively grow our store portfolios.

The success of any quick-service restaurant depends in substantial part on its location. The current locations of any of our system-wide stores may not continue to be attractive as demographic patterns change. Neighborhood or economic conditions where any of our company owned and operated stores or franchised stores are currently located could decline in the future, resulting in potentially reduced sales in those locations. Competition for restaurant locations can also be intense, and there may be delay or cancellation of new site developments by developers and landlords, which may be exacerbated by factors related to the commercial real estate or credit markets. If our PRC Subsidiaries or sub-franchisees are unable to obtain desirable locations for our restaurants at reasonable prices due to, among other things, higher-than-anticipated construction and/or development costs, difficulty negotiating leases with acceptable terms, discontinuation of our strategic collaboration with Easy Joy, onerous land-use restrictions, or challenges in securing required governmental permits, then our ability to execute our growth strategies may be adversely affected. In addition, the competition for retail premises is intense in China. Based on their size advantage and/or their greater financial resources, some of our competitors may have the ability to negotiate more favorable lease terms than we can, and some landlords and developers may offer priority or grant exclusivity to some of our competitors for desirable locations. Failure to secure desirable store locations on commercially reasonable terms, or at all, could have a material adverse effect on our business, results of operations and ability to implement our growth strategy.

Opening new stores in existing markets may negatively affect sales at our existing stores.

The target customer base of our stores varies by location, depending on a number of factors, including population density, the presence of other stores and local demographics and geography. As a result, the opening of a new restaurant in or near markets in which we already have stores could adversely affect the restaurant sales of those existing stores. Cannibalization of restaurant sales within our system may become significant in the future as we continue to expand our operations, which could adversely affect our business, financial condition or results of operations.

We face risks related to the fluctuations in the cost, availability and quality of our raw materials and pre-made products, as well as third-party data maintenance and management services, technical support and consulting services, which could adversely affect our results of operations.

The cost, availability and quality of our principal raw materials, such as imported coffee beans, locally-sourced dairy products, and pre-made food and beverage items, are critical to the operations of our stores. The market for high-quality coffee beans is particularly volatile, both in terms of price changes and available supply. In particular, the COVID-19 pandemic, rising inflation and geopolitical tensions, including the recent war in Ukraine, have had, and could continue to have, an adverse impact on the global supply chain, including the availability and costs of certain raw materials, such as imported coffee beans. For example, the unit price of coffee beans has continued to increase since our inception and was approximately 16.6% higher in January 2022 than January 2021. If the cost of raw materials and pre-made products continues to increase due to seasonal shifts, climate conditions, industry demand, changes in international commodity markets or freight and logistics market, adverse trade policies, supply or labor shortages, rising transportation costs, higher inflation and other factors, we may not be able to fully offset such higher costs through price increases, and our inability or failure to do so could harm our business, financial condition and results of operations. In addition, as many of our coffee condiments and pre-made products have a relatively short shelf life, frequent and timely supply of these products is essential to our operations. Lack of availability of these products that meet our or THRI's quality standards or timing requirements, whether due to shortages in supply, delays or interruptions in processing or transportation, failure of timely delivery or otherwise, could interrupt our operations and adversely affect our financial results.

In addition, we and our PRC Subsidiaries rely, and expect to continue to rely, significantly on DataCo to provide data maintenance and management services, technical support and consulting services in support of the operation of our loyalty program. For a more detailed description, see the section of this prospectus titled "Business — Digital Technology and Information Systems." Any failure by DataCo to provide these services to our satisfaction, whether in terms of quality or timeliness, could have a material adverse effect

on our business, financial condition and results of operations. Under our Business Cooperation Agreement with DataCo, Tim Hortons China shall pay a service fee to DataCo on an annual basis (or at any time agreed by the parties), which shall be reasonably determined by DataCo based on (i) the complexity and difficulty of the services, (ii) the seniority of and time consumed by the employees of DataCo providing the services; (iii) the specific content, scope and value of the services; and (iv) the market price for similar services. Should DataCo fail to meet our expectations or unreasonably charge us for the services, we may be unable to find an alternative service provider in a timely manner, or at all, and the failure to do so could have a material adverse effect on our business, financial condition and results of operations.

We face intense competition in China's coffee industry and food and beverage sector. Failure to compete effectively could lower our revenues, margins and market share.

The coffee industry and food and beverage sector in China are intensely competitive, including with respect to product quality, innovation, service, convenience and price, and we face significant and increasing competition in all these areas from both new and well-established quick service restaurants and coffee chains, independent local coffee shop operators, convenience stores and grocery stores. Some of our competitors have substantially greater financial resources, higher revenues and greater economies of scale than we do. These advantages may allow them to implement their operational strategies or benefit from changes in technologies more quickly or effectively than we can. Continued competition from existing competitors or potential competition from new entrants could hinder growth and adversely affect our sales and results of operations. If we are unable to maintain our competitive position, we could experience decreased demand for products, downward pressure on prices and reduced margins, and we may not be able to take advantage of new business opportunities to grow our market share.

If we are unable to maintain or increase prices, we may fail to maintain a positive margin.

We rely in part on price increases to offset cost increases and improve the profitability of our business. Our ability to maintain prices or effectively implement price increases may be affected by a number of factors, including raw material market price fluctuation, competition, effectiveness of our marketing programs, the continuing strength of our brand, market demand and general economic conditions, including inflationary pressures. In particular, in response to increased promotional activity by our competitors, we may have to increase our promotional spending, which may adversely impact our gross margins. If we are unable to maintain or increase prices for our products or must increase promotional activity, our margins could be adversely affected. Furthermore, price increases generally result in volume losses, as consumers make fewer purchases. If such losses are greater than expected or if we lose sales due to price increases, our business, financial condition and results of operations may be materially and adversely affected. In January 2022, we raised the list price of our beverage products, including coffees, by RMB1 to RMB2 per cup (or approximately 5-8% of the list price) and reduced the rate of our promotional discounts by 3-5%. However, there can be no assurance that such price increases will be able to offset increased costs and expenses resulting from rising inflation, geopolitical tensions, COVID-19 outbreaks and related control measures, and supply chain disruptions.

Our e-commerce business and use of social media may expose us to new challenges and risks and may adversely affect our business, results of operations and financial condition.

Recognizing the rise of the digital economy in China, we have built a network of e-commerce partnerships that encompass online ordering, delivery and merchandise. Customers may place takeout orders for our products through online food ordering and delivery platforms or our Weixin mini programs. In addition, we have opened a store on the Alibaba Group's Tmall online marketplace. These third-party online platforms have significant influence over how our products are displayed, reviewed and promoted and may provide our competitors with more favorable terms. As our business continues to grow, we expect to deepen our collaboration with e-commerce business partners and increase our investment in marketing, advertising and additional promotional activities in the e-commerce space. However, these relationships may expose us to new challenges and risks, divert management attention and adversely affect our business, financial condition and results of operations. If we fail to maintain or renew our agreements with third party aggregators or third party-mobile payment processors on acceptable terms, this may adversely affect our business, financial condition and results of operations. Moreover, damages, interruptions or failures in

delivery services, which may be caused by unforeseen events that are beyond our control or the control of third-party aggregators and outsourced riders, could prevent the timely or successful delivery of our products. In addition, the usage of mobile internet and adoption of mobile payment may not continue to grow as quickly as we estimate.

We also rely heavily on social media to grow our business. As we expand our product offerings, we expect to make additional investment in advertising and promotional activities through social media. If consumer sentiment towards social media changes or a new medium of communication becomes more mainstream, we may be required to fundamentally change our current marketing strategies, which could require us to incur significantly more costs. Other risks associated with the use of social media include improper disclosure of proprietary information, negative comments about the Tim Hortons brand, exposure of personally identifiable information, fraud, hoaxes or malicious distribution of false information. The inappropriate use of social media by our customers, employees or former employees could increase our costs, lead to litigation or result in negative publicity that could damage our reputation and adversely affect our results of operations. Additionally, our competitors may spend significantly more on social media marketing and advertising than we are able to at this time, and our efforts to grow our social media presence may not be as effective as we expect. If the expenses that we incur in developing our social media presence do not deliver the expected returns, our business, results of operations and financial condition may be materially and adversely affected.

Our success is dependent on the strengths and market perception of the Tim Hortons brand, and any failure to maintain, protect and strengthen the Tim Hortons brand and its reputation would hurt our business and prospects.

Our success is dependent on the strengths and market perception of the Tim Hortons brand, which is owned by THRI. We have no control over the management or operations of THRI's business or the businesses of THRI's other franchisees. If THRI were to allocate resources away from the Tim Hortons brand or were not to succeed in preserving the value and relevance of the Tim Hortons brand, or if any other THRI's franchisee acts in a way that harms the Tim Hortons brand, our business and prospects could be materially and adversely affected. Our ability to maintain, protect and strengthen the Tim Hortons brand in China also depends on a number of other factors, many of which are outside our control, including those set forth below:

- complaints or negative publicity about us, the features, safety and quality of our products, our senior management, our business partners or our business practices, even if factually incorrect or based on isolated incidents;
- negative reviews of our products or customer service on social media and crowdsourced review platforms;
- campaigns against the nutrition and health effects of coffee, tea, or sweets or negative perceptions of quick-service restaurants in general;
- illegal, negligent, reckless or otherwise inappropriate behavior by our employees, former employees, service providers or business partners;
- litigation over, or regulatory investigations into, our business; and
- any of the foregoing with respect to our competitors, to the extent such resulting negative perception affects the public's perception of our industry as a whole.

Consumer demand for our products could diminish as a result of any of the foregoing, which could have a material adverse effect on our business, financial condition and results of operations.

Changes in international trade policies and international barriers to trade, or the escalation of trade tensions, may have an adverse effect on our business.

Recent international trade disputes and political tensions, including those between China and the United States and China and Canada, and the uncertainties created by such disputes may disrupt the transnational flow of goods, harming the Chinese economy and our business. International trade and political disputes could result in tariffs and other protectionist measures that could increase our operating costs as

well as the cost of goods and products, which could affect our customer’s discretionary spending level. In addition, any escalation in existing trade tensions or the advent of a trade war, or news and rumors of the escalation of a potential trade war, could affect consumer confidence and have a material adverse effect on our business, financial condition and results of operations.

If relations between China and the United States or China and Canada deteriorate, our business, results of operations and financial condition could be adversely affected.

At various times during recent years, the United States and China and Canada and China have had significant disagreements over monetary, economic, political and social issues and future relations between the United States and China and/or Canada and China may deteriorate. Changes in political conditions and changes in the state of geopolitical relations are difficult to predict and could adversely affect our business, results of operations and financial condition. In addition, because of our extensive operations in the Chinese market and because the Tim Hortons brand has roots in, and continues to be tied to, Canada, any deterioration in political or trade relations might cause a public perception that might cause our products to become less attractive. We cannot predict the extent to which adverse changes in China-U.S. or China-Canada relations will impact our ability to access capital or effectively do business in China. See “— Risks Related to Doing Business in China — Additional disclosure requirements to be adopted by and regulatory scrutiny from the SEC in response to risks related to companies with substantial operations in China, which could increase our compliance costs, subject us to additional disclosure requirements, and/or suspend or terminate our future securities offerings, making capital-raising more difficult” for more information.

If our PRC Subsidiaries fail to manage inventory effectively, our results of operations, financial condition and liquidity may be materially and adversely affected.

Our inventories are mostly coffee beans, coffee condiments, tea leaves, tea powder and pre-made food and beverage items with short shelf life, which require our PRC Subsidiaries to manage inventory effectively. Our PRC Subsidiaries depend on demand forecasts for various kinds of raw materials and pre-made products to make purchase decisions and to manage inventory. Such demand, however, can change significantly between the time inventory is ordered and the date by which our PRC Subsidiaries hope to sell it. Demand may be affected by seasonality, new product launches, pricing and discounts, product defects, changes in customer spending patterns, changes in customer tastes and other factors, and our customers may not order products in the quantities that our PRC Subsidiaries expect. In addition, when our PRC Subsidiaries begin selling a new product, it may be difficult to establish supplier relationships, determine appropriate product selection, and accurately forecast demand. The acquisition of certain types of inventory may require significant lead time and prepayment and they may not be returnable.

Furthermore, as we plan to continue expanding our product offerings, we expect to include a wider variety of products and raw materials in our inventory, which will make it more challenging for our PRC Subsidiaries to manage inventory and logistics effectively. We cannot guarantee that our inventory levels will be able to meet the demands of customers, which may adversely affect our sales. We also cannot guarantee that all of our inventories can be consumed within their shelf lives. If our PRC Subsidiaries fail to manage inventory effectively, we may be subject to a heightened risk of inventory obsolescence, a decline in inventory value, and significant inventory write-downs or write-offs. Any of the above may materially and adversely affect our results of operations and financial condition. On the other hand, if our PRC Subsidiaries underestimate demand for the products and services they offer, or if their suppliers fail to supply quality raw materials and pre-made products in a timely manner, they may experience inventory shortages, which might result in diminished brand loyalty and lost revenues, any of which could harm our business and reputation.

Our business is subject to seasonal fluctuations and unexpected interruptions.

We experience seasonality in our business. Our PRC Subsidiaries generally experience fewer purchase orders during holiday seasons, such as the Chinese New Year holidays. Our financial condition and results of operations for future quarters may continue to fluctuate and our historical quarterly results may not be comparable to future quarters. As a result, the trading price of our securities may fluctuate from time to time due to seasonality.

In addition, we are vulnerable to natural disasters, health epidemics, and other calamities. Any of such occurrences could cause severe disruption to the business operations of us, and may even require a temporary closure of facilities and logistics delivery networks, which may disrupt the business operations of our PRC Subsidiaries and adversely affect our results of operations.

We may be subject to customer complaints, litigation, and regulatory investigations and proceedings from time to time.

We have been and expect to continue to be subject to legal and other disputes in the ordinary course of our business, including, among others, intellectual property infringement claims, allegations against us regarding food safety or personal injury issues and lawsuits involving our marketing practices and labor-related disputes. In particular, due to several high-profile incidents involving food safety and consumer complaints that have occurred in China in recent years, the PRC government, media outlets and public advocacy groups are increasingly focused on consumer protection. If claims are brought against us under consumer protection laws, including health and safety claims and product liability claims, or on other grounds, we could be subject to damages and reputational damage as well as action by regulators, which could lead to investigations and administrative proceedings, cause us to the rights to offer certain products, or require us to make changes to our store operations. Any claims against us, with or without merit, could be time-consuming and costly to defend or litigate, divert our management's attention and resources or harm our image, and even unsuccessful claims could result in the expenditure of funds and the diversion of management's time and resources and cause consumers to lose confidence in us. All of the above could have a material adverse effect on our business, financial condition and results of operations.

Illegal actions or misconduct, or any failure by our third-party suppliers, service providers and retail partners to provide satisfactory products or services could materially and adversely affect our business, reputation, financial condition and results of operations.

Satisfactory performance by our third-party suppliers, service providers and retail partners are critical to the business operations of our PRC Subsidiaries. For example, the failure of our raw material suppliers to ensure product quality, speedy delivery or compliance with applicable laws and regulations could interrupt the operations of our stores and result in supply shortfalls, impaired product quality and potential claims against us. Our PRC Subsidiaries also rely on third-party delivery services and retail partners to deliver our products to customers, which increases the risk of food tampering while in transit. Failure in providing timely and high-quality delivery services may result in customer dissatisfaction, which could also result in reduction in sales, loss of customers and damage to our image. Furthermore, guidelines issued by the SAMR and other regulatory authorities impose heightened regulatory requirements on food delivery platforms that our PRC Subsidiaries partner with, which could increase their operating costs and pricing and exacerbate the shortage of delivery drivers, especially during peak hours. In addition, under the Business Cooperation Agreement between Tim Hortons China and DataCo, DataCo is obligated to use, and require its subcontractors to use, reasonable efforts to maintain procedures designed to protect the confidentiality of the personal data of our customers and store the collected personal data in compliance with applicable PRC laws and regulations. However, given the complexity of the applicable PRC laws and regulations and the significant uncertainty with respect to their interpretation and enforcement, we cannot assure you that DataCo or its subcontractors will be able to maintain compliance with these laws and regulations at all times.

In the event that we become subject to claims arising from actions taken by our suppliers or service providers, we may attempt to seek compensation from these parties. However, the amount of such compensation may be limited. If no claim can be asserted against a supplier, service provider or retail partner, or if the amount that we claim cannot be fully recovered, we may have to bear such losses on our own, which could have a material adverse effect on our business, financial condition and results of operations.

Any lack of requisite approvals, licenses or permits applicable to our business may have a material adverse effect on our business, financial condition and results of operations.

In accordance with relevant PRC laws and regulations, our PRC Subsidiaries are required to maintain various approvals, licenses and permits to operate our company owned and operating stores and engage in commercial franchising activities. In the opinion of Han Kun Law Offices, according to its interpretation of

the currently in-effect PRC laws and regulations, our PRC Subsidiaries are required to obtain and maintain the following approvals, licenses and permits for the operation of our company owned and operated stores: (i) business licenses issued by the local SAMR, (ii) food operation licenses issued by the competent food safety supervision and administration department, and (iii) for some stores, fire safety inspection permits from the local fire department. Failure to obtain the necessary licenses, permits and approvals could subject such PRC Subsidiary to fines, confiscation of gains derived from the stores, or the suspension of operations of the stores. Specifically, (i) for stores without a business license, the in-charge government authorities may order such stores to rectify the non-compliance and impose a fine of up to RMB100,000 for each store; (ii) for stores without a food operation license, the in-charge government authorities may confiscate the income of such stores and their food and beverage products, raw materials and equipment and impose fines based on the value of the food and beverage products of such store; and (iii) for stores that operate without the requisite fire safety inspection permit, the in-charge government authorities may order such stores to rectify the non-compliance, suspend their operations and impose a fine ranging from RMB30,000 to RMB300,000 for each store. As of June 30, 2022, out of the 419 company owned and operated stores operated by our PRC Subsidiaries, seven stores had not obtained the requisite business licenses or the requisite food operation licenses, which stores represented less than 1% of our total revenues for the six months ended June 30, 2022. Local governments have significant discretion in promulgating, interpreting and implementing fire safety rules and policies. As a result, there is no assurance that the fire safety inspection permit will not be required for certain company owned and operated stores that we believe, based on evaluations conducted by external fire safety specialists, are not required to obtain a fire safety inspection permit under existing PRC laws, regulations or policies if relevant PRC governmental authorities take a contrary position or adopt new interpretations, or under any new laws or regulations that may be promulgated in the future. Based on evaluations conducted by fire safety specialists engaged by us, five of our company owned and operated stores have not obtained those fire safety inspection permits that we believe are required under the applicable laws and regulations. Our PRC Subsidiaries are still in the process of applying for these outstanding licenses and permits and how soon these licenses and permits can be obtained is subject to regulatory approvals and certain other factors that are beyond their control. There can be no assurance that our PRC Subsidiaries will be able to obtain, renew and/or convert all of the approvals, licenses and permits required for our existing business operations upon their expiration in a timely manner, and our PRC Subsidiaries may experience difficulties or failures in obtaining the necessary approvals, licenses and permits for new stores, which could adversely affect the business operations, financial condition and prospects of our PRC Subsidiaries, subject us to negative publicity and delay our store opening and expansion.

Any PRC Subsidiary that is engaged in commercial franchising is required to (i) register as a commercial franchisor with the commerce department of the local government within fifteen days after entering into a franchise agreement with a franchisee located in mainland China for the first time; (ii) file with the in-charge authority information regarding franchise agreements entered into, withdrawn, renewed or amended each year by March 31 of the following year; and (iii) report any changes to its previously filed registration information and information on its operational resources and the geographical distribution of its franchisees' stores in mainland China within 30 calendar days following such change. Failure to complete the registration in time could cause the PRC Subsidiary to be ordered by the in-charge authority to complete such registration within a designated timeframe and a fine ranging from RMB10,000 to RMB50,000 could be imposed, provided that it is able to complete the registration within the designated timeframe. If the PRC Subsidiary is unable to complete the registration within the designated timeframe, a fine ranging from RMB50,000 to RMB100,000 could be imposed and the violation could be publicly announced. If a commercial franchisor fails to comply with the annual filing requirement by the filing deadline, it could be ordered by the in-charge authority to complete such filing within a designated timeframe and be subject to a fine ranging from RMB10,000 to RMB50,000. Among the PRC Subsidiaries, only Tim Hortons China is, or has been, engaged in commercial franchising. Tim Hortons China has received the requisite governmental approval to be registered as a commercial franchisor. However, Tim Hortons China was not able to file its annual report for the year ended December 31, 2021 before the March 31, 2022 deadline because the reporting system was closed to all local filers due to the COVID-19 outbreak in Shanghai. Based on its discussions with local government officials, Tim Hortons China does not believe that it will be subject to any administrative penalty, including fines, as a result of its failure to timely file the report. However, such discussions are informal, and there can be no guarantee that no penalty would be imposed, in which case our reputation and results of operations could be adversely affected.

THHK, a wholly-owned subsidiary of ours that is incorporated under the laws of the HKSAR, does not currently have any business operations. THHK holds the requisite business license and has not been required by the HKSAR government to hold any other license, permit or approval under the laws and regulations of the HKSAR. Based on the experience of our management team, we do not believe that THHK is required to obtain such license, permit or approval. However, there is no assurance that the relevant HKSAR governmental authorities will not take a contrary position or that THHK can obtain such license, permit or approval, if required. If THHK fails to obtain such license, permit or approval in a timely manner, or at all, our business and results of operations could be materially and adversely affected.

Any significant disruption in our technology infrastructure or our failure to maintain the satisfactory performance, security and integrity of our technology infrastructure could materially and adversely affect our business, reputation, financial condition and results of operations.

As our reliance on technology has increased, so have the risks posed to our systems. Our PRC Subsidiaries rely heavily on computer systems and network infrastructure across operations. Despite our implementation of security measures, all of our technology systems are vulnerable to damage, disruption or failures due to physical theft, fire, power loss, telecommunications failure or other catastrophic events, as well as from problems with transitioning to upgraded or replacement systems, internal and external security breaches, denial of service attacks, viruses, worms and other disruptive problems caused by hackers.

If someone is able to circumvent our data security measures or that of third parties with whom we do business, including our sub-franchisees, he or she could destroy or steal valuable information or disrupt our operations. If any of our technology systems or those of our sub-franchisees or business partners were to fail or be compromised, and we were unable to recover from such incidents in a timely manner, we could also be exposed to risks of litigation, liability, negative publicity and reputational harm. The occurrence of any of these incidents could have a material adverse effect on our future financial condition and results of operations.

We rely on a limited number of third-party suppliers and service providers to provide products and services to us or to our customers, and the loss of any of these suppliers or service providers or a significant interruption in the operations of these suppliers or service providers could negatively impact our business.

We work with a limited number of raw material suppliers, delivery service providers and warehouse and fulfillment service providers in the daily operations of our stores. As we continue to expand our product offerings and customer base, our existing suppliers and service providers may not be able to adequately accommodate the growth of our business, and we may not be able to find additional suppliers and service providers who can meet our requirements, standards and expectations. Any significant interruption in the businesses of our suppliers and service providers could have a material adverse effect on the availability, quality and cost of our supplies, our customer relationships and store operations. For example, during the recent outbreak of COVID-19 in certain regions in mainland China, our logistics operations in these regions have been adversely impacted by related lockdown measures and travel restrictions, which further led to temporary increases in staffing, warehousing and freight costs. In addition, our agreements with suppliers and service providers generally do not prohibit them from working with our competitors, and these parties may be more incentivized to prioritize the orders of our competitors in case of short supply. Any deterioration of our cooperative relationships with our suppliers and service providers, any adverse change in our contractual terms with them, or the suspension or termination of our agreements with them could have a material adverse effect on our business, financial condition and results of operations. There is no assurance that we will be able to find suitable replacements in time, or at all, in the event that our agreements with certain of our suppliers or service providers expire or terminate, or that our contractual terms with any new supplier or service provider will be as favorable as our exiting arrangements.

Grant of share-based awards could result in increased share-based compensation expenses.

We believe the granting of share-based compensation is of significant importance to our ability to attract and retain key and qualified employees. We are required to account for share-based compensation in accordance with U.S. GAAP, which generally requires a company to recognize, as an expense, the fair value of share options and other equity incentives to employees based on the fair value of the equity awards

on the date of the grant, with the compensation expense recognized over the period in which the recipient is required to provide service in exchange for the equity award. As a result, our expenses associated with share-based compensation may increase, which may have an adverse effect on our results of operations and profitability. See “Note 17 — Share-based Compensation” of our consolidated financial statements included elsewhere in this prospectus for additional information.

Our success depends on the continuing efforts of our key management and experienced and capable personnel, as well as our ability to recruit new talent.

Our future success depends on the continued availability and service of our key management and experienced and capable personnel. If we lose the services of any member of our key management, we may not be able to locate suitable or qualified replacements and may incur additional expenses to recruit and train new staff, which could severely disrupt our business and growth. If any of our key management joins a competitor or forms a competing business, we may lose customers, know-how and key professionals and staff members.

Our rapid growth also requires us to hire, train and retain a wide range of personnel who can adapt to a dynamic, competitive and challenging business environment and are capable of helping us conduct effective marketing, innovate new products, and develop technological capabilities. We will need to continue to attract, train and retain personnel at all levels, such as skillful baristas, as we expand our business and operations. We may also need to offer attractive compensation and other benefits packages, including share-based compensation, to attract and retain employees and provide our employees with sufficient training to help them to realize their career development and grow with us. Following the outbreak of COVID-19, we may also face challenges in recruiting and retaining talents due to higher talent mobility. Any failure to attract, train, retain or motivate key management and experienced and capable personnel could severely disrupt our business and growth.

If we are unable to protect our customers’ credit card data and other personal information, we could be exposed to data loss, litigation, and liability, and our reputation could be significantly harmed.

Privacy protection is increasingly demanding, and the use of electronic payment methods and collection of other personal information expose us to increased risk of privacy and/or security breaches as well as other risks. In connection with credit or debit card or mobile payment transactions in-restaurant, our company owned and operated stores and sub-franchisees collect and transmit confidential information by way of secure private retail networks. In February 2022, Tim Hortons China transferred control and possession of the personal data of THIL’s customers to DataCo, pursuant to a Business Cooperation Agreement. For a more detailed description, see the section of this prospectus titled “Business — Digital Technology and Information Systems.”

We or our service providers, including DataCo, may experience or be affected by with security breaches in which our customers’ personal information is stolen. Also, security and information systems that we use or rely on may be compromised as a result of data corruption or loss, cyberattack or a network security incident or the independent third-party service provider may fail to comply with applicable laws and regulations. Although private networks are used to transmit confidential information, third parties may have the technology or know-how to breach the security of the customer information transmitted in connection with credit and debit card sales, and the security measures employed may not effectively prohibit others from obtaining improper access to this information. The techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and are often difficult to detect for long periods of time, which may cause a breach to go undetected for an extensive period of time. Advances in computer and software capabilities, new tools, and other developments may increase the risk of such a breach. Further, the systems currently used for transmission and approval of electronic payment transactions, and the technology utilized in electronic payment themselves, all of which can put electronic payment at risk, are determined and controlled by the payment card industry, not by us. In addition, our sub-franchisees, contractors, or third parties with whom we do business or to whom we outsource business operations may be subject to cyberattack or a network security incident that may lead to loss of our customers’ data or may attempt to circumvent our security measures in order to misappropriate such information, and may purposefully or inadvertently cause a breach involving such information. If a person

is able to circumvent our security measures or those of third parties, he or she could destroy or steal valuable information or disrupt our operations. We may become subject to claims for purportedly fraudulent transactions arising out of the unlawful access or exfiltration of personal data, or actual or alleged theft of credit or debit card information, and we may also be subject to lawsuits, administrative fines or other proceedings relating to these types of incidents. Any such claim or proceeding could cause us to incur significant unplanned expenses, which could have an adverse impact on our business, financial condition and results of operations. Further, adverse publicity resulting from such claims or proceedings could significantly harm our reputation which, in turn, may have an adverse effect on our business, financial condition and results of operations.

We and our PRC Subsidiaries are subject to a variety of laws and regulations regarding cybersecurity and data protection, and any failure to comply with applicable laws and regulations could have a material adverse effect on our business, financial condition and results of operations.

The integrity and protection of our customer, employee and company data is critical to our business. Our customers and employees expect that we will adequately protect their personal information. We and our PRC Subsidiaries are required by applicable laws to keep this personal information strictly confidential and to take adequate security measures to safeguard such information.

The PRC Criminal Law, as amended by its Amendment 7 (effective on February 28, 2009) and Amendment 9 (effective on November 1, 2015), prohibits institutions, companies and their employees from selling or otherwise illegally disclosing a citizen's personal information obtained during the course of performing duties or providing services, or obtaining such information through theft or other illegal ways. On November 7, 2016, the Standing Committee of the National People's Congress of the PRC issued the Cyber Security Law of the PRC, or Cyber Security Law, which became effective on June 1, 2017. Pursuant to the Cyber Security Law, network operators must not collect users' personal information without their consent and may only collect users' personal information necessary to the provision of services. Providers are also obliged to provide security maintenance for their products and services and shall comply with provisions regarding the protection of personal information as stipulated under the relevant laws and regulations. On September 14, 2022, the CAC released the Decision on Revising the Cybersecurity Law of the People's Republic of China (Draft for Comment), which would impose more stringent legal liabilities and raise the upper limit of monetary fines for serious violation of the security protection obligations of network operation, network information, critical information infrastructure and personal information under the Cyber Security Law to RMB50 million or 5% of the company's total sales from the previous year. In addition, the Civil Code of the PRC (issued by the National People's Congress of the PRC on May 28, 2020 and effective from January 1, 2021) provides the main legal basis for privacy and personal information infringement claims under PRC civil law.

PRC regulators, including the CAC, the Ministry of Industry and Information Technology, and the Ministry of Public Security, have been increasingly focused on regulation in areas of data security and data protection. The PRC regulatory requirements regarding cybersecurity are constantly evolving. For instance, various PRC regulatory bodies, including the CAC, the Ministry of Public Security and the SAMR, have enforced data privacy and protection laws and regulations with varying and evolving standards and interpretations. In addition, certain internet platforms in mainland China have reportedly been subject to heightened regulatory scrutiny in relation to cybersecurity matters.

In April 2020, the PRC government promulgated the Cybersecurity Review Measures (the "2020 Cybersecurity Review Measures"), which came into effect on June 1, 2020. In July 2021, the CAC and other related authorities released a draft amendment to the 2020 Cybersecurity Review Measures for public comments. On December 28, 2021, the PRC government promulgated amended Cybersecurity Review Measures (the "2022 Cybersecurity Review Measures"), which came into effect and replaced the 2020 Cybersecurity Review Measures on February 15, 2022. According to the 2022 Cybersecurity Review Measures, (i) critical information infrastructure operators that purchase network products and services and internet platform operators that conduct data processing activities shall be subject to cybersecurity review in accordance with the 2022 Cybersecurity Review Measures if such activities affect or may affect national security; and (ii) internet platform operators holding personal information of more than one million users and seeking to have their securities list on a stock exchange in a foreign country shall file for cybersecurity

review with the Cybersecurity Review Office. Under the Regulation on Protecting the Security of Critical Information Infrastructure promulgated by the State Council on July 30, 2021, effective September 1, 2021, “critical information infrastructure” is defined as important network facilities and information systems in important industries and fields, such as public telecommunication and information services, energy, transportation, water conservancy, finance, public services, e-government and national defense, science, technology and industry, as well as other important network facilities and information systems that, in case of destruction, loss of function or leak of data, may severely damage national security, the national economy and the people’s livelihood and public interests. Based on the opinion of our PRC counsel, Han Kun Law Offices, according to its interpretation of the currently in-effect PRC laws and regulations, we believe that neither we nor any of our PRC Subsidiaries qualifies as a critical information infrastructure operator. As of the date of this prospectus, neither we nor any of our PRC Subsidiaries has been informed by any PRC governmental authority that we or any of our PRC Subsidiaries is a “critical information infrastructure operator.”

Compared with the 2020 Cybersecurity Review Measures, the 2022 Cybersecurity Review Measures contain the following key changes: (i) internet platform operators who are engaged in data processing are also subject to the regulatory scope; (ii) the CSRC is included as one of the regulatory authorities for purposes of jointly establishing the state cybersecurity review mechanism; (iii) internet platform operators holding personal information of more than one million users and seeking to have their securities list on a stock exchange in a foreign country shall file for cybersecurity review with the Cybersecurity Review Office; (iv) the risks of core data, material data or large amounts of personal information being stolen, leaked, destroyed, damaged, illegally used or illegally transmitted to overseas parties and the risks of critical information infrastructure, core data, material data or large amounts of personal information being influenced, controlled or used maliciously by foreign governments and any cybersecurity risk after a company’s listing on a stock exchange shall be collectively taken into consideration during the cybersecurity review process; and (v) critical information infrastructure operators and internet platform operators covered by the 2022 Cybersecurity Review Measures shall take measures to prevent and mitigate cybersecurity risks in accordance with the requirements therein. On November 14, 2021, the CAC released the draft Administrative Regulation on Network Data Security for public comments through December 13, 2021 (the “Draft Administrative Regulation”). Under the Draft Administrative Regulation, (i) data processors, i.e., individuals and organizations who can decide on the purpose and method of their data processing activities at their own discretion, that process personal information of more than one million individuals shall apply for cybersecurity review before listing in a foreign country; (ii) foreign-listed data processors shall carry out annual data security evaluation and submit the evaluation report to the municipal cyberspace administration authority; and (iii) where the data processor undergoes merger, reorganization and subdivision that involves important data and personal information of more than one million individuals, the recipient of the data shall report the transaction to the in-charge authority at the municipal level.

As of the date of this prospectus, neither we nor any of our PRC Subsidiaries has been required by any PRC governmental authority to undergo cybersecurity review, nor have we or any of our PRC Subsidiaries received any warning or sanction in such respect or been denied permission from any PRC regulatory authority to list or maintain listing on U.S. exchanges. Based on the opinion of our PRC counsel, Han Kun Law Offices, according to its interpretation of the currently in-effect PRC laws and regulations, we believe that neither we nor any of our PRC Subsidiaries is subject to the cybersecurity review, reporting or other permission requirements by the CAC under the applicable PRC cybersecurity laws and regulations with respect to this offering or the business operations of our PRC Subsidiaries, because neither we nor any of our PRC Subsidiaries qualifies as a critical information infrastructure operator or has conducted any data processing activities that affect or may affect national security or holds personal information of more than one million users. However, as PRC governmental authorities have significant discretion in interpreting and implementing statutory provisions and there remains significant uncertainty in the interpretation and enforcement of relevant PRC cybersecurity laws and regulations if the PRC regulatory authorities take a position contrary to ours, we cannot assure you that we or any of our PRC Subsidiaries will not be deemed to be subject to PRC cybersecurity review requirements under the 2022 Cybersecurity Review Measures or the Draft Administrative Regulations (if enacted) as a critical information infrastructure operator or an internet platform operator that is engaged in data processing activities that affect or may affect national security or holds personal information of more than one million users, nor can we assure you that we or our PRC Subsidiaries would be able to pass such review. If we or any of our PRC Subsidiaries fails to receive

any requisite permission or approval from the CAC for its business operations, or the waiver for such permission or approval, in a timely manner, or at all, or inadvertently concludes that such permission or approval is not required, or if applicable laws, regulations or interpretations change and obligate us to obtain such permission or approvals in the future, we or our PRC Subsidiaries may be subject to fines, suspension of business, website closure, revocation of business licenses or other penalties, as well as reputational damage or legal proceedings or actions against us, which may have a material adverse effect on our business, financial condition or results of operations. In addition, we could become subject to enhanced cybersecurity review or investigations launched by PRC regulators in the future pursuant to new laws, regulations or policies. Any failure or delay in the completion of the cybersecurity review procedures or any other non-compliance with applicable laws and regulations may result in fines, suspension of business, website closure, revocation of business licenses or other penalties, as well as reputational damage or legal proceedings or actions against us, which may have a material adverse effect on our business, financial condition or results of operations.

On June 10, 2021, the Standing Committee of the National People's Congress of the PRC, promulgated the PRC Data Security Law, which became effective in September 2021. The PRC Data Security Law imposes data security and privacy obligations on entities and individuals carrying out data activities, and introduces a data classification and hierarchical protection system based on the importance of data in economic and social development and the degree of harm it will cause to national security, public interests or the rights and interests of individuals or organizations when such data is tampered with, destroyed, leaked or illegally acquired or used. The PRC Data Security Law also provides for a national security review procedure for data activities that may affect national security and imposes export restrictions on certain data and information. On August 20, 2021, the Standing Committee of the National People's Congress promulgated the Personal Information Protection Law, effective November 1, 2021. The Personal Information Protection Law clarifies the required procedures for personal information processing, the obligations of personal information processors, and individuals' personal information rights and interests. The Personal Information Protection Law provides that, among other things, (i) the processing of personal information is only permissible under certain circumstances, such as prior consent from the subject individual, fulfillment of contractual and legal obligations, furtherance of public interests or other circumstances prescribed by laws and regulations; (ii) the collection of personal information should be conducted in a disciplined manner with as little impact on individuals' rights and interests as possible; and (iii) excessive collection of personal information is prohibited. In particular, the Personal Information Protection Law provides that personal information processors should ensure the transparency and fairness of automated decision-making based on personal information, refrain from offering unreasonably differentiated transaction terms to different individuals and, when sending commercial promotions or information updates to individuals selected through automated decision-making, simultaneously offer such individuals an option not based on such individuals' specific characteristics or a more convenient way for such individuals to turn off such promotions.

On July 7, 2022, the CAC promulgated the Measures on Data Export Security Assessment, which became effective on September 1, 2022. The Measures on Data Export Security Assessment provides for the circumstances under which a data processor shall be subject to security assessment, including (i) where a data processor provides important data abroad; (ii) where a critical information infrastructure operator or a data processor that processes personal information of more than one million individuals provides personal information abroad; (iii) where a data processor that has exported personal information of over 100,000 individuals or sensitive personal information of over 10,000 individuals in total since January 1 of the previous year provides personal information abroad; and (iv) other circumstances prescribed by the CAC. For outbound data transfers that were carried out before the effectiveness of the Measures on Data Export Security Assessment and are not compliant with these measures, rectification shall be completed by February 28, 2023. Given the nature of our business and as advised by our PRC legal counsel, Han Kun Law Offices, according to its interpretation of the currently in-effect PRC laws and regulations, we do not believe that we or any of our PRC Subsidiaries is engaged in any activity that is subject to security assessment as outlined in the Measures on Data Export Security Assessment. As of the date of this prospectus, the Measures on Data Export Security Assessment has not materially affected our business or results of operations. Since the Measures on Data Export Security Assessment was newly enacted, there remain substantial uncertainties about its interpretation and implementation, and it is unclear whether the relevant

PRC regulatory authority would reach the same conclusion as us. The promulgation of the above-mentioned laws and regulations indicates heightened regulatory scrutiny from PRC regulatory authorities in areas such as data security and personal information protection.

As uncertainties remain regarding the interpretation and implementation of these laws and regulations, we cannot assure you that we or our PRC Subsidiaries will be able to comply with such regulations in all respects, and we or our PRC Subsidiaries may be ordered to rectify or terminate any actions that are deemed illegal by regulatory authorities. In addition, while our PRC Subsidiaries take various measures to comply with all applicable data privacy and protection laws and regulations and the control and possession of our customer data has been transferred to DataCo, there is no guarantee that our current security measures, operation and those of our third-party service providers may always be adequate for the protection of our customers, employee or company data against security breaches, cyberattacks or other unauthorized access, which could result in loss or misuse of such data, interruptions to our service system, diminished customer experience, loss of customer confidence and trust and impairment of our technology infrastructure and harm our reputation and business, resulting in fines, penalties and potential lawsuits.

Unexpected termination of leases, failure to renew the leases of our existing premises or to renew such leases at acceptable terms could materially and adversely affect our business.

Our PRC Subsidiaries lease the premises for all of our stores. Our PRC Subsidiaries generally seek to enter into long-term leases of more than five years with an option to renew for our stores, though are not always able to secure either a term of that duration or the right to renew. Rent for our leases is typically stated as the higher of a fixed amount, which is usually subject to periodic incremental increases as stipulated in the lease agreements, and a variable amount, which is usually stated as a percentage of the revenue generated by the store situated on the leased premise. We cannot assure you that our PRC Subsidiaries would be able to renew the relevant lease agreements at the same rate, on similar terms or without substantial additional costs. If a lease agreement is renewed at a substantially higher rate or less favorable terms, our business and results of operations may be materially and adversely affected. If any of our PRC Subsidiaries is unable to renew the lease for a store site, it will have to close or relocate the store, which could result in additional costs and risks, loss of customers and decreased sales. Furthermore, we cannot assure you that the lessors are entitled to lease the relevant real properties to us. If the lessor is not entitled to lease the real properties and the owner of such real properties declines to ratify the lease agreement with the respective lessor, our PRC Subsidiaries may not be able to enforce their rights to lease such properties under the respective lease agreement against the owner. As of the date of this prospectus, we are not aware of any claim or challenge brought by any third parties concerning the use of our leased properties without proper ownership proof. If a lease agreement is claimed as null and void by a third party who is the right owner of such leased real properties, we could be required to vacate the properties and we cannot assure you that suitable alternative locations will be readily available on commercially reasonable terms, or at all.

In addition, the PRC government has the statutory power to acquire any land in mainland China. As a result, we may be subject to compulsory acquisition, closure or demolition of any of the properties on which our stores are situated. Although we may receive liquidated damages or compensation if our leases are terminated unexpectedly, we may be forced to suspend operations of the relevant store, which could materially and adversely affect our business and results of operations.

We may require additional capital to support business growth and objectives, which might not be available in a timely manner or on commercially acceptable terms, if at all.

Historically, we have financed our operations primarily with operating cash flows, shareholder contributions and issuance of convertible notes. As part of our growth strategies, we expect to continue to require substantial capital through additional debt or equity financing in the future to cover our costs and expenses. However, we may be unable to obtain additional capital in a timely manner or on commercially acceptable terms, or at all. Our ability to obtain additional financing in the future is subject to a number of uncertainties, including those relating to:

- our market position and competitiveness in China's coffee industry;
- our future profitability, overall financial condition, operating results and cash flows;

- the general market conditions for financing activities; and
- the macro-economic and other conditions in China and elsewhere.

To the extent we engage in debt financing, the incurrence of indebtedness would result in increased debt servicing obligations and could result in operating and financing covenants that may, among other things, restrict our operational flexibility or our ability to pay dividends to our shareholders. For example, the Indenture pursuant to which the Notes were issued contains covenants that, subject to significant exceptions, restrict the ability of our company and our subsidiaries to, among other things, incur debt, issue preferred stock, pay dividends on or purchase or redeem capital stock, incur liens, sell assets, amend or terminate our A&R MDA and amended and restated company franchise agreements with THRI, amend charter documents, or consolidate with or merge with or into other entities. The Indenture also contains events of default, such as failure to make timely payment or meet certain conversion obligations. If we fail to service our debt obligations or are unable to comply with our debt covenants, we could be in default under the relevant debt obligations, and our liquidity and financial condition may be materially and adversely affected. To the extent that we raise additional financing by issuance of additional equity or equity-linked securities, our shareholders may experience dilution. In the event that financing is not available or is not available on terms commercially acceptable to us, our business, operating results and growth prospects may be adversely affected.

Our history of recurring losses and need for additional financing raises substantial doubt about our ability to continue as a going concern.

We have incurred significant operating losses since our inception. In addition, our independent registered public accounting firm has included an explanatory paragraph in its report on our consolidated balance sheets as of December 31, 2021 and 2020, the related consolidated statements of operations, comprehensive loss, changes in shareholders' equity, and cash flows for the years ended December 31, 2021, 2020 and 2019 with respect to this uncertainty. Based upon our current operating plan and assumptions, we believe our existing sources of liquidity (including the committed equity facility with Cantor), together with the net proceeds of the Business Combination of \$39.9 million, will be sufficient to fund our operations, including lease obligations, capital expenditures and working capital obligations for at least the next 12 months. However, the assumptions underlying this estimate may prove to be wrong, and changes may occur beyond our control and cause us to consume our available capital sooner than we expect. In order to reduce liquidity risks and risks related to our ability to continue as a going concern, we have evaluated plans to slow down the pace of our store network expansion, which, if implemented, could adversely affect the growth of our revenue and customer base. Failure to continue as a going concern could significantly harm our business, operating results and financial position and cause our shares to decline substantially in value or become worthless.

Our insurance may not be sufficient to cover certain losses.

We face the risk of loss or damage to our properties, machinery and inventories due to fire, theft and natural disasters such as earthquakes and floods. While our insurance policies cover some losses in respect of damage or loss of our properties, machinery and inventories, our insurance may not be sufficient to cover all such potential losses. In the event that such loss exceeds our insurance coverage or is not covered by our insurance policies, we will be liable for the excess in losses. In addition, even if such losses are fully covered by our insurance policies, such fire, theft or natural disaster may cause disruptions or cessations in our operations and adversely affect our business, financial condition and results of operations.

Industry data, projections and estimates contained in this prospectus are inherently uncertain, subject to interpretation and may not have been independently verified.

Industry data and projections are inherently uncertain and subject to change. There can be no assurance that China's coffee industry or food and beverage sector will be as large as we anticipate or that projected growth will occur or continue. In addition, underlying market conditions are subject to change based on economic conditions, consumer preferences and other factors that are beyond our control. Our projected financial and operating information appearing elsewhere in this prospectus reflects our current estimates

of future performance. We employ models to, among other uses, price products, value assets, make investment decisions and generate projections. These models rely on estimates and projections that are inherently uncertain, may use data and/or assumptions that do not adequately reflect recent experience and relevant industry data, and may not operate as intended. As our assumptions are based on historical experiences and expectations of future performance, which are highly dependent on modeling assumptions as to long-term macroeconomic conditions, we may discover errors or other deficiencies in existing models, assumptions and/or methodologies. Moreover, we may use additional, more granular and detailed information or we may employ more simplified approaches in the future, either of which may cause us to refine or otherwise change existing assumptions and/or methodologies. If the changes to our models indicate a decline in growth rate or unfavorable projections, this could have a material adverse effect on our business, results of operations and financial condition.

Risks Related to Doing Business in China

Additional disclosure requirements to be adopted by and regulatory scrutiny from the SEC in response to risks related to companies with substantial operations in China, which could increase our compliance costs, subject us to additional disclosure requirements, and/or suspend or terminate our future securities offerings, making capital-raising more difficult.

On July 30, 2021, in response to the regulatory developments in mainland China and actions adopted by the PRC government, the Chairman of the SEC issued a statement asking the SEC staff to seek additional disclosures from offshore issuers associated with China-based operating companies before their registration statements will be declared effective. As such, the offering of our securities may be subject to additional disclosure requirements and review that the SEC or other regulatory authorities in the United States may adopt for companies with China-based operations, which could increase our compliance costs, subject us to additional disclosure requirements, and/or suspend or terminate our future securities offerings, making capital-raising more difficult. We may also be required to adjust, modify, or completely change the business operations of our PRC Subsidiaries in response to adverse regulatory changes or policy developments, and we cannot assure you that any remedial action adopted by us can be completed in a timely, cost-efficient, or liability-free manner or at all.

The approval and/or other requirements of Chinese governmental authorities may be required in connection with this offering or our future issuance of securities to foreign investors under PRC laws, regulations or policies.

As all of our operations are based in mainland China through our PRC Subsidiaries, we are subject to PRC laws relating to, among others, restrictions over foreign investments and data security. The PRC government has been seeking to exert more control and impose more restrictions on companies based in mainland China raising capital offshore and such efforts may continue or intensify in the future. The PRC government's exertion of more control over offerings conducted overseas and/or foreign investment in issuers based in mainland China could result in a material change in our operations, significantly limit or completely hinder our ability to offer or continue to offer securities to foreign investors, and cause the value of our securities to significantly decline or be worthless. Based on the opinion of our PRC counsel, Han Kun Law Offices, according to its interpretation of the currently in-effect PRC laws and regulations, we believe that the issuance of our securities to foreign investors does not require permission or approval from any PRC governmental authority. However, as PRC governmental authorities have significant discretion in interpreting and implementing statutory provisions, there is no assurance that such approval or permission will not be required under existing PRC laws, regulations or policies if the relevant PRC governmental authorities take a contrary position or adopt new interpretations, or under any new laws or regulations that may be promulgated in the future. Based on the experience of our management team, we do not believe that any permission or approval is required under any laws or regulations of the HKSAR for us to issue securities to non-PRC investors or for any of our PRC Subsidiaries to conduct their business operations in mainland China. We cannot assure you that such approval or permission will not be required under PRC or HKSAR laws, regulations or policies if the relevant PRC or HKSAR governmental authorities take a contrary position, nor can we predict whether or how long it will take to obtain such approval. Any failure to obtain or delay in obtaining the requisite governmental approval for this offering, or a rescission of such approval, would subject us to sanctions imposed by the relevant PRC regulatory authority. Below is a summary of potential PRC laws and regulations that, in the opinion of Han Kun Law Offices according to its interpretation of the

currently in-effect PRC laws and regulations, could be interpreted by the in-charge PRC government authorities, namely, the CSRC, the CAC and their enforcement agencies to require us to obtain permission or approval in order to issue securities to foreign investors or offer securities to foreign investors.

The Regulations on Mergers and Acquisitions of Domestic Companies by Foreign Investors adopted by six PRC regulatory agencies, including the MOFCOM, the State-Owned Assets Supervision and Administration Commission, the State Administration of Taxation, the State Administration for Industry and Commerce, currently known as the SAMR, the CSRC, and the SAFE in 2006 and amended in 2009, as well as some other regulations and rules concerning mergers and acquisitions (collectively, the “M&A Rules”) include provisions that purport to require that an offshore special purpose vehicle that is controlled by PRC domestic companies or individuals and that has been formed for the purpose of an overseas listing of securities through acquisitions of PRC domestic companies or assets to obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle’s securities on an overseas stock exchange. On September 21, 2006, the CSRC published its approval procedures for overseas listings by special purpose vehicles. However, substantial uncertainty remains regarding the scope and applicability of the M&A Rules to offshore special purpose vehicles.

While the application of the M&A Rules remains unclear, we believe, based on the advice of our PRC legal counsel and its understanding of the current PRC laws and regulations, that the CSRC approval is not required in the context of this offering because (i) our PRC Subsidiaries were established by means of direct investment, rather than by merger or acquisition, directly or indirectly, of the equity interest or assets of any “domestic company,” as defined under the M&A Rules, and (ii) the CSRC currently has not issued any definitive rule or interpretation concerning whether a transaction of the kind contemplated herein is subject to the M&A Rules. There can be no assurance that the relevant PRC government agencies, including the CSRC, would reach the same conclusion as our PRC legal counsel.

On August 1, 2021, the CSRC stated in a statement that it had taken note of the new disclosure requirements announced by the SEC regarding the listings of Chinese companies and recent regulatory development in China, and that both countries should strengthen communications on regulating China-related issuers. For details of risks relating to cybersecurity review, see “— Risks Related to THIL’s Business and Industry — We and our PRC Subsidiaries are subject to a variety of laws and regulations regarding cybersecurity and data protection, and any failure to comply with applicable laws and regulations could have a material adverse effect on our business, financial condition and results of operations.”

Furthermore, on December 24, 2021, the CSRC released the draft Administrative Provisions on the Offshore Listing and Securities Issuance of PRC-Based Companies and the draft Administrative Measures on the Filing of Offshore Listing and Securities Issuance of PRC-Based Companies for public comments through January 23, 2022 (collectively, the “CSRC Draft Rules”). Under the CSRC Draft Rules, issuers that intend to list or offer securities on foreign stock exchanges through direct offshore listing (i.e., the listing of a PRC-incorporated company) or indirect offshore listing (i.e., the listing of an overseas company that meets the following conditions: (a) more than 50% of the revenue, profit, gross assets or net assets of the issuer in the last fiscal year originated from a PRC-incorporated company or companies, and (b) a majority of the issuer’s senior executives in charge of its business operations are PRC citizens or habitually reside in mainland China and the issuer’s business operations are mainly conducted or located in mainland China) shall complete a filing with the CSRC within three business days upon the issuer’s initial filing of its listing application documents with the foreign stock exchange. The relevant filing materials include but are not limited to: (i) the filing report and relevant undertakings; (ii) regulatory opinions issued by, filings with or approvals from competent authorities of our industry, if applicable; (iii) cybersecurity assessment review opinions issued by competent authorities, if applicable; (iv) opinions issued by a PRC legal counsel; and (v) the prospectus used for the overseas listing. If the filing documents submitted to the CSRC are complete and in compliance with the applicable requirements, the CSRC will issue a notice of record within 20 business days. According to questions and answers published by the CSRC on December 24, 2021 (the “Q&A”), the CSRC Draft Rules, as drafted, would not be applied retrospectively and would only be applied to new listings and refinancing by existing overseas-listed Chinese companies. It is uncertain whether, when and in what form the CSRC Draft Rules will be enacted. Based on the opinion of our PRC counsel, Han Kun Law Offices, according to its interpretation of the currently in-effect PRC laws and regulations, we believe that, this offering is not subject to filing requirement under the CSRC Draft Rules (if enacted), because (i) the Q&A

explicitly states that the CSRC Draft Rules, including the requirement to complete a filing with the CSRC within three business days upon the issuer's initial filing of its listing application documents with a foreign stock exchange, would not be applied retrospectively and (ii) our initial filing of the prospectus in connection with the business combination was completed on September 23, 2021 and submitted the initial draft of our listing application to Nasdaq on December 8, 2021, which was before the Q&A was issued. However, we cannot assure you that the CSRC will not interpret the Q&A differently and nonetheless require us to make such filing after our listing on Nasdaq. Given that (i) it is uncertain whether the CSRC Draft Rules will take effect as currently drafted and whether an issuer who applied for the listing on foreign stock exchange prior to the enactment of the CSRC Draft Rules but completed the listing after the enactment of the CSRC Draft Rules will be subject to the filing requirements therein, despite what the Q&A may indicate otherwise; and (ii) PRC governmental authorities have significant discretion in interpreting and implementing statutory provisions and there remains significant uncertainty in the interpretation and enforcement of the CSRC Draft Rules, we cannot assure you that we will not be required to comply with the filing requirements under the CSRC Draft Rules if the CSRC Draft Rules are adopted into law in the future or if the PRC regulatory authorities take a position contrary to ours. If we are required to comply with the filing requirements under the CSRC Draft Rules (if enacted), it is uncertain whether we can, or how long it will take us to, complete such filing procedures. Based on the opinion of our PRC counsel, Han Kun Law Offices, according to its interpretation of the currently in-effect PRC laws and regulations, we do not believe there will be any substantial obstacle in making these filings if we were deemed to be subject to the filing requirements, unless the relevant government authorities fail to issue any required regulatory opinions or approvals, including cybersecurity assessment review opinions. Failure to comply with the filing requirements or any other requirements under the CSRC Draft Rules (if enacted) could result in warnings, a fine ranging from RMB1 million to RMB10 million, suspension of certain business operations, orders of rectification and revocation of business license.

If we fail to receive or maintain any requisite permission or approval from the CSRC for this offering or any future offerings, or the waiver for such permission or approval, in a timely manner, or at all, or inadvertently conclude that such permission or approval is not required, or if applicable laws, regulations or interpretations change and obligate us to obtain such permission or approvals in the future, we may be subject to fines and penalties (the details of which are unknown at this point), limitations on our business activities in mainland China, delay or restrictions on the contribution of the proceeds from the Business Combination into the PRC, or other sanctions that could have a material adverse effect on our business, financial condition, results of operations, reputation and prospects. The CSRC may also take actions requiring us, or making it advisable for us, to halt future offerings of our securities to foreign investors. Such uncertainties and/or negative publicity regarding such approval requirements could cause our securities to decline significantly in value or become worthless.

Moreover, on November 14, 2021, the CAC released the Draft Administrative Regulation. Under the Draft Administrative Regulation, (i) data processors, i.e., individuals and organizations who can decide on the purpose and method of their data processing activities at their own discretion, that process personal information of more than one million individuals shall apply for cybersecurity review before listing in a foreign country; (ii) foreign-listed data processors shall carry out annual data security evaluation and submit the evaluation report to the municipal cyberspace administration authority; and (iii) where the data processor undergoes merger, reorganization and subdivision that involves important data and personal information of more than one million individuals, the recipient of the data shall report the transaction to the in-charge authority at the municipal level. The public comment period for the Draft Administrative Regulation ended on December 13, 2021, and the Draft Administrative Regulation has not come into effect as of the date of this prospectus. On December 28, 2021, the PRC government promulgated the 2022 Cybersecurity Review Measures, which came into effect on February 15, 2022. According to the 2022 Cybersecurity Review Measures, (i) critical information infrastructure operators that purchase network products and services and internet platform operators that conduct data processing activities shall be subject to cybersecurity review in accordance with the 2022 Cybersecurity Review Measures if such activities affect or may affect national security; and (ii) internet platform operators holding personal information of more than one million users and seeking to have their securities list on a stock exchange in a foreign country shall file for cybersecurity review with the Cybersecurity Review Office. As of the date of this prospectus, neither we nor any of our PRC Subsidiaries has been required by any PRC governmental authority to undergo for cybersecurity review, nor have we or any of our PRC Subsidiaries received any warning or sanction in

such respect or been denied permission from any PRC regulatory authority to list or maintain listing on U.S. exchanges. Based on the opinion of our PRC counsel, Han Kun Law Offices, according to its interpretation of the currently in-effect PRC laws and regulations, we believe that neither we nor any of our PRC Subsidiaries is subject to the cybersecurity review, reporting or other permission requirements by the CAC under the applicable PRC cybersecurity laws and regulations with respect to this offering or the business operations of our PRC Subsidiaries, because neither we nor any of our PRC Subsidiaries qualifies as a critical information infrastructure operator or has conducted any data processing activities that affect or may affect national security or holds personal information of more than one million users. However, as PRC governmental authorities have significant discretion in interpreting and implementing statutory provisions and there remains significant uncertainty in the interpretation and enforcement of relevant PRC cybersecurity laws and regulations, if the PRC regulatory authorities take a position contrary to ours, we cannot assure you that we or any of our PRC Subsidiaries will not be deemed to be subject to PRC cybersecurity review requirements under the 2022 Cybersecurity Review Measures or the Draft Administrative Regulations (if enacted) as a critical information infrastructure operator or an internet platform operator that is engaged in data processing activities that affect or may affect national security or holds personal information of more than one million users, nor can we assure you that we or our PRC Subsidiaries would be able to pass such review. If we or any of our PRC Subsidiaries fails to receive any requisite permission or approval from the CAC for its business operations, or the waiver for such permission or approval, in a timely manner, or at all, or inadvertently conclude that such permission or approval is not required, or if applicable laws, regulations or interpretations change and obligate us to obtain such permission or approvals in the future, we or our PRC Subsidiaries may be subject to fines, suspension of business, website closure, revocation of business licenses or other penalties, as well as reputational damage or legal proceedings or actions against us, which may have a material adverse effect on our business, financial condition or results of operations. In addition, we could become subject to enhanced cybersecurity review or investigations launched by PRC regulators in the future pursuant to new laws, regulations or policies. Any failure or delay in the completion of the cybersecurity review procedures or any other non-compliance with applicable laws and regulations may result in fines, suspension of business, website closure, revocation of business licenses or other penalties, as well as reputational damage or legal proceedings or actions against us, which may have a material adverse effect on our business, financial condition or results of operations.

PRC governmental authorities' significant oversight and discretion over our business operations could result in a material adverse change in our operations and the value of our securities.

PRC governmental authorities have significant oversight and discretion over the business operations of our PRC Subsidiaries in mainland China and may seek to intervene or influence such operations at any time that the government deems appropriate to further its regulatory, political and societal goals, which could result in a material adverse change in our operations and/or the value of our securities. In addition, the PRC governmental authorities may also exert more oversight and control over offerings that are conducted overseas and/or foreign investment in issuers based in mainland China. Any such action could result in a material change in our operations, significantly limit or completely hinder our ability to offer or continue to offer securities to investors, and cause the value of such securities to significantly decline or be worthless. Furthermore, the implementation of industry-wide regulations directly targeting our operations could cause the value of our securities to significantly decline.

Changes in China's economic, political or social conditions or government policies could have a material adverse effect on our business and operations.

With substantially all of our assets and operations located in mainland China, our business, financial condition, results of operations and prospects may be influenced to a significant degree by political, economic and social conditions in China, including, among others, overall economic growth, level of urbanization and level of per capita disposable income. The Chinese economy differs from the economies of most developed countries in many respects, including the level of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. Although the PRC government has implemented various changes, a significant portion of the productive assets in China are owned by the government, and the PRC government continues to play a significant role in regulating industry development by setting industrial policies. The PRC government also exercises significant control over China's economic growth by

allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy and providing different treatment to particular industries or companies.

While the Chinese economy has experienced significant growth over past decades, growth has been uneven, both geographically and among various sectors of the economy. Any adverse changes in economic conditions in China, the policies of the PRC government or PRC laws and regulations could have a material adverse effect on the overall economic growth of China. Such developments may lead to a reduction in demand for our products and materially and adversely affect our business, financial condition and results of operations.

In addition, stimulus measures designed to boost the Chinese economy may contribute to higher inflation, which could adversely affect our results of operations and financial condition. According to the National Bureau of Statistics of China, the year-over-year percent increases in the consumer price index for the years ended December 31, 2019, 2020 and 2021 were 2.9%, 2.5% and 3.1%, respectively. If prices of our services and products rise at a rate that is insufficient to compensate for the rise in the costs of supplies, it may have an adverse effect on profitability. High inflation may in the future cause the PRC government to impose controls on credit and/or prices, or to take other actions, which could inhibit economic activity in the PRC and thereby harm the market for our services and products.

The business operations of our PRC Subsidiaries are subject to various PRC laws and regulations, the interpretation and enforcement of which involve significant uncertainties as the PRC legal system is evolving rapidly.

The PRC legal system is a civil-law system based on written statutes. Unlike the common-law system, prior court decisions under the civil-law system may be cited for reference but have limited precedential value, which has led to uncertainty and inconsistency in the interpretation and enforcement of many laws. Uncertainties also exist with respect to new legislation or proposed changes in the PRC regulatory requirements as the PRC legal system is evolving rapidly. The interpretations of many laws and regulations may contain inconsistencies, and the enforcement of these laws, regulations and rules involves uncertainties. In addition, laws and regulations can change quickly with limited advance notice. From time to time, we may have to resort to administrative and court proceedings to enforce our legal rights. Because PRC administrative and court authorities have significant discretion in interpreting and implementing statutory provisions and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy. Such uncertainty towards our contractual, property and procedural rights and legal obligations could adversely affect our business and impede our ability to grow our business. In addition, the regulatory uncertainties may be exploited through unmerited or frivolous legal actions or threats in attempts to extract payments or benefits from us.

We may be subject to liability for placing advertisements with content that is deemed inappropriate or misleading under PRC laws.

PRC laws and regulations prohibit advertising companies from producing, distributing or publishing any advertisement with content that (i) violates PRC laws and regulations, (ii) impairs the national dignity of the PRC, (iii) involves designs of the PRC national flag, national emblem or national anthem or the music of the national anthem, (iv) is considered reactionary, obscene, superstitious or absurd, (v) is fraudulent, or (vi) disparages similar products. We may be subject to claims by customers misled by information on our mobile ordering system, website or other portals where we put our advertisements. We may not be able to recover our losses from advertisers by enforcing the indemnification provisions in the contracts, which may result in the diversion of management's time and other resources from our business and operations to defending against these claims. As a result, our business, financial condition and results of operations could be materially and adversely affected.

Our employment practices may be adversely impacted under the Labor Law of the PRC, the PRC Labor Contract Law and related regulations.

The Labor Law of the PRC, effective on January 1, 1995, and last amended on December 29, 2018, and the PRC Labor Contract Law (including the implementing rules), effective on January 1, 2008, and amended on December 28, 2012, and related regulations impose requirements concerning, among other

things, the execution of written contracts between employers and employees, the time limit for probationary periods, the length of employment contracts, the working hour system, and the social insurance and welfare. The interpretation and implementation of related laws and regulations are still evolving. Therefore, our employment practices may violate the Labor Law of the PRC, the PRC Labor Contract Law and related regulations, and we could be subject to penalties, fines or legal fees as a result. If we are subject to severe penalties or incur significant legal fees in connection with labor-law disputes or investigations, our business, financial condition and results of operations may be materially and adversely affected.

Our PRC Subsidiaries may be subject to fines relating to our leased properties.

Under the relevant PRC laws and regulations, our PRC Subsidiaries are required to register and file executed leases with the relevant government authority. However, the lease agreements for most of our leased properties have not been registered with the PRC government authorities as required due to property owners' refusal to cooperate with the registration process, despite our efforts. Although the failure to do so does not in itself invalidate the leases, our PRC Subsidiaries may be ordered by the PRC government authorities to rectify such noncompliance, and if such noncompliance is not rectified within a given period of time, the PRC Subsidiaries may be subject to fines imposed by PRC government authorities ranging from RMB1,000 to RMB10,000 for each unregistered lease agreement. While our PRC Subsidiaries intend to continue to seek the property owner's cooperation with the registration process, we cannot assure you that we will be able to successfully obtain such cooperation.

PRC regulations relating to offshore investment activities by PRC residents may subject our PRC resident shareholders, beneficial owners and PRC subsidiaries to liability or penalties, limit our ability to inject capital into our PRC Subsidiaries, limit our PRC Subsidiaries' ability to increase their registered capital or distribute profits to us or otherwise adversely affect us.

In July 2014, the SAFE promulgated the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Roundtrip Investment Through Special Purpose Vehicles ("SAFE Circular 37"). SAFE Circular 37 requires PRC residents (including PRC individuals and PRC corporate entities, as well as foreign individuals that are deemed PRC residents for foreign exchange administration purposes) to register with the SAFE or its local branches in connection with their direct or indirect offshore investment activities. SAFE Circular 37 further requires the SAFE registrations be updated in the event of any changes with respect to the basic information of the offshore special purpose vehicle, such as a change in its name, operation term and PRC resident shareholder, an increase or decrease of capital contribution, share transfer or exchange, or mergers or divisions.

In April 2014, the National Development Reform Committee (the "NDRC") promulgated the Administrative Measures for the Approval and Filing of Overseas Investment Projects, and in September 2014, the MOFCOM promulgated the Measures for the Administration of Overseas Investment. In December 2017, the NDRC further promulgated the Administrative Measures of Overseas Investment of Enterprises, which became effective in March 2018. Pursuant to these regulations, any outbound investment of PRC enterprises in a non-sensitive area or industry is required to be filed with the MOFCOM and the NDRC or their local branches.

We have requested that all of our current shareholders and beneficial owners who, to our knowledge, are PRC residents complete the foreign exchange registrations and that those who, to our knowledge, are PRC enterprises comply with outbound investment related regulations. However, we may not be informed of the identities of all the PRC residents and PRC enterprises holding direct or indirect interest in our company, and we cannot provide any assurance that these PRC residents and PRC enterprises will comply with our request to make or obtain the applicable registrations or continuously comply with all the requirements under SAFE Circular 37 or other related rules and the outbound investment related regulations. Failure by such shareholders or beneficial owners to comply with SAFE and outbound investment related regulations, or failure by us to amend the foreign exchange registrations of our PRC Subsidiaries, could subject us to fines or legal sanctions, restrict our overseas or cross-border investment activities, limit our PRC Subsidiaries' ability to make distributions or pay dividends to us or affect our ownership structure, which could adversely affect our business and prospects.

Furthermore, as these foreign exchange and outbound investment related regulations are relatively new and their interpretation and implementation have been constantly evolving, it is uncertain how these regulations, and any future regulations concerning offshore or cross-border investments and transactions, will be interpreted, amended and implemented by the relevant government authorities. For example, we may be subject to a more stringent review and approval process with respect to our foreign exchange activities, such as remittance of dividends and foreign-currency-denominated borrowings, which may adversely affect our financial condition and results of operations. Due to the complexity and constantly changing nature of the regulations related to foreign exchange and outbound investment, as well as the uncertainties involved, we cannot assure you that we have complied or will be able to comply with all applicable foreign exchange and outbound investment related regulations. In addition, if we decide to acquire a PRC domestic company, we cannot assure you that we or the owners of such company, as the case may be, will be able to obtain the necessary approvals or complete the necessary filings and registrations required by the foreign exchange regulations. This may restrict our ability to implement our acquisition strategy and could adversely affect our business and prospects.

Restrictions on our subsidiaries on paying dividends or making other payments to us under existing or new laws and regulations of the PRC and the HKSAR may restrict our ability to satisfy our liquidity requirements.

We are a holding company incorporated in the Cayman Islands, and payment of dividends by our subsidiaries is an important source of support for us to meet our financing needs.

Dividend payments from our PRC Subsidiaries are subject to various restrictions under current PRC laws and regulations and could be subject to additional, more onerous restrictions under new PRC laws and regulations that may come into effect in the future. Current PRC regulations permit our PRC Subsidiaries to pay dividends to us only out of their accumulated after-tax profits upon satisfaction of relevant statutory condition and procedures, if any, determined in accordance with PRC accounting standards and regulations. In addition, each of our PRC Subsidiaries is required to set aside at least 10% of its after-tax profits each year, if any, to fund certain reserve funds until the total amount set aside reaches 50% of its registered capital. In addition, the PRC Enterprise Income Tax Law and its implementation rules provide that withholding tax at the rate of 10% will be applicable to dividends payable by Chinese companies to non-PRC-resident enterprises, unless otherwise exempted or reduced according to treaties or arrangements between the PRC central government and governments of other countries or regions where the non-PRC-resident enterprises are incorporated. Furthermore, if our PRC Subsidiaries incur debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other payments to us, which may restrict our ability to satisfy our liquidity requirements. Due to these restrictions and additional restrictions that may be imposed under new PRC laws and regulations that may come into effect in the future, cash and/or non-cash assets held by our PRC Subsidiaries may not be available to fund our foreign currency needs or any foreign operations that we may have in the future or for other uses outside of mainland China.

Based on the experience of our management team, we do not believe that remittance of cash and/or non-cash assets from Hong Kong, including cash and/or non-cash assets held by THHK, an intermediary holding company with no current business operations, is subject to the aforementioned interventions, restrictions and limitations by the PRC government or similar interventions, restrictions or limitations from the government of the HKSAR, nor do we believe such interventions, restrictions and limitations will be imposed on THHK or any future Hong Kong subsidiary that THIL may have in the foreseeable future. To the extent that our cash and/or non-cash assets in Hong Kong or any cash and/or non-cash assets held by our Hong Kong Subsidiaries are subject to the aforementioned interventions, restrictions and limitations by the PRC government or the government of the HKSAR, then, as a result of such interventions, restrictions and limitations, such cash/assets may not be available to pay dividends to us, to fund the operations of our subsidiaries outside Hong Kong or to be used outside of Hong Kong for other purposes.

Fluctuations in exchange rates could have a material and adverse effect on the value of your investment and our results of operations.

The value of the Renminbi against the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in the political and economic conditions in China and PRC foreign exchange

policies. On July 21, 2005, the PRC government changed its decade-old policy of pegging the value of the Renminbi to the U.S. dollar. On November 30, 2015, the Executive Board of the International Monetary Fund (IMF) completed the regular five-year review of the basket of currencies that make up the Special Drawing Right (the “SDR”) and decided that, from October 1, 2016, Renminbi would be determined to be a freely usable currency and will be included in the SDR basket. Since June 2010, the Renminbi has fluctuated significantly against the U.S. dollar. It is difficult to predict how market forces or policies by the PRC or U.S. government may impact the exchange rate between the Renminbi and the U.S. dollar in the future. With the development of the foreign exchange market and progress towards interest rate liberalization and Renminbi internationalization, the PRC government may in the future announce further changes to the exchange rate system, and we cannot assure you that the Renminbi will not appreciate or depreciate significantly in value against the U.S. dollar in the future.

Significant revaluation of the Renminbi may materially and adversely affect our revenues, earnings and financial position, and the value and trading price of, and any dividends payable on, our securities in U.S. dollars. The appreciation of the Renminbi against the U.S. dollar would have an adverse effect on the Renminbi amount we would receive from the conversion to the extent that we need to convert U.S. dollars into Renminbi for capital expenditures and working capital and other business purposes. Conversely, a significant depreciation of the Renminbi against the U.S. dollar may significantly reduce the U.S. dollar equivalent of our earnings, which in turn could adversely affect the price of our securities and have a negative effect on the U.S. dollar amount available to us for the purpose of making payments for dividends, royalties, strategic acquisitions or investments or for other business purposes.

Very limited hedging options are available in mainland China to reduce our exposure to exchange rate fluctuations. To date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk. While we may decide to enter into hedging transactions in the future, the availability and effectiveness of these transactions may be limited, and we may not be able to adequately hedge our exposure, or at all. In addition, our currency exchange losses may be magnified by PRC exchange control regulations that restrict our ability to convert Renminbi into foreign currency.

PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may restrict or delay us from using the proceeds of the Business Combination to make loans or additional capital contributions to our PRC Subsidiaries, which could adversely affect our liquidity and our ability to fund and expand our business.

Under PRC laws and regulations, loans by THIL to its PRC Subsidiaries to finance their operations shall not exceed certain statutory limits and must be registered with the local counterpart of the SAFE, and any capital contribution from THIL to its PRC Subsidiaries is required to be registered with the competent PRC governmental authorities. Currently, there is no statutory limit to the amount of funding that we can provide to our PRC Subsidiaries through capital contributions, because there is no statutory limit on the amount of registered capital for our PRC Subsidiaries and we are allowed to make capital contributions to our PRC Subsidiaries by subscribing for their registered capital, provided that the PRC Subsidiaries complete the relevant filing and registration procedures. According to relevant PRC regulations on foreign-invested enterprises, capital contributions to our PRC Subsidiaries are required to be registered with SAMR or its local counterpart and a local bank authorized by the SAFE.

Foreign exchange controls may limit our ability to effectively utilize our revenues and the proceeds from the Business Combination and related financings and adversely affect the value of your investment.

The PRC government imposes foreign exchange controls on the convertibility of the Renminbi and, in certain cases, the remittance of currency out of mainland China. We receive the majority of our revenues in Renminbi. Under our current corporate structure, our Cayman Islands holding company primarily relies on dividend payments from our PRC Subsidiaries to fund any cash and financing requirements we may have. We do not currently have any cash management policy that dictates how funds shall be transferred between our holding company and subsidiaries, including our PRC Subsidiaries, THHK and any other non-PRC subsidiaries that we may have in the future, or among our subsidiaries. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions (such as purchase of imported coffee beans with foreign

currencies), can be made in foreign currencies without prior approval of the SAFE provided that certain procedural requirements are met. Specifically, under the existing exchange restrictions, without prior approval of the SAFE, cash generated from the operations of our PRC Subsidiaries in mainland China may be used to pay dividends to our company. However, approval from or registration with appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of mainland China to pay capital expenses, such as the repayment of loans denominated in foreign currencies. As a result, we need to obtain SAFE approval or registration to use cash generated from the operations of our PRC Subsidiaries to pay off their respective debt in a currency other than Renminbi owed to entities outside mainland China, or to make other capital expenditure payments outside mainland China in a currency other than Renminbi. The PRC government may also at its discretion restrict access to foreign currencies for current account transactions in the future. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends to our shareholders or fulfill other payment obligations in foreign currencies or fund any future operations that we may have outside of mainland China with foreign currencies.

In addition, under the Circular on Reforming the Management Approach Regarding the Foreign Exchange Capital Settlement of Foreign-Invested Enterprises (“FIEs”) and the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account, FIEs are prohibited from using Renminbi funds converted from their foreign exchange capital for expenditures beyond their business scopes or using such Renminbi funds to provide loans to persons other than their affiliates, unless within their business scope.

Any foreign loan procured by our PRC Subsidiaries is also required to be registered with the SAFE or its local branches or be filed with the SAFE in its information system, and each of our PRC Subsidiaries may not procure loans which exceed either (i) the amount of the difference between their respective registered total investment amount and registered capital or (ii) two and a half times, or the then-applicable statutory multiple, the amount of their respective audited net assets, calculated in accordance with PRC GAAP (the “Net Assets Limit”), at our election. Increasing the amount of the difference between their respective registered total investment amount and registered capital of our PRC Subsidiaries is subject to governmental approval and may require such subsidiary to increase its registered capital at the same time. If we choose to make a loan to a PRC entity based on its Net Assets Limit, the maximum amount that we would be able to loan to the relevant PRC entity would depend on the relevant entity’s net assets and the applicable statutory multiple at the time of the calculation. As of the date of this prospectus, all of our PRC Subsidiaries have negative or very limited net assets, which prevents us from providing loans to them using the Net Assets Limit. Any medium- or long-term loan to be provided by us to our PRC Subsidiaries must also be registered by and filed with the NDRC.

On October 23, 2019, SAFE further issued the Circular of the State Administration of Foreign Exchange on Further Promoting the Facilitation of Cross-Border Trade and Investment (“Circular 28”), which took effect on the same day. Circular 28 allows non-investment FIEs to use their capital funds to make equity investments in mainland China as long as such investments do not violate the then effective negative list for foreign investments and the target investment projects are genuine and in compliance with laws. In addition, Circular 28 stipulates that qualified enterprises in certain pilot areas may use their capital income from registered capital, foreign debt and overseas listing, for the purpose of domestic payments without providing authenticity certifications to the relevant banks in advance for those domestic payments. As this circular is relatively new, there remains uncertainty as to its interpretation and application and any other future foreign exchange-related rules. Violations of these circulars could result in severe monetary or other penalties.

These PRC laws and regulations and any new PRC laws and regulations that may come into effect in the future may significantly limit our ability to use Renminbi converted from the net proceeds of the Business Combination and related financings to fund the establishment of new entities in mainland China by our PRC Subsidiaries, and to invest in or acquire any other PRC companies through our PRC Subsidiaries. Moreover, we cannot assure you that we will be able to complete the necessary registrations or obtain the necessary government approvals on a timely basis, if at all, with respect to future loans to our PRC Subsidiaries, or future capital contributions by us to our PRC Subsidiaries. If we fail to complete such registrations or obtain such approvals or comply with any new registration or approval requirements under laws and

regulations that may come into effect in the future, or if we are found to be in violation of any applicable laws with respect to foreign currency exchange, our ability to use the proceeds we received or expect to receive from our offshore offerings may be negatively affected and we may be subject to penalties, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

Due to these existing and/or potential interventions in or the imposition of restrictions and limitations by the PRC government on our ability or the ability of our PRC Subsidiaries to transfer cash and/or non-cash assets based on existing or new PRC laws and regulations, cash and/or non-cash assets located in mainland China or held by our PRC Subsidiaries may not be available to fund our foreign currency needs or any foreign operations that we may have in the future or for other uses outside of mainland China, and we may not be able to effectively utilize the proceeds from the Business Combination and related financings to fund the operations or liquidity needs of our PRC Subsidiaries.

Based on the experience of our management team, we do not believe that remittance of cash and/or non-cash assets from Hong Kong, including cash and/or non-cash assets held by THHK, is subject to the aforementioned interventions, restrictions and limitations by the PRC government or similar interventions, restrictions or limitations from the government of the HKSAR, nor do we believe such interventions, restrictions and limitations will be imposed on THHK or any future Hong Kong subsidiary that THIL may have in the foreseeable future. To the extent that our cash and/or non-cash assets in Hong Kong or any cash and/or non-cash assets held by our Hong Kong Subsidiaries are subject to the aforementioned interventions, restrictions and limitations by the PRC government or the government of the HKSAR, then, as a result of such interventions, restrictions and limitations, such cash/assets may not be available to pay dividends to us, to fund the operations of our subsidiaries outside Hong Kong or to be used outside of Hong Kong for other purposes.

The M&A Rules and certain other PRC regulations could make it more difficult for us to pursue growth through acquisitions in mainland China.

The M&A Rules established additional procedures and requirements that could make merger and acquisition activities involving mainland China companies by foreign investors more time-consuming and complex, including requirements in some instances that the in-charge government authority be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise. Moreover, the Anti-monopoly Law of the PRC requires that the in-charge government authority be notified in advance of any concentration of undertaking if certain thresholds are triggered. In light of the uncertainties relating to the interpretation, implementation and enforcement of the Anti-monopoly Law, we cannot assure you that the in-charge Anti-monopoly Law enforcement agency will not deem our past acquisition or investments to have triggered the filing requirement for anti-trust review. If we or any of our PRC Subsidiaries is found to have violated the concentration provisions of the Anti-monopoly Law, the Anti-monopoly Law enforcement agency may order us to cease the implementation of concentration, dispose of relevant shares or assets within a certain period, transfer the business within a certain period and take other necessary measures to set back the concentration and impose a fine of up to 10% of our total sales during the previous year, if the concentration has or may have the effect of eliminating or restricting competition, or impose a fine of up to RMB5,000,000 if the concentration has no effect of eliminating or restricting competition. These measures may materially and adversely affect our business, financial condition and results of operations. In addition, under applicable laws, mergers and acquisitions by foreign investors that raise “national defense and security” concerns and mergers and acquisitions through which foreign investors may acquire de facto control over domestic enterprises that raise “national security” concerns are subject to strict review by the MOFCOM, and any activities attempting to bypass a security review, including by structuring the transaction through a proxy or contractual control arrangement, are prohibited.

In the future, we may grow our business by acquiring complementary businesses. Complying with the requirements of the above-mentioned regulations and other relevant rules to complete such transactions could be time-consuming, and any required approval processes, including obtaining approval from the MOFCOM or its local counterparts, may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share.

Failure to comply with PRC regulations regarding the registration requirements for employee stock ownership plans or share option plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions.

Pursuant to the Notice on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company, promulgated by the SAFE in 2012, grantees of our incentive share awards who are PRC citizens or who are non-PRC residents continuously residing in mainland China for a continuous period of no less than a year shall, subject to limited exceptions, be required to register with the SAFE and complete certain other procedures through a domestic qualified agent and collectively retain an overseas entrusted institution to handle matters related to the exercise of stock options and the purchase and disposition of related equity interests. Failure to comply with these SAFE requirements may subject these individuals to fines and legal sanctions and may also limit our ability to contribute additional capital into our PRC Subsidiaries and limit our PRC Subsidiaries' ability to distribute dividends to us.

The PRC State Taxation Administration, or SAT, has also issued certain circulars concerning equity incentive awards. Under these circulars, our employees working in mainland China who exercise share options or are granted restricted share units will be subject to PRC individual income tax. If our employees fail to pay or if we fail to withhold their income taxes according to relevant laws and regulations, we may face sanctions imposed by the tax authorities or other PRC governmental authorities.

If additional remedial measures are imposed on the "big four" PRC-based accounting firms, including THIL's independent registered public accounting firm, in administrative proceedings brought by the SEC alleging such firms' failure to meet specific criteria set by the SEC with respect to requests for the production of documents, THIL could fail to timely file future financial statements in compliance with the requirements of the Exchange Act.

Starting in 2011, the "big four" PRC-based accounting firms, including THIL's independent registered public accounting firm, were affected by a conflict between U.S. and PRC law. Specifically, for certain U.S.-listed companies operating and audited in China, the SEC and the PCAOB sought to obtain from the PRC accounting firms access to their audit work papers and related documents. The firms were, however, advised and directed that under PRC law, they could not respond directly to the U.S. regulators on those requests, and that requests by foreign regulators for access to such papers in China had to be channeled through the CSRC.

In late 2012, this impasse led the SEC to commence administrative proceedings under Rule 102(e) of its Rules of Practice and also under the Sarbanes-Oxley Act against the PRC accounting firms, including THIL's independent registered public accounting firm. A first instance trial of the proceedings in July 2013 in the SEC's internal administrative court resulted in an adverse judgment against the firms. The administrative law judge proposed penalties on the firms, including a temporary suspension of their right to practice before the SEC, although that proposed penalty did not take effect pending review by the Commissioners of the SEC. On February 6, 2015, before a review by the Commissioner had taken place, the firms reached a settlement with the SEC. Under the settlement, the SEC accepts that future requests by the SEC for the production of documents will normally be made to the CSRC. The firms will receive matching Section 106 requests and are required to abide by a detailed set of procedures with respect to such requests, which in substance require them to facilitate production via the CSRC. If they fail to meet specified criteria, the SEC retains authority to impose a variety of additional remedial measures on the firms depending on the nature of the failure. Remedies for any future noncompliance could include, as appropriate, an automatic six-month bar on a single firm's performance of certain audit work, commencement of a new proceeding against a firm, or, in extreme cases, the resumption of the current proceeding against all the affiliates of the "big four." If additional remedial measures are imposed on the Chinese affiliates of the "big four" accounting firms, including THIL's independent registered public accounting firm, in administrative proceedings brought by the SEC alleging the firms' failure to meet specific criteria set by the SEC with respect to requests for the production of documents, THIL could be unable to timely file future financial statements in compliance with the requirements of the Exchange Act.

In the event that the SEC restarts the administrative proceedings, depending upon the final outcome, listed companies in the United States with major PRC operations may find it difficult or impossible to

retain auditors in respect of their operations in mainland China, which could result in financial statements being determined not to be in compliance with the requirements of the Exchange Act. Moreover, any negative news about any such future proceedings against these audit firms may cause investor uncertainty regarding China-based U.S.-listed companies, and the market price of our securities may be adversely affected.

If THIL's independent registered public accounting firm was denied, even temporarily, the ability to practice before the SEC and THIL is unable to timely find another registered public accounting firm to audit and issue an opinion on its financial statements, its financial statements could be determined not to be in compliance with the requirements of the Exchange Act. Such a determination could ultimately lead to the delisting of THIL's shares or deregistration from the SEC, or both, which would substantially reduce or effectively terminate the trading of the shares in the United States.

The PCAOB has been and currently is unable to inspect our auditor. Our securities may be delisted under the HFCAA if the PCAOB is unable to inspect our auditors for three consecutive years after we are identified by the SEC as a Commission-Identified Issuer, or two consecutive years if the AHFCAA is enacted. The delisting of our securities, or the threat of our securities being delisted, may materially and adversely affect the value of your investment. Additionally, the inability of the PCAOB to conduct inspections deprives investors of the benefits of such inspections.

On December 18, 2020, the HFCAA was enacted. In essence, the HFCAA requires the SEC to prohibit securities of any foreign companies from being listed on U.S. securities exchanges or traded "over-the-counter" if a company retains a foreign accounting firm that cannot be inspected by the PCAOB for three consecutive years. On December 2, 2021, the SEC adopted final amendments implementing the disclosure and submission requirements under the HFCAA, pursuant to which the SEC will (i) identify an issuer as a "Commission-Identified Issuer" if the issuer has filed an annual report containing an audit report issued by a registered public accounting firm that the PCAOB has determined it is unable to inspect or investigate completely because of a position taken by the authority in the foreign jurisdiction, and (ii) impose a trading prohibition on the issuer after it is identified as a Commission-Identified Issuer for three consecutive years. The AHFCAA, which was passed by the U.S. Senate in June 2021, if enacted, would shorten the three-consecutive-year compliance period under the HFCAA to two consecutive years and, as a result, reduce the time before the potential trading prohibition against or delisting of the issuer's securities. THIL's independent registered public accounting firm is located in and organized under the laws of the PRC, a jurisdiction where the PCAOB is currently unable to conduct inspections without the approval of the PRC regulatory authorities, and therefore THIL's auditors are not currently inspected by the PCAOB.

On March 24, 2021, the SEC adopted interim final amendments, which will become effective 30 days after publication in the Federal Register, relating to the implementation of certain disclosure and documentation requirements of the HFCAA. The interim final amendments will apply to registrants that the SEC identifies as having filed an annual report with an audit report issued by a registered public accounting firm that is located in a foreign jurisdiction and that the PCAOB has determined that it is unable to inspect or investigate completely because of a position taken by an authority in that jurisdiction. Before any registrant will be required to comply with the interim final amendments, the SEC must implement a process for identifying such registrants. Consistent with the HFCAA, the amendments will require any identified registrant to submit documentation to the SEC establishing that the registrant is not owned or controlled by a government entity in that jurisdiction, and will also require, among other things, disclosure in the registrant's annual report regarding the audit arrangements of, and government influence on, such registrant. In May 2021, the PCAOB issued a proposed Rule 6100, Board Determinations Under the HFCAA, for public comment. The proposed rule is related to the PCAOB's responsibilities under the HFCAA, which, according to the PCAOB, would establish a framework for the PCAOB to use when determining, as contemplated under the HFCAA, whether the PCAOB is unable to inspect or investigate completely registered public accounting firms located in a foreign jurisdiction because of a position taken by one or more authorities in that jurisdiction. On June 22, 2021, the U.S. Senate passed a bill which, if passed by the U.S. House of Representatives and signed into law, would reduce the number of consecutive non-inspection years required for triggering the prohibitions under the HFCAA from three years to two. On September 22, 2021, the PCAOB adopted Rule 6100, which was subsequently approved by the SEC on November 5, 2021. On December 16, 2021, the PCAOB issued a report on its determination that it is unable to inspect or investigate completely PCAOB-registered public accounting firms headquartered in mainland

China and Hong Kong because of positions taken by local authorities. On August 26, 2022, the PCAOB announced that it had signed a Statement of Protocol (the “Protocol”) with the CSRC and the Ministry of Finance of China. The terms of the Protocol would grant the PCAOB complete access to audit work papers and other information so that it may inspect and investigate PCAOB-registered accounting firms headquartered in mainland China and Hong Kong. However, it is uncertain whether and how the Protocol will be implemented and whether THIL’s auditors will be able to fully cooperate with the PCAOB’s request for audit workpapers without the approval of the Chinese authorities.

The SEC may propose additional rules or guidance that could impact THIL if its auditor is not subject to PCAOB inspection. For example, on August 6, 2020, the President’s Working Group on Financial Markets (the “PWG”) issued the Report on Protecting United States Investors from Significant Risks from Chinese Companies to the then-President of the United States. This report recommended that the SEC implement five recommendations to address companies from jurisdictions that do not provide the PCAOB with sufficient access to fulfill its statutory mandate. Some of the concepts of these recommendations were implemented with the enactment of the HFCAA. However, some of the recommendations were more stringent than the HFCAA. For example, if a company was not subject to PCAOB inspection, the report recommended that the transition period before a company would be delisted would end on January 1, 2022. It is unclear when the SEC will complete its rulemaking, when such rules will become effective and what, if any, of the PWG recommendations will be adopted.

THIL’s auditors, who are headquartered in mainland China, are subject to the determinations announced by the PCAOB, and the PCAOB has been and currently is unable to inspect THIL’s auditors. The enactment of the HFCAA and AHFCAA and the implications of any additional rulemaking efforts to increase U.S. regulatory access to audit information in China could cause investor uncertainty for affected SEC registrants, including THIL, and the market price of our securities could be materially adversely affected. Additionally, whether the PCAOB will be able to conduct inspections of THIL’s auditors in the next three, or two, consecutive years, or at all, is subject to substantial uncertainty and depends on a number of factors out of THIL’s control. If THIL is unable to meet the PCAOB inspection requirement in time, it could be delisted and THIL’s securities will not be permitted for trading “over-the-counter” either. Such a delisting would substantially impair your ability to sell or purchase THIL’s securities when you wish to do so, and the risk and uncertainty associated with delisting would have a negative impact on the price of our securities. Also, such a delisting would significantly affect THIL’s ability to raise capital on acceptable terms, or at all, which would have a material adverse effect on THIL’s business, financial condition and prospects.

The PCAOB’s inability to conduct inspections prevents it from fully evaluating the audits and quality control procedures of THIL’s independent registered public accounting firm. As a result, THIL and investors in THIL’s securities are deprived of the benefits of such PCAOB inspections. The inability of the PCAOB to conduct inspections of auditors in China makes it more difficult to evaluate the effectiveness of THIL’s independent registered public accounting firm’s audit procedures or quality control procedures as compared to auditors outside of China that are subject to the PCAOB inspections, which could cause investors and potential investors to lose confidence in the audit procedures and reported financial information and the quality of THIL’s financial statements.

Your ability to effect service of legal process, enforce judgments or bring actions against us or certain of our officers and directors outside the U.S. will be limited and additional costs may be required.

We are a Cayman Islands holding company that conducts our operations in mainland China through our PRC Subsidiaries. A majority of our assets, our entire management team and two of our directors are based in mainland China. Therefore, it may be difficult or costly for you to effect service of process against us or these officers and directors within the U.S. In addition, we have been advised by our PRC legal counsel, Han Kun Law Offices, according to its interpretation of the currently in-effect PRC laws and regulations, that it is uncertain (i) whether and on what basis a PRC court would enforce judgment rendered by a court in the U.S. based upon the civil liability provisions of U.S. federal securities laws; and (ii) whether an investor will be able to bring an original action in a PRC court based on U.S. federal securities laws. See “Enforceability of Civil Liability” for more details. As such, you may not be able to or may experience difficulties or incur additional costs in order to enforce judgments obtained in U.S. courts based upon the civil liability provisions of U.S. federal securities laws in mainland China or bring original actions in mainland China based on

U.S. federal securities laws. In addition, while we don't have any business operations in Hong Kong, one of our directors is based in Hong Kong. Similarly, it may be difficult or costly for you to effect service of process against this director within the U.S., and enforce judgments obtained in U.S. courts based upon the civil liability provisions of U.S. federal securities laws in Hong Kong or bring original actions in Hong Kong based on U.S. federal securities laws. Furthermore, any judgment obtained in the U.S. against THIL and these individuals may not be collectible within the U.S.

Risks Related to THIL's Securities and this Offering

The price of our securities may be volatile, and the value of our securities may decline.

We cannot predict the prices at which our securities will trade. The price of our securities may not bear any relationship to any established criteria of the value of our business and prospects, and the market price of our securities may fluctuate substantially. In addition, the trading price of our securities could be subject to fluctuations in response to various factors, some of which are beyond our control. These fluctuations could cause you to lose all or part of your investment in our securities as you might be unable to sell these securities at or above the price you paid for the securities. Factors that could cause fluctuations in the trading price of our securities include the following:

- actual or anticipated fluctuations in our financial condition or results of operations;
- variance in our financial performance from expectations of securities analysts;
- changes in our projected operating and financial results;
- changes in laws or regulations applicable to our business;
- announcements by us or our competitors of significant business developments, acquisitions or new offerings;
- sales of our securities by us, our shareholders or our warrant holders, as well as the anticipation of lockup releases;
- significant breaches of, disruptions to or other incidents involving our information technology systems or those of our business partners;
- our involvement in litigation;
- conditions or developments affecting the coffee industry in China;
- changes in senior management or key personnel;
- the trading volume of our securities;
- changes in the anticipated future size and growth rate of our markets;
- publication of research reports or news stories about us, our competitors or our industry, or positive or negative recommendations or withdrawal of research coverage by securities analysts;
- general economic and market conditions; and
- other events or factors, including those resulting from war, incidents of terrorism, global pandemics or responses to these events.

A market for our securities may not develop or be sustained, which would adversely affect the liquidity and price of our securities.

A substantial amount of our shares are subject to transfer restrictions. An active trading market for our securities may never develop or, if developed, may not be sustained. In addition, the price of our securities may vary due to general economic conditions and forecasts, our general business condition and the release of our financial reports. Additionally, if our securities are not listed on Nasdaq and are quoted on the OTC Bulletin Board (an inter-dealer automated quotation system for equity securities that is not a national securities exchange), the liquidity and price of our securities may be more limited than if we were quoted or

listed on Nasdaq or another national securities exchange. You may be unable to sell your securities unless a market can be established or sustained.

If we do not meet the expectations of equity research analysts, if they do not publish research reports about our business or if they issue unfavorable commentary or downgrade our securities, the price of our securities could decline.

The trading market for our securities relies in part on the research reports that equity research analysts publish about us and our business. The analysts' estimates are based upon their own opinions and are often different from our estimates or expectations. If our results of operations are below the estimates or expectations of equity research analysts and investors, the price of our securities could decline. Moreover, the price of our securities could decline if one or more equity research analysts downgrade our securities or if those analysts issue other unfavorable commentary or cease publishing reports about us or our business.

Sales of a substantial number of our securities in the public market by the Selling Securityholders and/or by our existing securityholders could cause the price of our securities to fall.

Subject to applicable lock-ups, the Selling Securityholders can sell, under this prospectus, up to 62,151,365 Ordinary Shares constituting (on a post-exercise basis) approximately 38.7% of our issued and outstanding Ordinary Shares as of September 28, 2022 (assuming the exercise of all of our outstanding Warrants and the conversion of the Notes). The sales of a substantial number of Registered Securities could result in a significant decline in the public trading price of our securities and could impair our ability to raise capital through the sale or issuance of additional equity securities. We are unable to predict the effect that such sales may have on the prevailing market price of our securities. Despite such a decline in the public trading price, certain Selling Securityholders may still experience a positive rate of return on the securities they purchased due to the lower price that they purchased their Ordinary Shares and/or Warrants compared to other public investors and may be incentivized to sell their securities when others are not. For example, based on the closing price of our Ordinary Shares on October 12, 2022, the Sponsor may experience a potential profit of up to \$4.13 per share; holders of the Legacy Shares may experience a potential profit of up to \$2.03 per share; the PIPE Investors and the ESA Investors may experience a potential profit if the price of our Ordinary Shares exceeds \$10.00 per Ordinary Share; and the Sponsor and the PIPE Investors may experience a potential profit on their Warrants if the price of our Ordinary Shares exceeds \$11.50 per Ordinary Share.

Future issuance of our Ordinary Shares will result in additional dilution of the percentage ownership of our shareholders and could cause our share price to fall.

Certain of our shareholders are entitled to receive Earn-out Shares, consisting of up to an additional 1,400,000 newly issued Ordinary Shares to be issued in two equal 700,000 tranches based on the achievement of closing share price targets of Ordinary Shares of \$12.50 and \$15.00, respectively, in each case, for any 20 trading days within any consecutive 30 trading day period at any time commencing on or after the Closing and ending on or prior to the five-year anniversary of the Closing Date. To the extent the conditions to the issuance of the Earn-out Shares are satisfied, additional Ordinary Shares will be issued, which will result in dilution to our shareholders and increase the number of shares eligible for resale in the public market. However, there can be no assurance the conditions to the issuance of the Earn-out Shares will be satisfied by the fifth anniversary of the Closing Date, and as such, the right to receive the Earn-out Shares may be forfeited.

In addition, we may need additional capital in the future to finance our operations. We may sell Ordinary Shares, convertible securities or other equity securities in one or more transactions at prices and in a manner we determine from time to time. For example, pursuant to our Ordinary Share Purchase Agreement with CF Principal Investments LLC ("Cantor") relating to a committed equity facility, we have the right, after the Closing and from time to time at our option, to sell to Cantor up to \$100.0 million of Ordinary Shares subject to certain conditions and limitations set forth in the purchase agreement. As part of our business strategy, we may also acquire or make investments in companies, solutions or technologies and issue equity securities to pay for any such acquisition or investment. Furthermore, we may issue additional Ordinary Shares in connection with the grant of equity awards to employees under our equity incentive plans.

Any such issuance of additional share capital may cause shareholders to experience significant dilution of their ownership interests and the per share value of our Ordinary Shares to decline.

We do not intend to pay dividends before we become profitable, and as a result, your ability to achieve a return on your investment in the foreseeable future will depend on appreciation in the price of our Ordinary Shares.

We do not intend to pay any cash dividends before we become profitable, which may not occur in the foreseeable future. Any determination to pay dividends in the future will be at the discretion of our board of directors. Accordingly, you may need to rely on sales of Ordinary Shares after price appreciation, which may never occur, as the only way to realize any future gains on your investment.

We are an “emerging growth company,” and we cannot be certain if the reduced reporting and disclosure requirements applicable to emerging growth companies will make our securities less attractive to investors.

We are an “emerging growth company,” as defined in the JOBS Act, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not “emerging growth companies,” including the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, disclosure obligations regarding executive compensation in our periodic reports, and the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. We do not intend to opt out of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of our financial statements with certain other public companies difficult or impossible because of the potential differences in accounting standards used.

We will remain an emerging growth company until the earlier of: (i) the last day of the fiscal year (a) following the fifth anniversary of the first sale of our Ordinary Shares pursuant to an effective registration statement, (b) in which THIL has total annual gross revenue of at least \$1.07 billion, or (c) in which we are deemed to be a large accelerated filer, which means the market value of our common equity that is held by non-affiliates exceeds \$700 million as of the last business day of its most recently completed second fiscal quarter; and (ii) the date on which we have issued more than \$1.00 billion in non-convertible debt securities during the prior three-year period. References herein to “emerging growth company” have the meaning associated with it in the JOBS Act.

We cannot predict if investors will find our securities less attractive if we choose to rely on these exemptions. If some investors find our securities less attractive as a result, there may be a less active trading market for our securities, and the price of our securities may be more volatile.

We are foreign private issuer, and as a result, we are not subject to U.S. proxy rules and will be subject to Exchange Act reporting obligations that, to some extent, are more lenient and less frequent than those of a U.S. domestic public company.

Because we qualify as a foreign private issuer under the Exchange Act, we are exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including, among others, (1) the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act, (2) the sections of the Exchange Act requiring insiders to file public reports of their share ownership and trading activities and liability for insiders who profit from trades made in a short period of time, and (3) the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specified information. In addition, foreign private issuers are not required to file their annual report on Form 20-F

until 120 days after the end of each fiscal year, while U.S. domestic issuers that are accelerated filers are required to file their annual report on Form 10-K within 75 days after the end of each fiscal year, and U.S. domestic issuers that are large accelerated filers are required to file their annual report on Form 10-K within 60 days after the end of each fiscal year. As a result of all of the above, you may not have the same protections afforded to shareholders of a company that is not a foreign private issuer.

As we are a “foreign private issuer” and have the option to follow certain home country corporate governance practices rather than those of Nasdaq, our shareholders may not have the same protections afforded to shareholders of companies that are subject to all Nasdaq corporate governance requirements.

As a foreign private issuer, we have the option to follow certain home country corporate governance practices rather than those of Nasdaq, provided that we disclose the requirements we are not following and describe the home country practices we are following. We have opted to rely on this “foreign private issuer exemption” with respect to Nasdaq rules for shareholder meeting quorums and shareholder approval requirements. We may in the future elect to follow home country practices with regard to other matters. As a result, our shareholders may not have the same protections afforded to shareholders of companies that are subject to all Nasdaq corporate governance requirements.

We may lose our foreign private issuer status in the future, which could result in significant additional costs and expenses.

As discussed above, we are a foreign private issuer, and therefore, we are not required to comply with all of the periodic disclosure and current reporting requirements of the Exchange Act. The determination of foreign private issuer status is made annually on the last business day of an issuer’s most recently completed second fiscal quarter. In the future, we would lose our foreign private issuer status if (1) more than 50% of our outstanding voting securities are owned by U.S. residents and (2) a majority of our directors or executive officers are U.S. citizens or residents, a majority of our assets are located in the U.S., or our business is administered principally in the U.S. If we lose our foreign private issuer status, we will be required to file with the SEC periodic reports and registration statements on U.S. domestic issuer forms, which are more detailed and extensive than the forms available to a foreign private issuer. We will also have to mandatorily comply with U.S. federal proxy requirements, and our officers, directors and principal shareholders will become subject to the short-swing profit disclosure and recovery provisions of Section 16 of the Exchange Act. In addition, we will lose our ability to rely upon exemptions from certain corporate governance requirements under the listing rules of Nasdaq. A U.S.-listed public company that is not a foreign private issuer will incur significant additional legal, accounting and other expenses that a foreign private issuer will not incur.

We are a “controlled company” within the meaning of Nasdaq corporate governance rules, which could exempt us from certain corporate governance requirements that provide protection to shareholders of companies that are not controlled companies.

As of the date of this prospectus, Peter Yu, our Chairman and the Managing Partner of Cartesian Capital Group, LLC (“Cartesian”), indirectly owns approximately 53.4% of our outstanding Ordinary Shares through entities controlled by him. As a result of Peter Yu’s majority ownership and voting power, which would give him the ability to control the outcome of certain matters submitted to our shareholders for approval, including the appointment or removal of directors (subject to certain limitations described elsewhere in this registration statement), we qualify as a “controlled company” within the meaning of Nasdaq’s corporate governance standards and have the option not to comply with certain requirements to which companies that are not controlled companies are subject, including the requirement that a majority of our board of directors shall consist of independent directors and the requirement that our nominating and corporate governance committee and compensation committee shall be composed entirely of independent directors. We currently do not intend to take advantage of these exemptions. However, in the event that we elect to rely on the exemptions, shareholders of THIL will not have the same protection afforded to shareholders of companies that are subject to these corporate governance requirements.

We have incurred increased costs as a result of operating as a public company, and our management will be required to devote substantial time to compliance with our public company responsibilities and corporate governance practices.

As a public company, we have incurred significant legal, accounting and other expenses that we did not incur as a private company, which we expect to further increase after we are no longer an “emerging growth company.” The Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the continued listing requirements of Nasdaq, and other applicable securities rules and regulations impose various requirements on public companies. Our management and other personnel are not experienced in managing a public company and are required to devote a substantial amount of time to compliance with these requirements. Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. We cannot predict or estimate the amount of additional costs we will incur as a public company or the specific timing of such costs.

As a result of being a public company, we are obligated to develop and maintain proper and effective internal controls over financial reporting, and any failure to maintain the adequacy of these internal controls may adversely affect investor confidence in our company and, as a result, the value of our securities.

We will be required, pursuant to Section 404 of the Sarbanes-Oxley Act, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting as of the end of the fiscal year that coincides with the filing of our second annual report on Form 20-F. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. In addition, our independent registered public accounting firm will be required to attest to the effectiveness of our internal control over financial reporting in our first annual report required to be filed with the SEC following the date we are no longer an “emerging growth company.”

Our current internal controls and any new controls that we develop may become inadequate because of changes in conditions in our business. In addition, changes in accounting principles or interpretations could also challenge our internal controls and require that we establish new business processes, systems and controls to accommodate such changes. Additionally, if these new systems, controls or standards and the associated process changes do not give rise to the benefits that we expect or do not operate as intended, it could materially and adversely affect our financial reporting systems and processes, our ability to produce timely and accurate financial reports or the effectiveness of our internal control over financial reporting. Moreover, our business may be harmed if we experience problems with any new systems and controls that result in delays in their implementation or increased costs to correct any post-implementation issues that may arise.

During the evaluation and testing process of our internal controls, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to certify that our internal control over financial reporting is effective. We cannot assure you that there will not be material weaknesses or significant deficiencies in our internal control over financial reporting in the future. Any failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition or results of operations. If we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines that we have a material weakness or significant deficiency in our internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, the market price of our securities could decline, and we could be subject to sanctions or investigations by the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

The growth and expansion of our business places a continuous, significant strain on our operational and financial resources, and our internal controls and procedures may not be adequate to support our operations. As we continue to grow, we may not be able to successfully implement requisite improvements to these systems, controls and processes, such as system access and change. The growth and expansion of our business places a continuous, significant strain on our operational and financial resources. Further growth of our operations to support our customer base, our information technology systems and our internal controls and procedures may not be adequate to support our operations. As we continue to grow, we may not be

able to successfully implement requisite improvements to these systems, controls and processes, such as system access and change management controls, in a timely or efficient manner. Our failure to improve our systems and processes, or their failure to operate in the intended manner, whether as a result of the growth of our business or otherwise, may result in our inability to accurately forecast our revenue and expenses, or to prevent certain losses. Moreover, the failure of our systems and processes could undermine our ability to provide accurate, timely and reliable reports on our financial and operating results and could impact the effectiveness of our internal control over financial reporting. In addition, our systems and processes may not prevent or detect all errors, omissions or fraud.

We have identified material weaknesses in our internal controls over financial reporting, which, if not corrected, could affect the reliability of our financial statements and have other adverse consequences.

In connection with the audit of our consolidated balance sheets as of December 31, 2021 and 2020, the related consolidated statements of operations, comprehensive loss, changes in shareholders' equity, and cash flows for the years ended December 31, 2021, 2020 and 2019, we and our independent registered public accounting firm have identified material weaknesses in our internal controls over financial reporting, which we have begun to address and have a plan to further address. A material weakness is a deficiency, or a combination of deficiencies, in internal controls over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

The material weaknesses identified relate to (i) our company's lack of sufficient competent financial reporting and accounting personnel with appropriate understanding of U.S. GAAP and financial reporting requirements set forth by the SEC required to formalize, design, implement and operate key controls over financial reporting processes to address complex U.S. GAAP accounting issues and related disclosures, in accordance with U.S. GAAP and SEC financial reporting requirements, and (ii) our company's lack of period end financial closing policies and procedures to formalize, design, implement and operate key controls over period end financial closing process for the preparation of consolidated financial statements, including disclosures, in accordance with U.S. GAAP and relevant SEC financial reporting requirements.

Neither we nor our independent registered public accounting firm undertook a comprehensive assessment of our internal controls under the Sarbanes-Oxley Act for purposes of identifying and reporting any weakness in our internal controls over financial reporting. Had we performed a formal assessment of our internal controls over financial reporting, or had our independent registered public accounting firm performed an audit of our internal control over financial reporting, additional material weaknesses or internal control deficiencies may have been identified.

To remediate our identified material weakness, we have hired a Chief Financial Officer with appropriate understanding of U.S. GAAP and financial reporting requirements set forth by the SEC. We also plan to adopt measures to improve our internal controls over financial reporting, including, among others: (i) hiring additional qualified accounting and financial personnel with appropriate knowledge and experience in U.S. GAAP and SEC reporting requirements, (ii) organizing regular training for our accounting staff, especially training related to U.S. GAAP and SEC reporting requirements, (iii) formulating U.S. GAAP accounting policies and procedures manual, which will be maintained, reviewed and updated, on a regular basis, to the latest U.S. GAAP accounting standards, and (iv) establishing period end financial closing policies and procedures for preparation of consolidated financial statements. However, the implementation of these measures may not fully address these deficiencies in our internal control over financial reporting, and we cannot conclude that they have been fully remediated. Our failure to correct these deficiencies or failure to discover and address any other deficiencies could result in inaccuracies in our financial statements and impair our ability to comply with applicable financial reporting requirements and related regulatory filings on a timely basis. Moreover, ineffective internal control over financial reporting could significantly hinder our ability to prevent fraud.

We do not intend to make any determinations on whether we or our subsidiaries are CFCs for U.S. federal income tax purposes.

We do not intend to make any determinations on whether we or any of our subsidiaries are treated as "controlled foreign corporations" within the meaning of Section 957(a) of the United States Internal Revenue

Code of 1986, as amended (the “Code”) (“CFCs”), or whether any U.S. Holder of Ordinary Shares is treated as a “United States shareholder” within the meaning of Section 951(b) of the Code with respect to any such CFC. We do not expect to furnish to any U.S. Holder of Ordinary Shares information that may be necessary to comply with applicable reporting and tax paying obligations with respect to CFCs. The IRS has provided limited guidance regarding the circumstances in which investors may rely on publicly available information to comply with their reporting and taxpaying obligations with respect to CFCs. U.S. Holders of Ordinary Shares should consult their tax advisors regarding the potential application of these rules to their particular circumstances. A “U.S. Holder” means any beneficial owner of THIL’s securities that is, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the United States; (ii) a corporation (or other entity taxable as a corporation) created or organized under the laws of the United States, any state thereof, or the District of Columbia; (iii) an estate, the income of which is subject to U.S. federal income tax regardless of its source; or (iv) a trust that (1) is subject to the primary supervision of a U.S. court and the control of one or more “United States persons” (within the meaning of Section 7701(a)(30) of the Code), or (2) has a valid election in effect to be treated as a “United States person” (within the meaning of Section 7701(a)(30) of the Code) for U.S. federal income tax purposes.

If we or any of our subsidiaries are characterized as a passive foreign investment company, or PFIC, for U.S. federal income tax purposes, U.S. Holders may suffer adverse U.S. federal income tax consequences.

A non-U.S. corporation generally will be treated as a PFIC for U.S. federal income tax purposes, in any taxable year if either (1) at least 75% of its gross income for such year is passive income or (2) at least 50% of the value of its assets (generally based on an average of the quarterly values of the assets) during such year is attributable to assets that produce or are held for the production of passive income.

Whether we or any of our subsidiaries are a PFIC for any taxable year is a factual determination that depends on, among other things, the composition of our income and assets, our market value and the market value of our subsidiaries’ shares and assets. Changes in our composition, the composition of our income or the composition of any of our subsidiaries assets may cause us to be or become a PFIC for the current or subsequent taxable years. Whether we are treated as a PFIC for U.S. federal income tax purposes is a factual determination that must be made annually at the close of each taxable year and, thus, is subject to significant uncertainty. Moreover, the application of the PFIC rules is subject to uncertainty in several respects, and we cannot assure you that the Internal Revenue Service (the “IRS”) will not take a contrary position or that a court will not sustain such a challenge by the IRS.

If we are a PFIC for any taxable year, a U.S. Holder of our ordinary shares may be subject to adverse tax consequences and may incur certain information reporting obligations. U.S. Holders of our ordinary shares are strongly encouraged to consult their own advisors regarding the potential application of these rules to us and the ownership of our ordinary shares.

Warrants to purchase Ordinary Shares will become exercisable commencing on the date that is 30 days after the Closing, subject to certain conditions, which could increase the number of shares eligible for future resale in the public market and result in dilution to its shareholders.

As of the Closing Date, there were 22,900,000 Warrants outstanding, of which 17,250,000 are Public Warrants. Each Warrant entitles its holder to purchase one share of Ordinary Shares at an exercise price of \$11.50 per share (subject to adjustment as described herein). Warrants to purchase Ordinary Shares will become exercisable commencing on the date that is 30 days after the Closing, provided that, with respect to the Public Warrants, a registration statement under the Securities Act with respect to the Ordinary Shares underlying the Public Warrants is then effective and a prospectus relating thereto is current. To the extent Warrants are exercised, additional shares of Ordinary Shares will be issued, which will result in dilution to our then existing shareholders and increase the number of shares eligible for resale in the public market. Sales of substantial numbers of such shares in the public market could depress the market price of our Ordinary Shares.

Our Warrants may never be in the money, and they may expire worthless.

The exercise price for our Warrants is \$11.50 per share (subject to adjustment as described herein), which exceeds the market price of our Ordinary Shares, which was \$4.13 per share based on the closing price of

our Ordinary Shares on Nasdaq on October 12, 2022. The likelihood that warrant holders will exercise the Warrants and any cash proceeds that we would receive is dependent upon the market price of our Ordinary Shares. If the market price for our Ordinary Shares is less than \$11.50 per share, we believe warrant holders will be unlikely to exercise their Warrants.

We may redeem your unexpired Public Warrants prior to their exercise at a time that is disadvantageous to you, thereby making your warrants worthless.

We have the ability to redeem outstanding Public Warrants at any time after they become exercisable and prior to their expiration, at a price of \$0.01 per warrant, provided that the last reported sales price of our Ordinary Shares equals or exceeds \$18.00 per share (as adjusted) for any 20 trading days within a 30 trading-day period ending on the third trading day prior to the date on which we give proper notice of such redemption and there is an effective registration statement covering the issuance of Ordinary Shares issuable upon exercise of the Warrants. In addition, we have the ability to redeem outstanding Public Warrants at any time after they become exercisable and prior to their expiration, at a price of \$0.10 per warrant, provided that the last reported sales price of our Ordinary Shares equals or exceeds \$10.00 per share (as adjusted) for any 20 trading days within a 30 trading-day period ending on the third trading day prior to the date on which we give proper notice of such redemption and if such last reported price is less than \$18.00 per share (as adjusted for share splits, share dividends, reorganizations, recapitalizations and the like). Redemption of the outstanding Public Warrants could force you (i) to exercise your Warrants and pay the exercise price therefor at a time when it may be disadvantageous for you to do so, (ii) to sell your Warrants at the then-current market price when you might otherwise wish to hold your Warrants, or (iii) to accept the nominal redemption price, which, at the time the outstanding Warrants are called for redemption, is likely to be substantially less than the market value of your Warrants.

The Sponsor Warrants and the PIPE Warrants (collectively, the “Private Warrants”), so long as held by the initial holders of these warrants and their permitted transferees, shall only be redeemable by us if the last reported sales price of our Ordinary Shares equals or exceeds \$10.00 per share (as adjusted) for any 20 trading days within a 30 trading-day period ending on the third trading day prior to the date on which we give proper notice of such redemption and if such last reported price is less than \$18.00 per share (as adjusted).

The warrant agreement relating to the Warrants provides that we agree that any action, proceeding or claim against us arising out of or relating in any way to such agreement will be brought and enforced in the courts of the State of New York or the United States District Court for the Southern District of New York, and that we irrevocably submit to such jurisdiction, which jurisdiction will be the exclusive forum for any such action, proceeding or claim. This exclusive forum provision could limit warrant holders’ ability to obtain what they believe to be a favorable judicial forum for disputes related to the A&R Warrant Agreement.

In connection with the Business Combination, we entered into an assignment, assumption and amended & restated warrant agreement (the “A&R Warrant Agreement”) related to the Warrants. The A&R Warrant Agreement provides that any action, proceeding or claim against us arising out of or relating in any way to such agreement will be brought and enforced in the courts of the State of New York or the United States District Court for the Southern District of New York, which will be the exclusive forum for any such action, proceeding or claim. This provision will apply to claims under the Securities Act but, as discussed below, will not apply to claims under the Exchange Act.

Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. As a result, the exclusive forum provision in the A&R Warrant Agreement will not apply to suits brought to enforce any duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. Accordingly, the exclusive forum provision does not designate the courts of the State of New York as the exclusive forum for any derivative action arising under the Exchange Act, as there is exclusive federal jurisdiction in that instance.

Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. As a result, the enforceability of the exclusive forum provision in the A&R Warrant Agreement is uncertain, and a court may determine that such provision will not apply to suits brought to enforce any duty or liability

created by the Securities Act or any other claim for which the federal and state courts have concurrent jurisdiction. Further, compliance with the federal securities laws and the rules and regulations thereunder cannot be waived by investors in ordinary shares.

The exclusive forum provision in the A&R Warrant Agreement may limit a shareholder's ability to bring a claim in a judicial forum that it finds favorable for disputes related to the A&R Warrant Agreement, which may discourage such lawsuits against us and our directors or officers. Alternatively, if a court were to find this exclusive forum provision inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial condition and results of operations and result in a diversion of the time and resources of our management and board of directors.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this prospectus, including statements regarding our future financial position, business strategy and plans and objectives of management for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “targets,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “potential” or “continue” or the negative of these terms or other similar expressions. Forward-looking statements include, without limitation, our expectations concerning the outlook for its business, productivity, plans and goals for future operational improvements and capital investments, operational performance, future market conditions or economic performance and developments in the capital and credit markets and expected future financial performance.

Forward-looking statements involve a number of risks, uncertainties and assumptions, and actual results or events may differ materially from those projected or implied in those statements. Important factors that could cause such differences include, but are not limited to:

- THIL’s markets are rapidly evolving and may decline or experience limited growth;
- THIL’s ability to retain and expand its customer base;
- THIL’s reliance on third-party suppliers;
- THIL’s ability to compete effectively in the markets in which it operates;
- THIL’s quarterly results of operations may fluctuate for a variety of reasons;
- failure to maintain and enhance the Tim Hortons brand;
- THIL’s ability to successfully and efficiently manage its current and potential future growth;
- THIL’s dependence upon the continued growth of e-commerce and usage of mobile devices;
- THIL’s ability to ensure food safety and quality control;
- failure to prevent security breaches or unauthorized access to THIL’s or its third-party service providers’ data;
- the rapidly changing and increasingly stringent laws, contractual obligations and industry standards relating to privacy, data protection and data security;
- the effects of health epidemics, including the COVID-19 pandemic; and
- the other matters described in the section titled “Risk Factors” beginning on page 26.

We caution you against placing undue reliance on forward-looking statements, which reflect current beliefs and are based on information currently available as of the date a forward-looking statement is made. Forward-looking statements set forth herein speak only as of the date of this prospectus. We do not undertake any obligation to revise forward-looking statements to reflect future events, changes in circumstances, or changes in beliefs. In the event that any forward-looking statement is updated, no inference should be made that we will make additional updates with respect to that statement, related matters, or any other forward-looking statements. Any corrections or revisions and other important assumptions and factors that could cause actual results to differ materially from forward-looking statements, including discussions of significant risk factors, may appear in our public filings with the SEC, which are or will be (as appropriate) accessible at www.sec.gov, and which you are advised to consult. For additional information, please see the section titled “Where You Can Find More Information.”

Market, ranking and industry data used throughout this prospectus, including statements regarding market size, is based on the good faith estimates of our management, which in turn are based upon our management’s review of internal surveys, independent industry surveys and publications, including reports by Global Market Trajectory & Analytics, the Department of Agriculture Foreign Agricultural Service, and other third party research and publicly available information. These data involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. While we are not aware of any misstatements regarding the industry data presented herein, its estimates involve risks and uncertainties

and are subject to change based on various factors, including those discussed under the headings “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this prospectus.

USE OF PROCEEDS

We will receive proceeds of up to an aggregate of approximately \$263,350,000 from the exercise of the Warrants if all of the Warrants are exercised for cash. We expect to use the net proceeds from the exercise of Warrants for general corporate purposes. There is no assurance that the holders of the Warrants will elect to exercise any or all of such Warrants or that they will exercise any or all of them for cash. The amount of cash we would receive from the exercise of the Warrants will decrease to the extent that Warrants are exercised on a cashless basis.

We will not receive any proceeds from any sale of the securities registered hereby by the Selling Securityholders. With respect to the registration of the securities being offered by the Selling Securityholders, the Selling Securityholders will pay any underwriting discounts and commissions incurred by them in disposing of such securities, and fees and expenses of legal counsel representing the Selling Securityholders. We have borne all other costs, fees and expenses incurred in effecting the registration of the Registered Securities, such as registration and filing fees and fees of our counsel and our independent registered public accountants.

DIVIDEND POLICY

As of the date of this prospectus, neither THIL nor any of its subsidiaries has made any dividends or distributions to its parent company or any investor. THIL plans to distribute cash dividends after it becomes profitable. Any determination to pay dividends in the future will be at the discretion of the Board.

RMB is not freely convertible into other currencies. As result, any restriction on currency exchange may limit the ability of THIL's PRC subsidiaries to use their potential future RMB revenues to pay dividends to THIL. Restrictions on THIL's PRC Subsidiaries' ability to pay dividends to an offshore entity primarily include: (i) the PRC Subsidiaries may pay dividends only out of their accumulated after-tax profits upon satisfaction of relevant statutory conditions and procedures, if any, determined in accordance with PRC accounting standards and regulations; (ii) each of the PRC Subsidiaries is required to set aside at least 10% of its after-tax profits each year, if any, to fund certain reserve funds until the total amount set aside reaches 50% of its registered capital; (iii) the PRC Subsidiaries are required to complete certain procedural requirements related to foreign exchange control in order to make dividend payments in foreign currencies; and (iv) a withholding tax, at the rate of 10% or lower, is payable by the PRC subsidiary upon dividend remittance. Such restrictions under current PRC laws and regulations, or any new restrictions that could be imposed by new PRC laws and regulations that may come into effect in the future, could have a material and adverse effect on THIL's ability to distribute profits to its shareholders. As of the date of this prospectus, neither THIL nor any of its subsidiaries has made any dividends or distributions to its parent company or any U.S. investor. THIL is not subject to any restrictions under Cayman Islands law on dividend distribution to its shareholders and currently intends to distribute cash dividends after it becomes profitable.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of June 30, 2022 on:

- a historical basis for THIL; and
- an adjusted basis, after giving effect to the Business Combination and related transactions.

As we will not receive any proceeds from the sale of the securities registered hereby to be sold by the Selling Securityholders, no further change is disclosed on a pro forma basis to reflect sales of shares pursuant to this prospectus. Proceeds receivable from the exercise of the Public Warrants and the Private Warrants are also excluded from the adjustments.

| (RMB, in thousands) | As of June 30, 2022 | |
|--|---------------------|------------------|
| | Actual | As Adjusted |
| | (unaudited) | |
| Cash and cash equivalents | 285,134 | 870,454 |
| Total liabilities | 1,224,520 | 1,224,520 |
| Equity | | |
| Ordinary shares | 8 | 774 |
| Additional paid-in capital | 947,280 | 1,531,835 |
| Accumulated losses | (961,925) | (961,925) |
| Accumulated other comprehensive income | 26,440 | 26,440 |
| Total Equity | 11,803 | 597,123 |
| Total Capitalization | 1,236,323 | 1,821,643 |

BUSINESS

Who We Are

We are an emerging coffee champion in China. Our vision is as simple as it is ambitious: to build the premier coffee and bake shop in mainland China. Founded by affiliates of Cartesian and THRI, the owner of the Tim Hortons brand, we are the parent company of the master franchisee of, and hold the right to operate, Tim Hortons coffee shops in mainland China, Hong Kong and Macau. Tim Hortons, one of the largest coffee, donut, and tea restaurant chains in the world, is deeply rooted in core values of inclusivity and community. We opened our first coffee shop in China in February 2019 and have grown dramatically since then, selling high-quality coffee and freshly prepared food items at attractive price points through company owned and operated stores and franchised stores. As of June 30, 2022, we had 440 system-wide stores across 24 cities in mainland China.

As of the date of this prospectus, we do not have any stores outside of mainland China. In addition to our physical store network, we have built a rapidly expanding base of loyal customers and a robust technology infrastructure that facilitates digital ordering and supports the efficient growth of our business. In 2021, digital orders, including both delivery and mobile ordering for self pick-up, accounted for approximately 73.0% of our revenues from company owned and operated stores, representing an increase of 8.8 percentage points from approximately 64.2% in 2020. During the six months ended June 30, 2022, 77.0% of our revenues were generated from digital orders. We also have a popular loyalty program, which has experienced tremendous growth since its establishment in 2019, reaching 2.3 million, 6.0 million and 7.5 million as of December 31, 2020, December 31, 2021 and June 30, 2022, respectively. As of the date of this prospectus, the number of our loyalty program members has further grown to over 9.0 million. In February 2022, Tim Hortons China transferred control and possession of the personal data of our customers to DataCo, a PRC-incorporated company, pursuant to a Business Cooperation Agreement. For a more detailed description, see “— Digital Technology and Information Systems.”

We provide customers with a distinctive value proposition, combining freshly prepared, high-quality and locally relevant food and beverages, priced attractively and served to our guests with an inviting customer experience. Our business philosophy is anchored by four fundamental cornerstones: true local relevance, continuous innovation, genuine community, and absolute convenience, and we seek to deliver these through world-class execution and data-driven decision making.

- **True local relevance:** As a global brand, we strive to understand and embrace what our guests like, want and need. True localization is evident in our menu, store designs and digital identity, allowing us to create familiarity and grow rapidly in the Chinese market.
- **Continuous innovation:** In China’s dynamic and demanding consumer market, we bolster our strong core menu offering by continually updating our product offerings and innovating on our digital systems from customer facing elements like ordering, to back-of-the-house systems like training and supply chain.
- **Genuine community:** We are not just about caffeine but also about connections. Our physical and digital spaces allow our community to interact around our products, and our loyalty club offers incentives and discounts to build community and drive sales.
- **Absolute convenience:** We strive to make buying our products as simple and convenient as possible for guests. Towards this goal, we (i) strategically deploy three complementary store formats, namely flagship stores, classic stores and “Tims Go” stores, (ii) leverage mobile ordering to streamline the customer experience, and (iii) utilize delivery to increase our reach and efficiency.

Building on these four cornerstones, our revenue in 2021 nearly tripled compared to 2020, and we maintained positive adjusted store EBITDA for our company owned and operated stores for 2020 and 2021. The fully-burdened gross profit of our company owned and operated stores, the most comparable GAAP measure to adjusted store EBITDA, for 2020, 2021 and the six months ended June 30, 2022 was negative RMB46.3 million, negative RMB157.4 million (US\$23.5 million) and negative RMB148.5 million (US\$22.2 million), respectively. During the same periods, our adjusted store EBITDA was RMB13.5 million, RMB27.5 million (US\$4.1 million) and negative RMB61.3 million (US\$9.2 million), respectively. For

more details regarding adjusted store EBITDA, a non-GAAP financial measure, which is a key measure used by our management and board of directors in evaluating our operating performance and making strategic decisions regarding capital allocation, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Non-GAAP Financial Measure.”

Our revenues grew significantly from RMB57.3 million in 2019 to RMB212.1 million in 2020, and further grew to RMB643.4 million (US\$96.1 million) in 2021, and maintained a year-over-year revenue growth of over 70% in the six months ended June 30, 2022 from RMB237.3 million for the six months ended June 30, 2021 to RMB403.9 million (US\$60.3 million) for the same period in 2022. Our total costs and expenses increased from RMB148.5 million in 2019 to RMB353.3 million in 2020, and further increased to RMB1,017.8 million (US\$152.0 million) in 2021. Our total costs and expenses increased from RMB369.4 million for the six months ended June 30, 2021 to RMB703.2 million (US\$105.0 million) for the same period in 2022. Our net loss increased from RMB87.8 million in 2019 to RMB143.1 million in 2020, and further increased to RMB382.9 million (US\$57.2 million) in 2021. Our net loss increased from RMB132.8 million for the six months ended June 30, 2021 to RMB326.9 million (US\$48.8 million) for the same period in 2022. For more details regarding our results of operations, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Results of Operations.”

Our Market Opportunity

We believe that the Chinese coffee market remains significantly underpenetrated. Coffee consumption per capita in China is currently a small fraction of many Western and Asian markets. According to data from the United States Department of Agriculture Foreign Agricultural Service, in 2020, per capita annual consumption of coffee in China was only 19 cups, compared to 628 cups in the United States and 494 cups in Japan. At the same time, China has the fastest growing coffee market globally, according to a 2020 report by Global Market Trajectory & Analytics.

Our Strengths

We believe that the following strengths contribute to our success and differentiate us from our competitors:

High Quality Offerings and Value for Money

THRI has been developing its coffee expertise for over 50 years, including sourcing premium Arabica beans, roasting to create unique flavors and aromas, and brewing fresh cups of coffee. We are beneficiaries of this expertise, as we source our beans from and utilize the brewing techniques of THRI. Our coffee offers guests a compelling value proposition relative to competitors, offering high quality at attractive price points. This middle segment of the China coffee market, namely coffee priced at RMB15-30 per cup, has fewer competitors and a large consumer base.

In addition to coffee, we also offer other quality, freshly prepared and locally relevant beverages and food at compelling price points, delivering strong value-for-money to our customers. We believe that our food offerings are a key differentiator and one reason customers choose to come to our stores throughout the day. In addition to attractively priced, high-quality coffee, we also offer freshly prepared food as part of our strong value-for-money offerings, such as RMB9.9 breakfast bagels and RMB4.0 TIMBIT[®] snacks.

Robust Local Supply Chain

Drawing on our management’s experience and network from helping to build Burger King China, we have constructed a strong supply chain that supports our rapidly growing store network, focused on sourcing fresh ingredients. We partner with leading suppliers across our product categories and have primary and secondary suppliers for each key category, except coffee beans, which we source from THRI. For example, our dairy products and some of our vegetables are sourced regionally to ensure the highest freshness. We select suppliers based on quality, sustainability, innovation, capabilities, services and corporate social responsibility. In addition to complying with applicable PRC laws and regulations, each of our suppliers is required to have a Global Food Safety Initiative (GFSI) certificate, a widely-recognized food safety standard.

Best-in-Class Digital Capabilities

We have an integrated business intelligence system that covers various aspects of the business operations of our PRC Subsidiaries, including, among others, the way we train our team, the way we maintain our inventory and ensure food safety, how our guests order and how they share their feedback. The use of mobile and digital technologies enables us to provide our guests with added convenience. In 2021, digital orders, including both delivery and mobile ordering for self pick-up, accounted for approximately 73.0% of our revenues from company owned and operated stores, representing an increase of 8.8 percentage points from approximately 64.2% in 2020. During the six months ended June 30, 2022, 77.0% of our revenues were generated from digital orders. We have also built, and continue to expand, our presence across the digital ecosystem in China, from vertical service platforms such as Eleme, Tmall and Meituan Dianping, to social media platforms such as Weibo, Weixin, Xiaohongshu and TikTok, which effectively increases our brand awareness and enables us to expand our community. In 2021, members of our loyalty program who had been a member for over a year on average spend approximately 39.0% more at our stores than members who joined the program less than a year ago. This number grew further to 64.2% during the first half of 2022.

Development Expertise and High-Visibility Pipeline

Since entering the Chinese market, we have accelerated our store roll-out, opening 34 stores in 2019, 103 stores in 2020, and 253 stores in 2021. As of June 30, 2022, there are more than 200 additional sites in negotiation or construction. Under the leadership of our management team, which has a track record of supporting Burger King China's expansion from approximately 60 stores to over 1,200 system-wide stores from June 2012 to September 2020, we expect to continue to expand our network of Tims China stores. We employ multiple formats and sizes to drive density and convenience, and leverage sophisticated analytics for site identification, which improves store-level economics and yields shorter payback periods.

Experienced Management Team Supported by Blue-Chip Shareholders

We are led by a team of industry veterans with world-class development expertise. Our Chairman, Peter Yu, is the Managing Partner and co-founder of Cartesian and was previously the founder, president and CEO of AIG Capital Partners, Inc., a leading international private equity firm. Our Chief Executive Officer and Director, Yongchen Lu, was the CFO of Burger King China from November 2012 to April 2018. Before joining Cartesian in 2008, Mr. Lu managed various aspects of General Electric's Asia Pacific operations for over six years, including finance, six sigma, and product management. Our Chief Consumer Officer, Bin He, served as the interim head of marketing of Burger King China for two years. Before joining Cartesian in 2012, Ms. He was a Commercial Planning Assistant Manager at Bacardi Asia Pacific, and, prior to that, an analyst at ChinaVest.

Our shareholders, including Cartesian, THRI, Tencent and Sequoia China are committed to the long-term success of our business and are aligned with our management on strategy and long-term value creation. We expect our management team will continue to build on our competitive strengths and implement our growth strategies by leveraging their deep industry expertise, cross-cultural backgrounds, proven execution capabilities and the support of our shareholders.

Our Strategies

We plan to pursue the following strategies to grow our business, building from our four fundamental cornerstones:

Deepen localization across product offerings and other brand touchpoints. We believe that product localization is key to our success, and thus have developed numerous popular, and sometimes sensational, products custom-made for local markets. Going forward, we plan to continue to deepen our product localization efforts, especially for the new cities that we enter, and expand our product offerings to include lunch combinations, afternoon tea specials and dinner sets. In addition to localizing products, we aim to blend the allure of the Tim Hortons Canadian branding with locally relevant features in every customer touchpoint. This includes, for example, the design of our stores, our digital identity, the uniforms of our store employees and our partnerships.

Continuously pursue innovation. The Chinese consumer market is dynamic and demanding, giving consumers many choices for their attention and discretionary spending. We strive to offer creative engagement with our guests. In addition to our strong signature product platforms, we plan to continue developing over 30 new products every year, as we have done historically with products such as our coffee quartet latte, coffee cloud milk tea and lemon peach oolong tea. We plan to innovate new product offerings to grow our lunch, afternoon tea, and dinner dayparts. Further, we plan to continue investment in innovative digitalization, which permeates everything we do, including ordering, training, marketing, community, food safety and supply chain. Our pursuit of innovation not only supports our continued growth, but provides avenues to improve profitability.

Expand our genuine community. Our stores are designed to feel like a second home for our guests. We create physical spaces where our guests can relax with their families and friends, and digital spaces where they can connect with other members of our online community. Going forward, we plan to continue building a diversity of digital and offline partnerships to further expand our customer community, like we have historically with Tencent Esports and MAC Cosmetics. We all live in overlapping communities, and we aim to continue to bring them together around Tims to enlarge and diversify our community and customer base.

Offer greater convenience. We seek to serve our guests whenever and wherever, to deliver high-quality food and beverages with the greatest ease. Towards this goal, we strategically deploy three complementary store formats, namely: large, brand-building flagship stores, full-service classic stores and compact “Tims Go” stores to provide sufficient visibility and density in a trade area to enable truly convenient guest access. Further, as noted above, we utilize delivery to increase the reach and efficiency of our physical store network, which enables our stores to serve a greater population of guests and allows our guests to enjoy Tims products without coming to our stores. On a more macro basis, we focus our development on clusters of cities, building density in core consumer populations as a first order of business before spreading out geographically.

Our Products

We offer a broad selection of coffee drinks in three general price tiers. Our Tims signature brewed coffee, with customized cream and sugar options, is our entry-point product and traffic builder. Handcrafted coffee with popular espresso choices, such as Latte, Americano and Flat White, composes our core product offering and offers a great value for money at a slightly higher price. We also offer specialty coffees and on-trend products such as Oatmilk Latte, Cold Brew and seasonal limited time offerings. In addition to coffee, we also offer alternative beverages such as brewed tea and Oolong tea, coffee milk tea, lemonade, hot chocolate and more.

花式咖啡 HANDCRAFTED COFFEE

| 大杯 | 中杯 | 小杯 |
|--|----|----|
| 加享风味玛奇朵 (热/冰) Mocha Macchiato (热/冰) | 31 | 27 |
| 燕麦澳白 (热/冰) Oat Milk Flat White (热/冰) | 33 | 29 |
| 美式咖啡 (热/冰) Americano (热/冰) | 24 | 20 |
| 风味拿铁 (热/冰) Flavored Coffee Latte (热/冰) | 30 | 26 |
| 卡布奇诺 (热/冰) Cappuccino (热/冰) | 27 | 23 |
| 定制您的口味 定制咖啡+3 第一份定制咖啡+3 第二份定制咖啡+4 | | |

鲜萃咖啡 FRESHLY BREWED COFFEE

| 大杯 | 中杯 | 小杯 |
|--|----|----|
| 鲜萃黑咖啡 Brewed Coffee | 18 | 15 |
| 鲜萃奶咖 Creamy Brewed Coffee | 18 | 15 |
| 定制您的口味 定制咖啡+3 第一份定制咖啡+3 第二份定制咖啡+4 | | |

天乐雪 ICED CAPP

| 大杯 | 中杯 | 小杯 |
|--|----|----|
| 经典天乐雪 Classic Iced Capp | 27 | 23 |
| 加享风味天乐雪 Mocha Flavored Iced Capp | 31 | 27 |
| 风味天乐雪 (热/冰) Flavored Iced Capp (热/冰) | 29 | 25 |
| 牛油果蜜瓜天乐雪 Avocado Watermelon Iced Capp 不含酒精 coffee free | 33 | 29 |

茶和其他饮品 TEA AND OTHER BEVERAGE

| 大杯 | 中杯 | 小杯 |
|--|----|----|
| 四百次浮云奶茶 (热/冰) Coffee Cloud Milk Tea (热/冰) | 28 | 24 |
| 柠檬蜜桃乌龙茶 (热/冰) Lemon Peach Oolong Tea (热/冰) | 28 | 24 |
| 燕麦抹茶拿铁 (热/冰) Oat Milk Matcha (热/冰) | 30 | 26 |
| 法式香草风味暖饮 (热) French Vanilla Warm Coffee | 24 | 20 |
| 抹茶桃山生椰乳 (热) Matcha Peach Coconut Milk Latte | 29 | 25 |
| 鲜萃红茶 (热/冰) Brewed Black Tea (热/冰) | 18 | 15 |
| 经典热可可 (热) Cocoa hot | 27 | 23 |
| 柠檬气泡饮 (热) Sparkling Lemon Drink (热) | 18 | 15 |

这个夏天 躺在云上...
— Tims 浮云系列上新

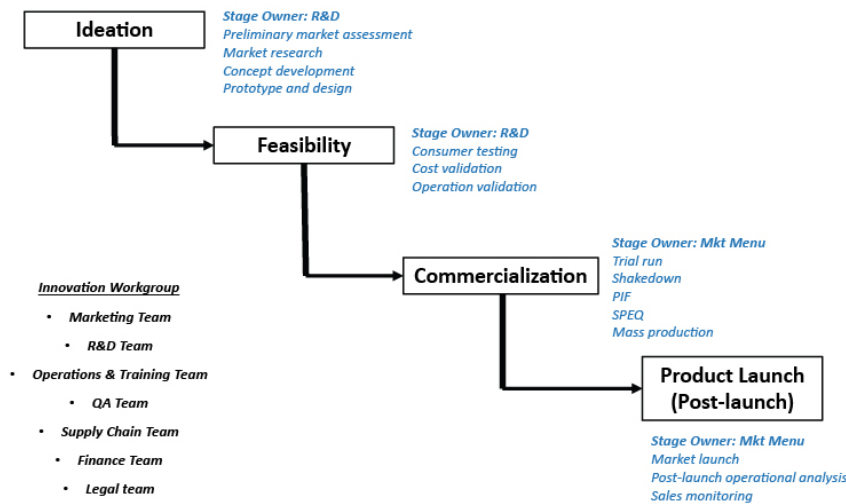
四百次浮云奶茶 (热/冰) 28
鲜萃黑咖啡 (热/冰) 18
鲜萃奶咖 (热/冰) 18
燕麦抹茶拿铁 (热/冰) 30
经典热可可 (热) 27
柠檬气泡饮 (热) 18
燕麦浮云鲜萃 (热/冰) 21
鲜萃黑咖啡 (热/冰) 18
鲜萃奶咖 (热/冰) 18
燕麦抹茶拿铁 (热/冰) 30
经典热可可 (热) 27
柠檬气泡饮 (热) 18

Our broader menu spans a broad range of categories designed to appeal to customers throughout the day, such as our breakfast bagels, croissants, toast, donuts, and TIMBITS®; our lunch sandwiches, wraps, and ciabatta; and our afternoon tea fresh baked goods, including donuts and cakes. In particular, we aim to build breakfast as a key daypart, offering guests seeking convenience a one-stop shop with our signature brewed coffee and freshly prepared food. Here are some of our most popular offerings:



New product development is a key driver of our long-term success. We gather guest feedback and insights to inform the creation of new products. We believe the development of new products can drive incremental traffic by expanding our customer base, expanding our offerings in multiple dayparts, and continuing to build brand leadership in food and beverage quality and taste. The development process for each new product involves multiple steps, from supplier qualification, to taste testing and refinement, to cost analysis, and finally to operational complexity analysis. This helps us choose products that are not only desirable, but also profitable. We believe that our current pace of more than 30 new products per year keeps our guests interested and eager to return to our store and try something new. The chart below outlines the process flow for new project launch.

Innovation Main Stages



As discussed above, in order to appeal to local tastes, we customize products for the Chinese market, and, in some cases, even for specific cities. Such products include, among others, Sichuan Beef Wraps, Red Bean Pumpkin Bagels, Lotus-Maple Latté and Mochi-style TIMBITS®. In honor of our launch in Beijing, we also offered TIMBITS® in tanghulu style, a take on the classic Beijing winter street snack of candied hawthorns.

Our Community

Driving the coffee market's rapid growth is an expanding group of coffee drinkers in China, including among others, the emerging middle class, office workers, overseas returnees, and people who are drawn to global brands. From the beginning, our focus has been on offering our guests compelling values, both functional and emotional. Since we introduced our loyalty program in 2019, our membership has experienced tremendous growth, reaching 6.0 million as of December 31, 2021 and 7.5 million as of June 30, 2022. As of the date of this prospectus, the number of our loyalty program members has further grown to over 9.0 million.

Our core guest base includes the following groups: (i) young professionals who are attracted to global brands and seek value for money; (ii) lifestyle advocates, especially female professionals, entrepreneurs and stay-at-home moms, who seek a welcoming and comfortable environment and experience; (iii) mature coffee drinkers who value reliable high quality coffee and convenience; and (iv) fans who have strong emotional attachment to our brand and are eager to share our products with their network. We offer an integrated online and offline community experience for our customers, including both coupons and engaging activities, which drives traffic and strengthens our community. For instance, for young professionals, we have worked with Tencent Esports to build Esports themed coffee shops, offering the unique experience of watching and playing Esports while enjoying tailor-made coffees and beverages. For lifestyle advocates, we have hosted awareness-building events with cosmetic brands, inviting guests to try on new lipsticks while enjoying limited-time-offer peach coconut lattes. Our ultimate goal is to make every guest feel comfortable and at home at any time.

Within our loyalty program, we developed a member referral program to accelerate the expansion of our community. Our loyalty program allows registered members to earn points for each qualifying purchase, which may be used towards products in our company owned and operated stores. We offer three tiers of membership incentives based on points — further driving traction with our digitally-minded customers and encouraging repeat purchases. Customer points, which generally expire 12 months after being earned, may

be credited towards purchases to receive products for free or at a discounted price in our stores. In February 2022, Tim Hortons China transferred control and possession of the personal data of our customers, including loyalty program, to DataCo, a PRC-incorporated company, pursuant to a Business Cooperation Agreement. For a more detailed description, see “— Digital Technology and Information Systems.”

Our Store Network

As of June 30, 2022, we had 440 stores across 24 cities in mainland China, of which 21 are franchised and 419 are owned and operated by us, as shown in the map below. As of the date of this prospectus, we do not have any stores outside of mainland China. Most of our stores are located in first-tier cities in China, including Beijing, Shanghai and Guangzhou, and within those, in locations with high demand for coffee, such as office buildings, shopping malls and transportation hubs.



Our Store Portfolio

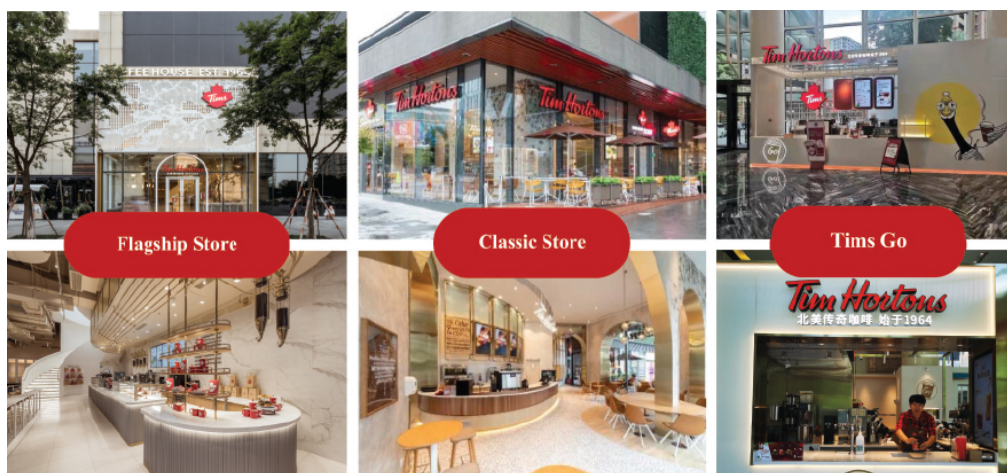
The décor, layout and overall feel of our coffee shops are designed for efficient operations and to appeal to local tastes. Our stores incorporate elements of the global Tim Hortons décor, coupled with themes tailor-made by location for our guests, such as our distinctive soft colors, local artwork and abundant light. In particular, we strategically deploy three complementary store formats, namely flagship stores, classic stores and “Tims Go” stores, to drive traffic and network effects.

- Flagship “Golden Maple” Stores (typically greater than 150 square meters) are situated in high-profile, high-traffic sites and are carefully architected to build brand equity, serving as both marquee

advertising and sales outlets. Golden Maple stores offer an extended menu including classic coffee choices, premium specialty coffees and other alternative beverages, freshly made sandwiches, wraps and a wide assortment of baked goods. In addition, we have also built themed, co-branded stores to amplify guest experience for certain groups, such as Esports fans.

- Classic “Maple” Stores (80 - 150 square meters) are our mainstream shops and offer a full menu of classic coffee choices and beverages along with freshly prepared sandwiches and baked goods.
- Compact “Tims Go” Stores (20 - 80 square meters) are built to address “grab and go” and digital occasions and are situated in convenient locations where a classic shop would not fit (such as an office lobby or an exit from a subway station). “Tims Go” menus are beverage-focused with best-selling coffee choices and grab & go food offerings. In September 2021, we entered into a strategic partnership agreement with METRO China, a leader in China’s wholesale and retail industry with nearly 100 stores across 60 cities in China. Under the partnership, we will be the exclusive coffee shop brand in METRO stores in China. We have opened several Tims Go stores in METRO China outlets, and enjoy preferred site selection, as well as delivery services and complimentary marketing initiatives. In addition, in August 2022, as part of our collaboration with Easy Joy, China’s largest convenience store chain with more than 27,800 convenience stores, we opened three Tims Express coffee shops located within Easy Joy convenience stores in Beijing.

As of June 30, 2022, we had 31 flagship stores, 296 classic stores and 113 “Tims Go” stores.



Site Selection and Expansion

For store development, we utilize a clustering strategy, whereby we focus our store development efforts on a geographically proximate group of cities and trade areas, centered on a large tier-one city. This allows us to build store density quickly, thereby increasing brand awareness, driving convenience, and leveraging scale in marketing and logistics to improve margins. We plan to continue to open new stores in five main clusters centered around Shanghai, Beijing, Shenzhen, Chengdu and Chongqing. Shanghai was our entry point in China and is the core of our first cluster of cities for development. We believe that this clustering strategy will help increase the density of our operations, improve convenience for our customers and enhance our supply chain efficiency. We plan to open most of the new stores as company owned and operated stores to ensure the consistent high quality of our products and services, which is the foundation of our nationwide brand recognition. In the meantime, we also plan to work with well-selected, qualified franchisees to open certain franchise stores in lower-tier cities, or in exceptional locations to which the franchisee has unique access, to supplement our geographic expansion.

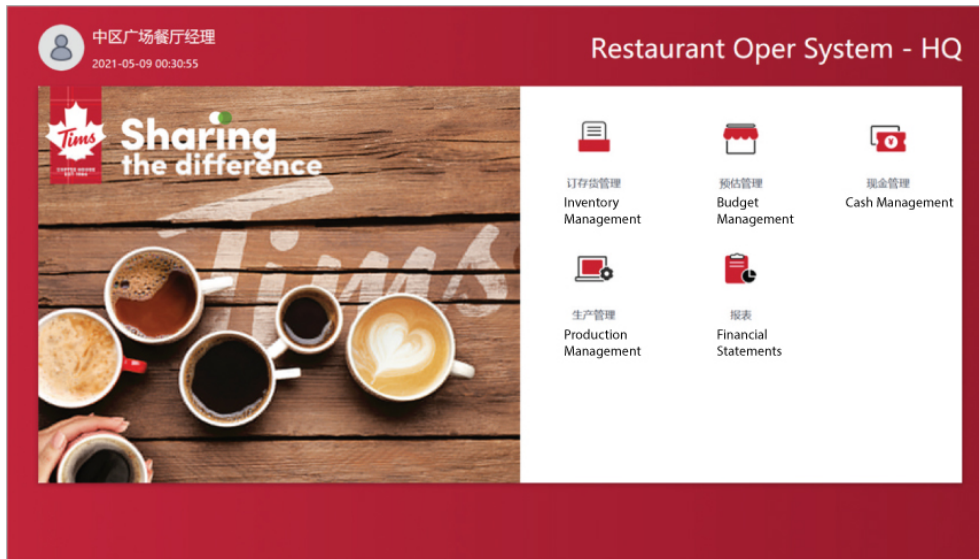
Within each city, we identify and select promising locations using a variety of intelligence tools and our sophisticated network planning process. Before we approve a location for development, we review that location’s demographics, site access, visibility, traffic count, residential/retail/commercial mix, competitive

activity and rental market. We also assess the performance of nearby Tim Hortons locations, and project the location's ability to meet financial return targets which ultimately drive our decision making.

Store Operations

Operationally, we aim to deliver best-in-class friendliness, cleanliness, speed of service, product quality and overall guest satisfaction. We measure ourselves to consistent operating standards and key performance indicators. Our stores are required to be operated in accordance with Tim Hortons's quality assurance, safety and brand standards, as well as standards set by applicable governmental laws and regulations. We also engage third-party mystery shoppers to review store operations on a regular basis.

Food safety is at the core of what we do. We have established real-time systems that allow us to monitor our inventory levels and the quality and food safety of our suppliers. Additionally, we have instituted rigorous food safety control protocols built upon digital inventory management systems and strict global standards, verified by regular audits. We maintain high in-store standards and controls to ensure accurate product execution and adequate inventory levels. The picture below illustrates our restaurant operating system interface.



We also invest in the development and optimization of our recruiting and training systems to support our rapid expansion and to meet high standards of operating efficiency. Our online training solution offers enhanced training features, improved management tools, and robust reporting. Each application offers specialized capabilities that, when put together, enable a comprehensive, state-of-the-art approach to learning and management.

Our Supply Chain

Procurement

We purchase raw materials and consumables in the ordinary course of our operations, which primarily include coffee beans, dairy, bakery and food ingredients, such as bread and protein, and packing materials. We have built a robust, local supply chain. Pursuant to the A&R MDA, we only purchase goods and services that meet THRI's standards and are purchased from suppliers and distributors that THRI approves. THRI has a comprehensive supplier approval process, covering suppliers of all food and packaging, which includes on-site food safety inspections of manufacturing processes.

We import roasted coffee beans from THRI's world-class roasteries. All other inputs are sourced in China, with fresh produce and dairy sourced regionally. To mitigate risks associated with reliance on a

single supplier, with the exception of coffee beans, we have developed both primary and secondary suppliers of our main inputs. We believe, based on relationships established with our suppliers, that our current network of suppliers is well suited to continue to supply our needs as we grow.

Warehouse and Fulfillment

We partner with third-party distribution center operators, which have extensive networks and proven track records in China. We submit sales forecasts to them, and they place orders to our certified suppliers and manage inventory at their warehouses. Inventory management is digital, and we are in the process of setting up automatic sales forecasting and ordering for each store. The distribution centers distribute stock to our stores, usually 2-3 times per week.

Food Safety and Quality Control

As discussed above, product quality and food safety are at our core. We have several layers of monitoring analysis and defense to ensure food safety and quality. Every supplier is approved by THRI under the A&R MDA. We work with THRI to conduct routine third-party audits of our stores and also conduct our own quality assurance audits on a regular basis. We use a digital inventory management system and an e-expiry mini app to further ensure best practices in food safety. The pictures below illustrate the expiration date management, inventory management and production management functions of these tools.



In addition, we use food safety audit scores as a key performance indicator to measure management performance, and we have a penalty mechanism for stores that fail to meet our standards. To prepare for contingencies, we established a crisis management team and protocols that we believe will allow us to manage any food safety incident in a timely manner. As of the date of this prospectus, we have not encountered any material customer complaint concerning food safety.

Digital Technology and Information Systems

We have invested intentionally and intensively in technology to enable us to scale and support our continued expansion. Each and every store is connected to our central information systems at various points (POS, HR, menu boards, security cameras, sales forecasting, inventory ordering and supply chain management, etc.), enabling us to monitor sales and operations across our network in real time. We also have an automated system that sends out business intelligence snapshots to our Board and senior management at the close of each business day. Other digitization initiatives include labor scheduling, office automation, digital marketing and site selection. On December 2, 2021, Tim Hortons China entered into a Business Cooperation Agreement with DataCo, the terms of which are set forth below:

- Tim Hortons China will assign, convey and transfer, and shall cause its affiliates to assign, convey and transfer, to DataCo all rights, title and interests in and to (a) all personal data of customers in mainland China that is used, or held for use, in the operation of the loyalty program, (b) all intellectual property in and to such data, (c) all tangible embodiments of such data in any form and in any media and all records and documentation relating thereto, (d) copies of any of the foregoing, and (e) all other aggregated, processed or other data arising from DataCo's performance of the services under the Agreement and all intellectual property therein (collectively, "TH China Data"), which was completed in February 2022;
- DataCo will provide Tim Hortons China with various data maintenance and management services, technical support and consulting services (collectively, the "Services") in support of the operation of the loyalty program;
- In consideration for the Services, Tim Hortons China shall pay a service fee to DataCo on an annual basis (or at any time agreed by the parties), which shall be reasonably determined by DataCo based on (i) the complexity and difficulty of the Services, (ii) the seniority of and time consumed by the employees of DataCo providing the Services; (iii) the specific contents, scope and value of the Services; and (iv) the market price for services similar to the Services; and
- DataCo will grant to Tim Hortons China a non-exclusive, non-assignable, generally non-sublicensable, fully paid-up and royalty-free license to access, use, reproduce, modify and prepare derivative works based upon TH China Data, solely on an aggregated or de-identified basis and solely for purposes of the operation of the loyalty program in mainland China.

Sales and Marketing

Our marketing and promotional activities are customer-centric, highlighting our differentiated value proposition, quality products, diverse menu choices, convenience and warm customer service. Leveraging our digital capabilities and strategic collaborations, we engage in omni-channel, online and offline, integrated marketing initiatives using social media, search engine optimization and themed events. For example, we initiated a "tastes of summer" marketing campaign on Douyin, China's leading destination for short-form mobile videos, in July 2022, during which we hosted a special livestream event on Douyin with our brand ambassador and CEO, spotlighting our freshly brewed coffee and delicious bakery offerings. Tims China-themed pages and search tags on Douyin garnered nearly 400 million online visits during the campaign and we registered sales of over RMB20 million on Douyin in just 30 days.

In addition to in-store sales, we also utilize mobile ordering to streamline customer experience and delivery to increase reach and efficiency. In 2021, in-store sales, mobile ordering for self pick-up and delivery accounted for approximately 27.0%, 34.1% and 38.9% of our revenues from company owned and operated stores, respectively. In the six months ended June 30, 2022, in-store sales, mobile ordering for self pick-up and delivery accounted for approximately 23.0%, 30.9% and 46.1% of our revenues from company owned and operated stores, respectively. In addition, starting in 2021, we have collaborated with leading e-commerce platforms in China, such as Tmall and Tiktok, to sell our products directly to customers. During the recent COVID-19 lock-downs in certain cities, we have also adopted localized group buying marketing strategies that are focused on driving awareness and demand, which have enabled us to further expand our customer base.

We offer attractive offers through our loyalty program to incentivize enhanced frequency and loyalty. For new city openings, we also invite local key opinion leaders to visit our stores and endorse us on social media. We continue to build our community, which is a valuable source of marketing through word-of-mouth and digital posts.



Within our community, we segment our members by purchase history and provide incentives, by tier, to encourage additional purchases. For members with repeat purchase records during the past three months, we generally offer them (i) promotions to highlight new products, (ii) group discounts and limited time discounts and (iii) digital gift cards for them to introduce Tims to prospective customers. For members without repeat purchase records during the past three months, we generally use three programs to engage their interest: (i) exclusive offers to encourage return visits; (ii) membership upgrade or downgrade reminders; and (iii) discount reminders. The pictures below illustration some of these promotions.



All of our efforts aim to enhance our brand awareness, strengthen our emotional connection with customers, and ultimately drive sales and profit.

Intellectual Property

We rely on a combination of trademark, domain name and trade secret laws in mainland China, as well as confidentiality procedures and contractual provisions, to protect the intellectual property rights critical to our success. Under the terms of the A&R MDA, we have the exclusive right to use, among other things, a series of Tim Hortons's trademarks within mainland China, Hong Kong and Macau, and are required to assist THRI with protecting its intellectual property rights in the territories in which we operate. In addition, an alternative logo with the name "Tims" on a prominent maple leaf is in the process of being registered in the name of a subsidiary of RBI, and Tims China has permission to use such alternative logo in accordance with the various franchise agreements.

Employees

As of December 31, 2021, we had 3,291 full-time employees and 1,634 part-time employees. The following table sets forth the number of our full-time employees categorized by function.

| | As of December 31, | | | | | |
|-------------------------------|--------------------|-------------|--------------|-------------|--------------|-------------|
| | 2019 | | 2020 | | 2021 | |
| | Number | % of Total | Number | % of Total | Number | % of Total |
| Operations | 371 | 83.0% | 707 | 60.2% | 2,971 | 90.2% |
| Sales and marketing | 8 | 1.8% | 31 | 2.6% | 40 | 1.2% |
| Research and innovation | 8 | 1.8% | 10 | 0.8% | 15 | 0.5% |
| Store development | 15 | 3.3% | 46 | 3.9% | 92 | 2.8% |
| Management and administration | 45 | 10.1% | 383 | 32.5% | 173 | 5.3% |
| Total | 447 | 100% | 1,177 | 100% | 3,291 | 100% |

Our success depends on our ability to attract, retain and motivate qualified personnel. As part of our retention strategy, we offer employees competitive salaries, performance-based cash bonuses, share-based compensation and other incentives. In order to maintain a competitive edge, we will continue to focus on attracting and retaining qualified professionals by providing an incentive-based and market-driven compensation structure that rewards performance and results. In addition to on-the-job training, we regularly provide management, technology, regulatory and other training to our employees through internally developed training programs or professional consultants.

As required by PRC laws and regulations, we participate in various employee social security plans that are organized by municipal and provincial governments, including, among other things, pension, medical insurance, unemployment insurance, maternity insurance, work-related injury insurance and housing fund plans through a PRC government-mandated benefit contribution plan. We are required under PRC laws to make contributions to employee benefit plans at specified percentages of the salaries, bonuses and certain allowances of our employees, up to a maximum amount specified by the local government from time to time.

We enter into employment agreements with our full-time employees that contain standard confidentiality and non-compete provisions. In addition to salaries and benefits, we provide bonuses for our employees. We believe that we maintain a good working relationship with our employees, and we have not experienced any material labor disputes in the past. None of our employees are represented by labor unions.

Facilities

We lease the property for our corporate headquarters and all of the premises on which our PRC Subsidiaries operate. We lease properties generally for initial terms of more than five years. We believe that these facilities are generally adequate to meet our current needs, although we expect to seek additional space as needed to accommodate future growth.

Competition

We face intense competition in China's coffee shop industry and food and beverage sector in general. Our competitors include both new and well-established quick service restaurants and coffee chains, independent local coffee shop operators, convenience stores and grocery stores. Our main competitors include Starbucks, Costa Coffee, Peets, Luckin Coffee, Greybox Coffee, Pacific Coffee and McCafe. Delivery aggregators and other food delivery services also provide consumers with convenient access to a broad range of competing restaurant chains and food retailers.

We compete on the basis of product choice, quality, value for money, service and location. In particular, we seek to offer high-quality coffee products at a very attractive price through a differentiated pricing strategy. For example, our list price for Americano (16oz) and Latte (16oz), two very popular coffee products in China, is generally below the list price of Greybox, Peets, Starbucks, Costa Coffee, Pacific Coffee and Luckin Coffee and above the list price of McCafe. We believe that there is significant demand and opportunity in our market space. We believe that we are well-positioned to compete effectively with existing and new competitors on the basis of these factors. However, our competitors may have longer operating histories, greater brand recognition, more capital, better supplier relationships and larger customer bases. For discussion of risks relating to our competitors, see "Risk Factors — Risks Related to THIL's Business and

Industry — We face intense competition in China’s coffee industry and food and beverage sector. Failure to compete effectively could lower our revenues, margins and market share.”

Insurance

We provide social security insurance, including pension insurance, unemployment insurance, work-related injury insurance and medical insurance for our employees in compliance with applicable PRC laws. We maintain business interruption insurance at the store level.

Legal Proceedings

We are currently not involved in any material legal or administrative proceedings. We may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial cost and diversion of our resources, including our management’s time and attention.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This discussion and analysis should be read together with “Summary Consolidated Financial Information of THIL” and the audited historical consolidated financial statements and related notes that are included elsewhere in this prospectus. In addition to historical financial information, this discussion and analysis contains forward-looking statements based upon current expectations that involve risks, uncertainties and assumptions. For more information about forward-looking statements, see the section of this prospectus entitled “Cautionary Statement Regarding Forward-Looking Statements.” Actual results and timing of selected events may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under the section of this prospectus entitled “Risk Factors” or elsewhere in this prospectus.

THIL’s consolidated financial statements have been prepared in accordance with U.S. GAAP. For more information about the basis of presentation of THIL’s consolidated financial statements, see Note 2 to THIL’s audited historical consolidated financial statements included elsewhere in this prospectus.

Overview

We are an emerging coffee champion in China. THHK, our wholly-owned subsidiary, is the master franchisee of Tim Hortons coffee shops in mainland China, Hong Kong and Macau. We opened our first coffee shop in China in February 2019. As of June 30, 2022, we had 440 system-wide stores across 24 cities in mainland China. As of the date of this prospectus, we do not have any stores outside of mainland China. For more details, see “Business.”

Our revenues grew significantly from RMB57.3 million in 2019 to RMB212.1 million in 2020, and further grew to RMB643.4 million (US\$96.1 million) in 2021. Our revenues grew significantly from RMB237.3 million for the six months ended June 30, 2021 to RMB403.9 million (US\$60.3 million) for the same period in 2022. Our total costs and expenses increased from RMB148.5 million in 2019 to RMB353.3 million in 2020, and further increased to RMB1,017.8 million (US\$152.0 million) in 2021. Our total costs and expenses increased from RMB369.4 million for the six months ended June 30, 2021 to RMB703.2 million (US\$105.0 million) for the same period in 2022. Our net loss increased from RMB87.8 million in 2019 to RMB143.1 million in 2020, and further increased to RMB382.9 million (US\$57.2 million) in 2021. Our net loss increased from RMB132.8 million for the six months ended June 30, 2021 to RMB326.9 million (US\$48.8 million) for the same period in 2022. For more details, see “— Results of Operations.” Despite COVID-related lockdowns, the same-store sales growth of our company owned and operated stores remained positive and was 7.4%, 15.7% and 0.7% in 2020, 2021 and the six months ended June 30, 2022, respectively.

Key Factors Affecting Our Results of Operations

Our business and results of operations are affected by a number of general factors in China, including:

- China’s overall economic growth, level of urbanization and level of per capita disposable income;
- The spread and severity of COVID-19 variants in China and the government’s responses thereto;
- Growth in consumer expenditure, especially the expenditure on food and beverage;
- Consumers’ demand for coffee, especially for freshly-brewed coffee; and
- Increasing usage of mobile internet and increasing adoption of mobile payment.

In addition, our performance and future success also depend on several specific factors that present significant opportunities but also pose risks and challenges, including those discussed below and in the section titled “Risk Factors.”

The Expansion of Our Store Network

The scale of our store network significantly affects our revenue growth and operating efficiency. We started operating our store network in 2019 and have since rapidly expanded this network across mainland China with extensive coverage over major Chinese cities. As of June 30, 2022, we had 440 stores

in mainland China, including 419 company owned and operated stores and 21 franchised stores, representing a significant increase from 137 stores in mainland China as of December 31, 2020, of which 128 were company owned and operated stores and nine were franchised stores, and 34 stores in mainland China as of December 31, 2019, of which 31 were company owned and operated stores and three were franchised stores. As we continue to grow our store network in China while maintaining highest food and beverage quality standards, we seek to leverage our increasing scale to improve our bargaining power over suppliers and landlords, which we believe will further lower our costs and expenses as a percentage of our revenues. In order to reduce liquidity risks and risks related to our ability to continue as a going concern, we have evaluated plans to slow down the pace of our store network expansion, which, if implemented, could adversely affect the growth of our revenue and customer base. We believe our expanding presence in the market will also enhance our brand image, which we believe will help attract more customers, expand our loyalty program, reduce our costs of attracting customers and in turn increase sales.

Customer Demand for Quality Coffee and Related Products

Our results of operations have been and will continue to be influenced by consumer spending on coffee and related products, especially for freshly-brewed coffee, which is largely affected by the continuous improvements in living standards and cultivation of coffee consumption behavior in China. As a result of strong economic growth, China has experienced a significant increase in per capita disposable income, which drives the significant growth in China's coffee market. We have in the past benefitted from the robust growth of our industry, and we believe that the macro-economy in China and its growth will continue to significantly drive the growth of the coffee market as well as our business. In addition, with per capita consumption of coffee in China forecast to continue rising towards consumption levels in Western and other Asian markets, we are well positioned to capture this growth. However, the growth of the Chinese economy and the Chinese coffee market may slow down in the future due to factors beyond our control.

Customer demand is also affected by a number of other factors, including product quality, safety, product innovation and customer experience. As a leading coffee brand in China, we believe that our strong brand values, popular and high-quality products, proven track record, competitive pricing, and ability to innovate and adapt to changing customer preferences position us well to grow in China's rapidly expanding freshly-brewed coffee market.

Our Ability to Grow Our Customer Base and Drive Customer Engagement

Our revenue growth depends largely on our ability to grow our customer base and drive customer engagement, including through our loyalty program. We focus on promoting our Tim Hortons brand, showcasing our signature products while constantly innovating our menu, and offering an enjoyable customer experience in our stores.

Efficient Store Operations

We have historically focused on driving high revenue growth. Costs and expenses of our company owned and operated stores primarily consist of food and packaging, payroll and employee benefits, occupancy, and other operating expenses. Going forward, as we continue to rapidly expand our store network, our profitability will largely depend on our ability to effectively control these expenses by implementing various measures such as leveraging our scale to negotiate more favorable supply and occupancy terms, increasing our in-store staff's efficiency, and implementing technology to further automate and streamline our in-store operations. In the long run, we expect our store level operating costs as a percentage of our revenues will continue to decrease.

Seasonality

We experience seasonality in our business, primarily as a result of order fluctuations in holiday seasons. For example, we generally experience fewer purchase orders during Chinese New Year holidays, which fall between late January and late February. The decrease of sales during Chinese New Year holidays is a typical pattern in the Chinese coffee market.

Impact of COVID-19

We have demonstrated our resilience and agility throughout the COVID-19 pandemic, but serious challenges endure. The COVID-19 pandemic has adversely affected our store operations and the sales of affected stores since 2020, primarily as a result of temporary store closures, reduced operating hours and decreased customer traffic.

In late January and February 2020, our total sales dropped by approximately 20%-30% compared to pre-COVID levels. Our total sales began to gradually recover in March 2020, almost reaching pre-COVID levels by the end of June 2020. During the first half of 2020, home delivery of our products was very strong, which offset the impact from COVID-19. In late 2020, our dine-in business was again negatively affected for a brief period due to a moderate resurgence of COVID-19 cases. Beginning in March 2022, the outbreak of the Omicron variant of COVID-19 and the zero-COVID measures, such as lengthy city-wide lock-downs, undertaken in certain cities in which our PRC Subsidiaries operate (including Shanghai, where we have the highest number of stores), have caused significant disruptions to our operations in these cities, such as temporary closure of certain stores as a result of the lock-downs imposed in these cities, restrictions on delivery services in locked-down areas, shortage of production, service and delivery staff, slower pace of store network expansion, and volatility in the supply and price of raw materials and intermediary products. During this period, we continued to offer home-delivery services through group buying and e-commerce sales to the extent permitted, which mitigated the impact of the disruptions to some extent and enabled us to further expand our customer base. In addition, the COVID-19 pandemic has had an adverse impact on the global and local supply chain. For a more detailed discussion, see “— Inflation and Supply Chain Impacts.” Despite the challenges posed by COVID-19, its disruptive impact on other retail groups also provided an opportunity to access many attractive sites and expand rapidly. Overall, we believe that the impact of COVID-19 on our business is manageable. The revenues of our company owned and operated stores have continued to grow on a year-over-year basis since 2020, and the same-store sales growth of our company owned and operated stores was 7.4%, 15.7% and 0.7% in 2020, 2021 and the six months ended June 30, 2022, respectively. As the pandemic continues to rapidly evolve in China and around the world, with several new COVID-19 variants continuing to be discovered, we are continuously assessing the impact of COVID-19 on our business operations and financial condition. While the rate of THIL’s same-store sales growth may continue to be adversely impacted by the COVID-19 pandemic and related public health measures, such as lock-downs, until such measures are largely relaxed or lifted, it cannot anticipate with certainty the length or severity of such impact. As of the date of this prospectus, the lock-downs in Shanghai and certain other cities in mainland China have eased to a substantial degree.

Inflation and Supply Chain Impacts

In addition to the COVID-19 pandemic and related control measures, rising inflation, geopolitical conflicts, including the recent war in Ukraine, and the related supply chain disruptions have also had a direct or indirect impact on our business, customer base, results of operations, profit margins and outlook.

Increases in the inflation rate of prices of commodities that are inputs to our products and services, such as agricultural and energy commodities, have led to higher raw material, fuel, freight, warehousing and labor costs and operating expenses. The unit purchase prices of our regionally sourced raw materials and other products, such as dairy, bakery and food ingredients and packing materials, have remained relatively stable, while the unit price of our coffee beans has continued to increase since our inception and was approximately 16.6% higher in January 2022 than January 2021. We have also enjoyed favorable discounts as our store network and procurement volume continue to grow. We anticipate that the average unit price of imported coffee beans will continue to increase in the foreseeable future and that continued inflationary pressure will continue to pressure our margins. Increased inflation rates could also cause discretionary purchases to decline and adversely affect our ability to attract and retain customers and encourage customer spending. In addition, if the disposable income of our customers does not increase at a similar rate as inflation does, our product sales could suffer, which could materially and adversely affect our business and financial condition and cause us to have additional working capital needs. However, we cannot predict whether or how long these higher inflation rates will persist. For a more detailed disclosure on the related risks, see “Risk Factors — Risks Related to THIL’s Business and Industry — We face risks related to fluctuations in the cost, availability and quality of our raw materials and other products, as well as third-party data

maintenance and management services, technical support and consulting services, which could adversely affect our results of operations” and “Risk Factors — Risks Related to Doing Business in China — Changes in China’s economic, political or social conditions or government policies could have a material adverse effect on our business and operations.”

In addition, although we do not have any operations outside of mainland China nor any business relationships, connections to, or assets in, Russia, Belarus, or Ukraine, our business, financial condition and results of operations have been, and could continue to be, indirectly and adversely affected by the ongoing military conflict between Russia and Ukraine. Such impact arises from: (i) volatility in the global supply of wheat, corn, barley, sunflower oil and other agricultural commodities; (ii) higher food prices due to supply constraints and the general inflationary impact of the war; (iii) increases in energy prices globally, in particular for electricity and fossil fuels such as crude oil and natural gas, and related transportation, freight and warehousing costs; and (iv) disruptions to logistics and supply chains. See “Risk Factors — Risks Related to THIL’s Business and Industry — We are currently operating in a period of economic uncertainty and capital markets disruption, which has been significantly impacted by geopolitical instability due to the ongoing military conflict between Russia and Ukraine. Our business, financial condition and results of operations may be materially and adversely affected by any negative impact on the global economy and capital markets resulting from the conflict in Ukraine or any other geopolitical tensions.”

The impact on our supply chains from rising inflation and geopolitical tensions primarily consists of: (i) higher purchase prices and fuel, freight and warehousing costs for both imported and regionally sourced raw materials and other products, (ii) delays in the manufacturing, processing and transportation of raw materials and other products; and (iii) logistics and operational disruptions. In addition, the COVID-19 pandemic has had an adverse impact on the global and local supply chain. Specifically, (i) the COVID-19 pandemic has resulted in disruptions to the operations of the supplier of our coffee beans, all of which are imported from the United States, and delays in the transportation of coffee beans from the United States to China; and (ii) measures taken by the PRC government to contain the spread of COVID-19, such as lock-downs and travel restrictions, have caused temporary supply shortages or unstable supplies of certain raw materials and other products, longer lead times, and increased transportation, freight and warehousing costs during the implementation of these measures. As many of our coffee condiments and pre-made products have a relatively short shelf life, the lack of availability of these products that meet our or THRI’s quality standards or timing requirements could have a material adverse impact on our business, financial condition and results of operations. The magnitude of such impact is difficult to predict, in part because it closely hinges on the outbreaks of COVID-19 and related measures, which are highly unpredictable. Future interruptions or friction in our supply chains, as well as anticipation of interruptions or friction, may cause us to be unable to meet customer demand, retain extra inventory and make operational plans with less precision. Each of these impacts, if we are affected more than our competitors, could materially and adversely affect our business, adversely impact our prices and/or margins, and cause us to have additional working capital needs.

The increases in our costs and expenses described above have been mitigated to some extent by our growing economies of scale and operating efficiency as we continue to expand our store network and grow our business. As a result of favorable discounts granted in connection with bulk purchases of regionally sourced food ingredients and pre-made products, the profit margins for our food products have remained relatively stable.

Towards the goal of further mitigating the pressure on our overall cost structure as a result of price inflation, geopolitical tensions and additional costs and expenses associated with supply chain disruptions, since January 2022, we have raised the list price of our beverage products, including coffees, by RMB1 to RMB2 per cup (or approximately 5-8% of the list price) and reduced the rate of our promotional discounts by 3-5%. As a result of these mitigation efforts, our profit margins for these beverage products also have remained relatively stable. However, if the costs and expenses described above continue to increase, there can be no assurance that we can continue to increase prices to maintain our margins. Lower margins could adversely impact the profitability of our business and adversely impact our share price and prospects. If the amounts we charge our customers increase at a rate that is either unaffordable to our customers or insufficient to compensate for the rise in our material costs and operational expenses, our business may be materially and adversely affected, our product margin may deteriorate and we may have additional working

capital needs. We do not believe that such mitigation efforts have introduced any other new material risks, including, but not limited to, those related to product quality or reliability or regulatory approval. For a more detailed discussion of the related risks, see “Risk Factors — Risks Related to THIL’s Business and Industry — If we are unable to maintain or increase prices, we may fail to maintain a positive margin.” In order to mitigate the potential adverse impact of price increases on our financial condition and results of operations, we plan to continue to improve our operating efficiency and further strengthen our bargaining power with our suppliers through the continued expansion of our store network.

Components of Results of Operations

Revenues

Revenue includes sales of food and beverage products by company owned and operated stores, franchise fees and revenue from other franchise support activities. The following table sets forth a breakdown of our revenues for the periods indicated:

| | For the year ended December 31, | | | | | | For the six months ended June 30, | | | | | |
|--|---------------------------------|---------------|----------------|---------------|----------------|---------------|-----------------------------------|----------------|---------------|----------------|---------------|---------------|
| | 2019 | | 2020 | | 2021 | | 2021 | | 2022 | | | |
| | RMB | % | RMB | % | RMB | US\$ | % | RMB | % | RMB | US\$ | % |
| | (in thousands, except for %) | | | | | | | | | | | |
| Revenues: | | | | | | | | | | | | |
| Sales of food and beverage products by company owned and operated stores | 48,082 | 84.0% | 206,036 | 97.1% | 617,226 | 92,149 | 95.9% | 229,870 | 96.9% | 375,579 | 56,072 | 93.0% |
| Franchise fees | 426 | 0.7% | 795 | 0.4% | 1,923 | 287 | 0.3% | 917 | 0.4% | 2,141 | 320 | 0.5% |
| Revenues from other franchise support activities | 8,749 | 15.3% | 5,254 | 2.5% | 9,470 | 1,414 | 1.5% | 4,531 | 1.9% | 6,159 | 919 | 1.5% |
| Revenues from e-commerce sales | — | — | — | — | 14,325 | 2,139 | 2.2% | 1,948 | 0.8% | 19,985 | 2,984 | 5.0% |
| Provision of consumer research service to THRI | — | — | — | — | 428 | 64 | 0.1% | — | — | — | — | — |
| Total Revenues | 57,257 | 100.0% | 212,085 | 100.0% | 643,372 | 96,053 | 100.0% | 237,266 | 100.0% | 403,864 | 60,295 | 100.0% |

- **Sales of food and beverage products by company operated stores.** We generate the vast majority of our revenue from sales of food and beverage products to customers by company owned and operated stores. The revenue amounts exclude sales-related taxes.
- **Franchise fees.** We earn a fixed upfront franchise fee and subsequent sales-based royalties from franchise right granted to sub-franchisees. Contributions from sub-franchisees for support activities that are integral to the sub-franchisees’ ability to benefit from the franchise right, such as marketing and advertising programs to promote the overall brand image, are required as part of the franchisee contracts.
- **Revenues from other franchise support activities.** Other franchise support activities mainly consists of sales of kitchen equipment, raw materials for food and beverage products and provision of pre-opening and training services to sub-franchisees. We ceased selling kitchen equipment to sub-franchisees in 2020.
- **Revenues from e-commerce sales.** We began generating revenue from sales of packaged coffee, tea and other ready-to-drink beverages and single-serve coffee and tea products to customers through third-party e-commerce platforms in 2021.
- **Revenue from provision of consumer research service to THRI.** In 2021, we provided assistance to THRI in a joint global consumer behaviors research program and generated revenue from such research services.

Costs and Expenses, Net

The following table sets forth a breakdown of our total costs and expenses for the periods indicated:

| | For the year ended December 31, | | | | | | For the six months ended June 30, | | | | | |
|--|---------------------------------|---------------|----------------|---------------|------------------|----------------|-----------------------------------|----------------|---------------|----------------|----------------|---------------|
| | 2019 | | 2020 | | 2021 | | 2021 | | 2022 | | | |
| | RMB | % | RMB | % | RMB | US\$ | % | RMB | % | RMB | US\$ | % |
| (in thousands, except for %) | | | | | | | | | | | | |
| Costs and Expenses, Net | | | | | | | | | | | | |
| Company owned and operated stores | | | | | | | | | | | | |
| Food and packaging | 21,598 | 14.5% | 74,402 | 21.1% | 207,948 | 31,046 | 20.4% | 76,575 | 20.7% | 128,466 | 19,180 | 18.3% |
| Rental expenses | 18,767 | 12.6% | 54,719 | 15.5% | 148,152 | 22,118 | 14.6% | 58,410 | 15.8% | 98,014 | 14,633 | 13.9% |
| Payroll and employee benefits | 20,696 | 13.9% | 50,314 | 14.2% | 199,330 | 29,759 | 19.6% | 67,897 | 18.4% | 136,166 | 20,329 | 19.4% |
| Delivery costs | 774 | 0.5% | 12,233 | 3.5% | 38,605 | 5,764 | 3.8% | 13,455 | 3.6% | 28,109 | 4,197 | 4.0% |
| Other operating expenses | 14,779 | 10.0% | 52,063 | 14.7% | 161,783 | 24,154 | 15.9% | 57,089 | 15.5% | 118,994 | 17,765 | 16.9% |
| Company owned and operated store costs and expenses | 76,614 | 51.5% | 243,731 | 69.0% | 755,818 | 112,841 | 74.3% | 273,426 | 74.0% | 509,749 | 76,104 | 72.5% |
| Costs of other revenues | 7,842 | 5.3% | 5,208 | 1.5% | 16,731 | 2,498 | 1.6% | 4,642 | 1.3% | 16,994 | 2,537 | 2.4% |
| Marketing expenses | 8,020 | 5.4% | 16,986 | 4.8% | 50,317 | 7,512 | 4.9% | 15,213 | 4.1% | 31,865 | 4,757 | 4.5% |
| General and administrative expenses | 51,067 | 34.4% | 79,366 | 22.5% | 174,963 | 26,121 | 17.2% | 67,040 | 18.1% | 113,518 | 16,948 | 16.1% |
| Franchise and royalty expenses | 4,727 | 3.2% | 8,592 | 2.4% | 18,800 | 2,807 | 1.8% | 8,330 | 2.3% | 14,280 | 2,132 | 2.0% |
| Other operating costs and expenses | 439 | 0.3% | 2,713 | 0.8% | 2,135 | 319 | 0.2% | 66 | — | 4,568 | 682 | 0.7% |
| Loss on disposal of property and equipment | — | — | — | — | 1,546 | 231 | 0.2% | 741 | 0.2% | 7,360 | 1,099 | 1.1% |
| Impairment losses of long-lived assets | — | — | — | — | 1,002 | 149 | 0.1% | — | — | 5,473 | 817 | 0.8% |
| Other income | (196) | (0.1)% | (3,339) | (1.0)% | (3,476) | (519) | (0.3)% | (38) | — | (596) | (89) | (0.1)% |
| Total costs and expenses, net | 148,513 | 100.0% | 353,257 | 100.0% | 1,017,836 | 151,959 | 100.0% | 369,420 | 100.0% | 703,211 | 104,987 | 100.0% |

- **Company owned and operated store costs and expenses.** Company owned and operated store costs and expenses primarily consist of food and packaging costs, rental expenses, payroll and employee benefits costs, delivery costs, and other operating expenses.
- **Costs of other revenues.** Costs of other revenues primarily consist of costs related to the purchase of kitchen equipment, costs of raw materials for food and beverage products that we sell to sub-franchisees and costs of product sales related to our e-commerce business. We ceased selling kitchen equipment to sub-franchisees in 2020 and commenced our e-commerce business in 2021.
- **Marketing expenses.** Marketing expenses refer to expenses associated with advertising and brand promotion activities.
- **General and administrative expenses.** General and administrative expenses primarily consist of payroll and other employee benefits for our administrative employees, research and development expenses, rental expenses for our office space and other back-office expenses.
- **Franchise and royalty expenses.** Franchise and royalty expenses refer to upfront franchise fees and monthly royalties that we pay to THRI.
- **Other operating costs and expenses.** Other operating costs and expenses primarily consist of the disposal of certain limited-time-offer products.
- **Other income.** Other income primarily consists of government grants and additional input tax deductions.

Non-operating Expenses

- **Interest income.** Interest income primarily consists of interest received on cash deposited in bank accounts.
- **Foreign currency transaction gain/(loss).** Foreign currency transaction gains and losses are as a result of the effect of exchange rate changes on transactions denominated in currencies other than the functional currency.

Taxation

Cayman Islands Tax

We are incorporated in the Cayman Islands. Under the current law of the Cayman Islands, we are not subject to income or capital gains tax. In addition, dividend payments are not subject to withholding tax in the Cayman Islands.

Hong Kong

Entities incorporated in Hong Kong are subject to Hong Kong profits tax at a rate of 16.5%.

Under the current Hong Kong Inland Revenue Ordinance, THHK is subject to Hong Kong profits tax at the rate of 16.5% on its taxable income generated from the operations in Hong Kong. The first HK\$2 million of assessable profits earned by a company will be taxed at 8.25% whilst the remaining profits will continue to be taxed at 16.5%. There is an anti-fragmentation measure where each group will have to nominate only one company in the Company to benefit from the progressive rates. Additionally, upon payments of dividends to the shareholders, no Hong Kong withholding tax will be imposed.

No provision for Hong Kong profits tax has been made in the financial statements as the subsidiary in Hong Kong has no assessable profits for the years ended December 31, 2019, 2020 and 2021 and the six months ended June 30, 2022.

PRC Tax

Our PRC Subsidiaries are subject to PRC enterprise income tax on their taxable income in accordance with the relevant PRC income tax laws. Pursuant to the PRC Enterprise Income Tax Law, or the EIT Law, which became effective on January 1, 2008, and latest amended on December 29, 2018, a uniform 25% enterprise income tax rate is generally applicable to both foreign-invested enterprises and domestic enterprises, except where a special preferential rate applies. For example, enterprises qualified as “High and New Technology Enterprises” are entitled to a 15% enterprise income tax rate rather than the 25% uniform statutory tax rate. The enterprise income tax is calculated based on the entity’s global income as determined under PRC tax laws and accounting standards.

Our PRC Subsidiaries are subject to value-added taxes, or VAT, at a rate from 6% to 13% on our products and services, less any deductible VAT we have already paid or borne. They are also subject to surcharges on VAT payments in accordance

Results of Operations

Comparison of the Six Months Ended June 30, 2021 and 2022

The following table summarizes key components of our results of operations for the periods indicated:

| | For the six months ended June 30, | | | | |
|-----------------------------------|-----------------------------------|---------------|----------------|---------------|---------------|
| | 2021 | | 2022 | | |
| | RMB | % | RMB | US\$ | % |
| | (in thousands, except for %) | | | | |
| Revenues: | | | | | |
| Company owned and operated stores | 229,870 | 96.9% | 375,579 | 56,072 | 93.0% |
| Other revenues | 7,396 | 3.1% | 28,285 | 4,223 | 7.0% |
| Total Revenues: | 237,266 | 100.0% | 403,864 | 60,295 | 100.0% |
| Costs and Expenses, Net | | | | | |
| Company owned and operated stores | | | | | |
| Food and packaging | 76,575 | 32.3% | 128,466 | 19,180 | 31.8% |

| | For the six months ended June 30, | | | | |
|---|-----------------------------------|----------------|------------------|-----------------|----------------|
| | 2021 | | 2022 | | |
| | (in thousands, except for %) | | | | |
| | RMB | % | RMB | US\$ | % |
| Rental expenses | 58,410 | 24.6% | 98,014 | 14,633 | 24.3% |
| Payroll and employee benefits | 67,897 | 28.6% | 136,166 | 20,329 | 33.7% |
| Delivery costs | 13,455 | 5.7% | 28,109 | 4,197 | 7.0% |
| Other operating expenses | 57,089 | 24.1% | 118,994 | 17,765 | 29.5% |
| Company owned and operated store costs and expenses | 273,426 | 115.3% | 509,749 | 76,104 | 126.3% |
| Costs of other revenues | 4,642 | 2.0% | 16,994 | 2,537 | 4.2% |
| Marketing expenses | 15,213 | 6.4% | 31,865 | 4,757 | 7.9% |
| General and administrative expenses | 67,040 | 28.3% | 113,518 | 16,948 | 28.1% |
| Franchise and royalty expenses | 8,330 | 3.5% | 14,280 | 2,132 | 3.5% |
| Other operating costs and expenses | 66 | — | 4,568 | 682 | 1.1% |
| Loss on disposal of property and equipment | 741 | — | 7,360 | 1,099 | 1.8% |
| Impairment losses of long-lived assets | — | — | 5,473 | 817 | 1.4% |
| Other income | (38) | — | (596) | (89) | (0.1)% |
| Total costs and expenses, net | 369,420 | 155.5% | 703,211 | 104,987 | 174.2% |
| Operating Loss | (132,154) | (55.7)% | (299,347) | (44,691) | (74.1)% |
| Interest income | 266 | 0.1% | 334 | 50 | 0.1% |
| Interest expenses | — | — | (6,018) | (898) | (1.5)% |
| Foreign currency transaction loss | (941) | (0.4)% | (768) | (115) | (0.2)% |
| Changes in fair value of convertible notes, excluding impact of instrument-specific credit risk | — | — | (21,078) | (3,147) | (5.2)% |
| Loss Before Income Taxes | (132,829) | (56.0)% | (326,877) | (48,801) | (80.9)% |
| Income Tax Expenses | — | — | — | — | — |
| Net Loss | (132,829) | (56.0)% | (326,877) | (48,801) | (80.9)% |

Revenues

Our revenues increased significantly from RMB237.3 million for the six months ended June 30, 2021 to RMB403.9 million (US\$60.3 million) for the six months ended June 30, 2022, primarily as a result of growth of revenue from company-owned and operated stores.

- **Company owned and operated stores.** Revenue from company owned and operated stores represents revenue from sales of food and beverage products to customers by company owned and operated stores, inclusive of delivery-generated revenue. Our revenues from company owned and operated stores were RMB375.6 million (US\$56.1 million) for the six months ended June 30, 2022, representing 93.0% of our total revenues, compared to RMB229.9 million for the six months ended June 30, 2021, or 96.9% of our total revenues. The growth of our revenues from company owned and operated stores was primarily driven by (i) an increase in the number of our company owned and operated stores from 208 as of June 30, 2021 to 419 as of June 30, 2022; and (ii) a 0.7% same-store sales growth of our company owned and operated stores during the six months ended June 30, 2022.
- **Other revenues.** Our other revenue nearly quadrupled from RMB7.4 million for the six months ended June 30, 2021 to RMB28.3 million (US\$4.2 million) for the six months ended June 30, 2022, primarily attributable to the rapid expansion of our e-commerce business, which generated revenues of RMB20.0 million (USD3.0 million) in the six months ended June 30, 2022, and an increase in franchise fees and revenues from other franchise support activities from RMB5.4 million in the

six months ended June 30, 2021 to RMB8.3 million (USD1.2 million) in the six months ended June 30, 2022, which was attributable to an increase in the number of our franchise stores from 11 as of June 30, 2021 to 21 as of June 30, 2022.

Company-Operated Store Costs and Expenses

Our company owned and operated store costs and expenses were RMB509.7 million (US\$76.1 million) for the six months ended June 30, 2022, compared to RMB273.4 million for the six months ended June 30, 2021. The increase was primarily due to (i) an increase in payroll and employee benefits from RMB67.9 million in the six months ended June 30, 2021 to RMB136.2 million (US\$20.3 million) in the six months ended June 30, 2022, primarily due to increased headcount of our store operations and management personnel; (ii) an increase in costs and expenses related to food and packaging from RMB76.6 million in the six months ended June 30, 2021 to RMB128.5 million (US\$19.2 million) in the six months ended June 30, 2022, in line with our revenue growth and store network expansion; and (iii) an increase in rental expenses from RMB58.4 million in the six months ended June 30, 2021 to RMB98.0 million (US\$14.6 million) in the six months ended June 30, 2022, driven by the increase in the number of our company owned and operated stores from 208 as of June 30, 2021 to 419 as of June 30, 2022. As a result of these factors, our company owned and operated store costs and expenses as a percentage of our total revenues increased from 115.2% for the six months ended June 30, 2021 to 126.2% for the six months ended June 30, 2022.

Cost of Other Revenues

Our cost of other revenues nearly quadrupled from RMB4.6 million for the six months ended June 30, 2021 to RMB17.0 million (US\$2.5 million) for the six months ended June 30, 2022, as a result of (i) the increase in the number of franchise stores from 11 as of June 30, 2021 to 21 as of June 30, 2022, and (ii) the incurrence of costs of product sales related to our e-commerce business during the six months ended June 30, 2022.

Marketing Expenses

Our marketing expenses increased significantly from RMB15.2 million for the six months ended June 30, 2021 to RMB31.9 million (US\$4.8 million) for the six months ended June 30, 2022, as a result of the increase in the number of our company owned and operated stores from 208 as of June 30, 2021 to 419 as of June 30, 2022. Our marketing expenses as a percentage of our total revenues increased from 6.4% for the six months ended June 30, 2021 to 7.9% for the six months ended June 30, 2022, as a result of additional marketing efforts to promote the business of newly opened stores, our delivery services and our e-commerce business.

General and Administrative Expenses

Our general and administrative expenses increased by 69.3% from RMB67.0 million for the six months ended June 30, 2021 to RMB113.5 million (US\$16.9 million) for the six months ended June 30, 2022, primarily due to increased payroll and employee benefits as a result of growing headcount. Our general and administrative expenses as a percentage of our total revenues decreased from 28.3% for the six months ended June 30, 2021 to 28.1% for the six months ended June 30, 2022 as a result of our growing economies of scale and operating efficiency.

Franchise and Royalty Expenses

Our franchise and royalty expenses increased by 71.4% from RMB8.3 million for the six months ended June 30, 2021 to RMB14.3 million (US\$2.1 million) for the six months ended June 30, 2022, primarily due to the opening of new company owned and operated stores and franchise stores.

Other Operating Costs and Expenses

Our other operating costs and expenses were RMB4.6 million (US\$0.7 million) for the six months ended June 30, 2022, compared to RMB66 thousand for the six months ended June 30, 2021. The increase

was primarily due to the disposal of certain limited time offer products and inventories as a result of the lock-downs in Shanghai and certain other cities during the period.

Loss on Disposal of Property and Equipment

We incurred loss on disposal of property and equipment of RMB7.3 million (US\$1.1 million) primarily due to the disposal of certain scraped kitchen equipment and store leasehold improvements in the six months ended June 30, 2022.

Impairment Losses of Long-lived Assets

We incurred impairment losses of long-lived assets of RMB5.5 million (US\$0.8 million) in the six months ended June 30, 2022 as a result of the closure of certain company owned and operated stores during the period.

Interest Income

Our interest income increased by 25.6% from RMB266 thousand for the six months ended June 30, 2021 to RMB334 thousand (US\$50 thousand) for the six months ended June 30, 2022, primarily due to an increase in our bank deposits during the period.

Interest Expenses

We incurred interest expenses of RMB6.0 million (US\$0.9 million) for the six months ended June 30, 2022, primarily due to interests accrued or paid in relation to bank borrowings during the period.

Changes in Fair Value of Convertible Notes, Excluding Impact of Instrument-specific Credit Risk

For the six months ended June 30, 2022, we recorded RMB21.1 million (US\$3.1 million) of downward changes in fair value of the convertible notes issued in December 2021, excluding the impact of instrument-specific credit risks.

Foreign Currency Transaction Loss

We recorded net foreign exchange loss of RMB0.8 million (US\$119 thousand) for the six months ended June 30, 2022, compared to a loss of RMB0.9 million for the six months ended June 30, 2021. The change in net foreign exchange loss was primarily due to the appreciation of U.S. dollars in relation to the Notes.

Net Loss

As a result of the foregoing, our net loss was RMB132.8 million for the six months ended June 30, 2021 and RMB326.9 million (US\$48.8 million) for the six months ended June 30, 2022.

Comparison of the Years Ended December 31, 2020 and 2021

The following table summarizes key components of our results of operations for the periods indicated:

| | For the year ended December 31, | | | | |
|-----------------------------------|---------------------------------|---------------|----------------|---------------|---------------|
| | 2020 | | 2021 | | |
| | (in thousands, except for %) | | | | |
| | RMB | % | RMB | US\$ | % |
| Revenues: | | | | | |
| Company owned and operated stores | 206,036 | 97.1% | 617,226 | 92,149 | 95.9% |
| Other revenues | 6,049 | 2.9% | 26,146 | 3,904 | 4.1% |
| Total Revenues: | 212,085 | 100.0% | 643,372 | 96,053 | 100.0% |

| | For the year ended December 31, | | | | |
|---|---------------------------------|----------------|------------------|-----------------|----------------|
| | 2020 | | 2021 | | |
| | (in thousands, except for %) | | | | |
| | RMB | % | RMB | US\$ | % |
| Costs and Expenses, Net | | | | | |
| Company owned and operated stores | | | | | |
| Food and packaging | 74,402 | 35.1% | 207,948 | 31,046 | 32.3% |
| Rental expenses | 54,719 | 25.8% | 148,152 | 22,118 | 23.0% |
| Payroll and employee benefits | 50,314 | 23.7% | 199,330 | 29,759 | 31.0% |
| Delivery costs | 12,233 | 5.8% | 38,605 | 5,764 | 6.0% |
| Other operating expenses | 52,063 | 24.5% | 161,783 | 24,154 | 25.1% |
| Company owned and operated store costs and expenses | 243,731 | 114.9% | 755,818 | 112,841 | 117.5% |
| Costs of other revenues | 5,208 | 2.5% | 16,731 | 2,498 | 2.6% |
| Marketing expenses | 16,986 | 8.0% | 50,317 | 7,512 | 7.8% |
| General and administrative expenses | 79,366 | 37.4% | 174,963 | 26,121 | 27.2% |
| Franchise and royalty expenses | 8,592 | 4.1% | 18,800 | 2,807 | 2.9% |
| Other operating costs and expenses | 2,713 | 1.3% | 2,135 | 319 | 0.3% |
| Loss on disposal of property and equipment | — | — | 1,546 | 231 | 0.2% |
| Impairment losses of long-lived assets | — | — | 1,002 | 149 | 0.2% |
| Other income | (3,339) | (1.6)% | (3,476) | (519) | (0.5)% |
| Total costs and expenses, net | 353,257 | 166.6% | 1,017,836 | 151,959 | 158.2% |
| Operating Loss | (141,172) | (66.6)% | (374,464) | (55,906) | (58.2)% |
| Interest income | 511 | 0.2% | 316 | 47 | — |
| Interest expenses | — | — | (1,902) | (284) | (0.3)% |
| Foreign currency transaction loss | (2,399) | (1.1)% | (1,302) | (194) | (0.2)% |
| Changes in fair value of convertible notes, excluding impact of instrument-specific credit risk | — | — | (5,577) | (833) | (0.9)% |
| Loss Before Income Taxes | (143,060) | (67.5)% | (382,929) | (57,170) | (59.5)% |
| Income Tax Expenses | — | — | — | — | — |
| Net Loss | (143,060) | (67.5)% | (382,929) | (57,170) | (59.5)% |

Revenues

Our revenues increased by 203.4% from RMB212.1 million in 2020 to RMB643.4 million (US\$96.1 million) in 2021, primarily as a result of growth of revenue from company-owned and operated stores.

- **Company owned and operated stores.** Revenue from company owned and operated stores represents revenue from sales of food and beverage products to customers by company owned and operated stores, inclusive of delivery-generated revenue. Our revenues from company owned and operated stores were RMB617.2 million (US\$92.1 million) in 2021, representing 95.9% of our total revenues, compared to RMB206.0 million in 2020, or 97.1% of our total revenues. The growth of our revenues from company owned and operated stores was primarily driven by an increase in the number of orders from approximately 6.1 million in 2020 to approximately 19.2 million in 2021, which in turn was driven primarily by (i) an increase in the number of company owned and operated stores from 128 as of December 31, 2020 to 373 as of December 31, 2021 and (ii) a 15.7% same-store sales growth of our company owned and operated stores from 2020 to 2021.
- **Other revenues.** Our other revenue increased by 332.3% from RMB6.0 million in 2020 to RMB26.1 million (US\$3.9 million) in 2021, primarily attributable to the launch of our e-commerce

business, which generated revenues of RMB14.3 million (US\$2.1 million) in 2021, and an increase in franchise fees from other franchise support activities from RMB6.0 million in 2020 to RMB11.4 million (US\$1.7 million) in 2021, which was attributable to an increase in the number of franchise stores from nine as of December 31, 2020 to 17 as of December 31, 2021.

Company-Operated Store Costs and Expenses

Our company owned and operated store costs and expenses were RMB755.8 million (US\$112.8 million) in 2021, compared to RMB243.7 million in 2020. The increase was primarily due to: (i) an increase in costs and expenses related to food and packaging from RMB74.4 million in 2020 to RMB207.9 million (US\$31.0 million) in 2021, in line with our revenue growth and store network expansion; (ii) an increase in rental expenses from RMB54.7 million for the year ended December 31, 2020 to RMB148.2 million (US\$22.1 million) for the year ended December 31, 2021, in line with the expansion of our stores; (iii) an increase in delivery costs from RMB12.2 million for the year ended December 31, 2020 to RMB38.6 million (US\$5.8 million) in 2021, in line with the significant increase in delivery orders from 2020 to 2021; (iv) an increase in payroll and employee benefits from RMB50.3 million in 2020 to RMB199.3 million (US\$29.8 million) in 2021, primarily due to increased headcount of our store operations and management personnel; and (v) an increase in other operating expenses from RMB52.1 million for the year ended December 31, 2020 to RMB161.8 million (US\$24.2 million) for the year ended December 31, 2021, as a result of the opening of 245 additional company owned and operated stores in 2021. Our company owned and operated store costs and expenses as a percentage of our revenue generated from company owned and operated stores increased from 118.3% in 2020 to 122.5% in 2021, primarily due to increased headcount and labor costs incurred for training purposes during the store pre-opening period.

Cost of Other Revenues

Our cost of other revenues increased by 221.3% from RMB5.2 million in 2020 to RMB16.7 million (US\$2.5 million) in 2021, as a result of the opening of eight additional franchise stores in 2021, and the incurrence of costs of product sales related to our new e-commerce business of RMB7.2 million (US\$1.1 million) in 2021.

Marketing Expenses

Our marketing expenses increased significantly from RMB17.0 million in 2020 to RMB50.3 million (US\$7.5 million) in 2021, as a result of the expansion of our nationwide store network from 137 as of December 31, 2020 to 390 as of December 31, 2021. Our marketing expenses as a percentage of our total revenues stayed flat at 8.0% in 2020 and 7.8% in 2021, as our brand awareness and affinity continued to increase along with our geographic expansion.

General and Administrative Expenses

Our general and administrative expenses increased by 120.4% from RMB79.4 million in 2020 to RMB175.0 million (US\$26.1 million) in 2021, primarily due to increased payroll and employee benefits as a result of growing headcount. Our general and administrative expenses as a percentage of our total revenues decreased from 37.4% in 2020 to 27.2% in 2021 as a result of our growing economies of scale and operating efficiency.

Franchise and Royalty Expenses

Our franchise and royalty expenses increased by 118.8% from RMB8.6 million in 2020 to RMB18.8 million (US\$2.8 million) in 2021, in line with the significant growth of our total revenues and the opening of 245 additional company owned and operated stores and eight additional franchise stores in 2021.

Other Operating Costs and Expenses

Our other operating costs and expenses were RMB2.1 million (US\$0.3 million) in 2021, compared to RMB2.7 million in 2020. The decrease was primarily due to losses we incurred from the disposal of certain limited time offer products in 2020.

Loss on Disposal of Property and Equipment

We incurred loss on disposal of property and equipment of RMB1.5 million (US\$231 thousand) primarily due to the disposal of certain scrapped kitchen equipment and store leasehold improvements in 2021.

Impairment Losses of Long-lived Assets

We incurred impairment losses of long-lived assets of RMB1.0 million (US\$149 thousand) in 2021 as a result of the closure of a company owned and operated store.

Interest Income

Our interest income decreased by 38.3% from RMB0.5 million in 2020 to RMB0.3 million (US\$47 thousand) in 2021, which was due to a decrease in our average bank deposits as we allocated more working capital to support the rapid expansion of our store network.

Interest Expenses

We incurred interest expenses of RMB1.9 million (US\$0.3 million) for the year ended December 31, 2021, primarily due to the bank borrowings made in 2021.

Changes in Fair Value of Convertible Notes, Excluding Impact of Instrument-specific Credit Risk

We recorded RMB5.6 million (US\$0.8 million) of downward changes in fair value of the convertible notes issued in December 2021, excluding the impact of instrument-specific credit risks.

Foreign Currency Transaction Gain/(Loss)

We recorded net foreign exchange loss of RMB1.3 million (US\$0.2 million) in 2021, compared to a loss of RMB2.4 million in 2020. The change in net foreign exchange gain and loss was primarily due to fluctuations in the exchange rates of our foreign currency deposits.

Net Loss

As a result of the foregoing, our net loss was RMB143.1 million for the year ended December 31, 2020 and RMB382.9 million (US\$57.2 million) for the year ended December 31, 2021.

Comparison of the Years Ended December 31, 2019 and 2020

The following table summarizes key components of our results of operations for the periods indicated:

| | For the year ended December 31, | | | |
|-----------------------------------|---------------------------------|---------------|----------------|---------------|
| | 2019 | | 2020 | |
| | (in thousands, except for %) | | | |
| | RMB | % | RMB | % |
| Revenues: | | | | |
| Company owned and operated stores | 48,082 | 84.0% | 206,036 | 97.1% |
| Other revenues | 9,175 | 16.0% | 6,049 | 2.9% |
| Total Revenues: | 57,257 | 100.0% | 212,085 | 100.0% |
| Costs and Expenses, Net | | | | |
| Company owned and operated stores | | | | |
| Food and packaging | 21,598 | 37.7% | 74,402 | 35.1% |
| Rental expenses | 18,767 | 32.8% | 54,719 | 25.8% |
| Payroll and employee benefits | 20,696 | 36.1% | 50,314 | 23.7% |

| | For the year ended December 31, | | | |
|--|---------------------------------|-----------------|------------------|----------------|
| | 2019 | | 2020 | |
| | (in thousands, except for %) | | | |
| | RMB | % | RMB | % |
| Delivery costs | 774 | 1.4% | 12,233 | 5.8% |
| Other operating expenses | 14,779 | 25.8% | 52,063 | 24.5% |
| Company owned and operated store costs and expenses | 76,614 | 133.7% | 243,731 | 114.9% |
| Costs of other revenues | 7,842 | 13.7% | 5,208 | 2.5% |
| Marketing expenses | 8,020 | 14.0% | 16,986 | 8.0% |
| General and administrative expenses | 51,067 | 89.2% | 79,366 | 37.4% |
| Franchise and royalty expenses | 4,727 | 8.3% | 8,592 | 4.1% |
| Other operating costs and expenses | 439 | 0.8% | 2,713 | 1.3% |
| Other income | (196) | (0.3)% | (3,339) | (1.6)% |
| Total costs and expenses, net | 148,513 | 259.4% | 353,257 | 166.6% |
| Operating Loss | (91,256) | (159.4)% | (141,172) | (66.6)% |
| Interest Income | 2,272 | 4.0% | 511 | 0.2% |
| Foreign Currency Transaction Gain/(loss) | 1,156 | 2.0% | (2,399) | (1.1)% |
| Loss Before Income Taxes | (87,828) | (153.4)% | (143,060) | (67.5)% |
| Income Tax Expenses | — | — | — | — |
| Net Loss | (87,828) | (153.4)% | (143,060) | (67.5)% |

Revenues

Our revenues grew significantly from RMB57.3 million in 2019 to RMB212.1 million in 2020, primarily as a result of growth of revenue from company owned and operated stores.

- Company owned and operated stores.** Revenue from company owned and operated stores represents revenue from sales of food and beverage products to customers by company owned and operated stores, inclusive of delivery-generated revenue. Our revenues from company owned and operated stores were RMB206.0 million in 2020, representing 97.1% of our total revenues, compared to RMB48.1 million in 2019, or 84.0% of our total revenues. The growth of our revenues from company owned and operated stores was primarily driven by an increase in the number of orders from less than 2.0 million in 2019 to approximately 8.0 million in 2020, which in turn was driven primarily by (i) an increase in the number of company owned and operated stores from 31 as of December 31, 2019 to 128 as of December 31, 2020 and (ii) a 5.2% same-store sales growth of our company owned and operated stores from 2019 to 2020.
- Other Revenues.** Our other revenue decreased by 34.8% from RMB9.2 million in 2019 to RMB6.0 million in 2020, primarily due to a decrease in revenues from other franchise support activities from RMB8.7 million in 2019 to RMB5.3 million in 2020, as we ceased selling kitchen equipment to sub-franchisees in 2020, partially offset by an increase in franchise fees from RMB0.4 million in 2019 to RMB0.8 million in 2020 attributable to the opening of eight additional franchise stores in 2020.

Company-Operated Store Costs and Expenses

Our company owned and operated store costs and expenses were RMB243.7 million in 2020, compared to RMB76.6 million in 2019. The increase was primarily due to (i) an increase in rental expenses, delivery costs and other operating expenses from RMB34.3 million in 2019 to RMB119.0 million in 2020, as a result of opening 97 additional company owned and operated stores in 2020; (ii) an increase in costs and expenses related to food and packaging from RMB21.6 million in 2019 to RMB74.4 million in 2020, in line with our revenue growth and store network expansion; and (iii) an increase in payroll and employee benefits from

RMB20.7 million in 2019 to RMB50.3 million in 2020, primarily due to increased headcount. Our company owned and operated store costs and expenses as a percentage of our revenue generated from company owned and operated stores decreased from 159.3% in 2019 to 118.3% in 2020, driven by our growing economies of scale and increased bargaining power.

Cost of Other Revenues

Our cost of other revenues decreased by 33.3% from RMB7.8 million in 2019 to RMB5.2 million in 2020, as we ceased selling kitchen equipment to sub-franchisees in 2020.

Marketing Expenses

Our marketing expenses increased by 112.5% from RMB8.0 million in 2019 to RMB17.0 million in 2020, as a result of additional marketing initiatives to promote our image. Our marketing expenses as a percentage of our total revenues decreased from 14.0% in 2019 to 8.0% in 2020 as the awareness of the Tim Hortons brand and affinity continued to increase and we could leverage our brand more in high-density areas.

General and Administrative Expenses

Our general and administrative expenses increased by 55.4% from RMB51.1 million in 2019 to RMB79.4 million in 2020, primarily due to increased employee benefits as a result of growing headcount. Our general and administrative expenses as a percentage of our total revenues decreased from 89.2% in 2019 to 37.4% in 2020 as our operating efficiency and economy of scale continued to increase.

Franchise and Royalty Expenses

Our franchise and royalty expenses increased by 83.0% from RMB4.7 million in 2019 to RMB8.6 million in 2020, primarily due to the opening of 97 additional company owned six additional franchise stores.

Other Operating Costs and Expenses

Our other operating costs and expenses were RMB2.7 million in 2020, compared to RMB0.4 million in 2019. The increase was primarily due to the disposal of certain limited time offer products.

Interest Income

Our interest income decreased by 78.3% from RMB2.3 million in 2019 to RMB0.5 million in 2020, due to decrease in our bank deposits as we allocated more working capital to our business expansion.

Foreign Currency Transaction Gain/(loss)

We recorded net foreign exchange losses of RMB2.4 million in 2020, compared to a gain of RMB1.2 million in 2019. The change in net foreign exchange loss was primarily attributed to fluctuations in the exchange rates of our foreign currency deposits.

Net Loss

As a result of the foregoing, our net loss was RMB87.8 million in 2019 and RMB143.1 million in 2020.

Non-GAAP Financial Measure

In this prospectus, we have included adjusted store EBITDA, a non-GAAP financial measure, which is a key measure used by our management and board of directors in evaluating our operating performance and making strategic decisions regarding capital allocation. Adjusted store EBITDA is a measure that results from the removal of certain items to reflect what management and our board of directors believe presents a clearer picture of store-level performance. We believe that the exclusion of certain items in calculating adjusted store EBITDA facilitates store-level operating performance comparisons on a period-to-period basis.

Accordingly, we believe that adjusted store EBITDA provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and board of directors.

Adjusted store EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of its results as reported under U.S. GAAP. Some of these limitations are:

- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and adjusted store EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements;
- Adjusted store EBITDA does not reflect changes in, or cash requirements for, its working capital needs;
- Adjusted store EBITDA does not reflect tax payments that may represent a reduction in cash available to it; and
- Other companies, including companies in its industry, may calculate adjusted store EBITDA differently, which reduces its usefulness as a comparative measure.

Because of these limitations, you should consider adjusted store EBITDA alongside other financial performance measures, including various cash flow metrics, operating profit and other U.S. GAAP results.

| | Year ended December 31, | | | Six months ended June 30, | |
|--|-------------------------|------------------|-----------------|---------------------------|-----------------|
| | 2020 | 2021 | | 2022 | |
| | (in thousands) | | | | |
| | RMB | RMB | US\$ | RMB | US\$ |
| Revenues – company owned and operated stores | 206,036 | 617,226 | 92,149 | 375,579 | 56,072 |
| Food and packaging costs – company owned and operated stores | (74,402) | (207,948) | (31,046) | (128,466) | (19,180) |
| Rental expenses – company owned and operated stores | (54,719) | (148,152) | (22,118) | (98,014) | (14,633) |
| Payroll and employee benefits – company owned and operated stores | (50,314) | (199,330) | (29,759) | (136,166) | (20,329) |
| Delivery costs – company owned and operated stores | (12,233) | (38,605) | (5,764) | (28,109) | (4,197) |
| Other operating expenses – company owned and operated stores | (52,063) | (161,783) | (24,154) | (118,994) | (17,765) |
| Franchise and royalty expenses – company owned and operated stores | (8,592) | (18,800) | (2,806) | (14,280) | (2,132) |
| Fully-burdened gross profit – company owned and operated stores | (46,287) | (157,392) | (23,498) | (148,450) | (22,164) |
| Depreciation and amortization ⁽¹⁾ | 27,838 | 74,276 | 11,089 | 64,738 | 9,666 |
| Pre-opening material and labor costs ⁽²⁾ | 19,850 | 81,109 | 12,110 | 14,312 | 2,137 |
| Pre-opening rental expenses ⁽³⁾ | 12,118 | 29,474 | 4,400 | 8,072 | 1,205 |
| Adjusted Store EBITDA | 13,519 | 27,467 | 4,101 | (61,328) | (9,156) |

Notes:

- (1) Primarily consists of depreciation related to property, equipment and store renovations and amortization of the franchise right to use the Tim Hortons brand.
- (2) Primarily consists of material costs and labor costs incurred for training purposes during the store pre-opening period.
- (3) Primarily consists of rental expenses recognized under U.S. GAAP, using straight-line recognition, during the store pre-opening period.

Liquidity and Capital Resources

Our capital expenditures are incurred primarily in connection with purchase of property and equipment. Our main source of liquidity is cash derived from revenue generating activities and proceeds from equity financing. As of December 31, 2020 and 2021 and June 30, 2022, our cash were RMB174.9 million, RMB390.8 million (US\$58.3 million) and RMB285.1 million (US\$42.6 million), respectively, consisting of bank deposits. The ongoing COVID-19 pandemic and resulting economic uncertainty could adversely affect our liquidity and capital resources in the future, and our cash requirements may fluctuate based on the timing and extent of many factors such as those discussed above. We believe our existing sources of liquidity (including the committed equity facility with Cantor), together with the net proceeds of the Business Combination of \$39.9 million, will be sufficient to fund our operations, including lease obligations, capital expenditures and working capital obligations for at least the next 12 months. We may seek additional equity or debt financing in the future to satisfy capital requirements, respond to adverse developments or changes in our circumstances or unforeseen events or conditions, or fund organic or inorganic growth opportunities. In the event that additional financing is required from third party sources, we may not be able to raise it on acceptable terms or at all. See “Risk Factors — Risks Related to THIL’s Business and Industry — We may require additional capital to support business growth and objectives, which might not be available in a timely manner or on commercially acceptable terms, if at all.”

On December 9, 2021, we and Pangaea Two Acquisition Holdings XXIIA Limited entered into a Convertible Note Purchase Agreement with each of the Notes Investors. On December 10, 2021, we issued \$50 million aggregate principal amount of convertible notes (the “Private Notes”) to two institutional accredited investors for a purchase price of 98% of the principal amount thereof. On December 30, 2021, we issued \$50 million aggregate principal amount of convertible notes (the “Notes”) under an indenture dated as of such date with Wilmington Savings Fund Society, FSB, as trustee (the “Indenture”). The Notes were issued in exchange for the Private Notes, which were cancelled upon such exchange. The Notes mature on December 10, 2026 (the “Maturity Date”) and bear interest commencing as of December 10, 2021, payable semi-annually in arrears on June 10 and December 10 of each year, commencing on June 10, 2022. We have the option, on each interest payment date, to pay accrued and unpaid interest (i) entirely in cash or (ii) by capitalizing such accrued and unpaid interest (such capitalized interest, “PIK Interest”).

Each holder of a Note has the right, after June 10, 2025, to require us to repurchase all of such holder’s Notes at a repurchase price equal to the principal amount of such Note plus accrued and unpaid interest thereon to, but excluding, the repurchase date. We have the right to redeem the Notes in whole, but not in part, (i) at a redemption price equal to 102% of the principal amount of the Notes, plus accrued and unpaid interest thereon to, but excluding, the redemption date, in the event of certain tax changes as described in the Indenture; or (ii) at any time before December 10, 2025, at a redemption price equal to: (a) if the redemption is prior to December 10, 2024, 100% of the principal amount of the Notes plus a “make-whole” as described in the Indenture, and (b) if the redemption is on or after December 10, 2024 and prior to December 10, 2025, 104% of the principal amount of the Notes plus accrued and unpaid interest thereon to, but excluding, the redemption date.

Until the Maturity Date, each Note is convertible into fully paid, validly issued and non-assessable Ordinary Shares at a conversion price of \$11.50 per share (the “Conversion Price”). We have the right, at any time on or after the later of (i) December 10, 2023 and (ii) the effective date of the registration statement of which this prospectus is a part, until the Maturity Date, to convert all of the Notes, but only if (i) the last reported sale price per Ordinary Share is equal to or greater than 130% of the Conversion Price on each of at least 20 trading days during the 30 consecutive trading days ending on, and including, the trading day immediately before the date we provide notice of such conversion, and (ii) the average daily trading volume in dollars of our Ordinary Shares is more than \$5 million.

The Indenture contains covenants that, subject to significant exceptions, restrict the ability of our company and our subsidiaries to, among other things, incur debt, issue preferred stock, pay dividends on or purchase or redeem capital stock, incur liens, sell assets, amend or terminate the A&R MDA and our amended and restated company franchise agreements with THRI, amend charter documents, or consolidate with or merge with or into other entities. The Indenture also contains events of default and acceleration that are customary for transactions of this nature. On May 26, 2022 and August 19, 2022, waivers were

executed to relieve THIL from the obligation to provide copies of its unaudited financial statements for the fiscal quarters ended March 31, 2022 and June 30, 2022 to the holders of the Notes.

On March 8, 2022, we entered into an Equity Support Agreement with Shaolin Capital Management LLC (the “ESA”), which assigned all of its rights and obligations under the ESA to the ESA Investors on May 25, 2022. On May 25, 2022, we, the ESA Investors and Shaolin Capital Management LLC entered into the Pledge and Security Agreement (the “Pledge and Security Agreement”) whereby we granted to each ESA Investor a first priority security interest in the Collateral Account (as defined below). On June 13, 2022, we, Shaolin Capital Management LLC, and U.S. Bank National Association entered into a Control Agreement (the “Control Agreement”) pursuant to which: (i) U.S. Bank National Association established an account in the name of THIL (the “Collateral Account”); and (ii) U.S. Bank National Association agreed to act as Securities Intermediary (as defined in the UCC) on behalf of us, as debtor, and Shaolin Capital Management LLC, as collateral agent on behalf of the ESA Investors. On the Closing Date, we issued 5,000,000 Ordinary Shares to the ESA Investors at a price of \$10.00 per share. In connection with such issuance and pursuant to the ESA, we paid \$500,000 to the ESA Investors as option premium and \$3,166,667 to the Collateral Account as deposit in August 2022. There are three reference periods under the ESA: (i) the First Reference Period: the 25 consecutive VWAP Trading Days (as defined in the ESA) beginning on, and including, the 85th calendar day immediately following the Closing Date; (ii) the Second Reference Period: the 25 consecutive VWAP Trading Days beginning on, and including, the 145th calendar day immediately following the Closing Date; and (iii) the Third Reference Period: the 25 consecutive VWAP Trading Days beginning on, and including, the 235th calendar day immediately following the Closing Date, in each case, subject to acceleration and postponement in certain circumstances set forth in the ESA. At the end of each of the three Reference Periods under the ESA, we shall pay to the ESA Investors a Reference Period Payment (as defined in the ESA) and will receive from the Collateral Account an Issuer Release Amount (as defined in the ESA). At the end of the final reference period, the outstanding balance of the Collateral Account shall be released to us. Within five business days following the release of the outstanding balance of the Collateral Account, we shall pay to the ESA Investors and/or Shaolin Capital Management LLC, at the direction of Shaolin Capital Management LLC, the aggregate amount of interest accrued on the funds held in the Collateral Account prior to the release less \$100,000, up to a maximum of \$300,000.

In addition, on March 11, 2022, we entered into an Ordinary Share Purchase Agreement with Cantor relating to a committed equity facility, pursuant to which we have the right, after the Closing and from time to time at our option, to sell to Cantor up to \$100.0 million of Ordinary Shares subject to certain conditions and limitations set forth in the purchase agreement.

We are a holding company incorporated in the Cayman Islands. We may need dividends and other distributions from our PRC Subsidiaries to satisfy our liquidity requirements, fund our operations or be used for other purposes outside of mainland China, which may not be available due to existing and/or potential interventions in or the imposition of restrictions and limitations by the PRC government on the ability of our company or our PRC Subsidiaries to transfer cash and/or non-cash assets based on existing or new PRC laws and regulations. Current PRC regulations permit our PRC Subsidiaries to pay dividends to us only out of their accumulated after-tax profits upon satisfaction of relevant statutory conditions and procedures, if any, determined in accordance with PRC accounting standards and regulations. In addition, our PRC Subsidiaries are required to set aside at least 10% of their respective after-tax profits each year, if any, to fund certain reserve funds until the total amount set aside reaches 50% of their respective registered capital. Our PRC Subsidiaries may also allocate a portion of its after-tax profits based on PRC accounting standards to employee welfare and bonus funds at their discretion. These reserves are not distributable as cash dividends. As of the date of this prospectus, our PRC Subsidiaries have been in accumulated loss and did not pay dividends to us. Further, if any of our PRC Subsidiaries incurs debt on their own behalf in the future, the instruments governing the debt may restrict its ability to pay dividends or make other payments to us. As a result, our ability to distribute dividends largely depends on earnings from our PRC Subsidiaries and their ability to pay dividends out of their earnings. We cannot assure you that our PRC Subsidiaries will generate sufficient earnings and cash flows in the near future to pay dividends or otherwise distribute sufficient funds to us to enable us to meet our obligations, pay interest and expenses or declare dividends. For a detailed description of the restrictions and related risks, see “Summary — Corporate Structure,” “Risk Factors — Risks Related to Doing Business in China — Restrictions on our subsidiaries on paying dividends or making other payments to us under existing or new laws and regulations of the PRC and the HKSAR

may restrict our ability to satisfy our liquidity requirements” and “Risk Factors — Risks Related to Doing Business in China — Foreign exchange controls may limit our ability to utilize our revenues and the proceeds from the Business Combination and related financings effectively and adversely affect the value of your investment.”

Subject to applicable lock-ups, the Selling Securityholders can sell, under this prospectus, up to 62,151,365 Ordinary Shares constituting (on a post-exercise basis) approximately 38.7 % of our issued and outstanding Ordinary Shares as of September 28, 2022 (assuming the exercise of all of our outstanding Warrants and the conversion of the Notes). The sales of a substantial number of Registered Securities could result in a significant decline in the public trading price of our securities and could impair our ability to raise capital through the sale or issuance of additional equity securities.

The following table sets forth a summary of our cash flows for the years and periods presented.

| | Year ended December 31, | | | | Six months ended June 30, | | |
|--|-------------------------|-----------|-----------|----------|---------------------------|-----------|----------|
| | 2019 | 2020 | 2021 | | 2021 | 2022 | |
| | (in thousands) | | | | | | |
| | RMB | RMB | RMB | US\$ | RMB | RMB | US\$ |
| Net cash used in operating activities | (77,121) | (145,773) | (244,966) | (36,573) | (114,727) | (154,942) | (23,132) |
| Net cash used in investing activities | (56,095) | (144,747) | (335,277) | (50,056) | (121,236) | (180,355) | (26,926) |
| Net cash provided by financing activities | 212,802 | 221,125 | 797,997 | 119,138 | 287,470 | 226,606 | 33,831 |
| Effect of foreign currency exchange rate changes on cash | 4,730 | (16,173) | (1,791) | (267) | (1,379) | 2,988 | 446 |
| Net increase/(decrease) in cash | 84,316 | (85,568) | 215,963 | 32,242 | 50,128 | (105,703) | (15,781) |
| Cash at beginning of year/period | 176,126 | 260,442 | 174,874 | 26,108 | 174,874 | 390,837 | 58,350 |
| Cash at end of year/period | 260,442 | 174,874 | 390,837 | 58,350 | 225,002 | 285,134 | 42,569 |

Operating Activities

Net cash used in operating activities increased by 35.0% from 114.7 million for the six months ended June 30, 2021 to 154.9 million (US\$23.1 million) for the six months ended June 30, 2022, which was mainly due to the rapid expansion of our business and store network nationwide.

Net cash used in operating activities for the year ended December 31, 2021 was RMB245.0 million (US\$36.6 million). The difference between our net loss of RMB382.9 million (US\$57.2 million) and net cash used in operating activities for the year ended December 31, 2021 was primarily due to (i) an adjustment of RMB83.2 million (US\$12.4 million) in non-cash items, which primarily consisted of depreciation and amortization expense of RMB74.3 million (US\$11.1 million) and RMB5.6 million (US\$0.8 million) in changes in fair value of convertible notes, excluding impact of instrument-specific credit risk; and (ii) net changes in operating assets and liabilities of RMB54.9 million (US\$8.2 million), which primarily consisted of (a) an increase in accounts payable of RMB45.6 million (US\$6.8 million) in line with the expansion of our business, (b) an increase in other current liabilities of RMB69.5 million (US\$10.4 million) due to increased accrued payroll and employee-related costs, payable for other operating expenditures, (c) an increase in other non-current liabilities of RMB28.7 million (US\$4.3 million) due to an increase in accrued operating lease charges and deferred government subsidies, net off by (d) an increase in inventories of RMB31.2 million (US\$4.7 million) as we opened 245 new company owned and operated stores in 2021, (e) an increase in prepaid expenses and other current assets of RMB36.2 million (US\$5.4 million) due to increased prepaid rental expenses, marketing expenses and deductible input VAT credit; and (f) an increase in other non-current assets of RMB35.5 million (US\$5.3 million) due to increased long-term rental deposits. The 68.0% increase

in net cash used in operating activities from RMB145.8 million in 2020 to RMB245.0 million (US\$36.6 million) in 2021 was mainly due to the rapid expansion of our store network nationwide.

Net cash used in operating activities for the year ended December 31, 2020 was RMB145.8 million. The difference between our net loss of RMB143.1 million and net cash used in operating activities for the year ended December 31, 2020 was primarily due to (i) an adjustment of RMB30.2 million in non-cash items, which primarily consisted of depreciation and amortization expense of RMB27.8 million; and (ii) net changes in operating assets and liabilities of RMB32.9 million, which primarily consisted of an increase of prepaid expenses and other current assets of RMB36.7 million due to prepaid rental expenses, marketing expenses and deductible input VAT credit and an increase of other non-current assets of RMB22.1 million due to long-term rental deposits. The 89.0% increase in net cash used in operating activities from RMB77.1 million in 2019 to RMB145.8 million in 2020 was mainly due to the rapid expansion of our business.

Investing Activities

Net cash used in investing activities for the six months ended June 30, 2022 was RMB180.4 million (US\$26.9 million), which primarily resulted from the opening of 46 additional company owned and operated stores in the six months period ended June 30, 2022.

Net cash used in investing activities for the year ended December 31, 2021 was RMB335.3 million (US\$50.1 million), compared to RMB144.7 million for the year ended December 31, 2020, which primarily resulted from the opening of 245 additional company owned and operated stores in 2021.

Net cash used in investing activities for the year ended December 31, 2020 was RMB144.7 million, which primarily resulted from capital expenditures in equipment, fixtures, store decorations and digital infrastructure. The 158.0% increase in net cash used in investing activities from RMB56.1 million in 2019 to RMB144.7 million in 2020 was mainly due to the opening of additional company owned and operated stores.

Financing Activities

Net cash provided by financing activities for the six months ended June 30, 2022 was RMB226.6 million (US\$33.8 million), primarily attributable to the net proceeds from bank borrowings during the six months period ended June 30, 2022.

Net cash provided by financing activities for the year ended December 31, 2021 was RMB798.0 million (US\$119.1 million), primarily attributable to net proceeds of RMB312.1 million (US\$46.6 million) from the issuance of convertible notes, draw-down of bank loans in the amount of RMB204.0 million (US\$30.5 million), and issuance of ordinary shares of RMB291.4 million (US\$43.5 million), partially offset by payment for financing costs of RMB9.4 million (US\$1.4 million) in 2021.

Net cash used provided by financing activities for the year ended December 31, 2020 was RMB221.1 million, primarily attributable to proceeds from issuance of ordinary shares of RMB222.8 million, partially offset by payment for financing cost of RMB1.7 million.

Contractual Obligations and Commitments

The following table sets forth our contractual obligations as of December 31, 2021:

| | Payment due by | | | | |
|-----------------------------|---------------------|------------------|----------------|----------------|-------------------|
| | Total | Less than 1 year | 1–3 years | 3–5 years | More than 5 years |
| | (RMB, in thousands) | | | | |
| Bank borrowings | 203,958 | 192,055 | 11,903 | — | — |
| Convertible notes | 318,785 | — | — | 318,785 | — |
| Operating lease commitments | 1,052,958 | 172,200 | 350,758 | 274,356 | 255,644 |
| Total | 1,575,701 | 364,255 | 362,661 | 593,141 | 255,644 |

Pursuant to the A&R MDA, we are required to pay an upfront franchise fee for each company-owned-and-operated store and franchise store and a continuing franchise fee for each company owned and operated store and franchise store, calculated as a certain percentage of the store's monthly gross sales, depending on when the store is opened. In 2019, 2020 and 2021 and the six months ended June 30, 2022, THIL paid THRI continuing franchise fees in the amount of RMB1.2 million, RMB5.1 million, RMB15.6 million (US\$2.3 million) and RMB12.7 million (US\$1.9 million), respectively, and upfront fees in the amount of RMB1.6 million, RMB4.1 million, RMB24.3 million (US\$3.6 million) and RMB4.6 million (US\$0.7 million), respectively. The outstanding fees due to THRI were RMB3.6 million, RMB6.9 million (US\$1.0 million) and RMB11.2 million (US\$1.7 million) as of December 31, 2020 and 2021 and June 30, 2022, respectively.

Other than those shown above, we did not have any significant capital and other commitments, long-term obligations or guarantees as of December 31, 2021.

Off-Balance Sheet Commitments and Arrangements

During the periods presented, we did not have any off-balance sheet commitments or arrangements.

Critical Accounting Policy, Judgments and Estimates

We prepare consolidated financial statements in accordance with U.S. GAAP, which requires us to make judgments, estimates and assumptions that affect the reported amounts of our assets and liabilities and the disclosure of our contingent assets and liabilities at the end of each fiscal period and the reported amounts of revenues and expenses during each fiscal period. We continually evaluate these judgments and estimates based on our own historical experience, knowledge and assessment of current business and other conditions, our expectations regarding the future based on available information and assumptions that we believe to be reasonable, which together form our basis for making judgments about matters that are not readily apparent from other sources. Since the use of estimates is an integral component of the financial reporting process, our actual results could differ from those estimates. Some of our accounting policies require a higher degree of judgment than others in their application.

The selection of critical accounting policy, the judgments and other uncertainties affecting application of the policy and the sensitivity of reported results to changes in conditions and assumptions are factors that should be considered when reviewing our financial statements. For further information on our significant accounting policies, see Note 2 to our consolidated financial statements. We believe the accounting policy below involves the most significant judgments and estimates used in the preparation of our financial statements.

Share-based compensation

Share-based awards granted to the employees and directors in the form of share options and restricted share units are subject to service and performance conditions. They are measured at the grant date fair value of the awards, and are recognized as compensation expense using the graded vesting method if and when we consider that it is probable that the performance condition will be achieved. We elect to recognize the effect of forfeitures in compensation costs when they occur. To the extent the required vesting conditions are not met resulting in the forfeiture of the share-based awards, previously recognized compensation expense relating to those awards is reversed.

Options granted under THIL's 2019 Share Option Scheme, which was amended and restated on September 28, 2022 in connection with the Business Combination (the "Scheme"), were measured at fair value as of the respective dates using the Binomial Option Pricing Model with the following assumptions:

| | 2019 | 2020 | 2021 | Six months ended June 30, 2022 |
|--|-----------------|-----------------|-----------------|-----------------------------------|
| Expected volatility | 20.68% – 20.89% | 24.51% – 26.99% | 24.74% – 25.00% | 25.00% |
| Risk-free interest rate (per annum) | 1.75% – 2.46% | 1.01% – 1.12% | 2.47% – 2.53% | 2.50% – 2.80% |
| Exercise multiple | 2.80 | 2.50 – 2.80 | 2.50 – 2.80 | 2.50 – 2.80 |
| Expected dividend yield | 0.00% | 0.00% | 0.00% | 0.00% |
| Expected term (in years) | 7 | 6 | 10 | 10 |
| Fair value of underlying unit (4,500 unit = 1 ordinary share) | \$0.27 | \$0.37 – \$0.53 | \$0.88 – \$1.49 | \$1.86 |

The estimated fair value of the underlying unit at the grant date was estimated by management with the assistance of an independent valuation firm. The income approach involves applying discounted cash flow analysis based on our projected cash flow using management's best estimate as of the valuation dates. Estimating future cash flow requires us to analyze projected revenue growth, gross margins, operating expense levels, effective tax rates, capital expenditures, working capital requirements, and discount rates. Our projected revenues were based on expected annual growth rates derived from a combination of historical experience and the general trend in this industry. The revenue and cost assumptions used are consistent with our long-term business plan and market conditions in this industry. We also have to make complex and subjective judgments regarding our business risks, limited operating history and future prospects at the time of grant.

The expected volatility was estimated based on the historical volatility of comparable peer public companies with a time horizon close to the expected term of our options. The risk-free interest rate was estimated based on the yield to maturity of U.S. treasury bonds denominated in US\$ for a term consistent with the expected term of our options in effect at the option valuation date. The exercise multiple is estimated as the ratio of fair value of underlying shares over the exercise price as at the time the option is exercised, based on a consideration of empirical studies on the actual exercise behavior of employees. The expected dividend yield is zero as we have never declared or paid any cash dividends on our shares, and we do not anticipate any dividend payments in the foreseeable future. The expected term is calculated from the grant date to estimated expiration date.

Restricted share units granted to Grantees were measured at fair value as of the grant date using the income approach.

For more details, see Note 17 to THIL's historical consolidated financial statements included elsewhere in this prospectus.

Recent Accounting Pronouncements

A description of recently issued accounting pronouncements that may potentially impact our financial position and result of operations is disclosed in Note 2 to our audited historical consolidated financial statements included elsewhere in this prospectus.

Internal Control over Financial Reporting

Prior to the Business Combination, we were a private company with limited accounting personnel and other resources with which to address our internal control. In the course of auditing our consolidated financial statements included in this prospectus, we and our independent registered public accounting firm identified two material weaknesses in our internal control over financial reporting, which we have begun to address and have a plan to further address. As defined in the standards established by the PCAOB, a "material weakness" is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of our company's annual or interim financial statements will not be prevented or detected on a timely basis.

The material weaknesses identified relate to (i) our company's lack of sufficient competent financial reporting and accounting personnel with appropriate understanding of U.S. GAAP and financial reporting

requirements set forth by the SEC required to formalize, design, implement and operate key controls over financial reporting processes to address complex U.S. GAAP accounting issues and related disclosures, in accordance with U.S. GAAP and SEC financial reporting requirements, and (ii) our company's lack of period end financial closing policies and procedures to formalize, design, implement and operate key controls over period end financial closing process for the preparation of consolidated financial statements, including disclosures, in accordance with U.S. GAAP and relevant SEC financial reporting requirements.

Neither we nor our independent registered public accounting firm undertook a comprehensive assessment of our internal control under the Sarbanes-Oxley Act for purposes of identifying and reporting any weakness in our internal control over financial reporting. Had we performed a formal assessment of our internal control over financial reporting or had our independent registered public accounting firm performed an audit of our internal control over financial reporting, additional control deficiencies may have been identified.

To remediate our identified material weaknesses, we have hired a Chief Financial Officer with appropriate understanding of U.S. GAAP and financial reporting requirements set forth by the SEC. We also plan to adopt measures to improve our internal control over financial reporting, including, among others: (i) hiring additional qualified accounting and financial personnel with appropriate knowledge and experience in U.S. GAAP and SEC reporting requirements, (ii) organizing regular training for our accounting staff, especially training related to U.S. GAAP and SEC reporting requirements, (iii) formulating U.S. GAAP accounting policies and procedures manual, which will be maintained, reviewed and updated, on a regular basis, to the latest U.S. GAAP accounting standards, and (iv) establishing period end financial closing policies and procedures for preparation of consolidated financial statements.

However, we cannot assure you that all these measures will be sufficient to remediate our material weakness in time, or at all.

Quantitative and Qualitative Disclosures about Market Risk

Foreign Currency Risk

Our principal activities are carried out in PRC and our transactions are mainly denominated in RMB, which is not freely convertible into foreign currencies. All foreign exchange transactions involving RMB must be processed through the People's Bank of China or other institutions authorized to buy and sell foreign exchange. The exchange rates adopted for foreign exchange transactions are the rates of exchange quoted by the Peoples' Bank of China, which are determined largely by supply and demand. We do not expect that there will be any significant currency risk during the reporting periods. A 5% depreciation of U.S. dollars against Renminbi may increase comprehensive loss and shareholders' equity by RMB9.3 million, RMB4.5 million (US\$0.7 million) and RMB12.8 million (US\$1.9 million) for the years ended December 31, 2020 and 2021 and the six months ended June 30, 2022, respectively.

Concentration of Credit Risk

Our credit risk primarily arises from cash, prepaid expenses and other current assets and accounts receivable. Bank deposits, including term deposits, with financial institutions in the mainland of the PRC and Hong Kong are insured by the government authorities up to RMB500,000 and HKD500,000, respectively. Total bank deposits are insured by the government authority with amounts up to RMB6.0 million, RMB7.3 million (US\$1.1 million) and RMB11.0 million (US\$1.6 million) as of December 31, 2020 and 2021 and June 30, 2022, respectively.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. We may invest the net proceeds of the Business Combination in interest-earning instruments. Investments in both fixed-rate and floating-rate interest-earning instruments carry a degree of interest rate risk. Fixed-rate securities may have their fair market value adversely impacted due to a rise in interest rates, while floating-rate securities may produce less income than expected if interest rates fall.

MANAGEMENT

The following table provides information about our directors and executive officers.

| Name | Age | Position |
|-----------------------------|-----|--------------------------------------|
| Peter Yu | 60 | Chairman and Director |
| Yongchen Lu | 45 | Chief Executive Officer and Director |
| Dong Li | 46 | Chief Financial Officer |
| Bin He | 39 | Chief Consumer Officer |
| Gregory Armstrong | 45 | Director |
| Paul Hong | 52 | Director |
| Andrew Wehrley | 44 | Director |
| Meizi Zhu | 37 | Director |
| Eric Haibing Wu | 50 | Director |
| Rafael Odorizzi De Oliveira | 37 | Director |
| Derek Cheung | 44 | Director |

Peter Yu. Mr. Yu has served as Chairman of our Board since May 2018. Mr. Yu is the Managing Partner and co-founder of Cartesian Capital Group, LLC. He is also the chairman and CEO of Cartesian Growth Corporation and Cartesian Growth Corporation II, each a special purpose acquisition company, and served as a director at Westport Fuel Systems Inc., a clean transportation technology company, from January 2016 to July 2020. Prior to founding Cartesian in 2006, he founded and served as President & CEO of AIG Capital Partners, Inc. (“AIGCP”). Under his leadership, AIGCP became a leading international private equity firm, with more than \$4.5 billion in committed capital. Mr. Yu led numerous investments in several regions, and served as Chairman of the investment committee of eight AIGCP private equity funds. Prior to founding AIGCP in 1996, Mr. Yu served President Clinton as Director to the National Economic Council, the White House office, responsible for developing and coordinating economic policy. Prior to that, Mr. Yu served as a law clerk on the U.S. Supreme Court. Mr. Yu holds a Bachelor of Arts degree from Princeton University’s Woodrow Wilson School and J.D. degree from Harvard Law School, where he served as the President of the *Harvard Law Review*.

Yongchen Lu. Mr. Lu has served as our Chief Executive Officer since May 2018 and a member of our Board since September 2022. Mr. Lu has served as the Chief Executive Officer of Tim Hortons (China) Holdings Co., Ltd. since May 2018. Previously, Mr. Lu served as the CFO of Burger King China from November 2012 to April 2018 and China Representative at Cartesian from January 2008 to January 2016. Prior to joining Cartesian, Mr. Lu worked at General Electric for over six years, where he was responsible for managing an indoor fixture product line for the Asia Pacific region, including sourcing, R&D, supply chain, sales and marketing. Mr. Lu graduated from GE’s Financial Management Program and was a certified Six Sigma Black Belt. Mr. Lu holds a bachelor’s degree in international finance from Shanghai Jiaotong University and an MBA from Tuck School of Business at Dartmouth College.

Dong Li. Mr. Li has served our Chief Financial Officer since September 2021. Mr. Li has served as the Chief Financial Officer of Tim Hortons China since September 2021. Mr. Li is also an independent director at GreenTree Hospitality Group Ltd. (NYSE: GHG), Boqii Holding Limited (NYSE: BQ) and Helens International Holdings Company Limited (HKEx: 09869). Previously, from September 2019 to September 2021, Mr. Li served as the Chief Financial Officer of Ximalaya Inc., a non-music audio company operating in China, where he led multiple fundraising rounds and supervised the overall corporate governance, capital markets, investor relations and internal finance functions. Prior to that, from July 2017 to June 2019, Mr. Li was the Chief Financial Officer of OneSmart International Education Group Limited (NYSE: ONE), a K-12 education company operating in China, where he helped lead the company’s initial public offering on the New York Stock Exchange. Prior to that, he was also the Chief Financial Officer of Pegasus Media Group Limited and Ecovacs Robotics Holdings Limited (SSE: 603486); worked in investment banking for Bank of America Merrill Lynch; and served in the auditing practice group for KPMG. Mr. Li holds a bachelor’s degree in accounting from Tsinghua University and an MBA from the

Kellogg School of Management at Northwestern University. Mr. Li is also a member of the Chinese Institute of Certified Public Accountants and the Certified General Accountants Association of Canada.

Bin He. Ms. He has served as our Chief Consumer Officer since February 2021 and Chief Marketing Officer from May 2018 to February 2021. Prior to that, Ms. He served as China Representative at Cartesian from June 2012 to May 2018. During her tenure at Cartesian, Ms. He also served as the head of marketing of Burger King China for two years. Prior to joining Cartesian, Ms. He worked as a Commercial Planning Assistant Manager at Bacardi Asia Pacific, where she was responsible for commercial and strategy planning and business development. Previously, Ms. He was with ChinaVest where she worked on cross-border mergers & acquisitions advisory and private placement. Ms. He holds a Bachelor of Management degree from Shanghai University of International Business and Economics and Douglas College in Canada and an MBA from Columbia Business School, Columbia University.

Gregory Armstrong. Mr. Armstrong has served as a member of our Board since May 2018. Mr. Armstrong currently serves as a Senior Managing Director at Cartesian and has served as the CFO and director of Cartesian Growth Corporation, a special purpose acquisition company, since February 2021. Prior to joining Cartesian in 2006, Mr. Armstrong served as an Associate at AIGCP, where he covered investments ranging from natural resources to telecommunications, and worked at Broadview International, a mid-market mergers & acquisitions advisory firm, where he specialized in advising communications infrastructure companies. Mr. Armstrong holds a bachelor's degree in electrical engineering from Princeton University and an MBA from MIT Sloan School of Management.

Paul Hong. Mr. Hong has served as a member of our Board since May 2018. Mr. Hong currently serves as a Senior Managing Director at Cartesian. Mr. Hong also served as a director at Pangaea Logistics Solutions, Ltd., a provider of seaborne drybulk logistics and transportation services, from October 2014 to March 2021. Prior to joining Cartesian in 2007, Mr. Hong served as Senior Vice President and General Counsel of AIGCP and participated in the bulk of the firm's investments during his tenure. Prior to joining AIGCP, Mr. Hong practiced law in the corporate and tax departments of Kirkland & Ellis LLP where he specialized in private equity transactions. Mr. Hong holds an LL.M. in taxation from New York University School of Law, a J.D. degree from Columbia Law School, and a bachelor's degree in economics from Columbia College.

Andrew Wehrley. Mr. Wehrley has served as a member of our Board since February 2021. Mr. Wehrley currently serves as a Principal at Cartesian. Prior to joining Cartesian in 2010, Mr. Wehrley was a consultant at Bain & Company in South Africa and the United States, where he shaped international expansion strategies and reorganized operations for a variety of transnational clients. Prior to that, Mr. Wehrley served at Deutsche Bank and the Afghan Ministry of Commerce. Mr. Wehrley holds a bachelor's degree from the University of California, Los Angeles, an MBA from the Kellogg School of Management at Northwestern University, and a Master of Public Administration from the Kennedy School at Harvard University.

Meizi Zhu. Ms. Zhu has served as a member of our Board since May 2020. Ms. Zhu currently serves as a Director at Tencent Investment. Before joining Tencent Investment in 2015, Ms. Zhu was an Associate in A.T. Kearney (Shanghai) Management Consulting Co., Ltd., a consulting firm specialized in strategy projects in financial, auto and consumer industries, from September 2014 to August 2015. Ms. Zhu holds a bachelor's degree in biotechnology from Zhejiang University and an MBA from Columbia Business School.

Eric Wu. Mr. Wu has served as a member of our Board since February 2021. Mr. Wu currently serves as a Venture Partner of Sequoia Capital China. Mr. Wu is also an independent director at CooTek (Cayman) Inc. and was previously an independent director at Acorn International, Inc. Prior to joining Sequoia Capital China in June 2019, Mr. Wu was a partner of Vision Knight Capital from April 2018 to June 2019 and the Chief Financial Officer at Plateno Hotels Group (formerly known as 7 Days Group Holdings Limited) from October 2007 to March 2018. Mr. Wu also worked at PricewaterhouseCoopers in the United States from May 2000 to February 2006 and later worked as a senior manager in the assurance department of PricewaterhouseCoopers Zhong Tian CPAs Limited Company from February 2006 to October 2007. Mr. Wu holds bachelor's degree in engineering economics from Shanghai Jiao Tong University and an MBA from Michigan State University.

Rafael Odorizzi De Oliveira. Mr. Odorizzi has served as a member of our Board since March 2022. Mr. Odorizzi is the President, Asia-Pacific of Restaurant Brands International (RBI). In this capacity, he

oversees the APAC businesses of following brands: BURGER KING[®], TIM HORTONS[®], POPEYES[®], and FIREHOUSE SUBS[®]. Mr. Odorizzi joined RBI in 2014 and has previously served as the Regional Vice-President, Burger King[®] for the EMEA region and held other strategic roles in RBI's Zug and Miami offices, including General Manager for the BK EMEA North Division, Head of operations for EMEA, and Director of Operations & Quality Assurance for Latin America. Prior to joining RBI, Mr. Odorizzi worked at Accenture, a strategy consulting firm. Mr. Odorizzi holds an MBA from the Kellogg School of Management at Northwestern University.

Derek Cheung. Mr. Cheung, who was the Chief Executive Officer and a Director of Silver Crest prior to the Business Combination, has served as a member of our Board since September 2022. Mr. Cheung has over 20 years of experience in private equity and investment banking. Since 2019, he has been a Managing Director at Ascendent Capital Partners, spearheading the effort in global alternative investment opportunities. Previously, from 2013 to 2018, Mr. Cheung was the Chief Investment Officer at Verdant Capital Group Limited, a private investment firm based in Hong Kong, managing and overseeing a global portfolio of private equity, public equity and venture capital investments. During that time, he also served on the board of directors and as the responsible officer and the sole portfolio manager of Verdant Capital Management Limited, an asset management company licensed with the Securities and Futures Commission in Hong Kong, as well as the board of directors of Bosera Asset Management, one of the largest mutual fund companies in China. Prior to that, from 2008 to 2013, Mr. Cheung was an executive director of the Greater China private equity group at D. E. Shaw & Co, focused on complex situations in China and overseas opportunities. Mr. Cheung started his career as a mergers and acquisitions banker in the New York office of Credit Suisse First Boston, where he advised major U.S. retail and consumer companies on their China acquisition strategies, before joining the Hong Kong office of J.P. Morgan, focused on Greater China mergers and acquisitions. Mr. Cheung received Bachelor of Science degrees in mathematics and economics from the Massachusetts Institute of Technology.

Other than Yongchen Lu, Dong Li, Bin He, Meizi Zhu and Eric Haibing Wu, who are based in mainland China, and Derek Cheung, who is based in Hong Kong, none of THIL's officers or directors is located in mainland China or Hong Kong.

Number and Terms of Office of Officers and Directors

The Board consists of nine directors of a single class. We are not required to hold an annual general meeting until one year after our first fiscal year end following our listing on Nasdaq.

Our officers are appointed by the Board and serve at the discretion of the Board, rather than for specific terms of office. The Board is authorized to appoint persons to the offices set forth in our amended and restated memorandum and articles of association as it deems appropriate.

Committees of the Board

We have established an audit committee, a compensation committee and a nominating and corporate governance committee under the Board and have adopted a charter for each of the three committees. Each committee's members and functions are described below.

Audit Committee. Our audit committee consists of Gregory Armstrong, Eric Haibing Wu and Derek Cheung, with Gregory Armstrong as the chair. The Board has determined that Gregory Armstrong, Eric Haibing Wu and Derek Cheung satisfy the "independence" requirements of Nasdaq, and Eric Haibing Wu and Derek Cheung meet the independence standards under Rule 10A-3 under the Exchange Act. Derek Cheung qualifies as an "audit committee financial expert" within the meaning of the SEC rules. The audit committee will oversee our accounting and financial reporting processes and the audits of the financial statements of our company. The audit committee is responsible for, among other things:

- selecting or replacing our independent registered public accounting firm and pre-approving all auditing and non-auditing services permitted to be performed by our independent registered public accounting firm;
- reviewing with our independent registered public accounting firm any audit problems or difficulties and management's response and approving all proposed related party transactions, as defined in Item 404 of Regulation S-K;

- discussing the annual audited financial statements with management and our independent registered public accounting firm;
- periodically reviewing and reassessing the adequacy of our audit committee charter;
- meeting periodically with the management, our internal auditor and our independent registered public accounting firm;
- reporting regularly to the Board;
- reviewing the adequacy and effectiveness of our accounting and integral control policies and procedures and any steps taken to monitor and control major financial risk exposure; and
- handling such other matters that are specifically delegated to our audit committee by the Board from time to time.

Compensation Committee. Our compensation committee consists of Gregory Armstrong, Andrew Wehrley and Derek Cheung, with Gregory Armstrong as the chair. Gregory Armstrong, Andrew Wehrley and Derek Cheung satisfy the “independence” requirements of Nasdaq. Our compensation committee assists the Board in reviewing and approving the compensation structure, including all forms of compensation, relating to our directors and executive officers. Our Chief Executive Officer may not be present at any committee meeting during which his compensation is deliberated upon. The compensation committee is responsible for, among other things:

- reviewing and approving, or recommending to the Board for its approval, the compensation for our Chief Executive Officer and other executive officers;
- reviewing the total compensation package for our employees and recommending any proposed changes to our management;
- reviewing and recommending to the Board with respect to the compensation of our directors;
- reviewing annually and administering all long-term incentive compensation or equity plans;
- selecting and receiving advice from compensation consultants, legal counsel or other advisors after taking into consideration all factors relevant to that person’s independence from management; and
- reviewing programs or similar arrangements, annual bonuses, employee pension and welfare benefit plans.

Nominating and Corporate Governance Committee. Our nominating and corporate governance committee consists of Gregory Armstrong, Andrew Wehrley and Derek Cheung, with Gregory Armstrong as the chair. Gregory Armstrong, Andrew Wehrley and Derek Cheung satisfy the “independence” requirements of Nasdaq. The nominating and corporate governance committee assist the Board in selecting individuals qualified to become our directors and in determining the composition of the Board and its committees. The nominating and corporate governance committee is responsible for, among other things:

- identifying and recommending nominees for election or reelection to the Board or for appointment to fill any vacancy;
- reviewing annually with the Board its current composition in light of the characteristics of independence, age, skills, experience and availability of service to us;
- advising the Board periodically with respect to significant developments in the law and practice of corporate governance, as well as our compliance with applicable laws and regulations, and making recommendations to the Board on all matters of corporate governance and on any corrective action to be taken; and
- monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance.

Duties of Directors

Under Cayman Islands law, our directors owe fiduciary duties to our company, including a duty of loyalty, a duty to act honestly, and a duty to act in what they consider in good faith to be in our best

interests. Our directors must also exercise their powers only for a proper purpose. Our directors also owe to our company a duty to act with skill and care. It was previously considered that a director need not exhibit in the performance of his duties a greater degree of skill than may reasonably be expected from a person of his knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care, and these authorities are likely to be followed in the Cayman Islands. In fulfilling their duty of care to us, our directors must ensure compliance with our memorandum and articles of association, as amended and restated from time to time, and the class rights vested thereunder in the holders of the shares. Our company has the right to seek damages if a duty owed by our directors is breached. In limited exceptional circumstances, a shareholder may have the right to seek damages in our name if a duty owed by our directors is breached.

The functions and powers of our Board include, among others:

- convening shareholders' annual general meetings and reporting its work to shareholders at such meetings;
- declaring dividends and distributions;
- appointing officers and determining the term of office of officers;
- exercising the borrowing powers of our company and mortgaging the property of our company; and
- approving the transfer of shares of our company, including the registering of such shares in our register of members.

Director Independence

We adhere to the rules of Nasdaq and applicable SEC rules, as applicable to foreign private issuers, in determining whether a director is independent. An "independent director" is defined generally as a person other than an officer or employee of the Company or its subsidiaries or any other individual having a relationship which in the opinion of the Board, would interfere with the director's exercise of independent judgment in carrying out the responsibilities of a director. The Board has determined that Gregory Armstrong, Paul Hong, Andrew Wehrley, Meizi Zhu, Eric Haibing Wu, Rafael Odorizzi De Oliveira and Derek Cheung are "independent directors" as defined in the Nasdaq listing standards and that Meizi Zhu, Eric Haibing Wu, Rafael Odorizzi De Oliveira and Derek Cheung meet the independence standards under Rule 10A-3 under the Exchange Act. Our independent directors will have regularly scheduled meetings at which only independent directors are present.

Employment Agreements and Indemnification Agreements

We have entered into employment agreements with our executive officers. Each of our executive officers is employed for a continuous term, or a specified time period that will be automatically extended unless either we or the executive officer gives prior notice to terminate such employment. We may terminate the employment for cause, at any time, without notice or remuneration, for certain acts of the executive officer, including, but not limited to, the committing of any serious or persistent breach or nonobservance of the terms and conditions of the employment, conviction of a criminal offense other than one which in the opinion of the Board does not affect the executive's position, willful disobedience of a lawful and reasonable order, misconduct being inconsistent with the due and faithful discharge of the executive officer's material duties, fraud or dishonesty, or habitual neglect of his or her duties. An executive officer may terminate his or her employment at any time with written notice.

Each executive officer has agreed to hold, both during and after the employment agreement expires or is earlier terminated, in strict confidence and not to use or disclose to any person, corporation or other entity without written consent, any confidential information or trade secrets. Each executive officer has also agreed to disclose in confidence to us all inventions, intellectual and industry property rights and trade secrets that they made, discovered, conceived, developed or reduced to practice during the executive officer's employment with us and to assign to our company all of his or her associated titles, interests, patents, patent rights, copyrights, trade secret rights, trademarks, trademark rights, mask work rights and other intellectual property and rights anywhere in the world that the executive officer may solely or jointly conceive, invent, discover, reduce to practice, create, drive, develop or make, or cause to be conceived, invented, discovered,

reduced to practice, created, driven, developed or made, during the period of the executive officer's employment with us that either are related to our business, actual or demonstrably anticipated research or development or any of our services being developed, manufactured, marketed or sold, or are related to the scope of the employment or make use of our resources. In addition, all executive officers have agreed to be bound by non-competition and non-solicitation restrictions set forth in their agreements. Each executive officer has agreed to devote all his or her working time and attention to our business and use best efforts to develop our business and interests. Moreover, each executive officer has agreed not to, for a certain period following the termination of his or her employment or the expiration of the employment agreement, (i) carry on or be engaged, concerned or interested in, directly or indirectly, whether as shareholder, director, employee, partner or agent, or otherwise carry on, any business in direct competition with us, (ii) solicit or entice away any of our business partners, representatives or agents, or (iii) employ, solicit or entice away or attempt to employ, solicit or entice away any of our officers, managers, consultants or employees.

We have entered into indemnification agreements with our directors and executive officers, pursuant to which we have agreed to indemnify our directors and executive officers against certain liabilities and expenses incurred by such persons in connection with claims made by reason of their being such a director or executive officer.

Compensation of Directors and Executive Officers

For the year ended December 31, 2021, we paid an aggregate of RMB3.4 million (US\$0.5 million) in cash and benefits to our executive officers. We have not set aside or accrued any amount to provide pension, retirement or other similar benefits to our executive officers and directors. Our PRC Subsidiaries are required by law to make contributions equal to certain percentages of each employee's salary for his or her pension insurance, medical insurance, unemployment insurance and other statutory benefits and a housing provident fund.

Share-based Compensation

On March 19, 2019, the Board approved the 2019 Share Option Scheme to attract and retain key employees, which was amended and restated on September 28, 2022 in connection with the Business Combination. The maximum aggregate number of Ordinary Shares that may be issued under the Scheme is 14,486,152 (proportionally adjusted to reflect any share dividends, share splits, or similar transactions), of which 8,242,983 underlie outstanding options. The maximum aggregate number of Ordinary Shares that may be issued under the Scheme will be reduced by 2,128,595 if the number of company owned and operated stores store and franchise stores open and operating in mainland China, HKSAR and Macau (on or prior to August 31, 2023 is less than 495. Options under the plan will be granted in the form of individual unit, with each unit being equivalent to a fraction of an Ordinary Share equal to 14,486,152 divided by 50,000,000.

The following paragraphs describe the principal terms of the Scheme.

Plan administration. The Scheme shall be subject to the administration of the Board, whose decision shall be final and binding, save as otherwise provided herein.

Award agreements. Awards granted under the Scheme are evidenced by a letter of offer from THIL and acceptance form from the grantee, which set forth the terms and conditions for each award, including, among others, the term of the award, the vesting schedule and the provisions that are applicable in the event that the grantee's employment or service terminates.

Eligibility. The plan administrator will select participants under the Scheme from key employees.

Vesting Schedule. In general, the plan administrator determines the vesting schedule, which is specified in the relevant letter of offer.

Exercise of Awards. The plan administrator determines the exercise or purchase price, as applicable, for each award. Options that are vested and exercisable will terminate if they are not exercised prior to the time as the plan administrator determines at the time of grant. However, the maximum exercisable term is ten years from the date of grant.

Transfer Restrictions. Unless otherwise determined and approved by the Board, an award must be personal to the grantee and must not be assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favor of any third party over or in relation to any award. Any breach of the foregoing shall entitle THIL to cancel any outstanding option or part thereof granted to such grantee without any compensation.

Termination and Amendment. Unless terminated earlier, the plan has a term of ten years from its date of effectiveness. The Scheme may be altered in any respect by resolution of the Board, provided that the amended terms of the Scheme or the options shall still comply with the requirements of the Securities Act and that no such alteration shall operate to affect adversely the terms of issue of any option(s) granted or agreed to be granted prior to such alteration.

The following table summarizes, as of the date of this prospectus, the number of units of options granted and outstanding under the Scheme.

| Name | Unit Granted | Ordinary Shares Underlying Options | Exercise Price (US\$/Unit) | Date of Grant | Date of Expiration |
|--|--------------|--|-------------------------------|------------------|-----------------------|
| Yongchen Lu | 5,000,000 | 1,448,615 | — | 2018/05/01 | 2028/05/01 |
| | 5,000,000 | 1,448,615 | 0.2 | 2018/05/01 | 2028/05/01 |
| | * | * | 0.6 | 2021/04/01 | 2031/04/01 |
| Bin He | * | * | 0.2 | 2018/05/01 | 2028/05/01 |
| | * | * | 0.6 | 2021/02/01 | 2031/02/01 |
| | * | * | 1.2 | 2022/03/01 | 2032/03/01 |
| Dong Li | * | * | 0.6 | 2021/09/06 | 2031/09/06 |
| | * | * | 1.2 | 2022/03/01 | 2032/03/01 |
| All directors and executive officers as a group | 18,088,658 | 5,240,701 | | | |

Note:

* Less than 1% of our total outstanding shares.

Equity Incentive Trust

The THC Hope 2021 Trust (the “Trust”) was established under a trust deed dated June 25, 2021 between THIL as the settlor and Futu Trustee Limited (“Trustee”) as trustee. Certain grant recipients under the Scheme have transferred their options to a wholly-owned subsidiary of the Trustee to be held for their benefit. An advisory committee established and authorized by THIL shall make all determination and provide investment directions to the Trustee in relation to the share options held under the Trust.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Contractual Arrangements with THRI

In 2019, 2020 and 2021 and the six months ended June 30, 2022, THIL paid THRI continuing franchise fees in the amount of RMB1.2 million, RMB5.1 million, RMB15.6 million (US\$2.3 million) and RMB12.7 million (US\$1.9 million), respectively, and upfront fees in the amount of RMB1.6 million, RMB4.1 million, RMB24.3 million (US\$3.6 million) and RMB4.6 million (US\$0.7 million), respectively. THIL also paid consulting services fees to THRI of RMB0.4 million and RMB0.2 million in 2019 and 2020, respectively, and consumer research service fees of RMB0.4 million (US\$60 thousand) in 2021. The outstanding fees due to THRI were RMB3.6 million, RMB6.9 million (US\$1.0 million) and RMB11.2 million (US\$1.7 million) as of December 31, 2020 and 2021 and June 30, 2022, respectively.

Amended and Restated Master Development Agreement

On June 11, 2018, THRI, THIL and THHK entered into a master development agreement, which was amended and restated by the A&R MDA, as amended. Certain provisions of the A&R MDA came into effect on September 28, 2022 upon the Closing. Pursuant to the A&R MDA, (i) THRI granted to THHK the exclusive right to develop, open and operate (through itself and approved subsidiaries), and to license franchisees to develop, open and operate, Tim Hortons restaurants in mainland China, Hong Kong and Macau (“the Territory”); (ii) THRI engages THHK to provide advertising, marketing, training, monitoring and development services and operational support to all Tim Hortons restaurants operating within the Territory to ensure the standards established by THRI and/or its affiliates from time to time as to quality of service, cleanliness, health and sanitation, requirements, specifications and procedures for Tim Hortons restaurants are complied with and maintained; (iii) THHK undertakes to secure and maintain in force in all material respects all licenses, permits and certificates relating to the operation of stores owned and operated by THIL, pay promptly or ensure payment of all material taxes and assessments when due and operate or ensure operation of stores owned and operated by THIL in compliance with all applicable Laws in all material respects and use commercially reasonable efforts to procure the same results with respect to franchise stores; (iv) THHK shall develop and open for business and license franchisees to develop and open for business in compliance with the annual development schedule specified therein and at least 1,700 Tim Hortons restaurants by August 31, 2028; and (v) THRI shall provide training, consulting and support services, and make certain resources available, to THHK.

Under the A&R MDA, THHK shall pay THRI (i) an upfront franchise fee for each company owned and operated store and franchise store, and (ii) a monthly franchise fee for each company owned and operated store and franchise store, calculated as a specified percentage of the store’s monthly gross sales, depending on when the store is opened. In addition, for each company owned and operated store and franchise store, THHK shall make a monthly contribution to an advertising fund maintained by THHK, in the amount of a percentage of the store’s monthly gross sales. In addition, for so long as THRI holds 1,239,906 Ordinary Shares (as adjusted, if necessary, to take into account any share splits, share dividends, share combinations and similar transactions occurring after the Closing), THRI shall have the right (but not the obligation) to nominate one individual of its choosing for election to the Board.

The A&R MDA has an initial term of 20 years and shall expire on June 11, 2038, subject to earlier termination in accordance with the terms contained therein. THHK shall have the option to extend the initial term for ten years, provided that certain conditions stated therein are met. THRI may terminate the A&R MDA unilaterally under certain circumstances, including failure by THHK to achieve development targets, failure to make payments in excess of \$25,000 or any other material breach of its obligations under the A&R MDA, in each case subject to the applicable cure periods.

Amended and Restated Company Franchise Agreements

On March 31, 2018, THRI, THHK and certain PRC Subsidiaries of THIL (the “Franchisees”) entered into a company franchise agreement, which was amended and restated on June 11, 2018 and further amended and restated on August 13, 2021 (the “A&R PRC CFA”). Pursuant to the A&R PRC CFA, THRI granted the Franchisees and approved subsidiaries a non-exclusive license to operate Tim Hortons restaurant in mainland China for a term of five to 20 years, subject to renewal and early termination. The A&R PRC CFA

also (i) sets forth the operational standards, requirements and procedures of Tim Hortons restaurants, (ii) obligates the Franchisees to report its total restaurant sales, ticket count and comparative sales reports on a daily, weekly and monthly basis and other operating data and financial statements periodically, and (iii) gives THRI inspection and audit rights. THRI may terminate the A&R PRC CFA unilaterally under certain circumstances, including material breach by any Franchisee of its obligations under the A&R PRC CFA, subject to the applicable cure period.

On June 11, 2018, THRI and THHK entered into another company franchise agreement, which was amended and restated on August 13, 2021 (the “A&R HK CFA”), on substantially the same terms as the A&R PRC CFA. Pursuant to the A&R HK CFA, THHK and its approved subsidiaries have a non-exclusive license to operate Tim Hortons restaurant in Hong Kong and Macau for a term of five to 20 years.

Other Related Party Transactions

Pangaea Two, LP, an indirect shareholder of THIL, paid certain operating expenses on behalf of THIL in the amount of RMB0.5 million in 2018, which were fully settled in 2019.

In 2019, 2020 and 2021 and the six months ended June 30, 2022, THIL purchased coffee beans from TDL Group Corp., an affiliate of THRI, in the amount of RMB6.8 million, RMB8.9 million, RMB28.1 million (US\$4.2 million) and RMB18.0 million (US\$2.7 million), respectively. As of December 31, 2020 and 2021 and June 30, 2022, RMB4.0 million, RMB7.2 million (US\$1.1 million) and RMB12.6 million (US\$1.9 million) due to TDL Group Corp was outstanding.

On December 2, 2021, Tim Hortons China entered into a Business Cooperation Agreement with Pangaea Data Tech (Shanghai) Co., Ltd., which is held 25% by Cartesian Capital Management, LLC, a wholly owned subsidiary of Cartesian Capital Group, LLC and 75% by Peng Zhang, an individual affiliated with Cartesian Capital Management, LLC. During the six months ended June 30, 2022, THIL incurred service fees to Pangaea Data Tech (Shanghai) Co., Ltd. of RMB3.4 million (US\$0.5 million). As of June 30, 2022, RMB1.7 million (US\$0.3 million) due to Pangaea Data Tech (Shanghai) Co., Ltd. was outstanding.

On March 9, 2022, THIL entered into a PIPE Subscription Agreement with each of THRI, Tencent Mobility Limited and TH China Partners Limited, an affiliate of Cartesian, pursuant to which each of THRI, Tencent Mobility Limited and TH China Partners Limited committed to subscribe for and purchase 1,000,000 Ordinary Shares for \$10.00 per share at the Closing on the same terms as other PIPE Investors. Under the PIPE Subscription Agreement, THIL shall also issue to each PIPE Investor that invested \$10 million or more an additional 200,000 Ordinary Shares and 400,000 Warrants upon the closing of the PIPE investment for no consideration. On September 28, 2022, THIL issued to each of THRI, Tencent Mobility Limited and TH China Partners Limited 1,200,000 Ordinary Shares and 400 Warrants for an aggregate consideration of \$10,000,000 each pursuant to the PIPE Subscription Agreement.

Employment Agreements and Indemnification Agreements

See “Management — Employment Agreements and Indemnification Agreements.”

Share Incentives

See “Management — Share-based Compensation.”

DESCRIPTION OF SHARE CAPITAL

A summary of the material provisions governing our share capital is provided below. This summary is not complete and should be read together with THIL's second amended and restated memorandum and articles of association ("THIL Articles"), a copy of which is filed with the SEC as an exhibit to the registration statement of which this prospectus forms a part.

We are an exempted company incorporated in the Cayman Islands with limited liability and our affairs are governed by the THIL Articles, the Cayman Companies Law and the common law of the Cayman Islands. As of the date of this prospectus, there are 148,355,092 ordinary shares, par value \$0.00000939586994067732 per share, outstanding. Pursuant to the THIL Articles, which were adopted immediately prior to the First Effective Time, the authorized share capital of THIL is US\$5,000 divided into 500,000,000 ordinary shares with a nominal or par value of \$0.00000939586994067732 each and 32,148,702.73519 shares with a nominal or par value of \$0.00000939586994067732 (each of such class or classes (however designated) as the Board may determine in accordance with the Articles of Association of the Company.

All of our outstanding shares are validly issued, fully paid and non-assessable. The Board may determine the issue prices and terms for our shares or other securities and may further determine any other provision relating to such issue of shares or securities. We may also issue and redeem redeemable securities on such terms and in such manner as the Board shall determine.

Ordinary Shares

The following is a description of the material terms of our Ordinary Shares and the THIL Articles. The following descriptions are qualified by reference to the THIL Articles.

Voting Rights

Each registered holder of our Ordinary Shares is entitled to one vote for each Ordinary Share of which he, she or it is the registered holder, subject to any rights and restrictions for the time being attached to any share. Unless specified in the THIL Articles, or as required by applicable provisions of the Cayman Companies Law or applicable stock exchange rules, an ordinary resolution, being, the affirmative vote of shareholders holding a majority of the shares which, being so entitled, are voted thereon in person or by proxy at a quorate general meeting of the Company or a unanimous written resolution of all of our shareholders entitled to vote at a general meeting of the Company, is required to approve any such matter voted on by our shareholders. Approval of certain actions, such as amending the THIL Articles, reducing our share capital and changing our name, will require a special resolution under Cayman Islands law and pursuant to the THIL Articles, being the affirmative vote of shareholders holding a majority of not less than two-thirds of the shares which, being so entitled, are voted thereon in person or by proxy at a quorate general meeting of the Company or a unanimous written resolution of all of our shareholders entitled to vote at a general meeting of the Company.

Dividend Rights

We have not paid any cash dividends on our ordinary shares to date. The payment of cash dividends in the future will be dependent upon our revenues and earnings, if any, capital requirements and general financial condition. Subject to the foregoing, the payment of cash dividends in the future, if any, will be at the discretion of the Board.

Liquidation Rights

On a winding-up or other return of capital, subject to any special rights attaching to any other class of shares, holders of our Ordinary Shares will be entitled to participate in any surplus assets in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up or the date of the return of capital, as the case may be, on the Ordinary Shares held by them respectively.

Registration Rights

Certain of our shareholders are entitled to certain registration rights, pursuant to which we have agreed to provide customary demand registration rights and "piggyback" registration rights with respect to

such registrable securities and, subject to certain circumstances, to file a resale shelf registration statement to register the resale under the Securities Act of such registrable securities.

Shareholder Meetings

One or more shareholders holding at least a majority of the paid up voting share capital of our company present in person or by proxy or if a corporation or other non-natural person by its duly authorized representative or proxy and entitled to vote at that meeting shall form a quorum. In accordance with the Nasdaq corporate governance requirements, we are not required to hold an annual general meeting until one year after our first fiscal year end following our listing on Nasdaq. There is no requirement under the Cayman Companies Law for us to hold annual or extraordinary general meetings.

Warrants

Public Warrants

Each whole Warrant entitles the registered holder to purchase one Ordinary Share at a price of \$11.50 per share, subject to adjustment as discussed below, at any time commencing on the date that is 30 days after the Closing, except as discussed in the immediately succeeding paragraph. Pursuant to the A&R Warrant Agreement, a warrant holder may exercise its Warrants only for a whole number of Ordinary Shares. The Warrants will expire five years after the Closing, at 5:00 p.m., New York City time, or earlier upon redemption or liquidation.

We will not be obligated to deliver any Ordinary Shares pursuant to the exercise of a Warrant or settle such warrant exercise unless a registration statement under the Securities Act with respect to the Ordinary Shares underlying the Warrants is then effective and a prospectus relating thereto is current, subject to our satisfying our obligations described below with respect to registration, or a valid exemption from registration is available. No Warrant will be exercisable and we will not be obligated to issue Ordinary Shares upon exercise of a Warrant unless the Ordinary Shares issuable upon such warrant exercise have been registered, qualified or deemed to be exempt under the securities laws of the state of residence of the registered holder of the Warrants. In the event that the conditions in the two immediately preceding sentences are not satisfied with respect to a Warrant, the holder of such warrant will not be entitled to exercise such warrant and such warrant may have no value and expire worthless. In no event will we be required to net cash settle any Warrant.

We have agreed to use our commercially reasonable efforts to file with the SEC a registration statement for the registration, under the Securities Act, of the Ordinary Shares issuable upon exercise of the Warrants as soon as practicable, but in no event later than 20 business days after the Closing, to use our commercially reasonable efforts to cause the same to become effective within 60 business days after the Closing, provided that, if the Ordinary Shares are at the time of any exercise of a Warrant not listed on a national securities exchange such that they satisfy the definition of a “covered security” under Section 18(b)(1) of the Securities Act, we may, at our option, require holders of Public Warrants who exercise their Warrants to do so on a “cashless basis” in accordance with Section 3(a)(9) of the Securities Act and, in the event we so elect, we will not be required to file or maintain in effect a registration statement, but we will use our commercially reasonable efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available.

Redemption of Warrants when the price per Ordinary Share equals or exceeds \$18.00.

Once the Warrants become exercisable, we may redeem the outstanding Warrants (except as described herein with respect to the Warrants held by the Sponsor, the PIPE Investors and their permitted transferees):

- in whole and not in part;
- at a price of \$0.01 per Warrant;
- upon a minimum of 30 days’ prior written notice of redemption to each warrant holder; and
- if, and only if, the last reported sales price of our Ordinary Shares equals or exceeds \$18.00 per share (as adjusted for adjustments to the number of shares issuable upon exercise or the exercise price of

a Warrant as described under the heading “— Anti-dilution Adjustments”) for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which we send the notice of redemption to the warrant holders.

We will not redeem the Warrants as described above unless a registration statement under the Securities Act covering the issuance of Ordinary Shares issuable upon exercise of the Warrants is then effective and a current prospectus relating to those Ordinary Shares is available throughout the 30-day redemption period. If and when the Warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws.

We have established the last of the redemption criteria discussed above to prevent a redemption call unless there is at the time of the call a significant premium to the warrant exercise price. If the foregoing conditions are satisfied and we issue a notice of redemption of the Warrants, each warrant holder will be entitled to exercise his, her or its Warrant prior to the scheduled redemption date. However, the price of the Ordinary Shares may fall below the \$18.00 redemption trigger price (as adjusted for adjustments to the number of shares issuable upon exercise or the exercise price of a Warrant as described under the heading “— Anti-dilution Adjustments”) as well as the \$11.50 (for whole shares) warrant exercise price after the redemption notice is issued.

Redemption of Warrants when the price per Ordinary Share equals or exceeds \$10.00.

Once the Warrants become exercisable, we may redeem the outstanding Warrants:

- in whole and not in part;
- at a price of \$0.10 per Warrant upon a minimum of 30 days’ prior written notice of redemption, provided that holders will be able to exercise their Warrants on a cashless basis prior to redemption and receive that number of shares determined by reference to the table below, based on the redemption date and the fair market value of the Ordinary Shares, except as otherwise described below;
- if, and only if, the last reported sales price of our Ordinary Shares equals or exceeds \$10.00 per public share (as adjusted for adjustments to the number of shares issuable upon exercise or the exercise price of a Warrant as described under the heading “— Anti-dilution Adjustments”) for any 20 trading days within the 30-trading day period ending on the third trading day prior to the date on which we send the notice of redemption to the warrant holders; and
- if the last reported sales price of our Ordinary Shares for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which we send the notice of redemption to the warrant holders is less than \$18.00 per share (as adjusted for adjustments to the number of shares issuable upon exercise or the exercise price of a Warrant as described under the heading “— Anti-dilution Adjustments”), the Private Warrants must also be concurrently called for redemption on the same terms as the outstanding Public Warrants, as described above.

Beginning on the date the notice of redemption is given until the Warrants are redeemed or exercised, holders may elect to exercise their Warrants on a cashless basis. The numbers in the table below represent the number of Ordinary Shares that a warrant holder will receive upon such cashless exercise in connection with a redemption by us pursuant to this redemption feature, based on the “fair value” of the Ordinary Shares on the corresponding redemption date (assuming holders elect to exercise their Warrants and such warrants are not redeemed for \$0.10 per warrant), determined for these purposes based on the volume weighted average price of the Ordinary Shares during the 10 trading days immediately following the date on which the notice of redemption is sent to the warrant holders, and the number of months that the corresponding redemption date precedes the expiration date of the Warrants, each as set forth in the table below. We will provide our warrant holders with the final fair market value no later than one business day after the 10-trading day period described above ends.

The share prices set forth in the column headings of the table below will be adjusted as of any date on which the number of shares issuable upon exercise of a Warrant or the exercise price of a Warrant is adjusted as set forth under the heading “— Anti-dilution Adjustments” below. If the number of Ordinary Shares issuable upon exercise of a Warrant is adjusted, the adjusted share prices in the column headings will equal the share prices immediately prior to such adjustment, multiplied by a fraction, the numerator of which is the

number of shares deliverable upon exercise of a Warrant immediately prior to such adjustment and the denominator of which is the number of shares deliverable upon exercise of a Warrant as so adjusted. The number of shares in the table below shall be adjusted in the same manner and at the same time as the number of shares issuable upon exercise of a Warrant. If the exercise price of a Warrant is adjusted in the case of an adjustment pursuant to the second paragraph under the heading “— Anti-dilution Adjustments” below, the adjusted share prices in the column headings will equal the unadjusted share price less the decrease in the exercise price of a Warrant pursuant to such exercise price adjustment. In no event shall the number of shares issued in connection with such a warrant exercise exceed 0.361 Ordinary Shares per Warrant (subject to adjustment).

| Redemption Date (period to expiration of Warrants) | Fair Market Value of Ordinary Shares | | | | | | | | |
|--|--------------------------------------|-------|-------|-------|-------|-------|-------|-------|--------|
| | ≤\$10.00 | 11.00 | 12.00 | 13.00 | 14.00 | 15.00 | 16.00 | 17.00 | ≥18.00 |
| 60 months | 0.261 | 0.281 | 0.297 | 0.311 | 0.324 | 0.337 | 0.348 | 0.358 | 0.361 |
| 57 months | 0.257 | 0.277 | 0.294 | 0.310 | 0.324 | 0.337 | 0.348 | 0.358 | 0.361 |
| 54 months | 0.252 | 0.272 | 0.291 | 0.307 | 0.322 | 0.335 | 0.347 | 0.357 | 0.361 |
| 51 months | 0.246 | 0.268 | 0.287 | 0.304 | 0.320 | 0.333 | 0.346 | 0.357 | 0.361 |
| 48 months | 0.241 | 0.263 | 0.283 | 0.301 | 0.317 | 0.332 | 0.344 | 0.356 | 0.361 |
| 45 months | 0.235 | 0.258 | 0.279 | 0.298 | 0.315 | 0.330 | 0.343 | 0.356 | 0.361 |
| 42 months | 0.228 | 0.252 | 0.274 | 0.294 | 0.312 | 0.328 | 0.342 | 0.355 | 0.361 |
| 39 months | 0.221 | 0.246 | 0.269 | 0.290 | 0.309 | 0.325 | 0.340 | 0.354 | 0.361 |
| 36 months | 0.213 | 0.239 | 0.263 | 0.285 | 0.305 | 0.323 | 0.339 | 0.353 | 0.361 |
| 33 months | 0.205 | 0.232 | 0.257 | 0.280 | 0.301 | 0.320 | 0.337 | 0.352 | 0.361 |
| 30 months | 0.196 | 0.224 | 0.250 | 0.274 | 0.297 | 0.316 | 0.335 | 0.351 | 0.361 |
| 27 months | 0.185 | 0.214 | 0.242 | 0.268 | 0.291 | 0.313 | 0.332 | 0.350 | 0.361 |
| 24 months | 0.173 | 0.204 | 0.233 | 0.260 | 0.285 | 0.308 | 0.329 | 0.348 | 0.361 |
| 21 months | 0.161 | 0.193 | 0.223 | 0.252 | 0.279 | 0.304 | 0.326 | 0.347 | 0.361 |
| 18 months | 0.146 | 0.179 | 0.211 | 0.242 | 0.271 | 0.298 | 0.322 | 0.345 | 0.361 |
| 15 months | 0.130 | 0.164 | 0.197 | 0.230 | 0.262 | 0.291 | 0.317 | 0.342 | 0.361 |
| 12 months | 0.111 | 0.146 | 0.181 | 0.216 | 0.250 | 0.282 | 0.312 | 0.339 | 0.361 |
| 9 months | 0.090 | 0.125 | 0.162 | 0.199 | 0.237 | 0.272 | 0.305 | 0.336 | 0.361 |
| 6 months | 0.065 | 0.099 | 0.137 | 0.178 | 0.219 | 0.259 | 0.296 | 0.331 | 0.361 |
| 3 months | 0.034 | 0.065 | 0.104 | 0.150 | 0.197 | 0.243 | 0.286 | 0.326 | 0.361 |
| 0 months | — | — | 0.042 | 0.115 | 0.179 | 0.233 | 0.281 | 0.323 | 0.361 |

The exact fair market value and redemption date may not be set forth in the table above, in which case, if the fair market value is between two values in the table or the redemption date is between two redemption dates in the table, the number of Ordinary Shares to be issued for each Warrant exercised will be determined by a straight-line interpolation between the number of shares set forth for the higher and lower fair market values and the earlier and later redemption dates, as applicable, based on a 365 or 366-day year, as applicable. For example, if the volume weighted average price of the Ordinary Shares during the 10 trading days immediately following the date on which the notice of redemption is sent to the holders of the Warrants is \$11.00 per share, and at such time there are 57 months until the expiration of the Warrants, holders may choose to, in connection with this redemption feature, exercise their Warrants for 0.277 Ordinary Shares for each whole Warrant. For an example where the exact fair market value and redemption date are not as set forth in the table above, if the volume weighted average price of the Ordinary Shares during the 10 trading days immediately following the date on which the notice of redemption is sent to the holders of the Warrants is \$13.50 per share, and at such time there are 38 months until the expiration of the Warrants, holders may choose to, in connection with this redemption feature, exercise their Warrants for 0.298 Ordinary Shares for each whole Warrant. Finally, as reflected in the table above, if the Warrants are out of the money and about to expire, they cannot be exercised on a cashless basis in connection with a redemption by us pursuant to this redemption feature.

This redemption feature is structured to allow for all of the outstanding Warrants to be redeemed when the Ordinary Shares are trading at or above \$10.00 per public share, which may be at a time when the trading price of the Ordinary Shares is below the exercise price of the Warrants. We have established this redemption feature to provide us with the flexibility to redeem the Warrants without the Warrants having to reach the \$18.00 per share threshold set forth above under “— Redemption of Warrants when the price per Ordinary Share equals or exceeds \$18.00.” Holders choosing to exercise their Warrants in connection with a redemption pursuant to this feature will, in effect, receive a number of shares for their Warrants based on an option pricing model with a fixed volatility input as of the date of this prospectus. This redemption right provides us with an additional mechanism by which to redeem all of the outstanding Warrants, and therefore have certainty as to our capital structure as the Warrants would no longer be outstanding and would have been exercised or redeemed. We will be required to pay the applicable redemption price to warrant holders if we choose to exercise this redemption right and it will allow us to quickly proceed with a redemption of the Warrants if we determine it is in our best interest to do so. As such, we would redeem the Warrants in this manner when we believe it is in our best interest to update our capital structure to remove the Warrants and pay the redemption price to the warrant holders.

If we choose to redeem the Warrants when Ordinary Shares are trading at a price below the exercise price of the Warrants, this could result in the warrant holders receiving fewer Ordinary Shares than they would have received if they had chosen to wait to exercise their Warrants for Ordinary Shares if and when such Ordinary Shares were trading at a price higher than the exercise price of \$11.50.

No fractional Ordinary Shares will be issued upon exercise. If, upon exercise, a holder would be entitled to receive a fractional interest in a share, we will round down to the nearest whole number of the number of Ordinary Shares to be issued to the holder.

Redemption Procedures.

A holder of a Warrant may notify us in writing in the event it elects to be subject to a requirement that such holder will not have the right to exercise such Warrant, to the extent that after giving effect to such exercise, such person (together with such person’s affiliates), to the warrant agent’s actual knowledge, would beneficially own in excess of 9.8% (or such other amount as a holder may specify) of the Ordinary Shares issued and outstanding immediately after giving effect to such exercise.

Anti-dilution Adjustments.

If the number of outstanding Ordinary Shares is increased by a capitalization or share dividend paid in Ordinary Shares to all or substantially all holders of Ordinary Shares, or by a split-up of Ordinary Shares or other similar event, then, on the effective date of such capitalization or share dividend, split-up or similar event, the number of Ordinary Shares issuable upon the exercise of each Warrant will be increased in proportion to such increase in the outstanding Ordinary Shares. A rights offering made to all or substantially all holders of ordinary shares entitling holders to purchase Ordinary Shares at a price less than the “historical fair market value” (as defined below) will be deemed a capitalization of a number of Ordinary Shares equal to the product of (i) the number of Ordinary Shares actually sold in such rights offering (or issuable under any other equity securities sold in such rights offering that are convertible into or exercisable for Ordinary Shares) and (ii) one, minus the quotient of (x) the price per Ordinary Share paid in such rights offering and (y) the historical fair market value. For these purposes, (i) if the rights offering is for securities convertible into or exercisable for Ordinary Shares, in determining the price payable for the Ordinary Shares, there will be taken into account any consideration received for such rights, as well as any additional amount payable upon exercise or conversion and (ii) “historical fair market value” means the volume weighted average price of the Ordinary Shares as reported during the 10 trading day period ending on the trading day prior to the first date on which the Ordinary Shares trade on the applicable exchange or in the applicable market, regular way, without the right to receive such rights. No Ordinary Shares shall be issued at less than their par value.

In addition, if we, at any time while the Warrants are outstanding and unexpired, pay a dividend or make a distribution in cash, securities or other assets to all or substantially all of the holders of our Ordinary Shares on account of such Ordinary Shares (or other securities into which the Warrants are convertible), other than (a) as described above, or (b) any cash dividends or cash distributions which, when combined on

a per share basis with all other cash dividends and cash distributions paid on our Ordinary Shares during the 365-day period ending on the date of declaration of such dividend or distribution does not exceed \$0.50 per share (as adjusted to appropriately reflect any other adjustments and excluding cash dividends or cash distributions that resulted in an adjustment to the exercise price or to the number of Ordinary Shares issuable upon the exercise of each Warrant) but only with respect to the amount of the aggregate cash dividends or cash distributions equal to or less than \$0.50 per share, then the warrant exercise price will be decreased, effective immediately after the effective date of such event, by the amount of cash and/or the fair market value of any securities or other assets paid on each Ordinary Share in respect of such event.

If the number of outstanding Ordinary Shares is decreased by a consolidation, combination or reclassification of Ordinary Shares or other similar event, then, on the effective date of such consolidation, combination, reclassification or similar event, the number of Ordinary Shares issuable upon the exercise of each Warrant will be decreased in proportion to such decrease in outstanding Ordinary Shares.

Whenever the number of Ordinary Shares purchasable upon the exercise of the Warrants is adjusted pursuant to the first and second paragraphs of this subsection, the warrant exercise price will be adjusted by multiplying the warrant exercise price immediately prior to such adjustment by a fraction (x) the numerator of which will be the number of Ordinary Shares purchasable upon the exercise of the Warrants immediately prior to such adjustment and (y) the denominator of which will be the number of Ordinary Shares so purchasable immediately thereafter.

In case of any reclassification or reorganization of the outstanding Ordinary Shares (other than those described above or that solely affects the par value of such Ordinary Shares), or in the case of any merger or consolidation of us with or into another corporation or entity (other than a consolidation or merger in which we are the continuing corporation or company and that does not result in any reclassification or reorganization of our outstanding Ordinary Shares), or in the case of any sale or conveyance to another corporation or entity of the assets or other property of us as an entirety or substantially as an entirety in connection with which we are dissolved, the holders of the Warrants will thereafter have the right to purchase and receive, upon the basis and upon the terms and conditions specified in the Warrants and in lieu of Ordinary Shares immediately theretofore purchasable and receivable upon the exercise of the rights represented thereby, the kind and amount of Ordinary Shares or other securities or property (including cash) receivable upon such reclassification, reorganization, merger or consolidation, or upon a dissolution following any such sale or transfer, that the holder of the Warrants would have received if such holder had exercised their Warrants immediately prior to such event. However, if such holders were entitled to exercise a right of election as to the kind or amount of securities, cash or other assets receivable upon such consolidation or merger, then the kind and amount of securities, cash or other assets for which each Warrant will become exercisable will be deemed to be the weighted average of the kind and amount received per share by such holders in such consolidation or merger that affirmatively make such election, and if a tender, exchange or redemption offer has been made to and accepted by such holders under circumstances in which, upon the completion of such tender or exchange offer, the maker thereof, together with members of any group (within the meaning of Rule 13d-5(b)(1) under the Exchange Act) of which such maker is a part, and together with any affiliate or associate of such maker (within the meaning of Rule 12b-2 under the Exchange Act) and any members of any such group of which any such affiliate or associate is a part, own beneficially (within the meaning of Rule 13d-3 under the Exchange Act) more than 50% of our issued and outstanding Ordinary Shares, the holder of a Warrant will be entitled to receive the highest amount of cash, securities or other property to which such holder would actually have been entitled as a shareholder if such warrant holder had exercised the Warrant prior to the expiration of such tender or exchange offer, accepted such offer and all of the Ordinary Shares held by such holder had been purchased pursuant to such tender or exchange offer, subject to adjustment (from and after the consummation of such tender or exchange offer) as nearly equivalent as possible to the adjustments provided for in the A&R Warrant Agreement. If less than 70% of the consideration receivable by the holders of Ordinary Shares in such a transaction is payable in the form of Ordinary Shares in the successor entity that is listed for trading on a national securities exchange or is quoted in an established over-the-counter market, or is to be so listed for trading or quoted immediately following such event, and if the registered holder of the Warrant properly exercises the Warrant within thirty days following public disclosure of the consummation of such applicable event, the warrant exercise price will be reduced as specified in the A&R Warrant Agreement based on the Black-Scholes Warrant Value (as defined in the A&R Warrant Agreement) of the Warrant. The purpose of such exercise

price reduction is to provide additional value to holders of the Warrants when an extraordinary transaction occurs during the exercise period of the Warrants pursuant to which the holders of the Warrants otherwise do not receive the full potential value of the Warrants.

The A&R Warrant Agreement provides that the terms of the Warrants may be amended without the consent of any holder for the purpose of (i) curing any ambiguity or correcting any mistake, including to conform the provisions of the A&R Warrant Agreement to the description of the terms of the Warrants and the A&R Warrant Agreement set forth in this prospectus, or defective provision, (ii) amending the definition of “Ordinary Cash Dividend” as contemplated by and in accordance with the A&R Warrant Agreement or (iii) adding or changing any provisions with respect to matters or questions arising under the A&R Warrant Agreement as the parties to the A&R Warrant Agreement may deem necessary or desirable and that the parties deem to not adversely affect the rights of the registered holders of the Warrants. All other modifications or amendments shall require the vote or written consent of the registered holders of 50% of the then-outstanding Public Warrants. Notwithstanding the foregoing, the Company may lower the warrant exercise price or extend the duration of the exercise period without the consent of warrant holders.

You should review a copy of the A&R Warrant Agreement, which is filed as an exhibit to the registration statement of which this prospectus is a part, for a complete description of the terms and conditions applicable to the Warrants.

The warrant holders do not have the rights or privileges of holders of ordinary shares and any voting rights until they exercise their Warrants and receive Ordinary Shares. After the issuance of Ordinary Shares upon exercise of the Warrants, each holder will be entitled to one vote for each share held of record on all matters to be voted on by holders of Ordinary Shares.

We have agreed that, subject to applicable law, any action, proceeding or claim against us arising out of or relating in any way to the A&R Warrant Agreement will be brought and enforced in the courts of the State of New York or the United States District Court for the Southern District of New York, and we irrevocably submit to such jurisdiction, which jurisdiction will be the exclusive forum for any such action, proceeding or claim. This provision applies to claims under the Securities Act but does not apply to suits brought to enforce any liability or duty created by the Exchange Act or any claim for which the federal district courts of the United States of America are the sole and exclusive forum.

Private Warrants

Except as described below, the Private Warrants have terms and provisions that are identical to the Public Warrants.

The Private Warrant will not be redeemable by us (except as described under “— Public Warrants — Redemption of Warrants when the price per Ordinary Share equals or exceeds \$10.00”) so long as they are held by the initial holders of the Private Warrants or their permitted transferees (except as otherwise set forth herein). In addition, the Sponsor Warrants and the Ordinary Shares underlying the Sponsor Warrants are subject to lock-up restrictions described in this prospectus under the section titled “Plan of Distribution.”

The initial holders of the Private Warrants, or their permitted transferees, have the option to exercise the Private Warrants on a cashless basis. If the Private Warrants are held by holders other than the initial holders of the Private Warrants or their permitted transferees, the Private Warrants will be redeemable by us in all redemption scenarios and exercisable by the holders on the same basis as the Public Warrants. Any amendment to the terms of the Private Warrants or any provision of the A&R Warrant Agreement with respect to the Private Warrants will require a vote of holders of at least 50% of the number of the then-outstanding Private Warrants.

Except as described above under “— Public Warrants — Redemption of Warrants when the price per Ordinary Share equals or exceeds \$10.00,” if holders of the Private Warrants elect to exercise them on a cashless basis, they would pay the exercise price by surrendering his, her or its Warrants for that number of Ordinary Shares equal to the quotient obtained by dividing (x) the product of the number of Ordinary Shares underlying the Warrants, multiplied by the excess of the “sponsor exercise fair market value” (as defined below) over the exercise price of the Warrants by (y) the sponsor fair market value. For these purposes, the

“sponsor exercise fair market value” shall mean the average last reported closing price of our Ordinary Shares for the 10 trading days ending on the third trading day prior to the date on which the notice of warrant exercise is sent to the warrant agent.

Certain Differences in Corporate Law

Cayman Islands companies are governed by the Cayman Companies Law. The Cayman Companies Law is modeled on English law but does not follow recent English law statutory enactments, and differs from laws applicable to United States corporations and their shareholders. Set forth below is a summary of the material differences between the provisions of the Cayman Companies Law applicable to us and the laws applicable to companies incorporated in the United States and their shareholders.

Mergers and Similar Arrangements. In certain circumstances, the Cayman Companies Law allows for mergers or consolidations between two Cayman Islands companies, or between a Cayman Islands company and a company incorporated in another jurisdiction (*provided* that it is facilitated by the laws of that other jurisdiction).

Where the merger or consolidation is between two Cayman Islands companies, the directors of each company must approve a written plan of merger or consolidation containing certain prescribed information. That plan of merger or consolidation must then be authorized by (a) a special resolution (usually a majority of not less than two-thirds of the votes which are cast in person or by proxy by those shareholders who, being entitled to do so, attend and vote at a quorate general meeting of the relevant company or a unanimous written resolution of all of the shareholders entitled to vote at a general meeting of the relevant company) of the shareholders of each company; and (b) such other authorization, if any, as may be specified in such constituent company’s articles of association. No shareholder resolution is required for a merger between a parent company (i.e., a company that owns at least 90% of the issued shares of each class in a subsidiary company) and its subsidiary company where the parent and subsidiary company are both incorporated under the Cayman Companies Law. The consent of each holder of a fixed or floating security interest of a constituent company must be obtained, unless the court waives such requirement. If the Cayman Islands Registrar of Companies is satisfied that the requirements of the Cayman Companies Law (which includes certain other formalities) have been complied with, the Registrar of Companies will register the plan of merger or consolidation.

Where the merger or consolidation involves a foreign company, the procedure is similar, save that with respect to the foreign company, the directors of the Cayman Islands company are required to make a declaration to the effect that, having made due enquiry, they are of the opinion that the requirements set out below have been met: (i) that the merger or consolidation is permitted or not prohibited by the constitutional documents of the foreign company and by the laws of the jurisdiction in which the foreign company is incorporated, and that those laws and any requirements of those constitutional documents have been or will be complied with; (ii) that no petition or other similar proceeding has been filed and remains outstanding or order made or resolution adopted to wind up or liquidate the foreign company in any jurisdictions; (iii) that no receiver, trustee, administrator or other similar person has been appointed in any jurisdiction and is acting in respect of the foreign company, its affairs or its property or any part thereof; and (iv) that no scheme, order, compromise or other similar arrangement has been entered into or made in any jurisdiction whereby the rights of creditors of the foreign company are and continue to be suspended or restricted.

Directors of a Cayman Islands company are further required to make a declaration to the effect that, having made due enquiry, they are of the opinion that the requirements set out below have been met: (i) that the foreign company is able to pay its debts as they fall due and that the merger or consolidation is bona fide and not intended to defraud unsecured creditors of the foreign company; (ii) that in respect of the transfer of any security interest granted by the foreign company to the surviving or consolidated company (a) consent or approval to the transfer has been obtained, released or waived; (b) the transfer is permitted by and has been approved in accordance with the constitutional documents of the foreign company; and (c) the laws of the jurisdiction of the foreign company with respect to the transfer have been or will be complied with; (iii) that the foreign company will, upon the merger or consolidation becoming effective, cease to be incorporated, registered or exist under the laws of the relevant foreign jurisdiction; and (iv) that there is no other reason why it would be against the public interest to permit the merger or consolidation.

Where the above procedures are adopted, the Cayman Companies Law provides for a right of dissenting shareholders to be paid a payment of the fair value of their shares upon their dissenting to the merger or consolidation if they follow a prescribed procedure. In essence, that procedure is as follows: (a) the shareholder must give his written objection to the merger or consolidation to the constituent company before the vote on the merger or consolidation, including a statement that the shareholder proposes to demand payment for his shares if the merger or consolidation is authorized by the vote; (b) within 20 days following the date on which the merger or consolidation is approved by the shareholders, the constituent company must give written notice to each shareholder who made a written objection; (c) a shareholder must within 20 days following receipt of such notice from the constituent company, give the constituent company a written notice of his intention to dissent including, among other details, a demand for payment of the fair value of his shares; (d) within seven days following the date of the expiration of the period set out in paragraph (c) above or seven days following the date on which the plan of merger or consolidation is filed, whichever is later, the constituent company, the surviving company or the consolidated company must make a written offer to each dissenting shareholder to purchase his shares at a price that the company determines is the fair value and if the company and the shareholder agree the price within 30 days following the date on which the offer was made, the company must pay the shareholder such amount; and (e) if the company and the shareholder fail to agree on a price within such 30 day period, within 20 days following the date on which such 30 day period expires, the company must (and any dissenting shareholder may) file a petition with the Cayman Islands Grand Court to determine the fair value and such petition by the company must be accompanied by a list of the names and addresses of the dissenting shareholders with whom agreements as to the fair value of their shares have not been reached by the company. At the hearing of that petition, the court has the power to determine the fair value of the shares together with a fair rate of interest, if any, to be paid by the company upon the amount determined to be the fair value. Any dissenting shareholder whose name appears on the list filed by the company may participate fully in all proceedings until the determination of fair value is reached. These rights of a dissenting shareholder are not available in certain circumstances, for example, to dissenters holding shares of any class in respect of which an open market exists on a recognized stock exchange or recognized interdealer quotation system at the relevant date and where the consideration for such shares are shares of any company listed on a national securities exchange or shares of the surviving or consolidated company.

Moreover, Cayman Islands law has separate statutory provisions that facilitate the reconstruction or amalgamation of companies in certain circumstances, by way of schemes of arrangement, which will generally be more suited for complex mergers or other transactions involving widely held companies, commonly referred to in the Cayman Islands as a “scheme of arrangement” which may be tantamount to a merger. In the event that a merger was sought pursuant to a scheme of arrangement (the procedures for which are more rigorous and take longer to complete than the procedures typically required to consummate a merger in the United States), the arrangement in question must be approved by a majority in number of each class of shareholders and creditors with whom the arrangement is to be made and who must in addition represent three-fourths in value of each such class of shareholders or creditors, as the case may be, that are present and voting either in person or by proxy at a general meeting, or meeting summoned for that purpose. The convening of the meetings and subsequently the terms of the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder would have the right to express to the court the view that the transaction should not be approved, the court can be expected to approve the arrangement if it satisfies itself that:

- we are not proposing to act illegally or beyond the scope of our corporate authority and the statutory provisions as to majority vote have been complied with;
- the shareholders have been fairly represented at the meeting in question;
- the arrangement is such as a businessman would reasonably approve; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Cayman Companies Law or that would amount to a “fraud on the minority.”

If a scheme of arrangement or takeover offer (as described below) is approved, any dissenting shareholder would have no rights comparable to appraisal rights (providing rights to receive payment in cash for the judicially determined value of the shares), which would otherwise ordinarily be available to dissenting shareholders of United States corporations.

Squeeze-out Provisions. When a takeover offer is made and accepted by holders of 90% of the shares to whom the offer relates within four months, the offeror may, within a two-month period, require the holders of the remaining shares to transfer such shares on the terms of the offer. An objection can be made to the Grand Court of the Cayman Islands, but this is unlikely to succeed unless there is evidence of fraud, bad faith, collusion or inequitable treatment of the shareholders.

Further, transactions similar to a merger, reconstruction and/or an amalgamation may in some circumstances be achieved through means other than these statutory provisions, such as a share capital exchange, asset acquisition or control, or through contractual arrangements of an operating business.

Shareholders' Suits. Maples and Calder (Cayman) LLP, our Cayman Islands legal counsel, is not aware of any reported class action having been brought in a Cayman Islands court. Derivative actions have been brought in the Cayman Islands courts, and the Cayman Islands courts have confirmed the availability for such actions. In most cases, we will be the proper plaintiff in any claim based on a breach of duty owed to us, and a claim against (for example) our officer or directors usually may not be brought by a shareholder. However, based both on Cayman Islands authorities and on English authorities, which would in all likelihood be of persuasive authority and be applied by a court in the Cayman Islands, exceptions to the foregoing principle apply in circumstances in which:

- a company is acting, or proposing to act, illegally or beyond the scope of its authority;
- the act complained of, although not beyond the scope of the authority, could be effected if duly authorized by more than the number of votes which have actually been obtained; or
- those who control the company are perpetrating a “fraud on the minority.”

A shareholder may have a direct right of action against us where the individual rights of that shareholder have been infringed or are about to be infringed.

Enforcement of Civil Liabilities. The Cayman Islands has a different body of securities laws as compared to the United States and provides less protection to investors. Additionally, Cayman Islands companies may not have standing to sue before the federal courts of the United States.

We have been advised by Maples and Calder (Cayman) LLP, our Cayman Islands legal counsel, that the courts of the Cayman Islands are unlikely (i) to recognize or enforce against us judgments of courts of the United States predicated upon the civil liability provisions of the federal securities laws of the United States or any state; and (ii) in original actions brought in the Cayman Islands, to impose liabilities against us predicated upon the civil liability provisions of the federal securities laws of the United States or any state, so far as the liabilities imposed by those provisions are penal in nature. Although there is no statutory enforcement in the Cayman Islands of judgments obtained in the United States, the courts of the Cayman Islands will recognize and enforce a foreign money judgment of a foreign court of competent jurisdiction without retrial on the merits based on the principle that a judgment of a competent foreign court imposes upon the judgment debtor an obligation to pay the sum for which judgment has been given provided certain conditions are met. For a foreign judgment to be enforced in the Cayman Islands, such judgment must be final and conclusive and for a liquidated sum, and must not be in respect of taxes or a fine or penalty, inconsistent with a Cayman Islands judgment in respect of the same matter, impeachable on the grounds of fraud or obtained in a manner, and or be of a kind the enforcement of which is, contrary to natural justice or the public policy of the Cayman Islands (awards of punitive or multiple damages may well be held to be contrary to public policy). A Cayman Islands Court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere.

Special Considerations for Exempted Companies. We are an exempted company with limited liability under the Cayman Companies Law. The Cayman Companies Law distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company except for the exemptions and privileges listed below:

- an exempted company (other than an exempted company holding a license to carry on business in the Cayman Islands) does not have to file an annual return of its shareholders with the Registrar of Companies;

- an exempted company’s register of members is not open to inspection;
- an exempted company does not have to hold an annual general meeting;
- an exempted company may issue shares with no par value;
- an exempted company may obtain an undertaking against the imposition of any future taxation;
- an exempted company may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- an exempted company may register as a limited duration company; and
- an exempted company may register as a segregated portfolio company.

“Limited liability” means that the liability of each shareholder is limited to the amount unpaid by the shareholder on the shares of the company (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).

Anti-Money Laundering — Cayman Islands

If any person in the Cayman Islands knows or suspects, or has reasonable grounds for knowing or suspecting, that another person is engaged in criminal conduct or money laundering or is involved with terrorism or terrorist financing and property and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector or other trade, profession, business or employment, the person will be required to report such knowledge or suspicion to (i) the Financial Reporting Authority of the Cayman Islands, pursuant to the Proceeds of Crime Act (2020 Revision) of the Cayman Islands if the disclosure relates to criminal conduct or money laundering or (ii) a police officer of the rank of constable or higher, or the Financial Reporting Authority, pursuant to the Terrorism Act (2018 Revision) of the Cayman Islands, if the disclosure relates to involvement with terrorism or terrorist financing and property. Such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

Data Protection — Cayman Islands

We have certain duties under the Data Protection Act (2021 Revision) of the Cayman Islands (the “DPL”) based on internationally accepted principles of data privacy.

Privacy Notice

Introduction

This privacy notice puts shareholders on notice that through your investment in the Company you will provide us with certain personal information which constitutes personal data within the meaning of the DPL (“personal data”). In the following discussion, the “company” refers to us and our affiliates and/or delegates, except where the context requires otherwise.

Investor Data

We will collect, use, disclose, retain and secure personal data to the extent reasonably required only and within the parameters that could be reasonably expected during the normal course of business. We will only process, disclose, transfer or retain personal data to the extent legitimately required to conduct our activities of on an ongoing basis or to comply with legal and regulatory obligations to which we are subject. We will only transfer personal data in accordance with the requirements of the DPL, and will apply appropriate technical and organizational information security measures designed to protect against unauthorized or unlawful processing of the personal data and against the accidental loss, destruction or damage to the personal data.

In our use of this personal data, we will be characterized as a “data controller” for the purposes of the DPL, while our affiliates and service providers who may receive this personal data from us in the conduct of

our activities may either act as our “data processors” for the purposes of the DPL or may process personal information for their own lawful purposes in connection with services provided to us.

We may also obtain personal data from other public sources. Personal data includes, without limitation, the following information relating to a shareholder and/or any individuals connected with a shareholder as an investor: name, residential address, email address, contact details, corporate contact information, signature, nationality, place of birth, date of birth, tax identification, credit history, correspondence records, passport number, bank account details, source of funds details and details relating to the shareholder’s investment activity.

Who this Affects

If you are a natural person, this will affect you directly. If you are a corporate investor (including, for these purposes, legal arrangements such as trusts or exempted limited partnerships) that provides us with personal data on individuals connected to you for any reason in relation your investment in the company, this will be relevant for those individuals and you should transmit the content of this Privacy Notice to such individuals or otherwise advise them of its content.

How the Company May Use a Shareholder’s Personal Data

The company, as the data controller, may collect, store and use personal data for lawful purposes, including, in particular:

- a) where this is necessary for the performance of our rights and obligations under any purchase agreements;
- b) where this is necessary for compliance with a legal and regulatory obligation to which we are subject (such as compliance with anti-money laundering and FATCA/CRS requirements); and/or
- c) where this is necessary for the purposes of our legitimate interests and such interests are not overridden by your interests, fundamental rights or freedoms.

Should we wish to use personal data for other specific purposes (including, if applicable, any purpose that requires your consent), we will contact you.

Why We May Transfer Your Personal Data

In certain circumstances we may be legally obliged to share personal data and other information with respect to your shareholding with the relevant regulatory authorities such as the Cayman Islands Monetary Authority or the Tax Information Authority. They, in turn, may exchange this information with foreign authorities, including tax authorities.

We anticipate disclosing personal data to persons who provide services to us and their respective affiliates (which may include certain entities located outside the United States, the Cayman Islands or the European Economic Area), who will process your personal data on our behalf.

The Data Protection Measures We Take

Any transfer of personal data by us or our duly authorized affiliates and/or delegates outside of the Cayman Islands shall be in accordance with the requirements of the DPL.

We and our duly authorized affiliates and/or delegates shall apply appropriate technical and organizational information security measures designed to protect against unauthorized or unlawful processing of personal data, and against accidental loss or destruction of, or damage to, personal data.

We shall notify you of any personal data breach that is reasonably likely to result in a risk to your interests, fundamental rights or freedoms or those data subjects to whom the relevant personal data relates.

Retention of the information we collect

We retain the information we collect for no longer than is reasonably necessary to fulfil the purposes for which we collect the information and to comply with our legal obligations.

Your choices and rights

Under the DPL you have certain rights regarding your personal data that we have collected. You may have the right to request (i) access to your personal data, (ii) rectification or erasure of personal data, (iii) restriction of processing concerning you, and (iv) objection to processing that is based upon our legitimate interests. Your ability to exercise these rights will depend on a number of factors and, in some instances, we will not be able to comply with your request, for example because we have legitimate grounds for not doing so or where the right doesn't apply to the particular information we hold on you. If you would like to discuss or exercise the rights you may have, you can contact us through the methods stated below.

Complaints

We are committed to working with you to obtain a fair resolution of any complaint or concern about your privacy. If you would like to contact us, please use the methods stated above.

If, however, you believe that we have not been able to assist with your complaint or concern, you may have the right to complain to the relevant data protection authority in your jurisdiction

PRINCIPAL SHAREHOLDERS

The following table shows the beneficial ownership of our Ordinary Shares as of the date of this prospectus by:

- each person known by us to beneficially own more than 5% of the outstanding Ordinary Shares;
- each of our directors and executive officers; and
- all of our directors and executive officers as a group.

Except as otherwise noted herein, the number and percentage of Ordinary Shares beneficially owned is determined in accordance with Rule 13d-3 of the Exchange Act, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rule, beneficial ownership includes any Ordinary Shares as to which the holder has sole or shared voting power or investment power and also any Ordinary Shares which the holder has the right to acquire within 60 days of the Closing through the exercise of any option, warrant or any other right. We have based percentage ownership in the table below on 148,355,092 Ordinary Shares outstanding as of the date of this prospectus.

| Name of Beneficial Owner | Number | Percentage |
|--|---------------------------|------------|
| 5% or Greater Shareholders: | | |
| Pangaea Two Acquisition Holdings XXIIA Limited | 71,677,504 ⁽¹⁾ | 48.3% |
| Tencent Mobility Limited | 20,183,010 ⁽²⁾ | 13.6% |
| SCC Growth VI Holdco D, Ltd. | 14,503,032 ⁽³⁾ | 9.8% |
| Silver Crest Management LLC | 8,762,500 ⁽⁴⁾ | 5.7% |
| THC Hope IB Limited | 8,242,983 ⁽⁵⁾ | 5.6% |
| Directors and Executive Officers†: | | |
| Peter Yu | 79,468,522 ⁽⁶⁾ | 53.4% |
| Yongchen Lu | *(7) | * |
| Dong Li | — | — |
| Bin He | *(8) | * |
| Gregory Armstrong | — | — |
| Paul Hong | — | — |
| Andrew Wehrley | — | — |
| Meizi Zhu | — | — |
| Eric Haibing Wu | — | — |
| Rafael Odorizzi De Oliveira | — | — |
| Derek Cheung | — | — |
| All executive officers and directors as a group (eleven persons) | 81,428,958 | 54.7% |

† Except as indicated otherwise below, the business address of our directors and executive officers is 2501 Central Plaza, 227 Huangpi North Road, Shanghai, People's Republic of China.

* Less than 1%.

- (1) Represents 71,677,504 Ordinary Shares held by Pangaea Two Acquisition Holdings XXIIA Limited, a company incorporated under the Laws of the United Kingdom (not including the Option Shares acquirable by Sona Credit Master Fund Limited). Pangaea Two Acquisition Holdings XXIIA Limited is controlled by Pangaea Two, LP. The general partner of Pangaea Two, LP is Pangaea Two GP, LP. The General Partner of Pangaea Two GP, LP is Pangaea Two Admin GP, LLC. Cartesian Capital Group, LLC is the sole and managing member of Pangaea Two Admin GP. Peter Yu is a managing member of Cartesian. The business address of Pangaea Two Acquisition Holdings XXIIA Limited is at Suite 1, 3rd Floor 11 — 12 St. James's Square, London, United Kingdom, SW1Y 4LB.
- (2) Represents 19,783,010 Ordinary Shares held by, and 400,000 Ordinary Shares underlying the Warrants held by, Tencent Mobility Limited, a company limited by shares incorporated in Hong Kong and a wholly-owned subsidiary of Tencent Holdings Limited. Tencent Holdings Limited is a company listed on the Hong Kong Stock Exchange. The principal place of business in Hong Kong of Tencent Mobility Limited and Tencent Holdings Limited is 29/F., Three Pacific Place No. 1, Queen's Road East, Wanchai, Hong Kong.

- (3) Represents 14,503,032 Ordinary Shares held by SCC Growth VI Holdco D, Ltd. an exempted company incorporated under the Laws of the Cayman Islands. SCC Growth VI Holdco D, Ltd. is wholly owned by Sequoia Capital China Growth Fund VI, L. P. The general partner of Sequoia Capital China Growth Fund VI, L. P. is SC China Growth VI Management, L.P., whose general partner is SC China Holding Limited. SC China Holding Limited is wholly owned by SNP China Enterprises Limited, which is wholly owned by Mr. Neil Nanpeng Shen. The registered office of SCC Growth VI Holdco D, Ltd. is at PO Box 309 Uglund House Grand Cayman, KY1-1104, Cayman Islands.
- (4) Represents 4,312,500 Ordinary Shares held by, and 4,450,000 Ordinary Shares underlying the Warrants held by, Silver Crest Management LLC. Leon Meng is a member and the sole manager of Silver Crest Management LLC. Mr. Meng disclaims beneficial ownership of any shares held by the Sponsor except to the extent of his pecuniary interest therein..
- (5) Represents 8,242,983 Ordinary Shares held by THC Hope IB Limited, a trust established under a trust deed dated June 25, 2021 between THIL as the settlor and Futu Trustee Limited as trustee to hold securities on behalf of certain employees and members of management. Under the trust deed, an advisory committee is authorized by THIL from time to time to make all determination and provide investment directions and other directions to the trustee on behalf of the Board in relation to the trust fund. The business address of THC Hope IB Limited is 2501 Central Plaza, 227 Huangpi North Road, Shanghai, People's Republic of China.
- (6) Represents (i) 71,677,504 Ordinary Shares held by Pangaea Two Acquisition Holdings XXIIA Limited, a company incorporated under the Laws of the United Kingdom (not including the Option Shares acquirable by Sona Credit Master Fund Limited), (ii) 6,191,018 Ordinary Shares held by Pangaea Two Acquisition Holdings XXIII, Ltd., and (iii) 1,200,000 Ordinary Share held by, and 400,000 Ordinary Shares underlying the Warrants held by, TH China Partners Limited, a private limited company incorporated in the Cayman Islands. Pangaea Two Acquisition Holdings XXIIA Limited, Pangaea Two Acquisition Holdings XXIII, Ltd and TH China Partners Limited are controlled by Pangaea Two, LP. The general partner of Pangaea Two, LP is Pangaea Two GP, LP. The General Partner of Pangaea Two GP, LP is Pangaea Two Admin GP, LLC. Cartesian Capital Group, LLC is the sole and managing member of Pangaea Two Admin GP. Peter Yu is a managing member of Cartesian Capital Group, LLC. The business address of Pangaea Two Acquisition Holdings XXIIA Limited is Suite 1, 3rd Floor 11 — 12 St. James's Square, London, United Kingdom, SW1Y 4LB. The business address of Pangaea Two Acquisition Holdings XXIII, Ltd. and TH China Partners Limited is 505 Fifth Avenue, 15th Floor, New York, NY 10017, USA.
- (7) Represents Ordinary Shares held by L&L Tomorrow Holdings Limited, a British Virgin Islands company wholly owned by Mr. Yongchen Lu. The registered office of L&L Tomorrow Holdings Limited is P.O. Box 905, Quastisky Building, Road Town, Tortola, British Virgin Islands.
- (8) Represents Ordinary Shares held by Lord Winterfell Limited, a British Virgin Islands company wholly owned by Ms. Bin He. The registered office of Lord Winterfell Limited is P.O. Box 905, Quastisky Building, Road Town, Tortola, British Virgin Islands.

SELLING SECURITYHOLDERS

This prospectus relates to, among other things, the registration and resale by the Selling Securityholders of up to (i) 35,186,824 Ordinary Shares beneficially owned by certain legacy shareholders of the Company and their affiliates; (ii) 4,312,500 Sponsor Shares, 4,450,000 Sponsor Warrants and 4,450,000 Ordinary Shares underlying the Sponsor Warrants; (iii) 5,050,000 PIPE Shares, 1,200,000 PIPE Warrants and 1,200,000 Ordinary Shares underlying the PIPE Warrants; (iv) 5,000,000 ESA Shares; (v) 6,752,041 Conversion Shares; and (vi) 200,000 Option Shares. When we refer to the “Selling Securityholders” in this prospectus, we mean the persons listed in the table below, and the pledgees, donees, transferees, assignees or other successors in interest (that receive any of the securities as a gift, distribution, or other non-sale related transfer) of the persons named in the table below.

We cannot advise you as to whether the Selling Securityholders will in fact sell any or all of such Ordinary Shares or Warrants. In addition, the Selling Securityholders may sell, transfer or otherwise dispose of, at any time and from time to time, the Ordinary Shares or Warrants in transactions exempt from the registration requirements of the Securities Act after the date of this prospectus.

The table below sets forth, as of September 28, 2022, the aggregate number of Ordinary Shares and Warrants beneficially owned by the Selling Securityholders and the aggregate number of Ordinary Shares and Warrants that the Selling Securityholders may offer pursuant to this prospectus. We have determined beneficial ownership in accordance with the rules of the SEC and the information is not necessarily indicative of beneficial ownership for any other purpose. The information in the table below is based upon information provided by the Selling Securityholders.

| Name | Ordinary Shares | | | Warrants to Purchase Ordinary Shares | | |
|---|---|--|--|---|--|--|
| | Number Beneficially Owned Prior to Offering | Number Registered for Sale Hereby | Number Beneficially Owned After Offering | Number Beneficially Owned Prior to Offering | Number Registered For Sale Hereby | Number Beneficially Owner After Offering |
| Pangaea Two Acquisition Holdings XXIIA Limited ⁽¹⁾ | 71,677,504 | 21,363,251 | 50,314,253 | — | — | — |
| Tencent Mobility Limited ⁽²⁾ | 19,783,010 | 6,774,903 | 13,008,107 | 400,000 | 400,000 | — |
| SCC Growth VI Holdco D, Ltd. ⁽³⁾ | 14,503,032 | 4,560,910 | 9,942,122 | — | — | — |
| Eastern Bell International XXVI Limited ⁽⁴⁾ | 7,251,517 | 2,280,455 | 4,971,062 | — | — | — |
| Pangaea Two Acquisition Holdings XXIII, Ltd. ⁽⁵⁾ | 6,191,018 | 1,857,305 | 4,333,713 | — | — | — |
| Silver Crest Management LLC ⁽⁶⁾ | 4,312,500 | 4,312,500 | — | 4,450,000 | 4,450,000 | — |
| Shaolin Capital Partners Master Fund Ltd ⁽⁷⁾ | 2,108,200 | 2,108,200 | — | — | — | — |
| TH China Partners Limited ⁽⁸⁾ | 1,200,000 | 1,200,000 | — | 400,000 | 400,000 | — |
| Tim Hortons Restaurants International GmbH ⁽⁹⁾ | 5,651,956 | 1,200,000 | 4,451,956 | 400,000 | 400,000 | — |
| MAP 214 Segregated Portfolio, a segregated portfolio of LMA SPC ⁽¹⁰⁾ | 1,135,900 | 1,135,900 | — | — | — | — |
| DS Liquid DIV RVA SCM LLC ⁽¹¹⁾ | 1,092,000 | 1,092,000 | — | — | — | — |
| Shaolin Capital Partners SP, a segregated portfolio of PC MAP SPC ⁽¹²⁾ | 663,900 | 663,900 | — | — | — | — |
| Silver Crest Investment Limited ⁽¹³⁾ | 500,000 | 500,000 | — | — | — | — |
| Sona Credit Master Fund Limited ⁽¹⁴⁾ | 3,130,735 | 3,130,735 | — | — | — | — |
| Sunrise Partners Limited Partnership ⁽¹⁵⁾ | 4,321,306 | 4,321,306 | — | — | — | — |

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- (1) Consists of Ordinary Shares held by Pangaea Two Acquisition Holdings XXIIA Limited. Pangaea XXIIA is controlled by Pangaea Two, LP. The general partner of Pangaea Two, LP is Pangaea Two GP, LP. The General Partner of Pangaea Two GP, LP is Pangaea Two Admin GP, LLC. Cartesian Capital Group, LLC is the sole and managing member of Pangaea Two Admin GP. Peter Yu is a managing member of Cartesian. The address of Pangaea Two Acquisition Holdings XXIIA Limited is Suite 1, 3rd Floor 11 – 12 St. James’s Square, London, United Kingdom, SW1Y 4LB.
 - (2) Consists of Ordinary Shares and Warrants held by Tencent Mobility Limited. Tencent Mobility Limited is a wholly-owned subsidiary of Tencent Holdings Limited. Tencent Holdings Limited is a company listed on the Hong Kong Stock Exchange. The address of Tencent Mobility Limited is 29/F., Three Pacific Place No. 1, Queen’s Road East, Wanchai, Hong Kong.
 - (3) Consists of Ordinary Shares held by SCC Growth VI Holdco D, Ltd. SCC Growth VI Holdco D, Ltd. is wholly owned by Sequoia Capital China Growth Fund VI, L.P. The general partner of Sequoia Capital China Growth Fund VI, L.P. is SC China Growth VI Management, L.P., whose general partner is SC China Holding Limited. SC China Holding Limited is wholly owned by SNP China Enterprises Limited, which is wholly owned by Mr. Neil Nanpeng Shen. The address of SCC Growth VI Holdco D, Ltd is PO Box 309 Uglan House Grand Cayman, KY1-1104, Cayman Islands.
 - (4) Consists of Ordinary Shares held by Eastern Bell International XXVI Limited. Eastern Bell International XXVI Limited is wholly owned by Eastern Bell Capital Fund II, L.P. The general partner of Eastern Bell Capital Fund II, L.P. is Eastern Bell Capital II Limited. Eastern Bell Capital II Limited is collectively controlled by YAN Li, ZHU Yingchun and Sheung Man LAU. The address of Eastern Bell International XXVI Limited is Trinity Chambers, PO Box 4301, Road Town, Tortola, British Virgin Islands.
 - (5) Consists of Ordinary Shares held by Pangaea Two Acquisition Holdings XXIII, Ltd. Pangaea XXIII is controlled by Pangaea Two, LP. The general partner of Pangaea Two, LP is Pangaea Two GP, LP. The General Partner of Pangaea Two GP, LP is Pangaea Two Admin GP, LLC. Cartesian Capital Group, LLC is the sole and managing member of Pangaea Two Admin GP. Peter Yu is a managing member of Cartesian. The address of Pangaea Two Acquisition Holdings XXIII, Ltd. is 505 Fifth Avenue, 15th Floor, New York, NY 10017, USA.
 - (6) Consists of Ordinary Shares and Warrants held by Silver Crest Management LLC. Leon Meng is a member and the sole manager of Silver Crest Management LLC. Mr. Meng disclaims beneficial ownership of any shares held by Silver Crest Management LLC except to the extent of his pecuniary interest therein. The address of Silver Crest Management LLC is 3501, 35/F, Jardine House, 1 Connaught Place, Hong Kong.
 - (7) Consists of Ordinary Shares held by Shaolin Capital Partners Master Fund Ltd. Shaolin Capital Management LLC serves as investment advisor to Shaolin Capital Partners Master Fund, Ltd. David Puritz, in his position as CIO at Shaolin Capital Management LLC and Michael Jester in his position as Co-founder and Head of Research at Shaolin Capital Management LLC may be deemed to have voting and investment control with respect to the Ordinary Shares owned by Shaolin Capital Partners Master Fund, Ltd. Shaolin Capital Management LLC has sole voting and dispositive power over the Ordinary Shares held by Shaolin Capital Partners Master Fund, Ltd. The address of Shaolin Capital Partners Master Fund Ltd is c/o Waystone Corporate Services (Cayman) Ltd., PO Box 1344, Suite 5B201, 2nd Floor, One Nexus Way, Camana Bay, Grand Cayman KY1-1108, Cayman Islands.
 - (8) Consists of Ordinary Shares and Warrants held by TH China Partners Limited. TH China Partners Limited is controlled by Pangaea Two, LP. The general partner of Pangaea Two, LP is Pangaea Two GP, LP. The General Partner of Pangaea Two GP, LP is Pangaea Two Admin GP, LLC. Cartesian Capital Group, LLC is the sole and managing member of Pangaea Two Admin GP. Peter Yu is a managing member of Cartesian and the president and a director of TH China Partners Limited. The address of TH China Partners Limited is c/o Cartesian Capital Group; 505 Fifth Avenue, 15th Fl; New York, NY 10017, USA.
 - (9) Consists of Ordinary Shares and Warrants held by Tim Hortons Restaurants International GmbH, a private limited liability company organized and existing under the laws of Switzerland and a subsidiary of Restaurant Brands International Inc., an NYSE-listed corporation organized under the laws of Canada. The business address of Tim Hortons Restaurants International GmbH is Dammstrasse 23, 6300 Zug, Switzerland.
 - (10) Consists of Ordinary Shares held by MAP 214 Segregated Portfolio, a segregated portfolio of LMA SPC. Shaolin Capital Management LLC serves as investment advisor to MAP 214 Segregated Portfolio, a segregated portfolio of LMA SPC. David Puritz, in his position as CIO at Shaolin Capital Management LLC and Michael Jester in his position as Co-founder and Head of Research at Shaolin Capital Management LLC may be deemed to have voting and investment control with respect to the Ordinary Shares owned by MAP 214 Segregated Portfolio, a segregated portfolio of LMA SPC. Shaolin Capital Management LLC has sole voting and dispositive power over the Ordinary Shares held by MAP 214 Segregated Portfolio, a segregated portfolio of LMA SPC. The address of MAP 214 Segregated Portfolio, a segregated portfolio of LMA SPC is c/o Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008 Cayman Islands.
 - (11) Consists of Ordinary Shares held by DS Liquid DIV RVA SCM LLC. Shaolin Capital Management LLC serves as investment manager to DS Liquid DIV RVA SCM, LLC. David Puritz, in his position as CIO at Shaolin Capital Management LLC and Michael Jester in his position as Co-founder and Head of Research at Shaolin Capital Management LLC may be deemed to have voting and investment control with respect to the Ordinary Shares owned by DS Liquid DIV RVA SCM, LLC. Shaolin Capital Management LLC has sole voting and dispositive power over the Ordinary Shares held by DS Liquid DIV RVA SCM, LLC. The address of DS Liquid DIV RVA SCM LLC is c/o FRM Investment Management (USA) LLC, 1345 Avenue of the America, 21st Floor, New York, NY 10105.
 - (12) Consists of Ordinary Shares held by Shaolin Capital Partners SP, a segregated portfolio of PC MAP SPC. Shaolin Capital Management LLC serves as investment advisor to Shaolin Capital Partners SP, a segregated portfolio of PC MAP SPC. David

Puritz, in his position as CIO at Shaolin Capital Management LLC and Michael Jester in his position as Co-founder and Head of Research at Shaolin Capital Management LLC may be deemed to have voting and investment control with respect to the Ordinary Shares owned by Shaolin Capital Partners SP, a segregated portfolio of PC MAP SPC. Shaolin Capital Management LLC has sole voting and dispositive power over the Ordinary Shares held by Shaolin Capital Partners SP, a segregated portfolio of PC MAP SPC. The address of Shaolin Capital Partners SP, a segregated portfolio of PC MAP SPC is c/o Maples Corporate Services Limited, PO Box 309, Ugland House, South Church Street, George Town, Grand Cayman KY1-1104 Cayman Islands..

- (13) Consists of Ordinary Shares held by Silver Crest Investment Limited. Liang Meng is the sole director of Silver Crest Investment Limited and has investment control over the Ordinary Shares held by Silver Crest Investment Limited. Mr. Meng disclaims beneficial ownership of any shares held by Silver Crest Investment Limited except to the extent of his pecuniary interest therein. The address of Silver Crest Investment Limited is Appleby Global Services (Cayman) Limited, 71 Fort Street, PO Box 500, Grand Cayman, Cayman Islands, KY1-1106.
- (14) Consists of (i) 500,000 Ordinary Shares held by Sona Credit Master Fund Limited (“Sona”); (ii) 200,000 Option Shares; and (iii) 2,430,735 Ordinary Shares issuable upon the conversion of the Conversion Notes purchased by Sona (including additional notes issuable as PIK Interest through the maturity of the Notes (the “PIK Notes”)). Sona is an exempted company with limited liability incorporated in the Cayman Islands and is wholly-owned by Sona Credit Fund Limited and Sona Credit Fund LP (“Feeder Funds”). Sona Asset Management (UK) LLP (“SAM UK LLP”) is appointed as the Alternative Investment Fund Manager to Sona and Feeder Funds. SAM UK LLP is incorporated under the laws of England and Wales, and is authorized and regulated by the UK Financial Conduct Authority. The address of Sona Credit Master Fund Limited is 20 St James’s Street, London, SW1A 1ES, United Kingdom.
- (15) Consists of Ordinary Shares issuable to Sunrise Partners Limited Partnership (“Sunrise”) upon the conversion of the Conversion Notes purchased by Sona Credit Master Fund Limited (including the PIK Notes). Paloma Partners Management Company (“PPMC”) is the investment adviser to Sunrise and SAM UK LLP is a subadvisor to Sunrise with respect to the registrable securities held by Sunrise. S. Donald Sussman controls PPMC and John Aylward controls SAM UK LLP. Therefore, Mr. Sussman and Mr. Aylward may have shared voting and investment power over the Ordinary Shares issuable to Sunrise. Each of Mr. Sussman and Mr. Aylward disclaim beneficial ownership of such securities except to the extent of their pecuniary interests therein, if any. The address of Sunrise Partners Limited Partnership is c/o Paloma Partners Management Company, Two American Lane, Greenwich, CT 06831 USA.

PLAN OF DISTRIBUTION

We are registering the issuance by us of up to 22,900,000 Ordinary Shares issuable upon the exercise of the Warrants. Pursuant to the terms of the Warrants, Ordinary Shares will be distributed to those holders who surrender the Warrants and provide payment of the exercise price to us. Upon receipt of proper notice by any of the holders of the Warrants issued that such holder desires to exercise the warrant, we will, within the time allotted by the agreement governing the warrants, issue instructions to our transfer agent to issue Ordinary Shares to the holder. If, at the time the Public Warrants are exercised, this registration statement is effective and the prospectus included herein is current, the Ordinary Shares issued upon the exercise of the Public Warrants will be issued free of a restrictive legend. We could potentially receive up to an aggregate of approximately \$263,350,000 from the exercise of the Warrants, assuming the exercise in full of all of these warrants for cash.

We are also registering the resale, from time to time, by the Selling Securityholders, or their permitted transferees, of up to 62,151,365 Ordinary Shares and 5,650,000 Warrants. The aggregate proceeds to the Selling Securityholders from the sale of such securities will be the purchase price of the securities less any discounts and commissions. The Selling Securityholders will pay any underwriting discounts and commissions and expenses incurred by the Selling Securityholders for brokerage, accounting, tax or legal services or any other expenses incurred by the Selling Securityholders in disposing of the securities. We will bear all other costs, fees and expenses incurred in effecting the registration of the securities covered by this prospectus, including, without limitation, all registration and filing fees, Nasdaq listing fees and fees and expenses of our counsel and our independent registered public accountants.

The Selling Securityholders reserve the right to accept and, together with their respective agents, to reject, any proposed purchases of Registered Securities to be made directly or through agents. We will not receive any of the proceeds from the sale of the securities registered hereby by the Selling Securityholders.

Upon effectiveness of the registration statement of which this prospectus forms a part, the securities covered by this prospectus that are beneficially owned by the Selling Securityholders may be offered and sold from time to time by the Selling Securityholders. Notwithstanding the foregoing, Selling Securityholders subject to our insider trading policy, and any members of their immediate families, are subject to our regular pre-clearance procedures for trading of our securities. On August 13, 2021, we entered into the Sponsor Lock-Up Agreement with the Sponsor, pursuant to which the Sponsor, among other things, agreed not to transfer any Ordinary Shares held by it immediately after the Closing, any Ordinary Shares issuable upon the exercise of options or warrants to purchase Ordinary Shares held by it immediately after the Closing (along with such options or warrants themselves) or any Ordinary Shares acquirable upon the conversion, exercise or exchange of any securities convertible into or exercisable or exchangeable for Ordinary Shares held by it immediately after the Closing (along with such securities themselves) (such Ordinary Shares, options, warrants and securities, collectively, the “Sponsor Locked-Up Shares”) during the applicable lock-up period, subject to customary exceptions. The lock-up period applicable to the Sponsor Locked-Up Shares is: (i) with respect to 100% of the Sponsor Locked-Up Shares, six months from and after the Closing Date, (ii) with respect to 80% of the Sponsor Locked-Up Shares, twelve months from and after the Closing Date and (iii) with respect to 50% of the Sponsor Locked-Up Shares, eighteen months from and after the Closing Date. Additionally, 1,400,000 Ordinary Shares held by the Sponsor became unvested and subject to forfeiture upon the Closing, only to be vested again if certain share price milestones are achieved before the five-year anniversary of the Closing Date, subject to the terms and conditions contemplated by the Sponsor Lock-Up Agreement. Specifically, If the trading price of our Ordinary Shares at any point during the trading hours of a trading day equals or exceeds \$12.50 per share for any 20 trading days within any consecutive 30-trading day period, 700,000 of such Ordinary Shares shall vest. If the trading price of our Ordinary Shares at any point during the trading hours of a trading day equals or exceeds \$15.00 per share for any 20 trading days within any consecutive 30-trading day period, 700,000 of such Ordinary Shares (if the \$12.50 milestone has previously been achieved) or 1,400,000 of such Ordinary Shares (if the \$12.50 milestone has not previously been achieved) shall vest. In addition, on August 13, 2021, we entered into the Lock-up and Support Agreement with Pangaea Two Acquisition Holdings XXIIB Limited, Tim Hortons Restaurants International GmbH, L&L Tomorrow Holdings Limited and Lord Winterfell Limited, pursuant to which these THIL shareholders, among other things, agreed to the same lock-up restrictions as imposed on the Sponsor in the Sponsor Lock-Up Agreement. On October 11, 2022, Pangaea Two Acquisition Holdings

XXIIB Limited distributed all of its Ordinary Shares to its shareholders, namely, Pangaea Two Acquisition Holdings XXIIA Limited, Tencent Mobility Limited, SCC Growth VI Holdco D, Ltd. and Eastern Bell International XXVI Limited, each of which entered into a joinder agreement to the Lock-up and Support Agreement with us on the same day. On October 12, 2022, Tim Hortons Restaurants International GmbH transferred 6,191,018 Ordinary Shares to Pangaea Two Acquisition Holdings XXIII, Ltd., which entered into a joinder agreement to the Lock-up and Support Agreement with us on the same day. As a result, of the Registered Securities, 44,149,324 Ordinary Shares (including 4,450,000 Ordinary Shares underlying the Sponsor Warrants and the 200,000 Option Shares held by Pangaea Two Acquisition Holdings XXIIA Limited) and the Sponsor Warrants are subject to the aforementioned lock-ups. The PIPE Shares, the PIPE Warrants, the Ordinary Shares underlying the PIPE Warrants, the Conversion Shares and, to the extent that Sona Credit Master Fund Limited exercises its option to purchase Ordinary Shares from Pangaea Two Acquisition Holdings XXIIA Limited, the Option Shares are not subject to the aforementioned lock-ups.

Selling Securityholders may also be subject to the restrictions on transfer of shares of Rule 144 of the Securities Act if such Selling Securityholder is deemed an “affiliate” of THIL. Persons who may be deemed to be affiliates include individuals or entities that control, are controlled by, or are under common control with, THIL and may include the executive officers, directors and significant shareholders of THIL.

The term “Selling Securityholders” includes pledgees, donees, transferees, assignees or other successors in interest (that receive any of the securities as a gift, distribution, or other non-sale related transfer) of the Selling Securityholders named in this prospectus. The Selling Securityholders will act independently of us in making decisions with respect to the timing, manner and size of each sale. Such sales may be made on one or more exchanges or in the over-the-counter market or otherwise, at prices and under terms then prevailing or at prices related to the then current market price or in negotiated transactions. The Selling Securityholders and any of their permitted transferees may sell their securities offered by this prospectus on any stock exchange, market or trading facility on which the securities are traded or in private transactions.

The Registered Securities offered by the Selling Securityholders under this prospectus may be sold from time to time to purchasers:

- directly by the Selling Securityholders;
- to or through underwriters, broker-dealers or agents, who may receive compensation in the form of discounts, commissions or agent’s commissions from the Selling Securityholders or the purchasers of the Registered Securities;
- through trading plans entered into by a Selling Securityholder pursuant to Rule 10b5-1 under the Exchange Act that are in place at the time of an offering pursuant to this prospectus and any applicable prospectus supplement hereto that provide for periodic sales of their securities on the basis of parameters described in such trading plans;
- ordinary brokerage transactions and transactions in which the broker solicits purchasers;
- block trades in which the broker-dealer so engaged will attempt to sell the securities as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- directly to purchasers, including through a specific bidding, auction or other process or in privately negotiated transactions;
- through the writing of options (including the issuance by the Selling Securityholders of derivative securities), whether the options or such other derivative securities are listed on an options exchange or otherwise;
- through an exchange distribution in accordance with the rules of the applicable exchange;
- in “at the market” offerings, as defined in Rule 415 under the Securities Act, at negotiated prices, at prices prevailing at the time of sale or at prices related to such prevailing market prices, including sales made directly on a national securities exchange or sales made through a market maker other than on an exchange or other similar offerings through sales agents;
- through one or more underwritten offerings on a firm commitment or best efforts basis;
- through the settlement of short sales,

- any other method permitted pursuant to applicable law; and
- a combination of any such methods of sale.

Any underwriters, broker-dealers or agents who participate in the sale or distribution of the Registered Securities may be deemed to be “underwriters” within the meaning of the Securities Act. As a result, any discounts, commissions or concessions received by any such broker-dealer or agents who are deemed to be underwriters will be deemed to be underwriting discounts and commissions under the Securities Act. Underwriters are subject to the prospectus delivery requirements of the Securities Act and may be subject to certain statutory liabilities under the Securities Act and the Exchange Act. We will make copies of this prospectus available to the Selling Securityholders for the purpose of satisfying the prospectus delivery requirements of the Securities Act. To our knowledge, there are currently no plans, arrangements or understandings between the Selling Securityholders and any underwriter, broker-dealer or agent regarding the sale of the Registered Securities by the Selling Securityholders.

The Registered Securities may be sold in one or more transactions at:

- fixed prices;
- prevailing market prices at the time of sale;
- prices related to such prevailing market prices;
- varying prices determined at the time of sale; or
- negotiated prices.

These sales may be effected in one or more transactions:

- on any securities exchange or quotation service on which the Registered Securities may be listed or quoted at the time of sale, including Nasdaq;
- in the over-the-counter market;
- in transactions otherwise than on such exchanges or services or in the over-the-counter market;
- any other method permitted by applicable law; or
- through any combination of the foregoing.

In connection with the sales of our securities, the Selling Securityholders may enter into hedging transactions with broker-dealers or other financial institutions that, in turn, may:

- engage in short sales of the securities in the course of hedging their positions;
- sell the securities short and deliver the securities to close out short positions;
- loan or pledge the securities to broker-dealers or other financial institutions that in turn may sell the securities;
- enter into option or other transactions with broker-dealers or other financial institutions that require the delivery to the broker-dealer or other financial institution of the securities, which the broker-dealer or other financial institution may resell; or
- enter into transactions in which a broker-dealer makes purchases as a principal for resale for its own account or through other types of transactions.

In addition, a Selling Securityholder that is an entity may elect to make a *pro rata* in-kind distribution of securities to its members, partners or stockholders pursuant to the registration statement of which this prospectus is a part by delivering a prospectus with a plan of distribution. Such members, partners or stockholders would thereby receive freely tradeable securities pursuant to the distribution through a registration statement. To the extent a distributee is an affiliate of ours (or to the extent otherwise required by law), we may file a prospectus supplement in order to permit the distributees to use the prospectus to resell the securities acquired in the distribution. The Selling Securityholder also may transfer the securities in other circumstances, in which case the transferees, pledgees or other successors-in-interest will be the selling beneficial owners for purposes of this prospectus.

At the time a particular offering of the Registered Securities is made, a prospectus supplement, if required, will be distributed, which will set forth the name of the Selling Securityholders, the aggregate amount of Registered Securities being offered and the terms of the offering, including, to the extent required, (1) the name or names of any underwriters, broker-dealers or agents, (2) any discounts, commissions and other terms constituting compensation from the Selling Securityholders and (3) any discounts, commissions or concessions allowed or reallocated to be paid to broker-dealers. We may suspend the sale of the Registered Securities by the Selling Securityholders pursuant to this prospectus for certain periods of time for certain reasons, including if the prospectus is required to be supplemented or amended to include additional material information.

There can be no assurance that the Selling Securityholders will sell any or all of the Registered Securities under this prospectus. Further, we cannot assure you that the Selling Securityholders will not transfer, distribute, devise or gift the Registered Securities by other means not described in this prospectus. In addition, any Registered Securities covered by this prospectus that qualify for sale under Rule 144 of the Securities Act may be sold under Rule 144 rather than under this prospectus. The Registered Securities may be sold in some states only through registered or licensed brokers or dealers. In addition, in some states the Registered Securities may not be sold unless they have been registered or qualified for sale or an exemption from registration or qualification is available and complied with.

The Selling Securityholders and any other persons participating in the sale of the Registered Securities will be subject to the Exchange Act. The Exchange Act rules include, without limitation, Regulation M, which may limit the timing of purchases and sales of any of the Registered Securities by the Selling Securityholders and any other person. In addition, Regulation M may restrict the ability of any person engaged in the distribution of the Registered Securities to engage in market-making activities with respect to the particular Registered Securities being distributed. This may affect the marketability of the Registered Securities and the ability of any person or entity to engage in market-making activities with respect to the Registered Securities.

With respect to those Registered Securities being registered pursuant to the Registration Rights Agreement, the PIPE Subscription Agreements, the Equity Support Agreement and the Convertible Note Purchase Agreement, we and the Selling Securityholders have agreed to indemnify or hold harmless each other and certain related persons against certain liabilities, including certain liabilities under the Securities Act. The Selling Securityholders may also indemnify any broker or underwriter that participates in transactions involving the sale of the Registered Securities against certain liabilities, including liabilities arising under the Securities Act.

For additional information regarding expenses of registration, see the section titled "Use of Proceeds."

EXPENSES OF THIS OFFERING

Set forth below is an itemization of the total expenses that are expected to be incurred in connection with the registration of the securities registered hereby. With the exception of the registration fee payable to the SEC, all amounts are estimates.

| Expense | Amount |
|------------------------------|----------------------------|
| SEC registration fee | \$ 21,479.97 |
| Printing expenses | \$ 50,000 |
| Legal fees and expenses | \$ 250,000 |
| Accounting fees and expenses | \$ 150,000 |
| Miscellaneous | \$ 25,000 |
| Total | <u><u>\$496,479.97</u></u> |

ENFORCEABILITY OF CIVIL LIABILITY

THIL is a Cayman Islands holding company that conducts its operations in mainland China through wholly owned subsidiaries. A majority of THIL's assets, its entire management team and three of its directors are based in mainland China, and one of its directors is based in Hong Kong. Service of process upon THIL, its officers and these directors may be difficult to obtain within the U.S. and any judgment obtained in the U.S. against THIL and these individuals may not be collectible within the U.S. See "Risk Factors — Risks Related to Doing Business in China — You may experience difficulties or incur additional costs in effecting service of legal process, enforcing judgments or bringing actions against us or certain of our officers and directors."

THIL has irrevocably appointed Cogency Global Inc. as its agent to receive service of process in any action against THIL in any U.S. federal or state court arising out of the offering. The address of THIL's agent is 122 East 42nd Street, 18th Floor, New York, NY 10168.

THIL has been advised by its Cayman Islands legal counsel that the courts of the Cayman Islands are unlikely (i) to recognize or enforce judgments of courts of the United States predicated upon the civil liability provisions of the federal securities laws of the United States or any state; and (ii) in original actions brought in the Cayman Islands, to impose liabilities predicated upon the civil liability provisions of the federal securities laws of the United States or any state, so far as the liabilities imposed by those provisions are penal in nature. Although there is no statutory enforcement in the Cayman Islands of judgments obtained in the United States, the courts of the Cayman Islands will recognize and enforce a foreign money judgment of a foreign court of competent jurisdiction without retrial on the merits based on the principle that a judgment of a competent foreign court imposes upon the judgment debtor an obligation to pay the sum for which judgment has been given provided certain conditions are met. For a foreign judgment to be enforced in the Cayman Islands, such judgment must be final and conclusive and for a liquidated sum, and must not be in respect of taxes or a fine or penalty, inconsistent with a Cayman Islands judgment in respect of the same matter, impeachable on the grounds of fraud or obtained in a manner, and or be of a kind the enforcement of which is contrary to natural justice or the public policy of the Cayman Islands.

In addition, THIL has been advised by its PRC legal counsel, Han Kun Law Offices, according to its interpretation of the currently in-effect PRC laws and regulations, that the recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedures Law. PRC courts may recognize and enforce foreign judgments in accordance with the requirements, public policy considerations and conditions set forth in applicable provisions of PRC laws relating to the enforcement of civil liability, including the PRC Civil Procedures Law, based either on treaties between the PRC and the country where the judgment is made or on principles of reciprocity between jurisdictions. In addition, according to the PRC Civil Procedures Law, a PRC court will not enforce a foreign judgment against us or our directors and officers if they decide that the judgment violates the basic principles of PRC law or national sovereignty, security or public interest. As a result, it is uncertain whether and on what basis a PRC court would enforce a judgment rendered by a court in the U.S. based upon the civil liability provisions of the U.S. federal securities laws. Further, pursuant to the Civil Procedures Law of the PRC, any matter, including matters arising under U.S. federal securities laws, in relation to assets or personal relationships may be brought as an original action in mainland China only if the institution of such action satisfies the conditions specified in the Civil Procedures Law of the PRC. As a result of the conditions set forth in the Civil Procedures Law and the discretion that PRC courts have in determining whether the conditions are satisfied and whether to accept the action for adjudication, there remains uncertainty as to whether an investor will be able to bring an original action in a PRC court based on U.S. federal securities laws.

Service of process upon Hong Kong-based entities or individuals may be difficult to obtain within the U.S. There is also uncertainty as to whether the courts of Hong Kong would (i) recognize or enforce judgments of U.S. courts obtained against these Hong Kong-based entities or individuals predicated upon the civil liability provisions of the securities laws of the U.S. or any state in the U.S. or (ii) entertain original actions brought in Hong Kong against these Hong Kong-based entities or individuals predicated upon the securities laws of the U.S. or any state in the U.S. A judgment of a court in the U.S. predicated upon U.S. federal or state securities laws may be enforced in Hong Kong at common law by bringing an action in a Hong Kong court on that judgment for the amount due thereunder and then seeking summary judgment on the strength of the foreign judgment, provided that the foreign judgment, among other things, is (1) for a

debt or a definite sum of money (not being taxes or similar charges to a foreign government taxing authority or a fine or other penalty) and (2) final and conclusive on the merits of the claim, but not otherwise. Such a judgment may not, in any event, be so enforced in Hong Kong if (a) it was obtained by fraud; (b) the proceedings in which the judgment was obtained were opposed to natural justice; (c) its enforcement or recognition would be contrary to the public policy of Hong Kong; (d) the court of the U.S. was not jurisdictionally competent; or (e) the judgment was in conflict with a prior Hong Kong judgment. Hong Kong has no arrangement for the reciprocal enforcement of judgments with the U.S. As a result, there is uncertainty as to the enforceability in Hong Kong, in original actions or in actions for enforcement, of judgments of U.S. courts of civil liabilities predicated solely upon the federal securities laws of the U.S. or the securities laws of any State or territory within the U.S.

LEGAL MATTERS

The legality of the Ordinary Shares offered by this prospectus and certain other Cayman Islands legal matters will be passed upon for THIL by Maples and Calder (Cayman) LLP. The legality of certain legal matters relating to U.S. law will be passed upon for THIL by Kirkland & Ellis LLP. Certain legal matters relating to PRC law will be passed upon for THIL by Han Kun Law Offices.

EXPERTS

The consolidated balance sheets of TH International Limited as of December 31, 2021 and 2020, the related consolidated statements of operations, comprehensive loss, changes in shareholders' equity, and cash flows for the years ended December 31, 2021, 2020 and 2019 have been included herein and in the registration statement in reliance upon the report of KPMG Huazhen LLP, independent registered public accounting firm, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

The office of KPMG Huazhen LLP is located at 25th Floor, Tower II, Plaza 66, 1266 Nanjing West Road, Shanghai, People's Republic of China.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form F-1 of which this prospectus forms a part under the Securities Act that registers the Ordinary Shares and Warrants that may be offered under this prospectus from time to time. The registration statement on Form F-1, including the attached exhibits and schedules, contains additional relevant information about us and our securities. The rules and regulations of the SEC allow us to omit from this prospectus certain information included in the registration statement. For further information about us and the Registered Securities, you should refer to the registration statement and the exhibits and schedules filed with the registration statement. With respect to the statements contained in this prospectus regarding the contents of any agreement or any other document, in each instance, the statement is qualified in all respects by the complete text of the agreement or document, a copy of which has been filed as an exhibit to the registration statement.

We are subject to the informational reporting requirements of the Exchange Act. We file reports and other information with the SEC under the Exchange Act. Our SEC filings are available over the Internet at the SEC's website at <http://www.sec.gov>. Our website address is www.timschina.com. The information on, or that can be accessed through, our website is not part of this prospectus.

We will provide, without charge, to each person, including any beneficial owner, to whom a copy of this prospectus is delivered, upon written or oral request of such person, a copy of any or all of the reports and documents referred to above which have been or may be incorporated by reference into this prospectus. Any statement made in a document incorporated by reference into this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus. You can obtain any of the filings incorporated by reference into this prospectus through us or from the SEC through the SEC's website at <http://www.sec.gov>. You should direct requests for those documents to:

TH International Limited
2501 Central Plaza
227 Huangpi North Road
Shanghai, People's Republic of China, 200003
+86-021-6136-6616

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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
TH International Limited:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of TH International Limited and subsidiaries (the Company) as of December 31, 2021 and 2020, the related consolidated statements of operations, comprehensive loss, changes in shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2021, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020 and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2021, in conformity with U.S. generally accepted accounting principles.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in note 2 to the consolidated financial statements, the Company has suffered recurring losses from operations, had net cash used in operating activities and had an accumulated loss, that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ KPMG Huazhen LLP

We have served as the Company's auditor since 2019.

Shanghai, China
April 29, 2022

TH INTERNATIONAL LIMITED AND SUBSIDIARIES

Consolidated Balance Sheets
(Expressed in Renminbi Yuan)

| | Note | As of December 31 | |
|--|------|-------------------|---------------|
| | | 2021 | 2020 |
| | | RMB | RMB |
| ASSETS | | | |
| Current assets | | | |
| Cash | | 390,837,386 | 174,873,739 |
| Accounts receivable | 3 | 9,817,292 | 7,978,152 |
| Inventories | 4 | 42,479,403 | 11,304,698 |
| Prepaid expenses and other current assets | 5 | 142,838,295 | 56,736,515 |
| Total current assets | | 585,972,376 | 250,893,104 |
| Non-current assets | | | |
| Property and equipment, net | 6 | 554,015,231 | 235,752,655 |
| Intangible assets, net | 7 | 77,593,680 | 61,903,026 |
| Other non-current assets | 8 | 67,311,223 | 31,811,916 |
| Total non-current assets | | 698,920,134 | 329,467,597 |
| Total assets | | 1,284,892,510 | 580,360,701 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Current liabilities | | | |
| Short-term bank borrowings | 9 | 192,055,323 | — |
| Accounts payable | | 60,952,491 | 15,396,770 |
| Contract liabilities | 10 | 14,129,311 | 2,860,704 |
| Amount due to related parties | 22 | 14,073,915 | 7,678,486 |
| Other current liabilities | 13 | 286,078,575 | 102,308,418 |
| Total current liabilities | | 567,289,615 | 128,244,378 |
| Non-current liabilities | | | |
| Long-term bank borrowings | 9 | 11,903,452 | — |
| Convertible notes, at fair value | 14 | 318,466,215 | — |
| Contract liabilities – non-current | 10 | 970,486 | 534,067 |
| Other non-current liabilities | | 46,858,492 | 18,173,219 |
| Other liabilities | | 309,214 | 356,787 |
| Total non-current liabilities | | 378,507,859 | 19,064,073 |
| Total liabilities | | 945,797,474 | 147,308,451 |
| Shareholders' equity | | | |
| Ordinary shares (US\$0.01 par value, 5,000,000 shares authorized, 116,691 shares and 101,500 shares issued and outstanding as of December 31, 2021 and 2020, respectively) | | 7,497 | 6,513 |
| Additional paid-in capital | | 937,315,273 | 644,906,635 |
| Accumulated losses | | (637,528,160) | (255,807,141) |
| Accumulated other comprehensive income | | 35,743,691 | 39,181,361 |
| Total equity attributable to shareholders of the Company | | 335,538,301 | 428,287,368 |
| Non-controlling interests | | 3,556,735 | 4,764,882 |
| Total shareholders' equity | | 339,095,036 | 433,052,250 |
| Commitments and Contingencies | 11 | | |
| Total liabilities and shareholders' equity | | 1,284,892,510 | 580,360,701 |

See Accompanying Notes to Consolidated Financial Statements

TH INTERNATIONAL LIMITED AND SUBSIDIARIES

Consolidated Statements of Operations
(Expressed in Renminbi Yuan)

| | Note | Year ended December 31 | | |
|---|------|------------------------|----------------------|---------------------|
| | | 2021 | 2020 | 2019 |
| | | RMB | RMB | RMB |
| Revenues | | | | |
| Company owned and operated stores | | 617,226,090 | 206,036,187 | 48,081,820 |
| Other revenues (including other revenues from transactions with a related party of RMB428,148, nil and nil for the years ended December 31, 2021, 2020 and 2019, respectively) | | 26,145,859 | 6,048,384 | 9,175,283 |
| Total revenues | 15 | 643,371,949 | 212,084,571 | 57,257,103 |
| Costs and expenses, net | | | | |
| Company owned and operated stores | | | | |
| Food and packaging (including cost of Company owned and operated stores from transactions with a related party of RMB19,521,561, RMB8,864,342 and RMB6,815,762 for the years ended December 31, 2021, 2020 and 2019, respectively) | | 207,947,581 | 74,401,872 | 21,598,486 |
| Rental expenses | | 148,152,234 | 54,719,146 | 18,766,599 |
| Payroll and employee benefits | | 199,329,992 | 50,314,270 | 20,695,652 |
| Delivery costs | | 38,604,864 | 12,232,737 | 774,239 |
| Other operating expenses | | 161,783,398 | 52,063,335 | 14,778,589 |
| Company owned and operated store costs and expenses | | | | |
| | | 755,818,069 | 243,731,360 | 76,613,565 |
| Costs of other revenues | | 16,731,187 | 5,207,632 | 7,842,171 |
| Marketing expenses | | 50,316,856 | 16,986,023 | 8,020,373 |
| General and administrative expenses (including general and administrative expenses from transactions with a related party of nil, RMB160,532 and RMB443,260 for the years ended December 31, 2021, 2020 and 2019, respectively) | | 174,962,876 | 79,366,314 | 51,066,593 |
| Franchise and royalty expenses (including franchise and royalty expenses from transactions with a related party of RMB15,576,324, RMB5,147,252 and RMB1,209,660 for the years ended December 31, 2021, 2020 and 2019, respectively) | | 18,800,024 | 8,591,902 | 4,726,773 |
| Other operating costs and expenses | | 2,134,905 | 2,712,522 | 439,452 |
| Loss on disposal of property and equipment | | 1,546,122 | — | — |
| Impairment losses of long-lived assets | | 1,001,880 | — | — |
| Other income | 16 | 3,475,871 | 3,338,788 | 195,717 |
| Total costs and expenses, net | | 1,017,836,048 | 353,256,965 | 148,513,210 |
| Operating loss | | (374,464,099) | (141,172,394) | (91,256,107) |
| Interest income | | 315,550 | 511,389 | 2,271,637 |
| Interest expenses | | (1,901,653) | — | — |
| Foreign currency transaction (loss)/gain | | (1,301,963) | (2,399,162) | 1,155,826 |
| Changes in fair value of convertible notes, excluding impact of instrument-specific credit risk | 21 | (5,577,001) | — | — |
| Loss before income taxes | | (382,929,166) | (143,060,167) | (87,828,644) |
| Income tax expenses | 18 | — | — | — |
| Net loss | | (382,929,166) | (143,060,167) | (87,828,644) |
| Less: Net Loss attributable to non-controlling interests | | (1,208,147) | (1,060,660) | (174,458) |
| Net Loss attributable to shareholders of the Company | | (381,721,019) | (141,999,507) | (87,654,186) |
| Basic and diluted loss Per Ordinary Share | 20 | (3,340) | (1,416) | (877) |

See Accompanying Notes to Consolidated Financial Statements

TH INTERNATIONAL LIMITED AND SUBSIDIARIES

Consolidated Statements of Comprehensive Loss
(Expressed in Renminbi Yuan)

| | Year ended December 31, | | |
|---|-------------------------|----------------------|---------------------|
| | 2021 | 2020 | 2019 |
| | RMB | RMB | RMB |
| Net loss | (382,929,166) | (143,060,167) | (87,828,644) |
| Other comprehensive (loss) / income | | | |
| Fair value changes of convertible notes due to instrument-specific credit risk, net of nil income taxes | (548,029) | — | — |
| Foreign currency translation adjustment, net of nil income taxes | (2,889,641) | 2,788,426 | 19,068,426 |
| Total comprehensive loss | (386,366,836) | (140,271,741) | (68,760,218) |
| Less: Comprehensive loss attributable to non-controlling interests | (1,208,147) | (1,060,660) | (174,458) |
| Comprehensive loss attributable to shareholders of the Company | <u>(385,158,689)</u> | <u>(139,211,081)</u> | <u>(68,585,760)</u> |

See Accompanying Notes to Consolidated Financial Statements

TH INTERNATIONAL LIMITED AND SUBSIDIARIES

Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Renminbi Yuan)

| | Note | Ordinary shares | | Additional paid-in capital | Subscription receivables | Accumulated losses | Accumulated other comprehensive income | Total equity attributable to shareholders of the Company | Non-controlling interests | Total shareholders' equity |
|--|------|------------------|--------------|----------------------------|--------------------------|----------------------|--|--|---------------------------|----------------------------|
| | | Number of shares | Amount | | | | | | | |
| | | RMB | RMB | | | | | | | |
| Balance at January 1, 2019 | | 100,000 | 6,412 | 636,537,437 | (384,726,000) | (26,153,448) | 17,324,509 | 242,988,910 | — | 242,988,910 |
| Net loss | | — | — | — | — | (87,654,186) | — | (87,654,186) | (174,458) | (87,828,644) |
| Foreign currency translation adjustment | | — | — | — | — | — | 19,068,426 | 19,068,426 | — | 19,068,426 |
| Contribution by a subsidiary's non-controlling shareholder | | — | — | — | — | — | — | — | 6,000,000 | 6,000,000 |
| Settlement of subscription receivable | 19 | — | — | — | 192,363,000 | — | — | 192,363,000 | — | 192,363,000 |
| Balance at December 31, 2019 | | 100,000 | 6,412 | 636,537,437 | (192,363,000) | (113,807,634) | 36,392,935 | 366,766,150 | 5,825,542 | 372,591,692 |
| Net loss | | — | — | — | — | (141,999,507) | — | (141,999,507) | (1,060,660) | (143,060,167) |
| Foreign currency translation adjustment | | — | — | — | — | — | 2,788,426 | 2,788,426 | — | 2,788,426 |
| Issuance of shares | 19 | 1,500 | 101 | 10,089,000 | — | — | — | 10,089,101 | — | 10,089,101 |
| Settlement of subscription receivable | 19 | — | — | (1,719,802) | 192,363,000 | — | — | 190,643,198 | — | 190,643,198 |
| Balance at December 31, 2020 | | 101,500 | 6,513 | 644,906,635 | — | (255,807,141) | 39,181,361 | 428,287,368 | 4,764,882 | 433,052,250 |
| Net loss | | — | — | — | — | (381,721,019) | — | (381,721,019) | (1,208,147) | (382,929,166) |
| Fair value changes of convertible notes due to instrument-specific credit risk | | — | — | — | — | — | (548,029) | (548,029) | — | (548,029) |
| Foreign currency translation adjustment | | — | — | — | — | — | (2,889,641) | (2,889,641) | — | (2,889,641) |
| Issuance of shares | 19 | 15,191 | 984 | 292,408,638 | — | — | — | 292,409,622 | — | 292,409,622 |
| Balance at December 31, 2021 | | <u>116,691</u> | <u>7,497</u> | <u>937,315,273</u> | <u>—</u> | <u>(637,528,160)</u> | <u>35,743,691</u> | <u>335,538,301</u> | <u>3,556,735</u> | <u>339,095,036</u> |

See Accompanying Notes to Consolidated Financial Statements

TH INTERNATIONAL LIMITED AND SUBSIDIARIES

Consolidated Statements of Cash Flows
(Expressed in Renminbi Yuan)

| | Year ended December 31, | | |
|---|-------------------------|----------------------|---------------------|
| | 2021 | 2020 | 2019 |
| | RMB | RMB | RMB |
| Cash flow from operating activities: | | | |
| Net loss | (382,929,166) | (143,060,167) | (87,828,644) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | | |
| Depreciation and amortization | 74,276,142 | 27,838,383 | 8,700,124 |
| Loss on disposal of property and equipment | 1,546,122 | — | — |
| Impairment losses of long-lived assets | 1,001,880 | — | — |
| Unrealized foreign currency transaction (loss)/gain | 827,068 | 2,399,162 | (1,155,826) |
| Changes in fair value of convertible notes, excluding impact of instrument-specific credit risk | 5,577,001 | — | — |
| Changes in operating assets and liabilities: | | | |
| Accounts receivable | (1,839,140) | (4,804,658) | (3,173,494) |
| Inventories | (31,174,705) | (5,570,406) | (5,734,292) |
| Prepaid expenses and other current assets | (36,203,430) | (36,698,790) | (17,331,777) |
| Other non-current assets | (35,499,307) | (22,108,155) | (8,130,865) |
| Accounts payable | 45,555,721 | 7,709,469 | 7,687,301 |
| Amounts due to related parties | 4,083,764 | 2,883,159 | 1,170,773 |
| Contract liabilities | 11,705,026 | (657,361) | 4,052,132 |
| Other current liabilities | 69,469,317 | 13,565,385 | 19,243,508 |
| Other non-current liabilities | 28,685,273 | 12,877,600 | 4,877,165 |
| Other liabilities | (47,573) | (146,454) | 503,241 |
| Net cash used in operating activities | <u>(244,966,007)</u> | <u>(145,772,833)</u> | <u>(77,120,654)</u> |
| Cash flows from investing activities: | | | |
| Purchase of property and equipment and intangible assets | (335,318,355) | (144,747,183) | (56,094,906) |
| Proceeds from disposal of property and equipment | 41,000 | — | — |
| Net cash used in investing activities | <u>(335,277,355)</u> | <u>(144,747,183)</u> | <u>(56,094,906)</u> |

See Accompanying Notes to Consolidated Financial Statements

TH INTERNATIONAL LIMITED AND SUBSIDIARIES

Consolidated Statements of Cash Flows
(Expressed in Renminbi Yuan)

| | Year ended December 31, | | |
|--|-------------------------|--------------|-------------|
| | 2021 | 2020 | 2019 |
| | RMB | RMB | RMB |
| Cash flows from financing activities: | | | |
| Proceeds from convertible notes | 312,092,172 | — | — |
| Proceeds from short-term bank borrowings | 194,259,323 | — | — |
| Repayment of short-term bank borrowings | (5,300,000) | — | — |
| Proceeds from long-term bank borrowings | 14,999,452 | — | — |
| Contribution from a subsidiary's non-controlling shareholder | — | — | 6,000,000 |
| Proceeds from issuance of ordinary shares | 291,393,000 | 222,844,800 | 206,802,000 |
| Payment for issuance costs of ordinary shares | (136,000) | (1,719,802) | — |
| Payment of offering costs | (9,310,208) | — | — |
| Net cash provided by financing activities | 797,997,739 | 221,124,998 | 212,802,000 |
| Effect of foreign currency exchange rate changes on cash | (1,790,730) | (16,173,085) | 4,729,108 |
| Net increase / (decrease) in cash | 215,963,647 | (85,568,103) | 84,315,548 |
| Cash at beginning of year | 174,873,739 | 260,441,842 | 176,126,294 |
| Cash at end of year | 390,837,386 | 174,873,739 | 260,441,842 |
| Supplemental disclosure of cash flow information: | | | |
| Interest expenses paid | 1,481,293 | — | — |
| Supplemental disclosure of non-cash investing and financing activities: | | | |
| Payable for acquisition of property and equipment | 172,981,034 | 67,893,359 | 31,104,761 |
| Accrued offering costs | 9,164,827 | — | — |

See Accompanying Notes to Consolidated Financial Statements

TH INTERNATIONAL LIMITED AND SUBSIDIARIES**Notes to Consolidated Financial Statements
(Expressed in Renminbi Yuan)****1 Description of Business**

TH International Limited was incorporated in Cayman Islands in April 2018. Pursuant to a master development agreement between TH Hong Kong International limited (“THHK”), a subsidiary of TH International Limited, and Tim Hortons Restaurants International GmbH (“THRI”), effective from June 11, 2018, with initial contractual term of 20 years and THHK has the option to extend the initial term for 10 years, subject to achieving certain agreed-upon milestones of cumulative store opening target by the end of development year 10 and the end of development year 20, TH International Limited together with its subsidiaries (“the Company”) owns the exclusive franchise right authorized by THRI, and is authorized to develop and operate stores branded “Tim Hortons” throughout the People’s Republic of China (“PRC”), including Hong Kong and Macau. The master development agreement also sets out terms related to development obligations, services and related obligations, fees, system standards and manuals, insurance obligations, relationship of the parties and indemnification, inspections and assignments, termination, rights and obligations upon termination or expiration, and other general provisions. On August 13, 2021, the master development agreement was amended and restated to set out new terms related to (1) conditions at which the Company is allowed to incur indebtedness and usage of such proceeds; (2) THRI’s right to nominate one individual to the board of directors of TH International Limited; (3) THRI’s right to designate an observer to attend all meetings of the Company’s board of directors or any committee of the board of directors.

The first Tim Hortons store in Mainland China opened in February 2019. As of December 31, 2021, there were 390 Tim Hortons stores in China, including 373 Company owned and operated stores and 17 franchised stores. For the 373 Company owned and operated stores, 164 stores are in Shanghai, 58 stores in Beijing, 32 stores in Hangzhou, 17 stores in Chengdu, 16 stores in Guangzhou, 16 stores in Nanjing and other 70 stores in Chongqing, Shenzhen, Xiamen, Dalian, etc.

2 Summary of Significant Accounting Policies***Basis of Preparation and Principles of Consolidation***

The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP) and include the financial statements of TH International Limited and its subsidiaries. All intercompany balances and transactions have been eliminated on consolidation. For consolidated subsidiary where the ownership in the subsidiary is less than 100%, the equity interest not held by the Company is shown as non-controlling interests.

These consolidated financial statements have been prepared in accordance with U.S. GAAP assuming the Company will continue as a going concern. The going concern assumption contemplates the realization of assets and satisfaction of liabilities in the normal course of business. However, substantial doubt about the Company’s ability to continue as a going concern exists.

The Company has incurred losses since its inception. The Company incurred net losses of RMB88 million, RMB143 million and RMB383 million for the years ended December 31, 2019, 2020 and 2021, respectively. For the year ended December 31, 2021, the Company had net operating cash outflow of RMB245 million. As of December 31, 2021, the Company’s accumulated losses were RMB638 million.

Historically, the Company had relied principally on proceeds from issuance of ordinary shares and convertible notes, and bank borrowings to finance its operations and business expansion. The Company will require additional liquidity to continue its operations over the next 12 months. The Company has evaluated plans to continue as a going concern which include: a) a financial plan to raise external financing which includes completion of the merger with Silver Crest Acquisition Corporation in conjunction with the equity financings relating to that merger, obtaining additional loan facilities from banks and renewal of existing bank borrowings when they are due, obtaining financial support from shareholders, and issuance of ordinary shares or convertible notes to new investors, though there is no assurance that the Company will

TH INTERNATIONAL LIMITED AND SUBSIDIARIES**Notes to Consolidated Financial Statements
(Expressed in Renminbi Yuan)****2 Summary of Significant Accounting Policies (continued)**

be successful in obtaining such additional liquidity on terms acceptable to the Company, if at all; or failing that, b) a business plan to slow down the pace of the Company's store network expansion, reduce various discretionary expenditures and optimize operational efficiency to improve the Company's cash flow from operations. The feasibility of such plan is contingent upon many factors out of the control of the Company, including the severity of the impact of the COVID-19 pandemic on the Chinese economy and the Company's business operations which is highly uncertain and difficult to predict.

The consolidated financial statements do not include any adjustments to the carrying amounts and classification of assets, liabilities, and reported expenses that may be necessary if the Company were unable to continue as a going concern.

Fiscal Calendar

The Company's fiscal year is from January 1 to December 31.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the recoverability of deferred tax assets, fair values of share-based compensation and convertible notes.

Foreign Currency Transaction and Translation

The Company's reporting currency is Chinese Renminbi Yuan ("RMB"). The functional currency of TH International Limited and its wholly-owned subsidiary incorporated at Hong Kong (THHK) is United States Dollars ("US\$"). The functional currency of the Company's PRC subsidiaries is RMB.

Transactions denominated in currencies other than the functional currency are remeasured into the functional currency at the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are remeasured into the functional currency using the applicable exchange rate at the balance sheet date. The resulted exchange differences are recorded in foreign currency transaction gain or loss in the Consolidated Statements of Operations.

The financial statements of TH International Limited and THHK are translated from US\$ into RMB. Assets and liabilities are translated into RMB using the applicable exchange rates at the balance sheet date. Equity accounts other than deficits generated in the current period are translated into RMB using the appropriate historical rates. Revenues, expenses, gains and losses are translated into RMB using the average exchange rates for the relevant period. The resulted foreign currency translation adjustments are recorded as a component of other comprehensive income / (loss) in the Consolidated Statements of Comprehensive Loss, and the accumulated foreign currency translation adjustments are recorded as a component of accumulated other comprehensive income in the Consolidated Balance Sheets.

TH INTERNATIONAL LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements
(Expressed in Renminbi Yuan)

2 Summary of Significant Accounting Policies (continued)

Cash

The Company's cash consist of cash on hand and cash held in banks. Cash are deposited in financial institutions at below locations:

| | December 31, 2021 | December 31, 2020 |
|---|--------------------|--------------------|
| Cash on hand | 132,127 | — |
| Cash balances include deposits in: | | |
| Financial institutions in the mainland of the PRC | | |
| – Denominated in RMB | 30,060,065 | 46,198,989 |
| – Denominated in USD | 45,514,330 | 65,612,421 |
| Total cash balances held at mainland PRC financial institutions | 75,574,395 | 111,811,410 |
| Financial institutions in Hong Kong Special Administrative Region (“HK S.A.R.”) | | |
| – Denominated in USD | 1,827,905 | 54,797,625 |
| – Denominated in HKD | — | 119 |
| Total cash balances held at HK S.A.R. financial institutions | 1,827,905 | 54,797,744 |
| Financial institutions in Cayman Islands | | |
| – Denominated in USD | 313,302,959 | 8,264,585 |
| Total cash balances held at Cayman financial institutions | 313,302,959 | 8,264,585 |
| Total cash balances held at financial institutions | 390,705,259 | 174,873,739 |
| Total cash balances | 390,837,386 | 174,873,739 |

Revenue Recognition

The Company adopted Accounting Standards Codification (“ASC”) 606, *Revenue from Contracts with Customers*, since its incorporation. The Company's revenues are generated from sales of food and beverage products by Company owned and operated stores, franchise fees, revenues from other franchise support activities and revenue from e-commerce sales.

Sales of food and beverage products by Company owned and operated stores

The Company generates majority of its revenue from sales of food and beverage products to customers by Company owned and operated stores. The revenue amounts exclude sales-related taxes.

For customers that visit the Company's stores, sales revenue is recognized when customers take possession of the products and tender payment, which is when the Company's obligation to perform is satisfied.

The Company also offers its customers the food and beverage products through third-party aggregators' platforms. When orders are completed by the stores and control of the food and beverage products is transferred to the delivery staff of third-party aggregators, which control and determine the price for the delivery service, the Company recognizes revenue, excluding delivery fees.

Franchise fees

Franchise fees primarily include upfront franchise fees, continuing fees and revenue from advertising services.

TH INTERNATIONAL LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements
(Expressed in Renminbi Yuan)**2 Summary of Significant Accounting Policies (continued)**

The Company grants franchise rights to sub-franchisees in exchange for upfront franchise fees and continuing fees. The Company recognizes upfront franchise fees received from a sub-franchisee as revenue over the term of the franchise agreement because the franchise rights are accounted for as rights to access the Company's symbolic intellectual property in accordance with ASC 606. The Company recognizes continuing fees, which are based upon a percentage of sub-franchisee sales, as those sales occur.

For advertising services, the Company often engages third parties to provide services and acts as a principal in the transaction based on its responsibilities of defining the nature of the services and administering and directing all marketing and advertising programs in accordance with the provisions of the Company's franchise agreements. The Company collects advertising contributions, which are generally based on certain percentage of sales from sub-franchisees. Advertising services provided to sub-franchisees are highly interrelated to franchise right, and are not considered individually distinct. The Company recognizes revenue from advertising services when the related sales occur.

Revenues from other franchise support activities

Other franchise support activities mainly consist of sales of kitchen equipment, raw materials for food and beverage products and provision of pre-opening and training services to sub-franchisees. These support activities provide stand-alone benefits to the sub-franchisees which are separate from the franchise right and are considered as distinct performance obligations of the Company. The Company recognizes the corresponding revenue of these sales and services when kitchen equipment or products are delivered to and accepted by the sub-franchisees and over the period of time when services are provided, respectively, at the amount that the Company is entitled to receive in exchange.

Loyalty program

The Company operates a loyalty program that allows registered members to earn points for each qualifying purchase. Points, which generally expire 12 months after being earned, may be redeemed for future purchases of products for free or at a discounted price in Company owned and operated stores. Points cannot be redeemed or exchanged for cash. The Company defers revenue associated with the estimated selling price of the points earned by the loyalty program members, as contract liabilities on the Consolidated Balance Sheets. The Company subsequently recognizes revenue when the points are redeemed or expired. The Company estimates the value of the product for which points are expected to be redeemed and redemption patterns, including an estimate of the breakage for points that members will never redeem. The Company reviews the estimated value of points at least annually based upon the latest available information regarding redemption and expiration patterns.

Revenue from e-commerce sales

Beginning from year 2021, the Company generates revenue from e-commerce sales, that is, sale of packaged coffee, tea and a variety of ready-to-drink beverages and single-serve coffee and tea products to customers through third-party e-commerce platforms. The Group recognizes revenue at point of time when customers obtain physical possession of the products, which occurs upon the delivery of goods.

Accounts receivable

Accounts receivable primarily consist of receivables from sub-franchisees which are recognized and carried at the original invoice amount less an allowance for doubtful accounts. The Company establishes an allowance for doubtful accounts primarily based on the aging of the receivables and factors surrounding the credit risk of specific sub-franchisees. Accounts receivable balances are charged off against the allowance

TH INTERNATIONAL LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements
(Expressed in Renminbi Yuan)**2 Summary of Significant Accounting Policies (continued)**

after all means of collection have been exhausted and the potential for recovery is considered remote. As of December 31, 2021 and 2020, the Company does not have any off-balance-sheet credit exposure relate to its sub-franchisees.

Receivables from Payment Processors and Aggregators

Receivables from payment processors such as WeChat and Alipay and aggregators are amounts due from them for clearing transactions and are included in prepaid expenses and other current assets. The cash was paid by customers through these payment processors and aggregators for food and goods provided by the Company. The Company considers and monitors the credit worthiness of the third-party payment processors and aggregators. An allowance for doubtful accounts is recorded in the period in which a loss is determined to be probable. Receivable balances are written off after all collection efforts have been exhausted and the potential for recovery is considered remote.

Deferred Offering Costs

Deferred offering costs consist of underwriting, legal, accounting and other expenses incurred through the balance sheet date that are directly related to the proposed offering and that would be charged to shareholders' equity upon the completion of the proposed offering. Should the proposed offering prove to be unsuccessful, these deferred offering costs will be charged to the Consolidated Statements of Operations.

Inventories

Inventories are stated at the lower of cost (determined by the first-in, first-out method) and net realizable value. Net realizable value is the estimated selling price of the inventory in the ordinary course of business less reasonably predictable costs of disposal. Adjustments are recorded in the cost of revenues to write down the carrying amount of any obsolete and excess inventory to its estimated net realizable value based on historical and forecasted demand.

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation and impairment, if any. The Company calculates depreciation and amortization on a straight-line basis over the estimated useful lives of the assets as follows: 3 to 15 years for furniture and office equipment, 4 to 12 years for kitchen equipment, 3 to 5 years for capitalized software costs, and shorter of the estimated useful lives and remaining lease term for leasehold improvements. Ordinary maintenance and repairs are charged to expense as incurred, and replacements and betterments are capitalized.

The Company capitalizes items associated with construction but not yet placed into service, as construction in progress (CIP). Items capitalized include fees associated with the design, build out and furnishing of the stores. Store CIP is not amortized or depreciated until the related assets are ready for intended use. Items are placed into service according to their asset category when the store is open for service.

Internal Development Costs

Capitalized internal costs include payroll expenses related to employees fully dedicated to store construction, decoration design and store site acquisition. Capitalized payroll costs are allocated to each new store location based on the actual time spent on each project. The Company commences capitalizing costs related to construction, decoration design and store site acquisition when it becomes probable that the project will be developed — when the site has been identified and the related profitability assessment has been approved.

TH INTERNATIONAL LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements
(Expressed in Renminbi Yuan)**2 Summary of Significant Accounting Policies (continued)*****Intangible Assets***

Intangible assets include the franchise right authorized by THRI and upfront franchise fees requested to pay to THRI upon opening of a new store. The franchise right authorized by THRI is amortized on a straight-line basis over the initial term of 20 years. The upfront franchise fees related to both Company owned and operated stores and franchised stores are capitalized as an intangible asset and amortized on a straight-line basis over the term of each individual franchise agreement, which ranges from 2 to 12 years.

Delivery Costs

Delivery costs are expenses incurred for delivery of food and beverage products sold to customers through third-party aggregator platforms. The Company incurred delivery costs of RMB38,604,864, RMB12,232,737 and RMB774,239 for the years ended December 31, 2021, 2020 and 2019, respectively. Delivery costs are separated from occupancy and other operating expenses during 2021. This reclassification has been retrospectively applied for all the periods presented.

Impairment of Long-Lived Assets

The Company reviews long-lived assets (including property and equipment and intangible assets with definite useful lives) for impairment whenever events or changes in circumstances indicate the carrying value of the asset may not be recoverable. For purposes of reviewing assets for potential impairment, assets are grouped at an individual store level. If an indicator of impairment exists for an individual store, an estimate of undiscounted future cash flows produced by each individual store is compared to its carrying value. If an individual store is determined to be impaired, the loss is measured by the excess of the carrying amount of the store over its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary. The impairment losses were RMB1,001,880, nil and nil for the years ended December 31, 2021, 2020 and 2019, respectively.

Employee Benefits

The Company's subsidiaries in the PRC participate in a government mandated, multi-employer, defined contribution plan, pursuant to which certain retirement, medical, housing and other welfare benefits are provided to employees. PRC labor laws require the entities incorporated in the PRC to pay to the local labor bureau a monthly contribution calculated at a stated contribution rate on the monthly basic compensation of qualified employees. The Company has no further commitments beyond its monthly contribution. Employee social benefits included as expenses in the accompanying consolidated statement of operations amounted to RMB60,189,806, RMB10,441,439 and RMB9,062,037 for the years ended December 31, 2021, 2020 and 2019, respectively.

As a result of COVID-19, the PRC government exempted or reduced certain enterprises' contributions to basic pension insurance, unemployment insurance, and work injury insurance ("certain social insurance"). The Company's PRC subsidiaries were exempted from contributions to certain social insurance during the period of February 2020 through December 2020. The exemption was recognized as a reduction of Company owned and operated store expenses and general administrative expenses in the total amount of RMB10,518,612 for the year ended December 31, 2020.

Share-Based Compensation

Share-based awards granted to the employees and directors in the form of share options and restricted share units are subject to service and performance conditions. They are measured at the grant date fair value of the awards, and are recognized as compensation expense over the service period for the entire award on

TH INTERNATIONAL LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements
(Expressed in Renminbi Yuan)**2 Summary of Significant Accounting Policies (continued)**

a straight-line basis and when performance conditions are probable of being achieved. The Company elects to recognize the effect of forfeitures in compensation costs when they occur. To the extent the required vesting conditions are not met resulting in the forfeiture of the share-based awards, previously recognized compensation expense relating to those awards is reversed.

Asset Retirement Obligations

The Company recognizes an asset and a liability for the fair value of an asset retirement obligation (“ARO”) when such an obligation is incurred. The Company’s AROs are primarily associated with leasehold improvements which, at the end of the lease, the Company is contractually obligated to remove in order to comply with the lease agreement. As such, the Company amortizes the asset on a straight-line basis over the lease term and accrete the liability to its nominal value using the effective interest method over the lease term.

Commitments and Contingencies

In the normal course of business, the Company is subject to loss contingencies, such as legal proceedings and claims arising out of its business, that cover a wide range of matters, including, among others, government investigations, shareholder lawsuits, and non-income tax matters. An accrual for a loss contingency is recognized when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. If a potential material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, is disclosed.

Non-controlling Interests

The Company reports net loss attributable to non-controlling interests separately on the face of the Consolidated Statements of Operations. The portion of equity attributable to non-controlling interests is reported within equity, separately from the Company’s Shareholders’ equity on the Consolidated Balance Sheets.

Leases

The Company records rental expense from operating leases that contain rent holidays or scheduled rent increases on a straight-line basis over the lease term. Contingent rentals are generally based on sales levels in excess of stipulated amounts, and are included in rental expense when attainment of the contingency is considered probable (e.g., when Company sales occur). Rental expenses incurred for company owned and operated stores are separated from occupancy and other operating expenses during 2021. This reclassification has been retrospectively applied for all the periods presented.

Advertising and Promotional Expenses

The Company records advertising and promotional costs in the marketing expenses as incurred. The advertising and promotional costs were RMB50,316,856, RMB16,986,023 and RMB8,020,373 for the years ended December 31, 2021, 2020 and 2019, respectively.

Government Subsidies

Government subsidies primarily consist of financial subsidies received from provincial and local governments for operating a business in their jurisdictions and compliance with specific policies promoted by the local governments. There are no defined rules and regulations to govern the criteria necessary for companies to receive such benefits, and the amount of financial subsidy is determined at the discretion of

TH INTERNATIONAL LIMITED AND SUBSIDIARIES**Notes to Consolidated Financial Statements
(Expressed in Renminbi Yuan)****2 Summary of Significant Accounting Policies (continued)**

the relevant government authorities. Government subsidies are recognized when it is probable that the Company will comply with the conditions attached to them, and the subsidies will be received. A government subsidy related to an asset is deferred and recorded in other liabilities and then recognized as other income ratably over the expected useful life of the related asset in the Consolidated Statement of Operations. A government subsidy that compensates the Company for expenses or losses to be incurred in the future is deferred and recorded in other liabilities and recognized as other income in the periods in which the expenses or losses are recognized. Government grant for the purpose of giving immediate financial support to the Company with no future related costs is recognized as other income in the Consolidated Statement of Operations when the grant becomes receivable.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the year that includes the enactment date. The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the year in which the change in judgment occurs. The Company records interest related to unrecognized tax benefits in interest expenses and penalties in general and administrative expenses.

A valuation allowance to reduce the carrying amount of deferred income tax assets is established when it is more likely than not that the Company will not realize some portion or all of the tax benefit of its deferred income tax assets. The Company evaluates, on a quarterly basis, whether it is more likely than not that its deferred income tax assets are realizable. In performing this analysis, the Company considers all available evidence, both positive and negative, including historical operating results, the estimated timing of future reversals of existing taxable temporary differences, estimated future taxable income exclusive of reversing temporary differences and carryforwards and potential tax planning strategies that may be employed to prevent operating loss or tax credit carryforwards from expiring unused.

Loss Per Share

Basic loss per share represents net loss to shareholders divided by the weighted-average number of ordinary shares outstanding during the year. Diluted loss per share reflects the potential dilution that could occur if securities or other contracts to issue ordinary shares were exercised or converted into ordinary shares.

Operating Segments

The Company's chief operating decision maker has been identified as the chief executive officer, who reviews consolidated results when making decisions about allocating resources and assessing performance of the Company. For the purpose of internal reporting and management's operation review, the Company's chief executive officer does not segregate the Company's business by product or service. Management has determined that the Company has one operating segment, which is Tim Hortons brand segment.

Fair Value Measurements

The Company applies ASC 820, *Fair Value measurements and Disclosures*, for fair value measurements of financial assets and financial liabilities and for fair value measurements of non-financial items that are

TH INTERNATIONAL LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements
(Expressed in Renminbi Yuan)**2 Summary of Significant Accounting Policies (continued)**

recognized or disclosed at fair value in the financial statements on a recurring and non-recurring basis. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and it considers assumptions that market participants would use when pricing the asset or liability. ASC 820 also establishes a framework for measuring fair value and expands disclosures about fair value measurements.

ASC 820 establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 establishes three levels of inputs that may be used to measure fair value.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level I that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety. In situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects management's own judgments about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by management based on the best information available in the circumstances.

The Company's financial instruments primarily include cash, accounts receivable, prepaid expenses and other current assets, short-term bank borrowings and long-term bank borrowings, accounts payable, amount due to related parties, other current liabilities and convertible notes. The long-term bank borrowings approximate their fair values, because these borrowings carry interest rates which approximate rates currently offered by the Company's bankers for similar debt instruments of comparable maturities. The Company's convertible notes were measured at fair value using unobservable inputs and categorized in Level 3 of the fair value hierarchy. As of December 31, 2021 and 2020, the carrying amounts of other financial instruments approximate their fair value due to their short-term nature.

Statutory Reserve

In accordance with the PRC Company Laws, the paid-in capitals of the PRC subsidiaries are not allowed to be transferred to the Company by way of cash dividends, loans or advances, nor can they be distributed except for liquidation.

In addition, in accordance with the PRC Company Laws, the PRC subsidiaries must make appropriations from their after-tax profits as determined under the generally accepted accounting principles in the PRC ("PRC GAAP") to non-distributable reserve funds including statutory surplus fund and discretionary surplus fund. The appropriation to the statutory surplus fund must be 10% of the after-tax profits as determined under PRC GAAP. Appropriation is not required if the statutory surplus fund has reached 50% of the registered capital of the PRC companies. Appropriation to the discretionary surplus fund is made at the discretion of the PRC companies. The statutory surplus fund and discretionary surplus fund

TH INTERNATIONAL LIMITED AND SUBSIDIARIES

**Notes to Consolidated Financial Statements
(Expressed in Renminbi Yuan)**

2 Summary of Significant Accounting Policies (continued)

are restricted for use. They may only be applied to offset losses or increase the registered capital of the respective companies. These reserves are not allowed to be transferred to the Company by way of cash dividends, loans or advances, nor can they be distributed except for liquidation. As of December 31, 2021 and 2020, there was no statutory surplus fund and discretionary surplus fund by the Company's PRC subsidiaries, as these PRC companies were in accumulated losses as determined under PRC GAAP.

As of December 31, 2021, the Company's restricted net assets were the paid-in capitals of the PRC subsidiaries, that is in the amount of RMB789,217,070.

Reclassification

The prior years' consolidated statements of operations have been reclassified to conform to the current consolidated financial statement presentation. Delivery costs, rental expenses and other operating expenses was reclassified from occupancy and other operating expenses. The reclassification had no effect on consolidated balance sheets, consolidated statements of comprehensive loss, changes in shareholders' equity, and cash flows as previously reported.

Recently Adopted Accounting Standards

In August 2018, the FASB issued Accounting Standards Update (ASU) 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework — Changes to the Disclosure Requirements for Fair Value Measurement*, which modifies the disclosure requirements on fair value measurements in Topic 820. The ASU removes the requirement to disclose the amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy, including the policy for timing of transfers between levels; the description of valuation processes for Level 3 fair value measurements; and, for non-public entities, the changes in unrealized gains and losses from remeasurement for the period included in earnings for recurring Level 3 fair value measurements held at the end of the reporting period. The amendments in ASU 2018-13 are effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The Company adopted ASU 2018-13 as of January 1, 2020 and the adoption did not have a material effect on the Company's consolidated financial statements.

In June 2018, the FASB issued ASU 2018-07, *Compensation — Stock Compensation (Topic 718): Improvements to Non-employee Share-Based Payment Accounting*, which expands the scope of Topic 718 to include non-employee share-based payment transactions. Under the guidance in ASU 2018-07, non-employee share-based payment awards are accounted for in the same manner as employee awards, except for attribution and certain option valuation exceptions. The Company adopted ASU 2018-07 as of January 1, 2020. The adoption of this ASU did not have a material effect on the Company's consolidated financial statements.

In August 2020, the FASB issued ASU 2020-06, *Debt — Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging — Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*, which simplifies accounting for convertible instruments by removing major separation models required under current GAAP. ASU 2020-06 removes certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception and it also simplifies the diluted earnings per share calculation in certain areas. As a result, ASU 2020-06 is effective for public companies for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. For all other entities, it is effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. The Company has early adopted ASU 2020-06 on January 1, 2021 and applied this standard to convertible notes issued in December 2021. The Company did not have any convertible instruments prior to January 1, 2021.

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Notes to Consolidated Financial Statements
(Expressed in Renminbi Yuan)**2 Summary of Significant Accounting Policies (continued)*****Recently Issued Accounting Standards***

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842) (“ASU 2016-02”), which increases transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. ASU 2016-02 was further amended in June 2020 by ASU 2020-05, *Revenue from Contracts with Customers* (Topic 606) and *Leases* (Topic 842), ASU 2020-05 deferred the effective date of new lease standard. As a result, ASC 842, *Leases*, is effective for public companies for annual reporting periods, and interim periods within those years beginning after December 15, 2018. For all other entities, it is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early adoption is permitted. As the Company is an “emerging growth company” and elects to apply for the new and revised accounting standards at the effective date for a private company, the Company will adopt ASU 2016-02 for the fiscal year ending December 31, 2022. The Company currently plans to elect the modified retrospective transition approach, which allows the Company to record a cumulative-effect adjustment as of the effective date without restating prior periods. Additionally, the Company currently plans to use the package of practical expedients that allows the Company not to reassess: (1) whether any expired or existing contracts are or contain leases, (2) lease classification for any expired or existing leases and (3) initial direct costs for any existing leases. The Company also plans to elect the hindsight practical expedient to determine the reasonably certain lease term for existing leases. The Company expects that this standard will have a material effect on the Consolidated Financial Statements. The Company currently believes the most significant change relate to the recognition of right-of-use (“ROU”) assets and lease liabilities on the Consolidated Balance Sheets for operating leases of the building of the stores and office space. The adoption of the standard is expected to result in recognition of ROU assets and lease liabilities in the range of RMB750 million to RMB850 million on the Consolidated Balance Sheets as of January 1, 2022. The Company does not believe the standard will materially affect the Company’s Consolidated Statements of Operations, except for potential impairment of ROU assets, which could be material.

Recently Issued Accounting Standards (continued)

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments — Credit Losses* (Topic 326), *Measurement of Credit Losses on Financial Instruments* which significantly changes the way entities recognize impairment of many financial assets by requiring immediate recognition of estimated credit losses expected to occur over their remaining life, instead of when incurred. ASU 2016-13 was further amended in November 2019 by ASU 2019-10, *Financial Instruments — Credit Losses* (Topic 326), *Derivatives and Hedging* (Topic 815), and *Leases* (Topic 842). As a result, ASC 326, *Financial Instruments — Credit Losses*, is effective for public companies for annual reporting periods, and interim periods within those years beginning after December 15, 2019. For all other entities, it is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early adoption is permitted. As the Company is an “emerging growth company” and elects to apply for the new and revised accounting standards at the effective date for a private company, the Company will adopt ASU 2016-13 for the fiscal year ending December 31, 2023. The Company is currently evaluating the impact of adopting this new guidance on its consolidated financial statements.

In May 2021, the FASB issued ASU 2021-04, *Earnings Per Share* (Topic 260), *Debt — Modifications and Extinguishments* (Subtopic 470-50), *Compensation — Stock Compensation* (Topic 718), and *Derivatives and Hedging — Contracts in Entity’s Own Equity* (Subtopic 815-40), which clarifies and reduces diversity in an issuer’s accounting for modifications or exchanges of freestanding equity-classified written call options (for example, warrants) that remain equity classified after modification or exchange. The provisions of ASU 2021-04 are effective for annual reporting periods beginning after December 15, 2021, and interim reporting periods within those annual periods, with early adoption permitted. The ASU is applied

TH INTERNATIONAL LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements
(Expressed in Renminbi Yuan)**2 Summary of Significant Accounting Policies (continued)**

prospectively to modifications or exchanges occurring on or after the effective date of the amendments. The Company does not expect the adoption to have a material effect on its consolidated financial statements.

In November 2021, the FASB issued ASU 2021-10, Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance, which requires business entities (except for not-for-profit entities and employee benefit plans) to disclose information about certain government assistance they receive. The Topic 832 disclosure requirements include: (i) the nature of the transactions and the related accounting policy used; (ii) the line items on the balance sheet and income statement that are affected and the amounts applicable to each financial statement line item; and (iii) significant terms and conditions of the transactions. The ASU is effective for the Company for fiscal years beginning after December 15, 2021. The ASU will be applied to government assistance received on or after the effective date. The Company does not expect the adoption to have a material effect on its consolidated financial statements.

Risks and ConcentrationForeign exchange risk

As the Company's principal activities are carried out in PRC, the Company's transactions are mainly denominated in RMB, which is not freely convertible into foreign currencies. All foreign exchange transactions involving RMB must take place through the People's Bank of China or other institutions authorized to buy and sell foreign exchange. The exchange rates adopted for the foreign exchange transactions are the rates of exchange quoted by the People's Bank of China that are determined largely by supply and demand.

The management does not expect that there will be any significant currency risk for the Company during the reporting periods.

Concentration of credit risk

The Company's credit risk primarily arises from cash, prepaid expenses and other current assets and accounts receivable. The bank deposits, including term deposits, with financial institutions in the mainland of the PRC and Hong Kong are insured by the government authorities up to RMB500,000 and HKD500,000, respectively. Total bank deposits are insured by the government authority with amounts up to RMB7,266,814 and RMB5,949,837 as of December 31, 2021 and 2020, respectively.

The Company expects that there is no significant credit risk associated with the cash which are held by reputable financial institutions. The Company believes that it is not exposed to unusual risks as these financial institutions have high credit quality.

The Company has no significant concentrations of credit risk with respect to its prepaid expenses and other current assets.

Accounts receivable are unsecured and are primarily derived from revenue earned from sub-franchisees. The risk with respect to accounts receivable is mitigated by credit evaluations performed on them.

Concentration of operating risk

The Company owns, operates and franchises stores in the PRC, including Hong Kong and Macau under the "Tim Hortons" brand. Such business activities are solely dependent upon its master development agreement with THRI. The Company's failure to comply its master development agreement with THRI would have a material adverse effect on its financial condition, results of operations, and cash flows.

TH INTERNATIONAL LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements
(Expressed in Renminbi Yuan)**3 Accounts Receivable**

Accounts receivable consist of the following:

| | December 31, 2021 | December 31, 2020 |
|---------------------------------------|-------------------|-------------------|
| Accounts receivable | 9,817,292 | 7,978,152 |
| Less: allowance for doubtful accounts | — | — |
| Accounts receivable, net | <u>9,817,292</u> | <u>7,978,152</u> |

4 Inventories

Inventories consist of the following:

| | December 31, 2021 | December 31, 2020 |
|----------------------------------|-------------------|-------------------|
| Food and beverage | 31,858,814 | 10,275,190 |
| Merchandise for e-commerce sales | 6,927,512 | — |
| Others | 3,693,077 | 1,029,508 |
| | <u>42,479,403</u> | <u>11,304,698</u> |

5 Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of the following:

| | December 31, 2021 | December 31, 2020 |
|---|--------------------|-------------------|
| Creditable input VAT | 50,212,274 | 22,795,390 |
| Short-term deposits | 4,161,725 | 5,480,871 |
| Receivables from payment processors and aggregators | 17,701,386 | 8,896,459 |
| Prepaid rental expenses | 26,855,976 | 11,959,627 |
| Prepaid insurance expenses | 859,319 | 340,479 |
| Prepaid marketing expenses | 14,666,752 | 2,961,467 |
| Deferred offering costs | 18,475,035 | — |
| Others | 9,905,828 | 4,302,222 |
| | <u>142,838,295</u> | <u>56,736,515</u> |

6 Property and Equipment, Net

Property and equipment, net, consist of the following:

| | December 31, 2021 | December 31, 2020 |
|--------------------------------|--------------------|--------------------|
| Furniture and office equipment | 44,636,186 | 19,733,409 |
| Kitchen equipment | 151,405,306 | 60,110,595 |
| Software | 30,171,796 | 16,581,285 |
| Leasehold improvements | 408,353,529 | 163,623,522 |
| Construction in progress | 15,747,154 | 4,742,035 |
| Property and equipment, gross | 650,313,971 | 264,790,846 |
| Less: accumulated depreciation | (96,298,740) | (29,038,191) |
| Property and equipment, net | <u>554,015,231</u> | <u>235,752,655</u> |

Depreciation and amortization related to property and equipment was RMB67,512,655, RMB23,702,255 and RMB5,183,011 for the years ended December 31, 2021, 2020 and 2019, respectively.

TH INTERNATIONAL LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements
(Expressed in Renminbi Yuan)**7 Intangible Assets, Net**

Intangible assets, net consist of the following:

| | Weighted-Average Amortization Period (years) | December 31, 2021 | December 31, 2020 |
|--|--|---------------------|--------------------|
| Franchise right – authorized by THRI | 20 | 63,757,000 | 65,249,000 |
| Franchise right – upfront franchise fees | 2 – 12 | 28,156,287 | 4,097,227 |
| Less: accumulated amortization | | <u>(14,319,607)</u> | <u>(7,443,201)</u> |
| Intangible assets, net | | <u>77,593,680</u> | <u>61,903,026</u> |

Amortization of intangible assets was RMB6,763,487, RMB4,136,128 and RMB3,517,113 for the years ended December 31, 2021, 2020 and 2019, respectively.

The estimated future amortization expenses related to the intangible assets are set forth as follows:

| Year ending December 31 | |
|-------------------------|-------------------|
| 2022 | 7,687,799 |
| 2023 | 7,678,257 |
| 2024 | 7,580,373 |
| 2025 | 7,318,148 |
| 2026 | 6,187,348 |
| Thereafter | <u>41,141,755</u> |
| | <u>77,593,680</u> |

8 Other Non-Current Assets

Other non-current assets consist of the following:

| | December 31, 2021 | December 31, 2020 |
|---------------------------|-------------------|-------------------|
| Long-term rental deposits | <u>67,311,223</u> | <u>31,811,916</u> |

9 Bank borrowings

Short-term bank borrowings:

| | December 31, 2021 | December 31, 2020 |
|---|--------------------|-------------------|
| Short-term borrowings under credit facility agreements | 188,959,323 | — |
| Long-term borrowings under credit facility agreements due within one year | <u>3,096,000</u> | — |
| | <u>192,055,323</u> | — |

Long-term bank borrowings:

| | December 31, 2021 | December 31, 2020 |
|---|-------------------|-------------------|
| Borrowings under credit facility agreements | <u>11,903,452</u> | — |

In year 2021, the Company's subsidiaries entered into RMB denominated credit facility agreements with certain commercial banks in the PRC, which allow the Company to draw down borrowings up to RMB320,000,000 for daily operation purposes and RMB50,000,000 for payments associated with design, build out and furnishing of new stores.

TH INTERNATIONAL LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements
(Expressed in Renminbi Yuan)**9 Bank borrowings (continued)**

As of December 31, 2021, the outstanding short-term bank borrowings balance under those credit facility agreements bore interest rates ranging from 3.9% to 4.5% per annum.

As of December 31, 2021, the outstanding long-term bank borrowings balance under those credit facility agreement bore an interest rate of 4.2% per annum.

As of December 31, 2021, the unused credit limits under credit facility agreements were RMB160,741,225.

The aggregate maturities of the above long-term bank borrowings for each year subsequent to December 31, 2021 are summarized as follows:

| | RMB |
|------------|-------------------|
| 2022 | — |
| 2023 | 6,192,000 |
| 2024 | 5,711,452 |
| Thereafter | — |
| | <u>11,903,452</u> |

10 Contract Liabilities

Contract liabilities as of December 31, 2021 and 2020 were as follows:

| | December 31, 2021 | December 31, 2020 |
|--|-------------------|-------------------|
| Deferred revenue related to customer loyalty program | 8,312,436 | 2,507,749 |
| Advance from customers related to coupons and gift cards | 5,208,549 | 241,699 |
| Deferred revenue related to upfront franchise fees | 230,968 | 111,256 |
| Deferred revenue related to marketing services | 377,358 | — |
| | <u>14,129,311</u> | <u>2,860,704</u> |

Contract liabilities — non-current as of December 31, 2021 and 2020 were as follows:

| | December 31, 2021 | December 31, 2020 |
|--|-------------------|-------------------|
| Deferred revenue related to upfront franchise fees | <u>970,486</u> | <u>534,067</u> |

Contract liabilities primarily consist of deferred revenue related to customer loyalty program and advance from customers related to coupons and gift cards. The deferred revenue related to customer loyalty program and advance from customers related to coupons and gift cards are expected to be recognized as revenue in the next 12 months from the balance sheet date.

As of December 31, 2021, the Company had RMB1,201,454 of deferred revenues related to upfront franchise fees which are expected to be recognized as revenues over the remaining contract periods of each individual franchise agreement and of which RMB230,968 is expected to be recognized in the next 12 months, RMB970,486 is expected to be recognized in next 2 to 10 years.

Revenue recognized that was included in the contract liability balance at the beginning of the year amounting to RMB2,860,704 in year 2021.

The Company has elected, as a practical expedient not to disclose the value of remaining performance obligations associated with sales-based royalty promised to sub-franchisees in exchange for franchise right and other related services.

TH INTERNATIONAL LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements
(Expressed in Renminbi Yuan)**11 Commitments and Contingencies**

Pursuant to the master development agreement (see note 1), the Company is required to pay an upfront franchise fee for each Company owned and operated store and franchise store, and a continuing franchise fee for each Company owned and operated store and franchise store, calculated as certain percentage of the store's monthly gross sales, depending on when the store is opened. The upfront franchise fee and continuing franchise fee were RMB24,265,373 and RMB15,576,324 for the year ended December 31, 2021, and RMB4,097,227 and RMB5,147,252 for the year ended December 31, 2020, respectively. The outstanding accrued franchise fee due to THRI were RMB6,863,322 and RMB3,624,554 as of December 31, 2021 and 2020, respectively, which was recorded as amount due to related parties in the Consolidated Balance Sheets.

12 Leases

The Company leases building, office space and motor vehicles, and most leases provide for fixed monthly payment, certain leases also include provisions for contingent rent, determined as a percentage of sales.

Scheduled future minimum lease payments for each of the five years and thereafter for non-cancelable operating leases for existing stores with initial or remaining lease terms in excess of one year as of December 31, 2021 are summarized as follows:

| | Operating lease commitments |
|------------|--------------------------------|
| 2022 | 172,200,445 |
| 2023 | 175,780,318 |
| 2024 | 174,976,803 |
| 2025 | 158,662,679 |
| 2026 | 115,693,173 |
| Thereafter | 255,644,148 |
| | <u>1,052,957,566</u> |

The details of rental expenses for the years ended December 31, 2021, 2020 and 2019 are set forth below:

| | Year ended December 31, 2021 | Year ended December 31, 2020 | Year ended December 31, 2019 |
|------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Minimum | 147,056,229 | 57,592,623 | 19,054,000 |
| Contingent | 8,465,509 | 1,611,354 | 313,048 |
| Rent reduction related to COVID-19 | (192,767) | (3,392,458) | — |
| | <u>155,328,971</u> | <u>55,811,519</u> | <u>19,367,048</u> |

The Company charged store rental expenses of RMB148,152,234, RMB54,719,146 and RMB18,766,599 into rental expenses for the years ended December 31, 2021, 2020 and 2019, respectively. The Company also charged rental expenses of RMB7,176,737, RMB1,092,373 and RMB600,449 into general and administrative expenses for the years ended December 31, 2021, 2020 and 2019, respectively.

As of December 31, 2021 and 2020, accrued operating lease charges of RMB42,972,018 and RMB16,637,471 were classified as other non-current liabilities in the Company's Consolidated Balance Sheet.

The Company was granted RMB192,767, RMB3,392,458 and nil in lease concessions from landlords related to the effects of the COVID-19 pandemic for the years ended December 31, 2021, 2020 and 2019,

TH INTERNATIONAL LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements
(Expressed in Renminbi Yuan)**12 Leases (continued)**

respectively. The lease concessions were primarily in the form of rent reduction over the period of time when the Company's store business was adversely impacted. The Company elected to treat COVID-19-related rent concessions as variable rent. Rent concessions were recognized as an offset to rent expense within occupancy and other operating expenses on the Consolidated Statement of Operations.

13 Other Current Liabilities

Other current liabilities consist of the following:

| | December 31, 2021 | December 31, 2020 |
|---|--------------------|--------------------|
| Accrued payroll and employee-related costs | 47,194,542 | 20,837,807 |
| Payable for acquisition of property and equipment | 172,981,034 | 67,893,359 |
| VAT payable | — | 689,479 |
| Guarantee deposits | 6,620,000 | 2,100,000 |
| Accrued marketing expenses | 10,639,627 | 1,550,777 |
| Sundry taxes payable | 2,329,431 | 1,293,752 |
| Accrued professional service fee | 8,205,320 | 2,158,565 |
| Accrued offering costs | 9,164,827 | — |
| Other accrual expenses | 28,943,794 | 5,784,679 |
| | <u>286,078,575</u> | <u>102,308,418</u> |

14 Convertible notes, at fair value**Convertible Senior Notes due December 10, 2026 issued by the Company**

On December 10, 2021, the Company issued convertible notes due December 10, 2026 ("Maturity Date") in an aggregate principal amount of US\$50,000,000 ("Private Notes") to certain investors at 2% discount, resulting in cash proceeds of US\$49,000,000. The Private Notes bear interest commencing from December 10, 2021, payable semi-annually in arrears on the interest payment dates falling on June 10 and December 10 of each year.

The key terms of Private Notes are summarized as follows:

Interest

For any interest payment period, the Company may, at its option, elect to pay interest on the Private Notes:

- (1) entirely in cash at 7.00% per annum if the Mergers (as defined below in subsequent event) is consummated prior to September 30, 2022, otherwise at 10.00% per annum on or after September 30, 2022;
- (2) entirely by increasing the principal amount of the outstanding Private Notes or by issuing additional Private Notes ("PIK Interest") having an aggregate principal amount equal to the amount of interest then due and owing at 9.00% per annum if the Mergers is consummated prior to September 30, 2022, otherwise at 12% per annum on or after September 30, 2022.

Note Holders' conversion right

At any time from (and including) the earlier of (i) September 30, 2022 and (ii) the date of closing of the Mergers until the Maturity Date, each holder of the Private Notes may, in its sole discretion, convert all

TH INTERNATIONAL LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements
(Expressed in Renminbi Yuan)**14 Convertible notes, at fair value (continued)**

of its Private Notes into a number of fully paid, validly issued and non-assessable ordinary shares of the Company. The initial conversion price is US\$11.50 per share, and subject to changes based on adjustment mechanism provided in the contracts of the Private Notes.

Company's conversion option

If the Mergers occurs, at any time from the later of the date falling 24 months from December 10, 2021 and the effective date of the documents required by authorities, until the Maturity Date, the Company has the right, at its option, to convert all of the Private Notes outstanding at conversion price provided by the contracts of the Private Notes. The initial conversion price is US\$11.50 per share, and subject to changes based on adjustment mechanism provided in the contracts of the Private Notes.

Repurchase

Each holder of a Private Note will have the right, after June 20, 2025, at its election, to require the Company to repurchase all of such holder's Private Notes for a repurchase price at an amount in cash equal to the principal amount of such Private Notes plus accrued and unpaid interest.

Redemption

The Private Notes may be redeemed at the option of the Company in whole, but not in part, at any time before December 10, 2025, for a cash purchase price equal to the redemption price provided in the contract of the Private Notes based on the different scenarios.

Tax redemption

The Private Notes may be redeemed at the option of the Company in whole, but not in part, at a redemption price equal to 102% of the principal amount, plus accrued and unpaid interest, as a result of any change in tax law.

The Company considered the Private Notes were issued at discount. As a result, The Company made a one-time irrevocable policy election at Private Notes' inception to elect the fair value option under ASC 825 and measure Private Notes at fair value. The fair value option election is made on an instrument-by-instrument basis. Subsequently, the component of fair value changes relating to the instrument specific credit risk of the Private Note is recognized in other comprehensive (loss)/income. Fair value changes, other than the impact of instrument specific credit risk is recognized in changes in fair value of financial instruments in the Consolidated Statement of Operations.

Replacement of Private Notes

On December 30, 2021, the Private Notes were replaced by convertible senior notes with no change of terms (the "Notes"). On December 30, 2021, such convertible senior notes have been registered on Singapore Exchange Limited under the security registration number US87251CAA45. The Notes bear interest commencing as of December 10, 2021, payable semi-annually in arrears on the interest payment dates falling on June 10 and December 10 of each year, commencing on June 10, 2022. The Notes mature on December 10, 2026.

The Company assessed that there were no changes in fair value of the replacement by the Notes immediately after the replacement compared to the fair value of Private Notes immediately before the replacement on the replacement date. As a result, the Company determined the replacement is subject to modification accounting in accordance with ASC 470-50.

TH INTERNATIONAL LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements
(Expressed in Renminbi Yuan)**14 Convertible notes, at fair value (continued)**

As of December 31, 2021 and 2020, the balance of convertible notes measured at fair value was summarized as below:

| | December 31, 2021 | December 31, 2020 |
|----------------------------------|--------------------|-------------------|
| Convertible notes, at fair value | <u>318,466,215</u> | <u>—</u> |

As of December 31, 2021, the unpaid principal balance of the Convertible Notes was US\$ 50,000,000 (equivalent to RMB 318,785,000). The difference between the fair value of the Convertible Notes and the unpaid principal balance of the Convertible Notes was US\$ 50,000 (RMB 318,785).

15 Revenue

Revenue consist of the following:

| | Year ended December 31, 2021 | Year ended December 31, 2020 | Year ended December 31, 2019 |
|--|---------------------------------|---------------------------------|---------------------------------|
| Sales of food and beverage products by Company owned and operated stores | 617,226,090 | 206,036,187 | 48,081,820 |
| Franchise fees | 1,923,149 | 794,608 | 426,424 |
| Revenues from other franchise support activities | 9,469,639 | 5,253,776 | 8,748,859 |
| Revenues from e-commerce sales | 14,324,923 | — | — |
| Provision of consumer research service to THRI | 428,148 | — | — |
| Total revenues | <u>643,371,949</u> | <u>212,084,571</u> | <u>57,257,103</u> |

All of the property and equipment of the Company are physically located in the PRC. The geographical location of customers is based on the location at which the customers operate and all of the Company's revenue is derived from operations in the PRC for the years ended December 31, 2021, 2020 and 2019.

16 Other income

Other income consists of the following:

| | Year ended December 31, 2021 | Year ended December 31, 2020 | Year ended December 31, 2019 |
|--------------------|---------------------------------|---------------------------------|---------------------------------|
| Government grants | 3,319,871 | 3,329,009 | 55,949 |
| VAT exemption | — | — | 102,399 |
| Others | 156,000 | 9,779 | 37,369 |
| Total other income | <u>3,475,871</u> | <u>3,338,788</u> | <u>195,717</u> |

17 Share-based Compensation

On March 19, 2019, the Company adopted Share Option Scheme 2019 ("2019 Scheme").

Under the 2019 Scheme, the Board of Directors has approved that 11,111 ordinary shares are reserved and will be issued pursuant to 2019 Scheme. In accordance with 2019 Scheme, for the purposes of administering this Scheme, the Board may divide such 11,111 ordinary shares into fifty million (50,000,000) individual units with each unit being equivalent to 0.00022222 share.

All share options and restricted share units granted to employees or directors (collectively as "Grantees") under the Scheme are not exercisable until the completion of the Company's IPO and are required to render

TH INTERNATIONAL LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements
(Expressed in Renminbi Yuan)

17 Share-based Compensation (continued)

service to the Company in accordance with a stipulated service schedule under which an employee earns an entitlement to vest in 25% of his options or restricted share units granted at the end of the first two years, 25% at the end of the third year, 25% at the end of the fourth year and 25% at the end of the fifth year. Option and restricted share units granted under the 2019 Scheme are valid and effective for 10 years from the grant date.

Prior to the completion of the IPO, the share options and restricted share units granted to the employees and directors shall be forfeited upon the termination of employment of the employee and directors.

(a) Share options

The Company granted 7,194,000 units (1,599 ordinary shares equivalent), 2,093,000 units (465 ordinary shares equivalent) and 19,334,000 units (4,296 ordinary shares equivalent) of share options to Grantees during the years ended December 31, 2021, 2020 and 2019, respectively.

During the year ended December 31, 2021, the Company granted additional 955,643 units (212 ordinary shares equivalent) of share options under the 2019 Scheme with an exercise price of US\$0.60 to the Grantees (“Additional Option”) to settle the accrued bonus of RMB3,769,622 for these employees. The awards cliff vest after three years of service. If employment of the Grantees is terminated (either voluntarily or involuntarily) prior to vesting, a cash payment equal to the cash bonus plus interests at the interest rate of People’s Bank of China for the term commencing on the signing date of Additional Option contract until the cease date is made to the Grantees. Upon vesting of the Additional Option, the cash settlement feature lapses. The award is treated as two separate components: (i) a cash bonus payable in the amount of RMB3,769,622 plus interests, and (ii) 955,643 units of share options with three-year requisite service period.

No options granted are exercisable as of December 31, 2021 and 2020. The following table sets forth the share option activities for the year ended December 31, 2021:

| | Number of units | Weighted average exercise price | Weighted average grant date fair value | Weighted average remaining contractual years | Aggregate intrinsic value |
|--|--------------------|--|---|--|---------------------------------|
| | | US\$ | US\$ | | US\$ |
| Outstanding as of January 1, 2021 | 20,317,000 | 0.21 | 0.12 | 8.41 | 6,488,010 |
| Granted | 8,149,643 | 0.60 | 0.63 | | |
| Forfeited | (434,901) | 0.27 | 0.16 | | |
| Outstanding as of December 31, 2021 | 28,031,742 | 0.32 | 0.27 | 8.01 | 39,155,628 |
| Expected to be vested as of December 31, 2021 | 28,031,742 | 0.32 | 0.27 | 8.01 | 39,155,628 |

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Notes to Consolidated Financial Statements
(Expressed in Renminbi Yuan)

17 Share-based Compensation (continued)

Options granted to Grantees were measured at fair value as of the respective grant dates using the Binomial Option Pricing Model with the following assumptions:

| | 2021 | 2020 | 2019 |
|--|---------------------|---------------------|-----------------|
| Expected volatility | 24.74% – 25.00% | 24.51% – 26.99% | 20.68% – 20.89% |
| Risk-free interest rate (per annum) | 2.47% – 2.53% | 1.01% – 1.12% | 1.75% – 2.46% |
| Exercise multiple | 2.50 – 2.80 | 2.50 – 2.80 | 2.80 |
| Expected dividend yield | 0.00% | 0.00% | 0.00% |
| Expected term (in years) | 10 | 6 | 7 |
| Fair value of underlying unit (4,500 unit = 1 ordinary share) | US\$0.88 – US\$1.49 | US\$0.37 – US\$0.53 | US\$0.27 |

The estimated fair value of the underlying unit at the grant date was estimated by management with the assistance of an independent valuation firm. The income approach involves applying discounted cash flow analysis based on the Company's projected cash flow using management's best estimate as of the valuation dates. Estimating future cash flow requires the Company to analyze projected revenue growth, gross margins, operating expense levels, effective tax rates, capital expenditures, working capital requirements, and discount rates. The Company's projected revenues were based on expected annual growth rates derived from a combination of historical experience and the general trend in this industry. The revenue and cost assumptions used are consistent with the Company's long-term business plan and market conditions in this industry. The Company also has to make complex and subjective judgments regarding its unique business risks, its limited operating history, and future prospects at the time of grant.

The expected volatility was estimated based on the historical volatility of comparable peer public companies with a time horizon close to the expected term of the Company's options. The risk-free interest rate was estimated based on the yield to maturity of U.S. treasury bonds denominated in US\$ for a term consistent with the expected term of the Company's options in effect at the option valuation date. The exercise multiple is estimated as the ratio of fair value of underlying shares over the exercise price as at the time the option is exercised, based on a consideration of empirical studies on the actual exercise behavior of employees. The expected dividend yield is zero as the Company has never declared or paid any cash dividends on its shares, and the Company does not intend to pay dividend before the Company becomes profitable. The expected term is calculated from the grant date to estimated IPO date or the contractual term of the option.

(b) Restricted share units

The Company granted 6,000,000 units (1,333 ordinary shares equivalent) of restricted share units to Grantees during the year ended December 31, 2019. No restricted share units were granted or forfeited during the years ended December 31, 2021 and 2020.

No restricted share units granted are exercisable as of December 31, 2021 and 2020.

TH INTERNATIONAL LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements
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17 Share-based Compensation (continued)

The following table sets forth the restricted share units held by the Company's employees for the year ended December 31, 2021:

| | Number of units | Weighted Average Grant Date Fair Value |
|----------------------------------|------------------|---|
| | | US\$ |
| Unvested as of January 1, 2021 | 6,000,000 | 0.28 |
| Granted | — | |
| Unvested as of December 31, 2021 | <u>6,000,000</u> | 0.28 |

Restricted share units granted to Grantees were measured at fair value as of the grant date using the income approach.

Since the share options and restricted share units have both a service condition and a performance condition on the completion of an IPO of the Company, no compensation expense relating to the share options and restricted share units was recorded for the years ended December 31, 2021, 2020 and 2019, because the IPO is not deemed probable. The Company will recognize compensation expenses relating to share options and restricted share units vested cumulatively upon the completion of the Company's IPO. As of December 31, 2021, the total unrecognized compensation expense associated with share options and restricted share units amounted to RMB60,236,367 of which RMB20,799,553 was based on the degree of service period that had been completed as of December 31, 2021.

(c) Co-investment

On May 1, 2018, the Company entered into share purchase agreements with Chief Executive Officer, Lu Yongchen ("Mr. Lu"), and Chief Marketing Officer, He Bin ("Ms. He") ("Co-Investment"), pursuant to which Mr. Lu and Ms. He were entitled the option to subscribe for 1,000 and 500 ordinary shares of the Company at a consideration of US\$1,000,000 (RMB equivalent 6,726,000) and US\$500,000 (RMB equivalent 3,363,000), respectively. The consideration shall be fully paid up within 30 months commencing from May 1, 2018 and the ordinary shares shall be issued upon the receipt of cash consideration. The Co-Investment was accounted for as grant of share options to the two employees and the related compensation expenses was recognized immediately on the grant date of May 1, 2018, because these two employees can pay up the consideration at any time within 30 months and are not required to provide future services. The fair value of the options granted to Mr. Lu and Ms. He on the grant date was US\$237 per option.

| | Number of shares | Weighted average exercise price | Weighted average remaining contractual years | Aggregate intrinsic value |
|--|---------------------|--|--|---------------------------------|
| | | US\$ | | US\$ |
| Outstanding as of January 1, 2020 | 1,500 | 1,000 | 0.92 | 862,534 |
| Exercised | <u>(1,500)</u> | <u>1,000</u> | | |
| Outstanding as of December 31, 2021 and 2020 | <u>—</u> | <u>—</u> | — | — |

On October 26, 2020, the cash consideration amounted to US\$1,500,000 (equivalent to RMB10,089,000) was fully paid up and the Company issued 1,000 and 500 ordinary shares to L&L Tomorrow Holdings Limited (an entity controlled by Mr. Lu) and Lord Winterfell Limited (an entity controlled by Ms. He), respectively.

TH INTERNATIONAL LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements
(Expressed in Renminbi Yuan)

18 Income Taxes

a) Income Tax

Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to income tax on income or capital gains. Additionally, the Cayman Islands does not impose a withholding tax on payments of dividends to shareholders.

Hong Kong

Under the current Hong Kong Inland Revenue Ordinance, the Company's Hong Kong subsidiary is subject to Hong Kong profits tax at the rate of 16.5% on its taxable income generated from the operations in Hong Kong. The first HK\$2 million of assessable profits earned by a company will be taxed at 8.25% whilst the remaining profits will continue to be taxed at 16.5%. There is an anti-fragmentation measure where each group will have to nominate only one company in the Company to benefit from the progressive rates. Additionally, upon payments of dividends to the shareholders, no Hong Kong withholding tax will be imposed.

No provision for Hong Kong profits tax has been made in the financial statements as the subsidiary in Hong Kong has no assessable profits for the years ended December 31, 2021, 2020 and 2019.

Mainland PRC

The Company's subsidiaries in Mainland PRC are subject to the PRC Corporate Income Tax Law ("CIT Law") and are taxed at the statutory income tax rate of 25%, unless a preferential income tax rate is otherwise stipulated.

The components of loss before income taxes are as follows:

| | Year ended December 31, 2021 | Year ended December 31, 2020 | Year ended December 31, 2019 |
|---------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Mainland PRC | (371,992,927) | (132,554,844) | (82,951,557) |
| Hong Kong S.A.R and overseas entities | (10,936,239) | (10,505,323) | (4,877,087) |
| Total | <u>(382,929,166)</u> | <u>(143,060,167)</u> | <u>(87,828,644)</u> |

For the years ended December 31, 2021, 2020 and 2019, there are no current and deferred income tax expenses recorded in the Company's consolidated financial statements.

Reconciliation of the differences between PRC statutory income tax rate and the Company's effective income tax rate for the years ended December 31, 2021, 2020 and 2019 are as follows:

| | Year ended December 31, 2021 | Year ended December 31, 2020 | Year ended December 31, 2019 |
|--|---------------------------------|---------------------------------|---------------------------------|
| PRC statutory tax rate | (25.0%) | (25.0%) | (25.0%) |
| Effect of tax rate differential for non-PRC entities | 0.7% | 1.8% | 1.4% |
| Effect of non-deductible expenses | 0.3% | 0.8% | 1.2% |
| Change in valuation allowance | <u>24.0%</u> | <u>22.4%</u> | <u>22.4%</u> |
| Actual income tax rate | <u>—</u> | <u>—</u> | <u>—</u> |

TH INTERNATIONAL LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements
(Expressed in Renminbi Yuan)

18 Income Taxes (continued)

b) Deferred income tax assets

| | December 31, 2021 | December 31, 2020 |
|----------------------------------|-------------------|-------------------|
| Operating losses carryforwards | 133,725,956 | 36,613,887 |
| Current contract liabilities | 2,230,190 | 654,751 |
| Non-current contract liabilities | 242,622 | 133,517 |
| Other current liabilities | 12,644,968 | 19,694,841 |
| Property and equipment | 250,470 | — |
| Total gross deferred tax assets | 149,094,206 | 57,096,996 |
| Less: valuation allowances | (149,094,206) | (57,096,996) |
| Net deferred tax assets | — | — |

As of December 31, 2021, the Company had net operating loss carry forwards of approximately RMB534,903,824 attributable to the PRC subsidiaries. Tax losses of the subsidiaries in PRC of RMB17,429,438, RMB46,953,288, RMB82,072,823 and RMB388,448,275 will expire, if unused, by year 2023, 2024, 2025 and 2026, respectively.

A valuation allowance is provided against deferred income tax assets when the Company determines that it is more-likely-than-not that the deferred income tax assets will not be utilized in the foreseeable future. In making such determination, the Company evaluates a variety of factors including the Company's operating history, accumulated deficit, existence of taxable temporary differences and reversal periods.

As of December 31, 2021 and 2020, the valuation allowance of RMB149,094,206 and RMB57,096,996 were related to the deferred income tax assets of the PRC entities which were in loss position. Since these entities have incurred accumulated net operating losses for income tax purposes since their inception, the Company has provided full valuation allowance for the net deferred income tax assets as of December 31, 2021 and 2020.

Changes in valuation allowance are as follows:

| | December 31, 2021 | December 31, 2020 |
|--------------------------------------|-------------------|-------------------|
| Balance at the beginning of the year | 57,096,996 | 25,056,824 |
| Increases in the year | 91,997,210 | 32,040,172 |
| Balance at the end of the year | 149,094,206 | 57,096,996 |

According to the PRC Tax Administration and Collection Law, the statute of limitation is three years if the underpayment of taxes is due to computational errors made by the taxpayer or the withholding agent. The statute of limitation is extended to five years under special circumstances where the underpayment of taxes is more than RMB100 thousand. In the case of transfer pricing issues, the statute of limitation is 10 years. There is no statute of limitation in the case of tax evasion. The income tax returns of the Company's PRC subsidiaries for the years from establishment (i.e., 2018) to 2021 are open to examination by the PRC tax authorities.

19 Shareholders' Equity

On May 28, 2018, the Company issued 10,000 ordinary shares to THRI as consideration to acquire the entire issued capital shares of THHK.

On June 12, 2018, the Company issued 90,000 ordinary shares to Pangaea Two Acquisition Holdings XXIIB, Ltd. for a total cash consideration of US\$90,000,000, which are to be settled in three equal

TH INTERNATIONAL LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements
(Expressed in Renminbi Yuan)**19 Shareholders' Equity (continued)**

installments in June 2018, 2019 and 2020, respectively. As of December 31, 2020, all the three installments in the amount of US\$30,000,000 (RMB equivalent 192,363,000) each, have been received. Issuance cost incurred in connection with the third installment in the amount of RMB1,719,802 was charged against additional paid-in capital.

On October 26, 2020, the Company issued 1,000 and 500 ordinary shares to L&L Tomorrow Holdings Limited (an entity controlled by Mr. Lu Yongchen) and Lord Winterfell Limited (an entity controlled by Chief Marketing Officer, Ms. He Bin), respectively. The cash consideration amounted to US\$1,500,000 (equivalent to RMB10,089,000) was fully paid up.

On February 26, 2021, the Company issued 15,013 ordinary shares to Pangaea Two Acquisition Holdings XXIIB, Ltd. at a cash consideration of US\$45,000,000 (RMB equivalent 291,393,000). On March 1, 2021, the cash consideration has been fully paid up.

On August 11, 2021, the Board of Directors approved issuance of 178 ordinary shares of the Company to L&L Tomorrow Holdings Limited at a price per share of US\$1,000 in lieu of cash bonus to Chief Executive Office, Mr. Lu Yongchen. On August 12, 2021, these shares were issued.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

20 Loss Per Share

Basic and diluted losses per ordinary share for the years ended December 31, 2021, 2020 and 2019 are calculated as follow:

| | Year ended December 31, 2021 | Year ended December 31, 2020 | Year ended December 31, 2019 |
|---|---------------------------------|---------------------------------|---------------------------------|
| Numerator: | | | |
| Net loss attributable to shareholders of the Company | (381,721,019) | (141,999,507) | (87,654,186) |
| Denominator: | | | |
| Weighted average number of ordinary shares | 114,279 | 100,275 | 100,000 |
| Basic and diluted net loss per ordinary share (in RMB) | (3,340) | (1,416) | (877) |

For the years ended December 31, 2021, 2020 and 2019, options granted to purchase 6,229, 4,515 and 4,168 ordinary shares, respectively, and 1,333, 1,333 and 1,333 unvested restricted share units, respectively, granted under 2019 Scheme were excluded from the calculation of diluted net loss per ordinary share as their vesting is contingent upon the satisfaction of a performance condition (i.e. completion of an IPO), which is not considered probable until the event occurs.

For the year ended December 31, 2019, options granted under Co-investment to purchase 1,500 ordinary shares were also excluded from the calculation of diluted net loss per ordinary share as their inclusion would be anti-dilutive.

TH INTERNATIONAL LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements
(Expressed in Renminbi Yuan)

21 Fair Value Measurement

The following table presents the fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2021:

| | As of December 31, 2021 | | | Total Fair Value RMB |
|--------------------|-------------------------|---------|-------------|----------------------------|
| | Level 1 | Level 2 | Level 3 | |
| | RMB | RMB | RMB | |
| Liabilities | | | | |
| Convertible notes | — | — | 318,466,215 | 318,466,215 |

The table below reflects the reconciliation from the opening balances to the closing balances for recurring fair value measurement of the fair value hierarchy for the year ended December 31, 2021:

| | Total Fair Value RMB |
|---|-------------------------|
| Balance as of January 1, 2021 | — |
| Additions | 312,092,172 |
| Changes in fair value of convertible notes, excluding impact of instrument-specific credit risk | 5,577,001 |
| Changes in fair value of convertible notes due to instrument-specific credit risk | 548,029 |
| Foreign currency translation adjustment | 249,013 |
| Balance as of December 31, 2021 | 318,466,215 |

The Company measured the fair value of its convertible notes on a recurring basis using significant unobservable (Level 3) inputs as of December 31, 2021.

The convertible notes were measured at fair value as of December 31, 2021 using the Binomial Option Pricing Model with the following assumptions:

| | 2021 |
|---|--------------|
| Expected volatility | 25.00% |
| Risk-free interest rate (per annum) | 1.10% |
| Expected dividend yield | 0.00% |
| Bond yield | 11.00% |
| Coupon rate | 9.00% |
| Fair value of the underlying ordinary share | US\$6,079.83 |

The estimated fair value of the convertible notes as of December 31, 2021 estimated by management with the assistance of an independent valuation firm. The Binomial Option Pricing Model simulate the equity value movement which provide the calculation basis of the convertible notes fair value.

The expected volatility was estimated based on the historical volatility of comparable peer public companies with a time horizon close to the expected term of the Notes. The risk-free interest rate was estimated based on the yield to maturity of U.S. treasury bonds denominated in US\$ for a term consistent with the expected term of the Notes in effect at the Note's valuation date. The expected dividend yield is zero as the Company has never declared or paid any cash dividends on its shares and the Company does not intend to pay dividend before the Company becomes profitable.

The inputs used in the analysis were classified as Level 3 inputs within the fair value hierarchy due to the lack of observable market data and activity.

TH INTERNATIONAL LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements
(Expressed in Renminbi Yuan)

22 Related Parties

The related parties are summarized as follow:

| | |
|--|---|
| Cartesian Capital Group, LLC | Ultimate controlling party |
| Pangaea Two, LP | Intermediate holding company |
| Pangaea Two Acquisition Holdings XXIIA, Ltd. | Intermediate holding company |
| Pangaea Two Acquisition Holdings XXIIB, Ltd. | Parent company |
| Tim Hortons Restaurants International GmbH | Shareholder of the Company |
| TDL Group Corp | A subsidiary of investor's ultimate holding company |

The material related party transactions are summarized as follows:

| | | Year ended December 31, 2021 | Year ended December 31, 2020 | Year ended December 31, 2019 |
|--|-------|---------------------------------|---------------------------------|---------------------------------|
| Repayment of payments made by Pangaea Two, LP on behalf of the Company | (i) | — | — | 517,080 |
| Continuing franchise fee to THRI | (ii) | 15,576,324 | 5,147,252 | 1,209,660 |
| Upfront franchise fee to THRI | (iii) | 24,265,373 | 4,097,227 | 1,603,020 |
| Purchase of coffee beans from TDL Group Corp | | 28,168,228 | 8,864,342 | 6,815,762 |
| Provision of consumer research service to THRI | | 428,148 | — | — |
| Consulting services provided by THRI | | — | 160,532 | 443,260 |

- (i) Pangaea Two, LP paid certain expenses on behalf of the Company for the year ended December 31, 2018 and the Company fully settled the amount in the year ended December 31, 2019.
- (ii) Pursuant to the master development agreement between the Company and THRI, the Company pays continuing franchise fee based on certain percentage of revenue generated from Company owned and operated stores and such continuing franchise fee was recorded in Franchise and royalty expenses.
- (iii) Pursuant to the master development agreement between the Company and THRI, the Company pays upfront franchise fee for each newly opened store to THRI during the term of the master development contract.

As of December 31, 2021 and 2020, the balances of transactions with related parties are set forth below:

Amount due to related parties:

| | December 31, 2021 | December 31, 2020 |
|--|-------------------|-------------------|
| TDL Group Corp | 7,210,593 | 4,053,932 |
| Tim Hortons Restaurants International GmbH | 6,863,322 | 3,624,554 |
| Amount due to related parties | 14,073,915 | 7,678,486 |

23 Subsequent Events

Management has considered subsequent events through April 29, 2022, which was the date the consolidated financial statements were issued.

TH INTERNATIONAL LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements
(Expressed in Renminbi Yuan)**23 Subsequent Events (continued)****(a) Merger Agreement and subsequent amendments**

On August 13, 2021, the Company entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Miami Swan Ltd, a wholly-owned subsidiary of the Company which is established for merger purpose (“Merger Sub”) and Silver Crest Acquisition Corporation (“SPAC”). Upon the terms and subject to the conditions hereof and in accordance with the Companies Act (as amended) of the Cayman Islands (the “Cayman Companies Law”), at the Closing, Merger Sub will merge with and into SPAC (the “First Merger”), with SPAC surviving the First Merger as a wholly owned subsidiary of the Company. Immediately following the consummation of the First Merger and as part of the same overall transaction, upon the terms and subject to the conditions hereof and in accordance with the Cayman Companies Law, SPAC will merge with and into the Company (the “Second Merger” and together with the First Merger, the “Mergers”), with the Company surviving the Second Merger.

Subject to the terms of the Merger Agreement, at the Closing (the consummation of the Mergers), each ordinary share of SPAC shall be converted automatically into one ordinary share of the Company and each warrant of SPAC shall be converted automatically into a corresponding warrant of the Company exercisable for the Company’s ordinary shares in accordance with its terms.

The proposed transaction is expected to be completed, subject to, satisfaction of the conditions stated in the Merger Agreement and other customary closing conditions.

On March 9, 2022, the Company entered into a series of subsequent amendments to the Merger Agreement and the Voting and Support Agreement, pursuant to which the Company will issue 4,312,500 ordinary shares and 4,450,000 warrants to the Sponsor of the SPAC at the Closing, upon the conversion of the 4,312,500 SPAC class B shares and 4,450,000 private placement warrants held by the Sponsor of the SPAC upon the Closing.

Immediately prior to the effective time of the First Merger, each ordinary share of the Company that is issued shall be subdivided into a number of ordinary shares (“Share Split”). Pursuant to the Merger Agreement, as amended, after the Share Split, the total number of issued and outstanding ordinary shares will be 140,000,000 (including the Company’s existing shareholders’ ordinary shares of 126,555,003, underlying granted option shares and restricted shares of 7,405,464 and as-converted ordinary shares of the convertible bonds of 6,039,533).

(b) Other agreements

On March 8, 2022, the Company entered into Equity Support Agreement with Shaolin Capital Management LLC (“Shaolin Capital”), according to which Shaolin Capital committed to subscribe no more than 5,000,000 ordinary shares by the notification in writing issued by the Company immediately prior to the closing of Mergers, in a private placement for a purchase price of US\$10.00 per share. Pursuant to Equity Support Agreement, the Company is obligated to pay US\$500,000 cash to Shaolin Capital, regardless of consummation or termination of Equity Support Agreement.

On March 9, 2022, the Company entered into Subscription Agreement with certain investors, according to which, these investors agree to subscribe 4,450,000 ordinary shares in total for a purchase price of US\$10.00 per share, contingent on the closing of the Mergers. Pursuant to Subscription Agreement, the Company agrees that it will, substantially concurrently with and contingent upon the closing of Subscription Agreement, issue to three investors, who respectively agrees to invest US\$10,000,000, in total of additional 600,000 ordinary shares and 1,200,000 warrants at nil consideration.

On March 11, 2022, the Company entered into Ordinary Share Purchase Agreement with CF Principal Investments LLC (“CF”), according to which, based on the Company’s notification from time to time, CF

TH INTERNATIONAL LIMITED AND SUBSIDIARIES**Notes to Consolidated Financial Statements
(Expressed in Renminbi Yuan)****23 Subsequent Events (continued)**

will purchase from the Company, up to US\$100,000,000 in aggregate gross purchase price of newly issued ordinary shares during the 36 months counting from the effective date of initial registration statements filed with Securities and Exchange Commission. Pursuant to Ordinary Share Purchase Agreement, the Company shall issue US\$3,000,000 worth of ordinary shares to CF at nil consideration on the closing date of this agreement.

(c) Impact of epidemic prevention measures on the Company's business since March 2022

Beginning in March 2022, the outbreak of the Omicron variant of COVID-19 and the zero-tolerance epidemic prevention measures undertaken in certain cities, including Shanghai, in which the Company operates, have caused significant disruptions to the Company's operations in those cities. These include the temporary closure of certain stores, shortage of production, service and delivery staff, and decreased supply of raw materials and intermediary products. During this period, the Company continued to offer home-delivery services through group purchases and e-commerce sales, which mitigated the impact of the disruptions to some extent. However, the severity of the impact of the COVID-19 pandemic on the Chinese economy and the Company's results of operations, cash flows and financial position is highly uncertain and difficult to predict.

24 Parent Only Financial Information

The following condensed parent company financial information of TH International Limited has been prepared using the same accounting policies as set out in the accompanying consolidated financial information. As of December 31, 2021 and 2020, there were no material contingencies, significant provisions of long-term obligations or guarantees of TH International Limited, except for those, which have been separately disclosed in the consolidated financial information.

TH INTERNATIONAL LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements
(Expressed in Renminbi Yuan)

24 Parent Only Financial Information (continued)

a) Condensed Balance Sheets

| | As of December 31 | |
|--|-------------------|---------------|
| | 2021 | 2020 |
| | RMB | RMB |
| ASSETS | | |
| Current assets | | |
| Cash | 313,302,959 | 8,264,585 |
| Prepaid expenses and other current assets | 18,475,035 | 1,372,519 |
| Amounts due from subsidiaries | 844,195,206 | 568,501,401 |
| Total current assets | 1,175,973,200 | 578,138,505 |
| Non-current assets | | |
| Intangible assets, net | 52,333,871 | 56,821,004 |
| Total non-current assets | 52,333,871 | 56,821,004 |
| Total assets | 1,228,307,071 | 634,959,509 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities | | |
| Amounts due to subsidiaries | 564,973,350 | 206,408,572 |
| Other current liabilities | 9,329,205 | 263,569 |
| Total current liabilities | 574,302,555 | 206,672,141 |
| Non-current liabilities | | |
| Convertible notes, at fair value | 318,466,215 | — |
| Total non-current liabilities | 318,466,215 | — |
| Total liabilities | 892,768,770 | 206,672,141 |
| Shareholders' equity | | |
| Ordinary shares (US\$0.01 par value, 5,000,000 shares authorized, 116,691 shares and 101,500 shares issued and outstanding as of December 31, 2021 and 2020, respectively) | 7,497 | 6,513 |
| Additional paid-in capital | 937,315,273 | 644,906,635 |
| Subscription receivables | — | — |
| Accumulated losses | (637,528,160) | (255,807,141) |
| Accumulated other comprehensive income | 35,743,691 | 39,181,361 |
| Total shareholders' equity | 335,538,301 | 428,287,368 |
| Total liabilities and shareholders' equity | 1,228,307,071 | 634,959,509 |

TH INTERNATIONAL LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements
(Expressed in Renminbi Yuan)

24 Parent Only Financial Information (continued)

b) Condensed Statements of Operations

| | Year ended December 31 | | |
|---|------------------------|----------------------|---------------------|
| | 2021 | 2020 | 2019 |
| | RMB | RMB | RMB |
| General and administrative expenses | 1,976,807 | 6,862,862 | 2,444,602 |
| Franchise and royalty expenses | 3,223,700 | 3,447,050 | 3,447,200 |
| Total costs and expenses | 5,200,507 | 10,309,912 | 5,891,802 |
| Operating loss | (5,200,507) | (10,309,912) | (5,891,802) |
| Equity in loss of subsidiaries | (370,940,089) | (131,640,926) | (82,945,076) |
| Interest income | — | 804 | 1,182,692 |
| Foreign currency transaction loss | (3,422) | (49,473) | — |
| Changes in fair value of convertible notes, excluding impact of instrument-specific credit risk | (5,577,001) | — | — |
| Loss before income taxes | (381,721,019) | (141,999,507) | (87,654,186) |
| Income tax expenses | — | — | — |
| Net loss | <u>(381,721,019)</u> | <u>(141,999,507)</u> | <u>(87,654,186)</u> |

c) Condensed Statements of Comprehensive Loss

| | Year ended December 31 | | |
|---|------------------------|----------------------|---------------------|
| | 2021 | 2020 | 2019 |
| | RMB | RMB | RMB |
| Net loss | (381,721,019) | (141,999,507) | (87,654,186) |
| Other comprehensive (loss) / income | | | |
| Fair value changes of convertible notes due to in instrument-specific credit risk | (548,029) | — | — |
| Foreign currency translation adjustment, net of nil income taxes | (2,889,641) | 2,788,426 | 19,068,426 |
| Total comprehensive loss | <u>(385,158,689)</u> | <u>(139,211,081)</u> | <u>(68,585,760)</u> |

TH INTERNATIONAL LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements
(Expressed in Renminbi Yuan)

24 Parent Only Financial Information (continued)

d) Condensed Statements of Cash Flows

| | Year ended December 31 | | |
|--|------------------------|------------------|--------------------|
| | 2021 | 2020 | 2019 |
| | RMB | RMB | RMB |
| Net cash used in operating activities | (703,479) | (8,690,319) | (2,605,934) |
| Net cash used in investing activities | (294,708,897) | (322,209,625) | (242,266,500) |
| Net cash provided by financing activities | 597,662,648 | 221,124,998 | 206,802,000 |
| Effect of foreign currency exchange rate changes on cash | 2,788,102 | (10,113,157) | 3,209,758 |
| Net increase / (decrease) in cash | 305,038,374 | (119,888,103) | (34,860,676) |
| Cash at beginning of year | 8,264,585 | 128,152,688 | 163,013,364 |
| Cash at end of year | <u>313,302,959</u> | <u>8,264,585</u> | <u>128,152,688</u> |
| Supplemental disclosure of non-cash investing and financing activities: | | | |
| Accrued offering costs paid by subsidiaries of TH International Limited | 3,623,684 | — | — |

TH INTERNATIONAL LIMITED AND SUBSIDIARIES

Unaudited Condensed Consolidated Balance Sheets
(Expressed in Renminbi Yuan)

| | Note | As of June 30, 2022 | As of December 31, 2021 |
|---|------|------------------------|----------------------------|
| | | RMB | RMB |
| ASSETS | | | |
| Current assets | | | |
| Cash | | 285,134,069 | 390,837,386 |
| Accounts receivable | 2 | 7,792,999 | 9,817,292 |
| Inventories | 3 | 55,172,549 | 42,479,403 |
| Prepaid expenses and other current assets | 4 | 155,296,724 | 142,838,295 |
| Total current assets | | <u>503,396,341</u> | <u>585,972,376</u> |
| Non-current assets | | | |
| Property and equipment, net | 5 | 583,340,518 | 554,015,231 |
| Intangible assets, net | 6 | 80,883,046 | 77,593,680 |
| Other non-current assets | 7 | 69,778,697 | 67,311,223 |
| Total non-current assets | | <u>734,002,261</u> | <u>698,920,134</u> |
| Total assets | | <u>1,237,398,602</u> | <u>1,284,892,510</u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Current liabilities | | | |
| Short-term bank borrowings | 8 | 426,578,071 | 192,055,323 |
| Accounts payable | | 52,410,514 | 60,952,491 |
| Contract liabilities | 9 | 17,950,836 | 14,129,311 |
| Amount due to related parties | 18 | 25,611,930 | 14,073,915 |
| Other current liabilities | 12 | 281,069,056 | 286,078,575 |
| Total current liabilities | | <u>803,620,407</u> | <u>567,289,615</u> |
| Non-current liabilities | | | |
| Long-term bank borrowings | 8 | 9,743,452 | 11,903,452 |
| Convertible notes, at fair value | 13 | 355,704,200 | 318,466,215 |
| Contract liabilities – non-current | 9 | 1,247,450 | 970,486 |
| Other non-current liabilities | | 53,918,757 | 46,858,492 |
| Other liabilities | | 285,429 | 309,214 |
| Total non-current liabilities | | <u>420,899,288</u> | <u>378,507,859</u> |
| Total liabilities | | <u>1,224,519,695</u> | <u>945,797,474</u> |
| Shareholders' equity | | | |
| Ordinary shares (US\$0.01 par value, 5,000,000 shares authorized, 116,855 shares and 116,691 shares issued and outstanding as of June 30, 2022 and December 31, 2021, respectively) | | 7,508 | 7,497 |
| Additional paid-in capital | | 947,279,747 | 937,315,273 |
| Accumulated losses | | (961,925,166) | (637,528,160) |
| Accumulated other comprehensive income | | 26,440,358 | 35,743,691 |
| Total equity attributable to shareholders of the Company | | <u>11,802,447</u> | <u>335,538,301</u> |
| Non-controlling interests | | 1,076,460 | 3,556,735 |
| Total shareholders' equity | | <u>12,878,907</u> | <u>339,095,036</u> |
| Commitments and Contingencies | 10 | | |
| Total liabilities and shareholders' equity | | <u>1,237,398,602</u> | <u>1,284,892,510</u> |

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements

TH INTERNATIONAL LIMITED AND SUBSIDIARIES

Unaudited Condensed Consolidated Statements of Operations
(Expressed in Renminbi Yuan)

| | Note | Three months ended June 30, | | Six months ended June 30, | |
|--|------|-----------------------------|--------------|---------------------------|---------------|
| | | 2022 | 2021 | 2022 | 2021 |
| | | RMB | RMB | | |
| Revenues | 14 | | | | |
| Company owned and operated stores | | 164,533,517 | 130,521,641 | 375,578,999 | 229,869,554 |
| Other revenues | | 14,673,375 | 5,295,058 | 28,284,857 | 7,396,527 |
| Total revenues | | 179,206,892 | 135,816,699 | 403,863,856 | 237,266,081 |
| Costs and expenses, net | | | | | |
| Company owned and operated stores | | | | | |
| Food and packaging (including cost of Company owned and operated stores from transactions with a related party of RMB 4,653,176 and RMB4,427,951 for the three months ended June 30, 2022 and 2021, respectively, and RMB10,534,168 and RMB7,360,272 for the six months ended June 30, 2022 and 2021, respectively) | | 58,894,729 | 44,135,662 | 128,465,658 | 76,575,145 |
| Rental expenses | | 48,736,898 | 31,265,543 | 98,014,162 | 58,410,380 |
| Payroll and employee benefits | | 64,367,012 | 36,185,496 | 136,165,843 | 67,897,118 |
| Delivery costs | | 13,274,671 | 7,821,379 | 28,108,849 | 13,454,920 |
| Other operating expenses (including service fee from transactions with a related party of RMB1,801,623 and nil for the three months ended June 30, 2022 and 2021, respectively, and RMB1,901,623 and nil for the six months ended June 30, 2022 and 2021, respectively) | | 54,320,905 | 35,582,291 | 118,994,258 | 57,088,911 |
| Company owned and operated store costs and expenses | | 239,594,215 | 154,990,371 | 509,748,770 | 273,426,474 |
| Costs of other revenues | | 8,212,604 | 2,878,041 | 16,994,459 | 4,641,475 |
| Marketing expenses | | 19,163,087 | 7,057,070 | 31,864,468 | 15,213,101 |
| General and administrative expenses | | 63,011,835 | 38,338,036 | 113,517,875 | 67,040,378 |
| Franchise and royalty expenses (including franchise and royalty expenses from transactions with a related party of RMB 5,617,286 and RMB3,407,914 for the three months ended June 30, 2022 and 2021, respectively, and RMB12,653,983 and RMB5,991,039 for the six months ended June 30, 2022 and 2021, respectively) | | 6,450,199 | 4,932,896 | 14,280,433 | 8,329,084 |
| Other operating costs and expenses | | 2,055,179 | 65,915 | 4,567,830 | 65,915 |
| Loss on disposal of property and equipment | | 1,956,631 | 741,140 | 7,359,776 | 741,140 |
| Impairment losses of long-lived assets | | 3,580,123 | — | 5,472,545 | — |
| Other income | | 381,947 | 24,135 | 595,524 | 37,918 |
| Total costs and expenses, net | | 343,641,926 | 208,979,334 | 703,210,632 | 369,419,649 |
| Operating loss | | (164,435,034) | (73,162,635) | (299,346,776) | (132,153,568) |

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements

TH INTERNATIONAL LIMITED AND SUBSIDIARIES

Unaudited Condensed Consolidated Statements of Operations
(Expressed in Renminbi Yuan)

| | Note | Three months ended June 30, | | Six months ended June 30, | |
|---|------|-----------------------------|--------------|---------------------------|---------------|
| | | 2022 | 2021 | 2022 | 2021 |
| | | RMB | RMB | | |
| Interest income | | 147,879 | 180,936 | 334,343 | 265,514 |
| Interest expenses | | (3,397,885) | — | (6,017,747) | — |
| Foreign currency transaction gain/(loss) | | 464,702 | (3,464,513) | (768,309) | (940,802) |
| Changes in fair value of convertible notes, excluding impact of instrument-specific credit risk | 20 | (8,394,889) | — | (21,078,792) | — |
| Loss before income taxes | | (175,615,227) | (76,446,212) | (326,877,281) | (132,828,856) |
| Income tax expenses | 16 | — | — | — | — |
| Net loss | | (175,615,227) | (76,446,212) | (326,877,281) | (132,828,856) |
| Less: Net (loss)/income attributable to non-controlling interests | | (1,834,547) | 555,097 | (2,480,275) | (446,675) |
| Net loss attributable to shareholders of the Company | | (173,780,680) | (77,001,309) | (324,397,006) | (132,382,181) |
| Basic and diluted loss Per Ordinary Share | 17 | (1,489) | (688) | (2,780) | (1,183) |

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements

TH INTERNATIONAL LIMITED AND SUBSIDIARIES

Unaudited Condensed Consolidated Statements of Comprehensive Loss
(Expressed in Renminbi Yuan)

| | Note | Three months ended June 30, | | Six months ended June 30, | |
|---|------|-----------------------------|---------------------|---------------------------|----------------------|
| | | 2022 | 2021 | 2022 | 2021 |
| | | RMB | RMB | | |
| Net loss | | (175,615,227) | (76,446,212) | (326,877,281) | (132,828,856) |
| Other comprehensive income | | | | | |
| Fair value changes of convertible notes due to instrument-specific credit risk, net of nil income taxes | | 1,566,214 | — | 1,236,102 | — |
| Foreign currency translation adjustment, net of nil income taxes | | (11,024,589) | (2,719,401) | (10,539,435) | (1,085,003) |
| Total comprehensive loss | | (185,073,602) | (79,165,613) | (336,180,614) | (133,913,859) |
| Less: Comprehensive (loss)/income attributable to non-controlling interests | | (1,834,547) | 555,097 | (2,480,275) | (446,675) |
| Comprehensive loss attributable to shareholders of the Company | | <u>(183,239,055)</u> | <u>(79,720,710)</u> | <u>(333,700,339)</u> | <u>(133,467,184)</u> |

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements

TH INTERNATIONAL LIMITED AND SUBSIDIARIES
Unaudited Condensed Consolidated Statements of Cash Flows
(Expressed in Renminbi Yuan)

| | Six months ended June 30, | |
|--|---------------------------|---------------|
| | 2022 | 2021 |
| | RMB | RMB |
| Cash flow from operating activities: | | |
| Net cash used in operating activities | (154,942,269) | (114,727,468) |
| Cash flows from investing activities: | | |
| Purchase of property and equipment and intangible assets | (180,354,474) | (121,277,187) |
| Proceeds from disposal of property and equipment | — | 41,000 |
| Net cash used in investing activities | (180,354,474) | (121,236,187) |
| Cash flows from financing activities: | | |
| Proceeds from bank borrowings | 403,890,265 | — |
| Repayment of bank borrowings | (171,527,517) | — |
| Payment of offering costs | (5,756,845) | (3,923,040) |
| Proceeds from issuance of ordinary shares | — | 291,393,000 |
| Net cash provided by financing activities | 226,605,903 | 287,469,960 |
| Effect of foreign currency exchange rate changes on cash | 2,987,523 | (1,377,805) |
| Net (decrease)/increase in cash | (105,703,317) | 50,128,500 |
| Cash at beginning of the period | 390,837,386 | 174,873,739 |
| Cash at end of the period | 285,134,069 | 225,002,239 |
| Supplemental disclosure of non-cash investing and financing activities: | | |
| Payable for acquisition of property and equipment | 94,408,551 | 66,434,687 |
| Accrued offering costs | 34,715,220 | — |
| Issuance of ordinary shares to settle bonus payable | 1,057,374 | — |

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements

TH INTERNATIONAL LIMITED AND SUBSIDIARIES
Notes to Unaudited Condensed Consolidated Financial Statements
(Expressed in Renminbi Yuan)

1 Summary of Significant Accounting Policies

Basis of Preparation

The accompanying unaudited condensed consolidated financial statements of TH International Limited and its subsidiaries (“the Company”) have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP). Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted as permitted by rules and regulations of the United States Securities and Exchange Commission. The consolidated balance sheet as of December 31, 2021 was derived from the audited consolidated financial statements of the Company. The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements of the Company as of and for the year ended December 31, 2021.

In the opinion of the management, all adjustments (which include normal recurring adjustments) necessary to present a fair statement of the financial position as of June 30, 2022, the results of operations for the three months and six months ended June 30, 2022 and 2021, and cash flows for the six months ended June 30, 2022 and 2021, have been made.

The preparation of the unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the unaudited condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the recoverability of deferred tax assets, fair value of share-based compensation and fair value of convertible notes.

Risks and Concentration

Foreign exchange risk

As the Company’s principal activities are carried out in PRC, the Company’s transactions are mainly denominated in RMB, which is not freely convertible into foreign currencies. All foreign exchange transactions involving RMB must take place through the People’s Bank of China or other institutions authorized to buy and sell foreign exchange. The exchange rates adopted for the foreign exchange transactions are the rates of exchange quoted by the People’s Bank of China that are determined largely by supply and demand.

The management does not expect that there will be any significant currency risk for the Company during the reporting periods.

Concentration of credit risk

The Company’s credit risk primarily arises from cash, prepaid expenses and other current assets and accounts receivable. The bank deposits, including term deposits, with financial institutions in the mainland of the PRC and Hong Kong are insured by the government authorities up to RMB500,000 and HKD500,000, respectively. Total bank deposits are insured by the government authority with amounts up to RMB10,975,502 and RMB7,266,814 as of June 30, 2022 and December 31, 2021, respectively.

The Company expects that there is no significant credit risk associated with the cash which are held by reputable financial institutions. The Company believes that it is not exposed to unusual risks as these financial institutions have high credit quality.

The Company has no significant concentrations of credit risk with respect to its prepaid expenses and other current assets.

TH INTERNATIONAL LIMITED AND SUBSIDIARIES
Notes to Unaudited Condensed Consolidated Financial Statements
(Expressed in Renminbi Yuan)

1 Summary of Significant Accounting Policies (continued)

Accounts receivable are unsecured and are primarily derived from revenue earned from sub-franchisees. The risk with respect to accounts receivable is mitigated by credit evaluations performed on them.

Concentration of operating risk

The Company owns, operates and franchises stores in the PRC, including Hong Kong and Macau under the “Tim Hortons” brand. Such business activities are solely dependent upon its master development agreement with Tim Hortons Restaurants International GmbH (“THRI”). The Company’s failure to comply its master development agreement with THRI would have a material adverse effect on its financial condition, results of operations, and cash flows.

Concentration of Cash

Cash at bank is deposited in financial institutions at below locations:

| | <u>June 30, 2022</u> | <u>December 31, 2021</u> |
|---|---------------------------|---------------------------|
| Cash on hand | 96,371 | 132,127 |
| Financial institutions in the mainland of the PRC | | |
| – Denominated in RMB | 207,761,778 | 30,060,065 |
| – Denominated in USD | 932,015 | 45,514,330 |
| Total cash balances held at mainland PRC financial institutions | <u>208,693,793</u> | <u>75,574,395</u> |
| Financial institutions in Hong Kong Special Administrative Region (“HK S.A.R.”) | | |
| – Denominated in RMB | 31,906,333 | — |
| – Denominated in USD | 41,498,839 | 1,827,905 |
| Total cash balances held at the HK S.A.R. financial institutions | <u>73,405,172</u> | <u>1,827,905</u> |
| Financial institutions in Cayman | | |
| – Denominated in USD | 2,938,733 | 313,302,959 |
| Total cash balances held at the Cayman financial institutions | <u>2,938,733</u> | <u>313,302,959</u> |
| Total cash balances held at financial institutions | <u>285,037,698</u> | <u>390,705,259</u> |
| Total cash balances | <u>285,134,069</u> | <u>390,837,386</u> |

2 Accounts Receivable

Accounts receivable consist of the following:

| | <u>June 30, 2022</u> | <u>December 31, 2021</u> |
|---------------------------------------|-------------------------|--------------------------|
| Accounts receivable | 7,792,999 | 9,817,292 |
| Less: allowance for doubtful accounts | — | — |
| Accounts receivable, net | <u>7,792,999</u> | <u>9,817,292</u> |

TH INTERNATIONAL LIMITED AND SUBSIDIARIES
Notes to Unaudited Condensed Consolidated Financial Statements
(Expressed in Renminbi Yuan)

3 Inventories

Inventories consist of the following:

| | <u>June 30, 2022</u> | <u>December 31, 2021</u> |
|----------------------------------|----------------------|--------------------------|
| Food and beverage | 43,754,548 | 31,858,814 |
| Merchandise for e-commerce sales | 7,344,391 | 6,927,512 |
| Others | 4,073,610 | 3,693,077 |
| | <u>55,172,549</u> | <u>42,479,403</u> |

4 Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of the following:

| | <u>June 30, 2022</u> | <u>December 31, 2021</u> |
|---|----------------------|--------------------------|
| Creditable input VAT | 50,230,428 | 50,212,274 |
| Short-term deposits | 4,970,313 | 4,161,725 |
| Receivables from payment processors and aggregators | 9,133,991 | 17,701,386 |
| Prepaid rental expenses | 19,722,846 | 26,855,976 |
| Prepaid insurance expenses | — | 859,319 |
| Prepaid marketing expenses | 12,448,492 | 14,666,752 |
| Deferred offering costs | 50,026,066 | 18,475,035 |
| Others | 8,764,588 | 9,905,828 |
| | <u>155,296,724</u> | <u>142,838,295</u> |

5 Property and Equipment, Net

Property and equipment, net, consist of the following:

| | <u>June 30, 2022</u> | <u>December 31, 2021</u> |
|--------------------------------|----------------------|--------------------------|
| Furniture and office equipment | 49,104,093 | 44,636,186 |
| Kitchen equipment | 162,663,906 | 151,405,306 |
| Software | 35,909,835 | 30,171,796 |
| Leasehold improvements | 463,766,989 | 408,353,529 |
| Construction in progress | 24,601,908 | 15,747,154 |
| Property and equipment, gross | 736,046,731 | 650,313,971 |
| Less: accumulated depreciation | (152,706,213) | (96,298,740) |
| Property and equipment, net | <u>583,340,518</u> | <u>554,015,231</u> |

Depreciation and amortization related to property and equipment was RMB31,512,916 and RMB13,452,016 for the three months ended June 30, 2022 and 2021, respectively, and RMB60,781,658 and RMB24,332,073 for the six months ended June 30, 2022 and 2021, respectively.

TH INTERNATIONAL LIMITED AND SUBSIDIARIES
Notes to Unaudited Condensed Consolidated Financial Statements
(Expressed in Renminbi Yuan)

6 Intangible Assets, Net

Intangible assets, net consist of the following:

| | Weighted- Average Amortization Period (years) | June 30, 2022 | December 31, 2021 |
|--|--|---------------------|---------------------|
| Franchise right – authorized by THRI | 20 | 67,114,000 | 63,757,000 |
| Franchise right – upfront franchise fees | 2 – 14 | 32,709,502 | 28,156,287 |
| Less: accumulated amortization | | <u>(18,940,456)</u> | <u>(14,319,607)</u> |
| Intangible assets, net | | <u>80,883,046</u> | <u>77,593,680</u> |

Amortization of intangible assets was RMB1,902,596 and RMB1,239,903 for the three months ended June 30, 2022 and 2021, respectively, and RMB3,956,314 and RMB2,338,038 for six months ended June 30, 2022 and 2021, respectively.

The estimated future amortization expenses related to the intangible assets are set forth as follows:

| | |
|-------------------------------------|-------------------|
| Six months ending December 31, 2022 | 5,949,065 |
| Year ending December 31, 2023 | 8,521,450 |
| 2024 | 8,419,550 |
| 2025 | 8,154,799 |
| 2026 | 7,030,513 |
| Thereafter | 42,807,669 |
| | <u>80,883,046</u> |

7 Other Non-Current Assets

Other non-current assets consist of the following:

| | June 30, 2022 | December 31, 2021 |
|---------------------------|-------------------|-------------------|
| Long-term rental deposits | <u>69,778,697</u> | <u>67,311,223</u> |

8 Bank Borrowings

Short-term bank borrowings:

| | June 30, 2022 | December 31, 2021 |
|---|--------------------|--------------------|
| Short-term borrowings under credit facility agreements | 421,700,071 | 188,959,323 |
| Long-term borrowings under credit facility agreements due within one year | 4,878,000 | 3,096,000 |
| | <u>426,578,071</u> | <u>192,055,323</u> |

Long-term bank borrowings:

| | June 30, 2022 | December 31, 2021 |
|---|------------------|-------------------|
| Borrowings under credit facility agreements | <u>9,743,452</u> | <u>11,903,452</u> |

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8 Bank Borrowings (continued)

In year 2021, the Company's subsidiaries entered into RMB denominated credit facility agreements with certain commercial banks in the PRC, which allow the Company to draw down borrowings up to RMB320,000,000 for daily operation purposes and RMB50,000,000 for payments associated with design, build out and furnishing of new stores.

In February 2022, the Company's subsidiaries entered into USD denominated credit facility agreements with certain commercial banks in the PRC, which allow the Company to draw down borrowings up to USD10,000,000 for daily operation purposes.

In year 2022, the Company's subsidiaries entered into RMB denominated credit facility agreements with certain commercial banks in the PRC, which allow the Company to draw down borrowings up to RMB350,000,000 for daily operation purposes.

As of June 30, 2022, the outstanding short-term bank borrowings balance under those credit facility agreements bore interest rates ranging from 3.85% to 4.5% per annum.

As of June 30, 2022, the outstanding long-term bank borrowings balance under those credit facility agreement bore an interest rate of 4.2% per annum.

As of June 30, 2022, the unused credit limits under credit facility agreements were RMB343,535,047.

The aggregate maturities of the above long-term bank borrowings for each year subsequent to June 30, 2022 are summarized as follows:

| | RMB |
|-------------------------------------|------------------|
| Six months ending December 31, 2022 | — |
| Year ending December 31, 2023 | 3,330,000 |
| 2024 | 6,179,452 |
| Thereafter | 234,000 |
| | <u>9,743,452</u> |

9 Contract Liabilities

Contract liabilities as of June 30, 2022 and December 31, 2021 were as follows:

| | June 30, 2022 | December 31, 2021 |
|--|----------------------|--------------------------|
| Deferred revenue related to customer loyalty program | 9,667,359 | 8,312,436 |
| Advance from customers related to coupons and gift cards | 7,976,891 | 5,208,549 |
| Deferred revenue related to upfront franchise fees | 306,586 | 230,968 |
| Deferred revenue related to marketing services | — | 377,358 |
| | <u>17,950,836</u> | <u>14,129,311</u> |

Contract liabilities — non-current as of June 30, 2022 and December 31, 2021 were as follows:

| | June 30, 2022 | December 31, 2021 |
|--|----------------------|--------------------------|
| Deferred revenue related to upfront franchise fees | <u>1,247,450</u> | <u>970,486</u> |

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9 Contract Liabilities (continued)

Contract liabilities primarily consist of deferred revenue related to customer loyalty program and advance from customers related to coupons and gift cards. The deferred revenue related to customer loyalty program and advance from customers related to coupons and gift cards are expected to be recognized as revenue in the next 12 months from the balance sheet date.

As of June 30, 2022, the Company had RMB1,554,036 of deferred revenues related to upfront franchise fees which are expected to be recognized as revenues over the remaining contract periods of each individual franchise agreement and of which RMB306,586 is expected to be recognized in the next 12 months, RMB1,247,450 is expected to be recognized in next 2 to 10 years.

Revenue recognized that was included in the contract liability balance at the beginning of each period amounted to RMB1,782,352 and RMB1,174,540 for the three months ended June 30, 2022 and 2021, respectively, and RMB6,080,959 and RMB1,673,331 for the six months ended June 30, 2022 and 2021, respectively.

The Company has elected, as a practical expedient not to disclose the value of remaining performance obligations associated with sales-based royalty promised to sub-franchisees in exchange for franchise right and other related services.

10 Commitments and Contingencies

Pursuant to the master development agreement between the Company and THRI, the Company is required to pay an upfront franchise fee for each Company owned and operated store and franchise store, and a continuing franchise fee for each Company owned and operated store and franchise store, calculated as certain percentage of the store's monthly gross sales, depending on when the store is opened. The upfront franchise fee and continuing franchise fee were RMB1,880,059 and RMB5,617,286 for the three months ended June 30, 2022 and RMB5,788,067 and RMB3,407,914 for the three months ended June 30, 2021, respectively, and RMB4,553,215 and RMB12,653,983 for the six months ended June 30, 2022 and RMB7,835,031 and RMB5,991,039 for the six months ended June 30, 2021, respectively. The outstanding accrued franchise fee due to THRI were RMB11,249,927 and RMB6,863,322 as of June 30, 2022 and December 31, 2021, respectively, which was recorded as amount due to related parties in the Unaudited Condensed Consolidated Balance Sheets.

11 Leases

The Company leases building, office space and motor vehicles, and most leases provide for fixed monthly payment, certain leases also include provisions for contingent rent, determined as a percentage of sales.

Scheduled future minimum lease payments for each of the five years and thereafter for non-cancelable operating leases for existing stores with initial or remaining lease terms in excess of one year as of June 30, 2022 are summarized as follows:

| | Operating lease commitments |
|-------------------------------------|--|
| Six months ending December 31, 2022 | 94,994,653 |
| Year ending December 31, 2023 | 191,028,993 |
| 2024 | 192,407,833 |
| 2025 | 175,930,862 |
| 2026 | 134,116,629 |
| Thereafter | 310,807,678 |
| | <u>1,099,286,648</u> |

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11 Leases (continued)

The details of rental expenses for the six months ended June 30, 2022 and 2021 are set forth below:

| | Three months ended June 30, | | Six months ended June 30, | |
|------------------------------------|-----------------------------|-------------------|---------------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Minimum | 49,348,521 | 30,932,184 | 99,878,310 | 58,429,238 |
| Contingent | 2,460,075 | 1,604,110 | 5,987,800 | 2,713,909 |
| Rent reduction related to COVID-19 | (2,215,414) | — | (2,215,414) | — |
| | <u>49,593,182</u> | <u>32,536,294</u> | <u>103,650,696</u> | <u>61,143,147</u> |

The Company charged rental expenses of RMB48,736,898 and RMB31,265,543 into store rental expenses for the three months ended June 30, 2022 and 2021, respectively, and RMB98,014,162 and RMB58,410,380 into rental expenses for the six months ended June 30, 2022 and 2021, respectively. The Company also charged rental expenses of RMB2,915,950 and RMB1,270,751 into general and administrative expenses for the three months ended June 30, 2022 and 2021, respectively, and RMB5,636,534 and RMB2,732,767 into general and administrative expenses for the six months ended June 30, 2022 and 2021, respectively.

As of June 30, 2022 and December 31, 2021, accrued operating lease charges of RMB48,474,213 and RMB42,972,018 were classified as other non-current liabilities in the Company's Unaudited Condensed Consolidated Balance Sheet.

12 Other Current Liabilities

Other current liabilities consist of the following:

| | June 30, 2022 | December 31, 2021 |
|---|--------------------|--------------------|
| Accrued payroll and employee-related costs | 53,712,816 | 47,194,542 |
| Payable for acquisition of property and equipment | 94,408,551 | 172,981,034 |
| Guarantee deposits | 7,540,181 | 6,620,000 |
| Accrued marketing expenses | 10,539,000 | 10,639,627 |
| Sundry taxes payable | 3,069,120 | 2,329,431 |
| Accrued professional service fees | 5,855,761 | 8,205,320 |
| Accrued offering costs | 34,715,220 | 9,164,827 |
| Accrued rental expenses | 23,361,805 | 3,210,387 |
| Other accrual expenses | 47,866,602 | 25,733,407 |
| | <u>281,069,056</u> | <u>286,078,575</u> |

13 Convertible Notes, at fair value

As of June 30, 2022 and December 31, 2021, the balance of convertible notes measured at fair value was summarized as below:

| | June 30, 2022 | December 31, 2021 |
|----------------------------------|--------------------|--------------------|
| Convertible notes, at fair value | <u>355,704,200</u> | <u>318,466,215</u> |

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13 Convertible Notes, at fair value (continued)

As of June 30, 2022 and December 31, 2021, the unpaid principal balance of the Convertible Notes was US\$ 50,000,000 (equivalent to RMB335,570,000 and RMB318,785,000). The difference between the fair value of the Convertible Notes and the unpaid principal balance of the Convertible Notes were US\$3,000,000 (RMB 20,134,200) and US\$50,000 (RMB318,785) as of June 30, 2022 and December 31, 2021, respectively.

14 Revenues

Revenues consist of the following:

| | Three months ended June 30, | | Six months ended June 30, | |
|--|-----------------------------|--------------------|---------------------------|--------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Sales of food and beverage products by Company owned and operated stores | 164,533,517 | 130,521,641 | 375,578,999 | 229,869,554 |
| Franchise fees | 1,186,258 | 597,309 | 2,140,668 | 917,767 |
| Revenues from other franchise support activities | 3,015,430 | 2,833,721 | 6,158,984 | 4,530,928 |
| Revenue from e-commerce sales | 10,471,687 | 1,864,028 | 19,985,205 | 1,947,832 |
| Total revenues | 179,206,892 | 135,816,699 | 403,863,856 | 237,266,081 |

All of the property and equipment of the Company are physically located in the PRC. The geographical location of customers is based on the location at which the customers operate and all of the Company's revenue is derived from operations in the PRC for the three months and six months ended June 30, 2022 and 2021.

15 Share-based Compensation

Share options

The Company granted 1,643,500 units (365 ordinary shares equivalent) and 4,287,000 units (953 ordinary shares equivalent) of share options to employees or directors (collectively as "Grantees") during the three months ended June 30, 2022 and 2021, respectively, and 1,643,500 units (365 ordinary shares equivalent) and 4,287,000 units (953 ordinary shares equivalent) of share options to the Grantees during the six months ended June 30, 2022 and 2021, respectively.

During the six months ended June 30, 2022, the Company granted additional 460,756 units (102 ordinary shares equivalent) of share options to the Grantees under Share Option Scheme 2019 ("2019 Scheme") with an exercise price of US\$1.20 to the Grantees ("Additional Option") to settle the accrued bonus of RMB3,520,177 for these employees. The awards cliff vest after three years of service. If employment of the Grantees is terminated (either voluntarily or involuntarily) prior to vesting, a cash payment equal to the cash bonus plus interest at the interest rate of People's Bank of China for the term commencing on the signing date of Additional Option contract until the cease date is made to the Grantees. Upon vesting of the Additional Option, the cash settlement feature lapses. The award is treated as two separate components: (i) a cash bonus payable in the amount of RMB3,520,177 plus interest, and (ii) 460,756 units of share options with three-year pre-requisite service period.

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15 Share-based Compensation (continued)

No options granted are exercisable as of June 30, 2022. The following table sets forth the share option activities for the six months ended June 30, 2022, respectively:

| | Number of units | Weighted average exercise price | Weighted average grant date fair value | Weighted average remaining contractual years | Aggregate intrinsic value |
|---|--------------------|--|--|--|---------------------------------|
| | | US\$ | US\$ | | US\$ |
| Outstanding as of January 1, 2022 | 28,031,742 | 0.32 | 0.27 | 8.01 | 39,155,628 |
| Granted | 2,104,256 | 1.09 | | | |
| Forfeited | (331,973) | 0.60 | | | |
| Outstanding as of June 30, 2022 | 29,804,025 | 0.37 | 0.31 | 7.26 | 44,278,063 |
| Expected to be vested as of June 30, 2022 | 29,804,025 | 0.37 | 0.31 | 7.26 | 44,278,063 |

Options granted to Grantees were measured at fair value as of the respective grant dates using the Binomial Option Pricing Model with the following assumptions:

| | Six months ended June 30, 2022 |
|---|-----------------------------------|
| Expected volatility | 25.00% |
| Risk-free interest rate (per annum) | 2.50% – 2.80% |
| Exercise multiple | 2.50 – 2.80 |
| Expected dividend yield | 0.00% |
| Expected term (in years) | 10 |
| Fair value of underlying unit (4,500 unit = 1 ordinary share) | US\$1.86 |

The estimated fair value of the underlying unit at the grant date was estimated by management with the assistant of an independent valuation firm. The income approach involves applying discounted cash flow analysis based on the Company's projected cash flow using management's best estimate as of the valuation dates. Estimating future cash flow requires the Company to analyze projected revenue growth, gross margins, operating expense levels, effective tax rates, capital expenditures, working capital requirements, and discount rates. The Company's projected revenues were based on expected annual growth rates derived from a combination of historical experience and the general trend in this industry. The revenue and cost assumptions used are consistent with the Company's long-term business plan and market conditions in this industry. The Company also has to make complex and subjective judgments regarding its unique business risks, its limited operating history, and future prospects at the time of grant.

The expected volatility was estimated based on the historical volatility of comparable peer public companies with a time horizon close to the expected term of the Company's options. The risk-free interest rate was estimated based on the yield to maturity of U.S. treasury bonds denominated in US\$ for a term consistent with the expected term of the Company's options in effect at the option valuation date. The exercise multiple is estimated as the ratio of fair value of underlying shares over the exercise price as at the time the option is exercised, based on a consideration of empirical studies on the actual exercise behavior of employees. The expected dividend yield is zero as the Company has never declared or paid any cash dividends on its shares, and the Company does not intend to pay dividend before the Company becomes profitable. The expected term is calculated from the grant date to the contractual term of the option.

Since the share options and restricted share units have both a service condition and a performance condition on the completion of an IPO of the Company, no compensation expense relating to the share

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15 Share-based Compensation (continued)

options and restricted share units was recorded for the three-month periods and six-month periods ended June 30, 2022 and 2021, because the IPO is not deemed probable. The Company will recognize compensation expenses relating to share options and restricted share units vested cumulatively upon the completion of the Company's IPO. As of June 30, 2022, the total unrecognized compensation expense associated with share options and restricted share units amounted to RMB67,231,067 of which RMB27,901,063 was based on the degree of service period that had been completed as of June 30, 2022.

16 Income Taxes

The statutory income tax rate for the Company's subsidiaries in Mainland PRC is 25% for the six months ended June 30, 2022 and 2021. The effective income tax rate for the six months ended June 30, 2022 and 2021 was nil. The effective income tax rate for the six months ended June 30, 2022 and 2021 differs from the PRC statutory income tax rate of 25% primarily due to the recognition of full valuation allowance for deferred income tax assets of loss-making entities.

17 Loss Per Share

Basic and diluted losses per ordinary share for the six months ended June 30, 2022 and 2021 are calculated as follow:

| | Three months ended June 30, | | Six months ended June 30, | |
|---|-----------------------------|--------------|---------------------------|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| Numerator: | | | | |
| Net loss attributable to shareholders of the Company | (173,780,680) | (77,001,309) | (324,397,006) | (132,382,181) |
| Denominator: | | | | |
| Weighted average number of ordinary shares | 116,703 | 111,868 | 116,697 | 111,868 |
| Basic and diluted net loss per ordinary share (in RMB) | (1,489) | (688) | (2,780) | (1,183) |

For the three months and six months ended June 30, 2022 and 2021, options granted to purchase 6,623 ordinary shares and 5,601 ordinary shares, respectively, and 1,333 and 1,333 unvested restricted share units, respectively, granted under 2019 Scheme were excluded from the calculation of diluted net loss per ordinary share as their vesting is contingent upon the satisfaction of a performance condition (i.e. completion of an IPO), which is not considered probable until the event occurs.

18 Related Parties

The related parties are summarized as follow:

| | |
|--|---|
| Cartesian Capital Group, LLC | Ultimate controlling party |
| Pangaea Two, LP | Intermediate holding company |
| Pangaea Two Acquisition Holdings XXIIA, Ltd. | Intermediate holding company |
| Pangaea Two Acquisition Holdings XXIIB, Ltd. | Parent company |
| Tim Hortons Restaurants International GmbH | Shareholder of the Company |
| TDL Group Corp | A subsidiary of investor's ultimate holding company |
| Pangaea Data Tech (Shanghai) Co., Ltd | A subsidiary of investor's ultimate holding company |

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18 Related Parties (continued)

The material related party transactions are summarized as follows:

| | Three months ended June 30, | | Six months ended June 30, | |
|---|-----------------------------|-----------|---------------------------|------------|
| | 2022 | 2021 | 2022 | 2021 |
| Continuing franchise fee to Tim Hortons Restaurants International GmbH ⁽ⁱ⁾ | 5,617,286 | 3,407,914 | 12,653,983 | 5,991,039 |
| Upfront franchise fee to Tim Hortons Restaurants International GmbH ⁽ⁱⁱ⁾ | 1,880,059 | 5,788,067 | 4,553,215 | 7,835,031 |
| Purchase of coffee beans from TDL Group Corp | 2,303,403 | 9,985,278 | 18,015,982 | 13,192,935 |
| Services provided by Pangaea Data Tech (Shanghai) Co., Ltd | 3,282,378 | — | 3,382,378 | — |

- (i) Pursuant to the master development agreement between the Company and THRI, the Company pays continuing franchise fee based on certain percentage of revenue generated from Company owned and operated stores and such continuing franchise fee was recorded in Franchise and royalty expenses.
- (ii) Pursuant to the master development agreement between the Company and THRI, the Company pays upfront franchise fee for each newly opened store to THRI during the term of the master development contract.

As of June 30, 2022 and December 31, 2021, the balances of transactions with related parties are set forth below:

Amount due to related parties:

| | June 30, 2022 | December 31, 2021 |
|--|-------------------|-------------------|
| TDL Group Corp | 12,631,248 | 7,210,593 |
| Tim Hortons Restaurants International GmbH | 11,249,927 | 6,863,322 |
| Pangaea Data Tech (Shanghai) Co., Ltd | 1,730,755 | — |
| Amounts due to related parties | <u>25,611,930</u> | <u>14,073,915</u> |

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19 Changes in Shareholders' Equity

| | Ordinary shares | | Additional paid-in capital | Subscription receivables | Accumulated losses | Accumulated other comprehensive income | Total equity attributable to shareholders of the Company | Non-controlling interests | Total shareholders' equity |
|--|------------------|--------------|----------------------------|--------------------------|----------------------|--|--|---------------------------|----------------------------|
| | Number of shares | Amount | | | | | | | |
| | RMB | RMB | | | | | | | |
| Balance at March 31, 2021 | 116,513 | 7,485 | 936,298,663 | — | (311,188,013) | 40,815,759 | 665,933,894 | 3,763,110 | 669,697,004 |
| Net loss | — | — | — | — | (77,001,309) | — | (77,001,309) | 555,097 | (76,446,212) |
| Other comprehensive income | — | — | — | — | — | (2,719,401) | (2,719,401) | — | (2,719,401) |
| Balance at June 30, 2021 | <u>116,513</u> | <u>7,485</u> | <u>936,298,663</u> | <u>—</u> | <u>(388,189,322)</u> | <u>38,096,358</u> | <u>586,213,184</u> | <u>4,318,207</u> | <u>590,531,391</u> |
| Balance at March 31, 2022 | 116,691 | 7,497 | 937,315,273 | — | (788,144,486) | 35,898,733 | 185,077,017 | 2,911,007 | 187,988,024 |
| Net loss | — | — | — | — | (173,780,680) | — | (173,780,680) | (1,834,547) | (175,615,227) |
| Fair value changes of convertible notes due to instrument-specific credit risk | — | — | — | — | — | 1,566,214 | 1,566,214 | — | 1,566,214 |
| Other comprehensive income | — | — | — | — | — | (11,024,589) | (11,024,589) | — | (11,024,589) |
| Issuance of shares ⁽ⁱ⁾ | 164 | 11 | 9,964,474 | — | — | — | 9,964,485 | — | 9,964,485 |
| Balance at June 30, 2022 | <u>116,855</u> | <u>7,508</u> | <u>947,279,747</u> | <u>—</u> | <u>(961,925,166)</u> | <u>26,440,358</u> | <u>11,802,447</u> | <u>1,076,460</u> | <u>12,878,907</u> |

| | Ordinary shares | | Additional paid-in capital | Subscription receivables | Accumulated losses | Accumulated other comprehensive income | Total equity attributable to shareholders of the Company | Non-controlling interests | Total shareholders' equity |
|--|------------------|--------------|----------------------------|--------------------------|----------------------|--|--|---------------------------|----------------------------|
| | Number of shares | Amount | | | | | | | |
| | RMB | RMB | | | | | | | |
| Balance at January 1, 2021 | 101,500 | 6,513 | 644,906,635 | — | (255,807,141) | 39,181,361 | 428,287,368 | 4,764,882 | 433,052,250 |
| Net loss | — | — | — | — | (132,382,181) | — | (132,382,181) | (446,675) | (132,828,856) |
| Other comprehensive income | — | — | — | — | — | (1,085,003) | (1,085,003) | — | (1,085,003) |
| Settlement of subscription receivable ⁽ⁱⁱ⁾ | 15,013 | 972 | 291,392,028 | — | — | — | 291,393,000 | — | 291,393,000 |
| Balance at June 30, 2021 | <u>116,513</u> | <u>7,485</u> | <u>936,298,663</u> | <u>—</u> | <u>(388,189,322)</u> | <u>38,096,358</u> | <u>586,213,184</u> | <u>4,318,207</u> | <u>590,531,391</u> |
| Balance at January 1, 2022 | 116,691 | 7,497 | 937,315,273 | — | (637,528,160) | 35,743,691 | 335,538,301 | 3,556,735 | 339,095,036 |
| Net loss | — | — | — | — | (324,397,006) | — | (324,397,006) | (2,480,275) | (326,877,281) |
| Fair value changes of convertible notes due to instrument-specific credit risk | — | — | — | — | — | 1,236,102 | 1,236,102 | — | 1,236,102 |
| Other comprehensive income | — | — | — | — | — | (10,539,435) | (10,539,435) | — | (10,539,435) |
| Issuance of shares ⁽ⁱ⁾ | 164 | 11 | 9,964,474 | — | — | — | 9,964,485 | — | 9,964,485 |
| Balance at June 30, 2022 | <u>116,855</u> | <u>7,508</u> | <u>947,279,747</u> | <u>—</u> | <u>(961,925,166)</u> | <u>26,440,358</u> | <u>11,802,447</u> | <u>1,076,460</u> | <u>12,878,907</u> |

(i) On June 7, 2022, the Board of Directors approved to issue 164 ordinary shares of the Company to L&L Tomorrow Holdings Limited in lieu of cash bonus of US\$164 thousand due to the Chief Executive Officer, Mr. Lu Yongchen. On June 24, 2022, these

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19 Changes in Shareholders' Equity (continued)

shares were issued to L&L Tomorrow Holdings Limited which is beneficially owned by Mr. Lu Yongchen. The total fair value of such shares was US\$1,487,237, resulting in share-based compensation expense of US\$1,323,237 (equivalent to RMB8,608,713) being recognized in profit and loss for the quarter ended June 30, 2022.

- (ii) On February 26, 2021, the Company issued 15,013 ordinary shares to Pangaea Two Acquisition Holdings XXIIB, Ltd. at a cash consideration of US\$45,000,000 (RMB equivalent 291,393,000). On March 1, 2021, the cash consideration has been fully paid up.

20 Fair Value Measurement

The following table presents the fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of June 30, 2022:

| | As of June 30, 2022 | | | Total Fair Value RMB |
|--------------------|---------------------|---------|-------------|-------------------------|
| | Level 1 | Level 2 | Level 3 | |
| | RMB | RMB | RMB | |
| Liabilities | | | | |
| Convertible notes | — | — | 355,704,200 | 355,704,200 |

The table below reflects the reconciliation from the opening balances to the closing balances for recurring fair value measurement of the fair value hierarchy for the six months ended June 30, 2022:

| | Total Fair Value RMB |
|---|-------------------------|
| Balance as of January 1, 2022 | 318,466,215 |
| Additions | — |
| Changes in fair value of convertible notes, excluding impact of instrument-specific credit risk | 21,078,792 |
| Changes in fair value of convertible notes due to instrument-specific credit risk | (1,236,102) |
| Foreign currency translation adjustment | 17,395,295 |
| Balance as of June 30, 2022 | 355,704,200 |

The Company measured the fair value of its convertible notes on a recurring basis using significant unobservable (Level 3) inputs as of June 30, 2022.

The convertible notes were measured at fair value as of June 30, 2022 using the Binomial Option Pricing Model with the following assumptions:

| | June 30, 2022 |
|---|---------------|
| Expected volatility | 25.00% |
| Risk-free interest rate (per annum) | 3.05% |
| Expected dividend yield | 0.00% |
| Bond yield | 12.40% |
| Coupon rate | 9.00% |
| Fair value of the underlying ordinary share | US\$9,053.1 |

The estimated fair value of the convertible notes as of June 30, 2022 estimated by management with the assistance of an independent valuation firm. The Binomial Option Pricing Model simulate the equity value movement which provide the calculation basis of the convertible notes fair value.

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20 Fair Value Measurement (continued)

The expected volatility was estimated based on the historical volatility of comparable peer public companies with a time horizon close to the expected term of the Notes. The risk-free interest rate was estimated based on the yield to maturity of U.S. treasury bonds denominated in US\$ for a term consistent with the expected term of the Notes in effect at the Note's valuation date. The expected dividend yield is zero as the Company has never declared or paid any cash dividends on its shares and the Company does not intend to pay dividend before the Company becomes profitable.

The inputs used in the analysis were classified as Level 3 inputs within the fair value hierarchy due to the lack of observable market data and activity.

21 Subsequent Events

Management has considered subsequent events through October 13, 2022, which was the date the unaudited condensed consolidated financial statements were issued.

(a) Merger Agreement and PIPE Agreement

On August 13, 2021, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with Miami Swan Ltd, a wholly-owned subsidiary of the Company which was established for merger purpose ("Merger Sub") and Silver Crest Acquisition Corporation ("SPAC"). On August 18, 2022, the shareholders of SPAC approved the transactions contemplated by the Merger Agreement (the "Transactions"). On September 28, 2022 ("the Closing Date"), the Transactions were consummated.

Upon the consummation of the Transactions, 116,855 issued ordinary shares of the Company held by existing shareholders of the Company before the Transactions (the "Existing Shareholders") were subdivided into 124,368,473 Company Ordinary Shares. The Company also commits to issue up to 14,000,000 Company Ordinary Shares to the Existing Shareholders upon the Company's future share price reaching certain price threshold.

Upon the consummation of the Transactions, the Company issued 5,693,636 Company Ordinary Shares in exchange for 1,381,136 Class A ordinary shares of SPAC held by Public Shareholders and 4,312,500 Class B ordinary share of SPAC held by Silver Crest Management LLC (the "Sponsor"), among which 1,400,000 Company Ordinary Shares owned by the Sponsor are unvested and are to be vested upon the Company's future share price reaching certain price threshold.

Upon the consummation of the Transactions, the Company issued 17,250,000 Company Warrants in exchange for the warrants of SPAC held by public shareholders (the "Public Warrants"), and 4,450,000 Company warrants to the Sponsor in exchange for warrants held by the Sponsor (the "Sponsor Warrants"). Each Company Warrant can be exercised at an exercise price of US\$11.50 in exchange for one Company Ordinary Share.

The Company Ordinary Shares and Company Warrants began trading on the Nasdaq Capital Market under the symbols "THCH" and "THCHW," respectively, on September 29, 2022.

On March 19, 2019, the Board approved the 2019 Share Option Scheme to attract and retain key employees, which allowed for a maximum of 50,000,000 share units to be issued under the Scheme. On the Closing Date, the terms of the Scheme was amended and restated to allow a maximum aggregate number of Company Ordinary Shares that may be issued under the Scheme to be 14,486,152 shares (proportionally adjusted to reflect any share dividends, share splits, or similar transactions), of which 8,242,983 shares were related to outstanding share options that have been granted as of June 30, 2022. The maximum aggregate number of Company Ordinary Shares that may be issued under the Scheme will be reduced by 2,128,595 if the number of Company owned and operated stores and franchise stores open and operating in mainland

TH INTERNATIONAL LIMITED AND SUBSIDIARIES
Notes to Unaudited Condensed Consolidated Financial Statements
(Expressed in Renminbi Yuan)

21 Subsequent Events (continued)

China, HKSAR and Macau on or prior to August 31, 2023 is less than 495. Options under the plan will be granted in the form of individual unit, with each unit being equivalent to a fraction of an Ordinary Share equal to 14,486,152 divided by 50,000,000.

On the Closing Date, the Company issued 5,050,000 Company Ordinary Shares and 1,200,000 Company Warrants to a number of investors in a total consideration of US\$44,500,000 in accordance with Subscription Agreement entered into on March 9, 2022 (the “PIPE Transaction”).

Upon the consummation of Transactions and the PIPE Transaction, the Company received total net proceeds of US\$39,865,480 on September 29, 2022. With the consummation of the Transactions, receipt of such proceeds and additional available equity financing as disclosed in note 21(b) and note 21(c), the liquidity of the Company to continue its operations over the next 12 months has been improved and therefore management determined that there was no substantial doubt about the Company’s ability to continue as a going concern.

(b) Equity Support Agreement

In August 2022, the Company made payment of US\$500,000 to Shaolin Capital Partners Master Fund Ltd, MAP 214 Segregated Portfolio, a segregated portfolio of LMA SPC, DS Liquid DIV RVA SCM LLC and Shaolin Capital Partners SP, a segregated portfolio of PC MAP SPC (collectively, “ESA Investors”) and made payments amounted to US\$3,166,667 to a collateral account as deposit in accordance with Equity Support Agreement (“ESA Agreement”) entered into on March 8, 2022 and amended on May 25, 2022.

On the Closing Date, the Company issued 5,000,000 Company Ordinary Shares to the ESA Investors pursuant to the ESA Agreement, concurrently with receipt of the subscription price paid by the ESA investors, which were deposited into a collateral account.

According to the ESA Agreement, the Company will receive the proceeds from the collateral account at the end of each of Reference Period: (i) the First Reference Period: the 25 consecutive Volume Weighted Average Price trading days (“VWAP Trading Days”) beginning on, and including, the 85th calendar day immediately following the Closing Date; (ii) the Second Reference Period: the 25 consecutive VWAP Trading Days beginning on, and including, the 145th calendar day immediately following the Closing Date; and (iii) the Third Reference Period: the 25 consecutive VWAP Trading Days beginning on, and including, the 235th calendar day immediately following the Closing Date. In each case, subject to acceleration and postponement in certain circumstances set forth in the ESA Agreement, the proceeds to be received by the Company at the end of each Reference Period will be an amount equal to the agreed number of shares provided in ESA Agreement multiplied (i) by the lesser of an agreed price provided in ESA Agreement (US\$10.40 in the First Reference Period, US\$10.60 in the Second Reference Period and US\$10.90 in the Third Reference Period) and (ii) the average Volume Weighted Average Price determined by the calculation agent for the Reference Period (“Reference Price”). Concurrently, the Company shall pay to the ESA Investors a Reference Period Payment, which is an amount equal to the agreed number of shares multiplied by (i) if Reference Price is less than the agreed price, an amount equal to agreed price minus the reference price for the Reference Period, or (ii) if the Reference Price for the Reference Period is greater than or equal to the agreed price, zero. At the end of the final Reference Period, the outstanding cash balance in the collateral account shall be released to the Company. Within five business days following the release of the outstanding cash balance of the collateral account, the Company shall pay to the ESA Investors and/or Shaolin Capital Management LLC, at the direction of Shaolin Capital Management LLC, the aggregate amount of interest accrued on the funds held in the collateral account prior to the release less US\$100,000, up to a maximum of US\$300,000.

TH INTERNATIONAL LIMITED AND SUBSIDIARIES
Notes to Unaudited Condensed Consolidated Financial Statements
(Expressed in Renminbi Yuan)

21 Subsequent Events (continued)

(c) Share purchase agreement with CF Principal Investments LLC

Upon the consummation of the Transactions, the Company is obligated to file a registration statement with the Securities and Exchange Commission (“SEC”) to register under the Securities Act for the resale of ordinary shares to be issued to CF Principal Investments LLC (“CF”) in accordance with Ordinary Share Purchase Agreement entered into between the Company and CF on March 11, 2022, under which, based on the Company’s notification from time to time, CF will purchase from the Company, up to US\$100,000,000 in aggregate gross purchase price of newly issued ordinary shares during the 36 months counting from the effective date of initial registration statements filed with the SEC.

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 6. Indemnification of Directors and Officers

Cayman Islands law does not limit the extent to which a company’s memorandum and articles of association may provide for indemnification of directors and officers, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against willful default, fraud or the consequences of committing a crime.

THIL’s amended and restated memorandum and articles of association provide that THIL shall indemnify its directors and officers, including directors and officers and their personal representatives (each, an “indemnified person”) against all against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such indemnified person, other than by reason of such indemnified person’s own actual fraud or wilful default as determined by a court of competent jurisdiction, in or about the conduct of the Company’s business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such Indemnified Person in defending (whether successfully or otherwise) any civil proceedings concerning the Company or its affairs in any court whether in the Cayman Islands or elsewhere.

In addition, THIL has entered into separate indemnification agreements with its directors and officers, pursuant to which THIL has agreed to indemnify its directors and officers against certain liabilities and expenses incurred by such persons in connection with claims by reason of their being such a director or officer.

THIL has purchased and intends to maintain insurance on behalf of each person who is or was a director or officer of THIL against any loss arising from any claim asserted against him or her and incurred by him or her in any such capacity, subject to certain exclusions.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Item 7. Recent Sales of Unregistered Securities

Set forth below is information regarding all securities sold or granted by us within the past three years. None of the below described transactions involved any underwriters, underwriting discounts or commissions, or any public offering.

| Securities/Purchaser | Date of Issuance | Number of Securities | Consideration |
|--|--------------------|----------------------|----------------|
| Ordinary Shares | | | |
| L&L Tomorrow Holdings Limited | October 26, 2020 | 1,000 | Nil |
| Lord Winterfell Limited | October 26, 2020 | 500 | Nil |
| Pangaea Two Acquisition Holdings XXIIB Limited | February 26, 2021 | 15,013 | Nil |
| L&L Tomorrow Holdings Limited | August 12, 2021 | 178 | Nil |
| THC Hope IB Limited | September 27, 2022 | 7,745 | Nil |
| Silver Crest Management LLC | September 28, 2022 | 4,312,500 | Nil |
| Shaolin Capital Partners Master Fund Ltd | September 28, 2022 | 2,108,200 | US\$21,082,000 |
| TH China Partners Limited | September 28, 2022 | 1,200,000 | US\$10,000,000 |
| Tim Hortons Restaurants International GmbH | September 28, 2022 | 1,200,000 | US\$10,000,000 |
| Tencent Mobility Limited | September 28, 2022 | 1,200,000 | US\$10,000,000 |

| <u>Securities/Purchaser</u> | <u>Date of Issuance</u> | <u>Number of Securities</u> | <u>Consideration</u> |
|---|-------------------------|-----------------------------|----------------------|
| MAP 214 Segregated Portfolio, a segregated portfolio of LMA SPC | September 28, 2022 | 1,135,900 | US\$11,359,000 |
| DS Liquid DIV RVA SCM LLC | September 28, 2022 | 1,092,000 | US\$10,920,000 |
| Shaolin Capital Partners SP, a segregated portfolio of PC MAP SPC | September 28, 2022 | 663,900 | US\$6,639,000 |
| Sona Credit Master Fund Limited | September 28, 2022 | 500,000 | US\$5,000,000 |
| Silver Crest Investment Limited | September 28, 2022 | 500,000 | US\$5,000,000 |
| SCC Growth VI Holdco D, Ltd. | September 28, 2022 | 300,000 | US\$3,000,000 |
| Eastern Bell International XXVI Limited | September 28, 2022 | 150,000 | US\$1,500,000 |
| Warrants | | | |
| Silver Crest Management LLC | September 28, 2022 | 4,450,000 | Nil |
| TH China Partners Limited | September 28, 2022 | 400,000 | Nil |
| Tim Hortons Restaurants International GmbH | September 28, 2022 | 400,000 | Nil |
| Tencent Mobility Limited | September 28, 2022 | 400,000 | Nil |

Convertible Notes

On December 9, 2021, THIL and Pangaea Two Acquisition Holdings XXIIA Limited entered into a Convertible Note Purchase Agreement with each of Sona Credit Master Fund Limited and Sunrise Partners Limited Partnership (the “Notes Investors”). On December 10, 2021, THIL issued \$50 million aggregate principal amount of convertible notes (the “Private Notes”) to the Notes Investors for a purchase price of 98% of the principal amount thereof. On December 30, 2021, THIL issued \$50 million aggregate principal amount of convertible notes (the “Notes”) under an indenture dated as of such date with Wilmington Savings Fund Society, FSB, as trustee (the “Indenture”). The Notes were issued in exchange for the Private Notes, which were cancelled upon such exchange. The Notes mature on December 10, 2026 (the “Maturity Date”) and bear interest commencing as of December 10, 2021, payable semi-annually in arrears on June 10 and December 10 of each year, commencing on June 10, 2022. Each holder of a Note has the right, after June 10, 2025, to require THIL to repurchase all of such holder’s Notes at a repurchase price equal to the principal amount of such Note plus accrued and unpaid interest thereon to, but excluding, the repurchase date. THIL has the right to redeem the Notes in whole, but not in part, (i) at a redemption price equal to 102% of the principal amount of the Notes, plus accrued and unpaid interest thereon to, but excluding, the redemption date, in the event of certain tax changes as described in the Indenture; or (ii) at any time before December 10, 2025, at a redemption price equal to: (a) if the redemption is prior to December 10, 2024, 100% of the principal amount of the Notes plus a “make-whole” as described in the Indenture, and (b) if the redemption is on or after December 10, 2024 and prior to December 10, 2025, 104% of the principal amount of the Notes plus accrued and unpaid interest thereon to, but excluding, the redemption date.

Until the Maturity Date, each Note is convertible into fully paid, validly issued and non-assessable Ordinary Shares at a conversion price of \$11.50 per share. THIL has the right, at any time on or after the later of (i) December 10, 2023 and (ii) the effective date of a registration statement filed by THIL with the SEC registering the resale of the Ordinary Shares issuable upon conversion of the Notes, until the Maturity Date, to convert all of the Notes, but only if (i) the last reported sale price per Ordinary Share is equal to or greater than 130% of the Conversion Price on each of at least 20 trading days during the 30 consecutive trading days ending on, and including, the trading day immediately before the date THIL provides notice of such conversion, and (ii) the average daily trading volume in dollars of the Ordinary Shares is more than \$5 million.

Item 8. Exhibits and Financial Statements Schedules**(a) Exhibits.**

The following exhibits are filed herewith unless otherwise indicated:

| ExhibitNo. | Description | Filed Herewith | Incorporation by Reference | | | |
|------------|--|-------------------|----------------------------|------------|----------------|--------------------|
| | | | Form | File No. | Exhibit No. | Filing Date |
| 2.1 | <u>Agreement and Plan of Merger, dated as of August 13, 2021, by and among TH International Limited, Miami Swan Ltd and Silver Crest Acquisition Corporation.</u> | | F-4 | 333-259743 | 2.1 | September 23, 2021 |
| 2.2 | <u>Amendment No. 1 to Agreement and Plan of Merger, dated as of January 30, 2022.</u> | | F-4/A | 333-259743 | 2.2 | March 28, 2022 |
| 2.3 | <u>Amendment No. 2 to Agreement and Plan of Merger, dated as of March 9, 2022.</u> | | F-4/A | 333-259743 | 2.3 | March 28, 2022 |
| 2.4 | <u>Amendment No. 3 to Agreement and Plan of Merger, dated as of June 27, 2022.</u> | | F-4/A | 333-259743 | 2.4 | July 5, 2022 |
| 2.5 | <u>Amendment No. 4 to Agreement and Plan of Merger, dated as of August 30, 2022.</u> | X | | | | |
| 3.1 | <u>Second Amended and Restated Memorandum and Articles of Association of TH International Limited.</u> | X | | | | |
| 4.1 | <u>Specimen Ordinary Share Certificate of TH International Limited.</u> | | F-4 | 333-259743 | 4.5 | September 23, 2021 |
| 4.2 | <u>Specimen Warrant Certificate of TH International Limited.</u> | | F-4 | 333-259743 | 4.6 | September 23, 2021 |
| 4.3 | <u>Assignment, Assumption and Amended & Restated Warrant Agreement by and among Silver Crest Acquisition Corporation, TH International Limited and Continental Stock Transfer & Trust Company.</u> | X | | | | |
| 4.4 | <u>Registration Rights Agreement by and among the TH International Limited, Silver Crest Management LLC and certain shareholders of TH International Limited.</u> | X | | | | |
| 4.5 | <u>Indenture between TH International Limited and Wilmington Savings Fund Society, FSB, as trustee.</u> | | F-4/A | 333-259743 | 4.9 | January 28, 2022 |

| ExhibitNo. | Description | Filed Herewith | Incorporation by Reference | | | |
|------------|---|-------------------|----------------------------|------------|----------------|--------------------|
| | | | Form | File No. | Exhibit No. | Filing Date |
| 5.1 | Opinion of Kirkland & Ellis LLP as to the validity of the warrants of TH International Limited. | X | | | | |
| 5.2 | Opinion of Maples and Calder (Cayman) LLP as to the validity of the ordinary shares of TH International Limited to be issued. | X | | | | |
| 10.1 | Lock-Up and Support Agreement, dated as of August 13, 2021, by and among TH International Limited, Silver Crest Acquisition Corporation and the shareholders of TH International Limited. | | F-4 | 333-259743 | 10.2 | September 23, 2021 |
| 10.2 | Sponsor Lock-Up Agreement, dated as of August 13, 2021, by and between TH International Limited and Silver Crest Management LLC. | | F-4 | 333-259743 | 10.3 | September 23, 2021 |
| 10.3 | Voting and Support Agreement, dated as of August 13, 2021, made by and among TH International Limited, Silver Crest Acquisition Corporation and Silver Crest Management LLC. | | F-4 | 333-259743 | 10.4 | September 23, 2021 |
| 10.4 | Amendment No. 1 to Voting and Support Agreement, dated as of March 9, 2022. | | F-4/A | 333-259743 | 10.5 | March 28, 2022 |
| 10.5+ | Amended and Restated Share Incentive Plan of TH International Limited. | X | | | | |
| 10.6 | Form of Director and Officer Indemnification Agreement. | | F-4/A | 333-259743 | 10.7 | March 28, 2022 |
| 10.7 | Amended and Restated Master Development Agreement, dated as of August 13, 2021, by and among Tim Hortons Restaurants International GmbH, TH Hong Kong International Limited and TH International Limited. | | F-4 | 333-259743 | 10.7 | September 23, 2021 |
| 10.8 | Amendment No. 1 to Amended and Restated Master Development Agreement, dated as of September 28, 2022, by and among Tim Hortons Restaurants International GmbH, TH Hong Kong International Limited and TH International Limited. | X | | | | |

| ExhibitNo. | Description | Filed Herewith | Incorporation by Reference | | | |
|------------|--|-------------------|----------------------------|------------|----------------|--------------------|
| | | | Form | File No. | Exhibit No. | Filing Date |
| 10.9 | Amended and Restated Company Franchise Agreement, dated as of August 13, 2021, by and among Tim Hortons Restaurants International GmbH, TH Hong Kong International Limited, Tim Hortons (Shanghai) Food and Beverage Management Co., Ltd., Tim Hortons (China) Holdings Co. Ltd., Tim Hortons (Beijing) Food and Beverage Services Co., Ltd. and Tim Coffee (Shenzhen) Co., Ltd. | | F-4 | 333-259743 | 10.8 | September 23, 2021 |
| 10.10 | Amended and Restated Company Franchise Agreement, dated as of August 13, 2021, by and between Tim Hortons Restaurants International GmbH and TH Hong Kong International Limited. | | F-4 | 333-259743 | 10.9 | September 23, 2021 |
| 10.11 | Business Cooperation Agreement between Pangaea Data Tech (Shanghai) Co., Ltd and Tim Hortons (China) Holdings Co., Ltd., dated December 2, 2021. | | F-4/A | 333-259743 | 10.10 | January 28, 2022 |
| 10.12 | Form of Convertible Note Purchase Agreement. | | F-4/A | 333-259743 | 10.12 | March 28, 2022 |
| 10.13 | Form of Subscription Agreement. | | F-4/A | 333-259743 | 10.13 | March 28, 2022 |
| 10.14 | Ordinary Share Purchase Agreement, dated March 11, 2022. | | F-4/A | 333-259743 | 10.14 | March 28, 2022 |
| 10.15 | Registration Rights Agreement, dated March 11, 2022. | | F-4/A | 333-259743 | 10.15 | March 28, 2022 |
| 10.16 | Equity Support Agreement, dated March 9, 2022. | | F-4/A | 333-259743 | 10.16 | March 28, 2022 |
| 10.17 | Pledge and Security Agreement, dated May 25, 2022. | | F-4/A | 333-259743 | 10.17 | June 8, 2022 |
| 10.18 | Control Agreement, dated June 13, 2022. | X | | | | |
| 21.1 | List of subsidiaries of TH International Limited. | X | | | | |
| 23.1 | Consent of KPMG Huazhen LLP, an independent registered public accounting firm for TH International Limited. | X | | | | |
| 23.2 | Consent of Kirkland & Ellis LLP (included in Exhibit 5.1). | | | | | |

| ExhibitNo. | Description | Filed Herewith | Incorporation by Reference | | | |
|------------|--|-------------------|----------------------------|----------|----------------|-------------|
| | | | Form | File No. | Exhibit No. | Filing Date |
| 23.3 | Consent of Maples and Calder (Cayman) LLP (included in Exhibit 5.2). | | | | | |
| 23.4 | Consent of Han Kun Law Offices. | X | | | | |
| 24.1 | Power of Attorney (included on signature page to the initial filing of this Registration Statement). | | | | | |
| 107 | Filing table. | X | | | | |

+ Indicates management contract or compensatory plan or arrangement.

Portions of this exhibit have been omitted in accordance with Item 601(b)(10)(iv) of Regulation S-K.

Item 9. Undertakings

(a) The undersigned Registrant hereby undertakes:

- (1) to file, during any period in which offers or sales of the securities registered hereby are being made, a post-effective amendment to the registration statement:
 - (i) to include any prospectus required by Section 10(a)(3) of the Securities Act; and
 - (ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) that, individually or in the aggregate, represent a fundamental change in the information set forth in this registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the SEC pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and (iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;
- (2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.
- (4) To file a post-effective amendment to the registration statement to include any financial statements required by Item 8.A of Form 20-F at the start of any delayed offering or throughout a continuous offering. Financial statements and information otherwise required by Section 10(a)(3) of the Act need not be furnished, *provided* that the registrant includes in the prospectus, by means of a post-effective amendment, financial statements required pursuant to this paragraph (a)(4) and other information necessary to ensure that all other information in the prospectus is at least as current as the date of those financial statements.
- (5) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement

as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

- (6) That, for the purpose of determining liability of the Registrant under the Securities Act to any purchaser in the initial distribution of the securities, the undersigned Registrant undertakes that in a primary offering of securities of the undersigned Registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned Registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:
- (i) any preliminary prospectus or prospectus of the undersigned Registrant relating to the offering required to be filed pursuant to Rule 424;
 - (ii) any free writing prospectus relating to the offering prepared by or on behalf of the undersigned Registrant or used or referred to by such undersigned Registrant;
 - (iii) the portion of any other free writing prospectus relating to the offering containing material information about such undersigned Registrant or its securities provided by or on behalf of the undersigned Registrant; and
 - (iv) any other communication that is an offer in the offering made by the undersigned Registrant to the purchaser.
- (b) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.
- (c) The undersigned registrant hereby undertakes that:
- (1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.
 - (2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Shanghai, China, on October 13, 2022.

TH INTERNATIONAL LIMITED

By: /s/ Yongchen Lu

Name: Yongchen Lu

Title: Chief Executive Officer and Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below appoints Gregory Armstrong, as his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto any said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he or she might or would do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed below by the following persons in the capacities and on the dates indicated.

| <u>Signature</u> | <u>Title</u> | <u>Date</u> |
|---|--|------------------|
| <u>/s/ Peter Yu</u> Peter Yu | Chairman and Director | October 13, 2022 |
| <u>/s/ Yongchen Lu</u> Yongchen Lu | Chief Executive Officer and Director (<i>Principal Executive Officer</i>) | October 13, 2022 |
| <u>/s/ Dong Li</u> Dong Li | Chief Financial Officer (<i>Principal Financial and Accounting Officer</i>) | October 13, 2022 |
| <u>/s/ Bin He</u> Bin He | Chief Consumer Officer | October 13, 2022 |
| <u>/s/ Gregory Armstrong</u> Gregory Armstrong | Director | October 13, 2022 |
| <u>/s/ Paul Hong</u> Paul Hong | Director | October 13, 2022 |
| <u>/s/ Andrew Wehrley</u> Andrew Wehrley | Director | October 13, 2022 |
| <u>/s/ Meizi Zhu</u> Meizi Zhu | Director | October 13, 2022 |

| <u>Signature</u> | <u>Title</u> | <u>Date</u> |
|---|--------------|------------------|
| <u>/s/ Eric Haibing Wu</u> Eric Haibing Wu | Director | October 13, 2022 |
| <u>/s/ Rafael Odorizzi De Oliveira</u> Rafael Odorizzi De Oliveira | Director | October 13, 2022 |
| <u>/s/ Derek Cheung</u> Derek Cheung | Director | October 13, 2022 |

SIGNATURE OF AUTHORIZED REPRESENTATIVE IN THE UNITED STATES

Pursuant to the Securities Act of 1933, the undersigned, the duly authorized representative in the United States of TH International Limited, has signed this registration statement or amendment thereto in the City of New York, State of New York, on October 13, 2022.

COGENCY GLOBAL INC.

By: /s/ Colleen A. De Vries

Name: Colleen A. De Vries

Title: Senior Vice President

AMENDMENT NO. 4 TO AGREEMENT AND PLAN OF MERGER

This AMENDMENT NO. 4 TO AGREEMENT AND PLAN OF MERGER (this "Amendment") is made and entered into as of August 30, 2022 by and among TH International Limited, a Cayman Islands exempted company (the "Company"), Miami Swan Ltd, a Cayman Islands exempted company and wholly-owned subsidiary of the Company ("Merger Sub"), and Silver Crest Acquisition Corporation, a Cayman Islands exempted company ("SPAC"). Unless otherwise specifically defined herein, all capitalized terms used but not defined herein shall have the meanings ascribed to them under the Agreement (as defined below).

WHEREAS, the parties hereto entered into that certain Agreement and Plan of Merger, dated as of August 13, 2021 (as may be amended and modified from time to time including by Amendment No. 1, dated as of January 30, 2022, Amendment No. 2, dated March 9, 2022, and Amendment No. 3, dated June 27, 2022, the "Agreement");

WHEREAS, the parties hereto desire to amend the Agreement as set forth below;

WHEREAS, Section 11.09 of the Agreement provides that the Agreement may be amended or modified in whole or in part, by an agreement in writing executed by each of the Company, Merger Sub and SPAC in the same manner as the Agreement and which makes reference to the Agreement; and

WHEREAS, each of the Company, SPAC and Merger Sub has approved the execution and delivery of this Amendment.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, the Company, Merger Sub and the SPAC agree as follows:

1. Amendments to the Agreement.

1.1 Amendment to the Termination Date. The reference to "August 30, 2022" in Section 10.01(c) of the Agreement is hereby amended and replaced by "September 30, 2022".

2. Miscellaneous.

2.1 No Further Amendment. The Parties hereto agree that all other provisions of the Agreement shall, subject to the amendments set forth in Section 1 of this Amendment, continue unmodified, in full force and effect and constitute legal and binding obligations of the parties in accordance with their terms. This Amendment is limited precisely as written and shall not be deemed to be an amendment to any other term or condition of the Agreement or any of the documents referred to therein. This Amendment shall form an integral and inseparable part of the Agreement.

2.2 Representations and Warranties.

Each of the Company, Merger Sub and SPAC hereby represents and warrants to each other Party that:

(a) Such Party has the requisite corporate power and authority to execute and deliver this Amendment and to perform its obligations hereunder. The execution and delivery by such Party of this Amendment have been duly and validly authorized by its board of directors and no other corporate action on the part of such Party is necessary to authorize the execution and delivery by such Party of this Amendment.

(b) This Amendment has been duly and validly executed and delivered by such Party and, assuming the due authorization, execution and delivery by each other Party, constitutes a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, subject to the Enforceability Exceptions.

2.3 References. Each reference to “this Agreement,” “hereof,” “herein,” “hereunder,” “hereby” and each other similar reference contained in the Agreement shall, effective from the date of this Amendment, refer to the Agreement as amended by this Amendment. Notwithstanding the foregoing, references to the date of the Agreement and references in the Agreement, as amended hereby, to “the date hereof,” “the date of this Agreement” and other similar references shall in all instances continue to refer to August 13, 2021 and references to the date of this Amendment and “as of the date of this Amendment” shall refer to August 30, 2022.

2.4 Effect of Amendment. This Amendment shall form a part of the Agreement for all purposes, and each party thereto and hereto shall be bound hereby. From and after the execution of this Amendment by the parties hereto, any reference to the Agreement shall be deemed a reference to the Agreement as amended hereby and any reference to the Transactions shall be deemed a reference to the Transactions as amended hereby. This Amendment shall be deemed to be in full force and effect from and after the execution of this Amendment by the parties hereto.

2.5 Other Miscellaneous Terms. The provisions of Article XI (*Miscellaneous*) of the Agreement shall apply *mutatis mutandis* to this Amendment, and to the Agreement as amended by this Amendment, taken together as a single agreement, reflecting the terms therein as amended by this Amendment.

[Signature pages follow]

IN WITNESS WHEREOF, the Parties have hereunto caused this Amendment to be duly executed as of the date first set forth above.

TH INTERNATIONAL LIMITED

By:
Name:
Title:

MIAMI SWAN LTD

By:
Name:
Title:

[Signature Page to Amendment No. 4 to Agreement and Plan of Merger]

IN WITNESS WHEREOF, the Parties have hereunto caused this Amendment to be duly executed as of the date first set forth above.

SILVER CREST ACQUISITION CORPORATION

By:
Name:
Title:

[Signature Page to Amendment No. 4 to Agreement and Plan of Merger]

THE COMPANIES ACT (AS AMENDED)

COMPANY LIMITED BY SHARES

AMENDED AND RESTATED

MEMORANDUM AND ARTICLES OF ASSOCIATION

OF

TH International Limited

(adopted by a Special Resolution passed on 9 March 2022 and effective 28 September 2022)

THE COMPANIES ACT (AS AMENDED)

COMPANY LIMITED BY SHARES

AMENDED AND RESTATED

MEMORANDUM OF ASSOCIATION

OF

TH International Limited

(adopted by a Special Resolution passed on 9 March 2022 and effective 28 September 2022)

1. The name of the company is **TH International Limited**.
2. The registered office of the Company is situated at the offices of Maples Corporate Services Limited, PO Box 309, Uglund House, Grand Cayman, KY1-1104, Cayman Islands, or at such other location within the Cayman Islands as the Directors may from time to time determine.
3. The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the laws of the Cayman Islands.
4. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by Section 27(2) of the Companies Act (As Amended) of the Cayman Islands.
5. The liability of the shareholders of the Company is limited to the amount, if any, unpaid on the shares respectively held by them.
6. The authorised share capital of the Company is US\$5,000 divided into 500,000,000 ordinary shares with a nominal or par value of US\$0.00000939586994067732 each and 32,148,702.73519 shares with a nominal or par value of US\$0.00000939586994067732 each of such Class or Classes (however designated) as the Board may determine in accordance with Articles 8 and 9 of the Articles of Association of the Company.
7. The Company may exercise the power contained in Section 206 of the Companies Act to deregister in the Cayman Islands and be registered by way of continuation in some other jurisdiction.
8. Capitalised terms that are not defined in this Memorandum of Association bear the respective meanings given to them in the Articles of Association of the Company.

COMPANIES ACT (AS AMENDED)

COMPANY LIMITED BY SHARES

AMENDED AND RESTATED

ARTICLES OF ASSOCIATION

OF

TH International Limited

(adopted by a Special Resolution passed on 9 March 2022 and effective 28 September 2022)

TABLE A

The Regulations contained or incorporated in Table 'A' in the First Schedule of the Companies Act shall not apply to TH International Limited (the "**Company**") and the following Articles shall comprise the Articles of Association of the Company.

INTERPRETATION

1. In these Articles the following defined terms will have the meanings ascribed to them, if not inconsistent with the subject or context:

"**Affiliate**" means in respect of a Person, any other Person that, directly or indirectly (including through one or more intermediaries), controls, is controlled by, or is under common control with, such Person, and (i) in the case of a natural person, shall include, without limitation, such Person's spouse, parents, children, siblings, mother-in-law and father-in-law and brothers and sisters-in-law, a trust solely for the benefit of any of the foregoing, or a corporation, a company, a partnership or other entity wholly owned by one or more of the foregoing, and (ii) in the case of an entity, shall include any natural person or a corporation, a company, a partnership or other entity which directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such entity. The term "control" in this definition shall mean the ownership, directly or indirectly, of securities possessing more than fifty percent (50%) of the voting power of the corporation, or the company, or the partnership or other entity (other than, in the case of corporation or company, securities having such power only by reason of the happening of a contingency not within the reasonable control of such Person), or having the power to control the management or elect a majority of members to the board of directors or equivalent decision-making body of such corporation, partnership or other entity, and the term "controlled" has a meaning correlative to the foregoing.

“**Applicable Law**” means, with respect to any Person, all provisions of laws, statutes, ordinances, rules, regulations, permits, certificates, judgments, decisions, decrees or orders of any governmental authority applicable to such Person.

“**Articles**” means these articles of association of the Company.

“**Audit Committee**” means the audit committee of the Board formed pursuant to these Articles.

“**Board**” means the board of Directors.

“**Branch Register**” means any branch Register of such category or categories of Members as the Company may from time to time determine.

“**Cause**” means any of the following grounds: (i) any act of dishonesty, gross misconduct, wilful default or wilful neglect in the discharge of such Person’s duties as a Director; (ii) without prejudice to the generality of (i) above, being proven to have carried out any fraudulent activity or fraudulently to have failed to carry out any activity whether or not in connection with the affairs of the Company; (iii) conviction of any offence which in the reasonable opinion of the Board will seriously prejudice the performance of the Director’s duties; (iv) improper divulgence of any confidential information of the Company; or (v) conviction of any felony, any crime involving moral turpitude, any crime involving fraud or misrepresentation or violation of applicable securities laws.

“**Class**” or “**Classes**” means any class or classes of Shares as may from time to time be issued by the Company.

“**Companies Act**” means the Companies Act (As Amended) of the Cayman Islands.

“**Compensation Committee**” means the compensation committee of the Board established pursuant to these Articles.

“**Directors**” means the directors of the Company for the time being, or as the case may be, the directors assembled as a board or as a committee thereof.

“**electronic communication**” means a communication sent by electronic means, including electronic posting to the Company’s website, transmission to any number, address or internet website (including the website of the Securities and Exchange Commission) or other electronic delivery methods as otherwise decided and approved by the Directors.

“**Electronic Transactions Act**” means the Electronic Transactions Act (As Revised) of the Cayman Islands.

“**Memorandum of Association**” means the memorandum of association of the Company.

“**Nasdaq**” means The Nasdaq Capital Market;

“**Nominating and Corporate Governance Committee**” means the nominating and corporate governance committee of the Board established pursuant to these Articles.

“**Office**” means the registered office of the Company as required by the Companies Act.

“**Officers**” means the officers for the time being and from time to time of the Company.

“**Ordinary Resolution**” means a resolution:

- (a) passed by a simple majority of the Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company and where a poll is taken regard shall be had in computing a majority to the number of votes to which each Shareholder is entitled; or
- (b) approved in writing by all the Shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Shareholders and the effective date of the resolution so adopted shall be the date on which the instrument or the last of such instruments, if more than one, is executed.

“**Ordinary Share**” means an ordinary share with a par value of US\$0.00000939586994067732 in the share capital of the Company having the rights, benefits and privileges set out in these Articles.

“**paid up**” means paid up as to the par value in respect of the issue of any Shares and includes credited as paid up.

“**Person**” means any natural person, firm, company, joint venture, partnership, corporation, association or other entity (whether or not having a separate legal personality) or any of them as the context so requires, other than in respect of a Director or Officer in which circumstances Person shall mean any natural person or entity permitted to act as such in accordance with the laws of the Cayman Islands.

“**Principal Register**”, where the Company has established one or more Branch Registers pursuant to the Companies Act and these Articles, means the Register maintained by the Company pursuant to the Companies Act and these Articles that is not designated by the Directors as a Branch Register.

“**Register**” means the register of Members of the Company required to be kept pursuant to the Companies Act and includes any Branch Register(s) established by the Company in accordance with the Companies Act.

“**Seal**” means the common seal of the Company (if adopted) including any facsimile thereof.

“**Securities Act**” means the Securities Act of 1933 of the United States of America, as amended, or any similar federal statute and the rules and regulations of the U.S. Securities Exchange Commission thereunder, all as the same shall be in effect at the time.

“**Secretary**” means any Person appointed by the Directors to perform any of the duties of the secretary of the Company.

“**Share**” means a share in the capital of the Company. All references to “**Shares**” herein shall be deemed to be Shares of any or all Classes as the context may require. For the avoidance of doubt in these Articles the expression “**Share**” shall include a fraction of a Share.

“**Shareholder**” or “**Member**” means a Person who is registered as the holder of one or more Shares in the Register and includes each subscriber to the Memorandum of Association pending entry in the Register of such subscriber.

“**Share Premium Account**” means the share premium account established in accordance with these Articles and the Companies Act.

“**signed**” means a signature or representation of a signature affixed by mechanical means or an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a person with the intent to sign the electronic communication.

“**Special Resolution**” means a special resolution of the Company passed in accordance with the Companies Act, being a resolution:

- (a) passed by a majority of not less than two-thirds of such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company of which notice specifying the intention to propose the resolution as a special resolution has been duly given and where a poll is taken regard shall be had in computing a majority to the number of votes to which each Shareholder is entitled; or
- (b) approved in writing by all the Shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Shareholders and the effective date of the resolution so adopted shall be the date on which the instrument or the last of such instruments, if more than one, is executed.

“**Treasury Shares**” means Shares that were previously issued but were purchased, redeemed, surrendered to or otherwise acquired by the Company in accordance with the Companies Act and not cancelled.

2. In these Articles, save where the context requires otherwise:

- (a) words importing the singular number shall include the plural number and vice versa;
- (b) words importing the masculine gender only shall include the feminine gender and any Person as the context may require;
- (c) words importing persons include corporations as well as any other legal or natural person;

- (d) the word “**may**” shall be construed as permissive and the word “**shall**” shall be construed as imperative;
- (e) reference to a dollar or dollars or USD (or \$) and to a cent or cents is reference to dollars and cents of the United States of America;
- (f) reference to a statutory enactment shall include reference to any amendment or re-enactment thereof for the time being in force;
- (g) reference to any determination by the Directors shall be construed as a determination by the Directors in their sole and absolute discretion and shall be applicable either generally or in any particular case;
- (h) reference to “**in writing**” shall be construed as written or represented by any means reproducible in writing, including any form of print, lithograph, email, facsimile, photograph or telex or represented by any other substitute or format for storage or transmission for writing or partly one and partly another;
- (i) any requirements as to delivery under these Articles include delivery in the form of an Electronic Record;
- (j) any requirements as to execution or signature under these Articles including the execution of these Articles themselves can be satisfied in the form of an electronic signature as defined in the Electronic Transactions Act;
- (k) sections 8 and 19(3) of the Electronic Transactions Act shall not apply;
- (l) headings are inserted for reference only and shall be ignored in construing these Articles;
- (m) the term "clear days" in relation to the period of a notice means that period excluding the day when the notice is received or deemed to be received and the day for which it is given or on which it is to take effect; and
- (n) the term "holder" in relation to a Share means a Person whose name is entered in the Register as the holder of such Share.

3. Subject to the preceding Articles, any words defined in the Companies Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

PRELIMINARY

4. The business of the Company may be commenced at any time after incorporation.

5. The Office shall be at such address in the Cayman Islands as the Directors may from time to time determine. The Company may in addition establish and maintain such other offices and places of business and agencies in such places as the Directors may from time to time determine, subject to applicable law.

6. The expenses incurred in the formation of the Company and in connection with the offer for subscription and issue of Shares shall be paid by the Company. Such expenses may be amortised over such period as the Directors may determine and the amount so paid shall be charged against income and/or capital in the accounts of the Company as the Directors shall determine.
7. The Directors shall keep, or cause to be kept, the Register at such place or (subject to compliance with the Companies Act and these Articles) places as the Directors may from time to time determine. In the absence of any such determination, the Register shall be kept at the Office. The Directors may keep, or cause to be kept, one or more Branch Registers as well as the Principal Register in accordance with the Companies Act, provided always that a duplicate of such Branch Register(s) shall be maintained with the Principal Register in accordance with the Companies Act. Title to Shares may be evidenced and transferred in accordance with the laws applicable to and the rules and regulations of the Nasdaq.

SHARES

8. Subject to these Articles, and without prejudice to any rights attached to any existing Shares, all Shares for the time being unissued shall be under the control of the Directors who may:
 - (a) issue, allot and dispose of Shares with or without preferred, deferred or other rights or restrictions, whether in regard to dividends or other distributions, voting, return of capital or otherwise and to such Persons, in such manner, as they may from time to time determine; and
 - (b) grant options with respect to such Shares and issue warrants or similar instruments with respect thereto;

and, for such purposes, the Directors may reserve an appropriate number of Shares for the time being unissued. For the avoidance of doubt, the Directors may in their absolute, discretion and without approval of the existing Members, issue Shares, grant rights over existing Shares or issue other securities in one or more series as they deem necessary and appropriate and determine the designations, powers, preferences, privileges and other rights, including dividend rights, conversion rights, terms of redemption and liquidation preferences, any or all of which may be greater than the powers and rights associated with the Shares held by existing Members, at such times and on such other terms as they think proper.

9. The Directors may provide, out of the unissued Shares (other than unissued Ordinary Shares), for series of preferred shares in their absolute discretion and without approval of the existing Members. Before any preferred shares of any such series are issued, the Directors shall fix, by resolution or resolutions of the Board, the following provisions of such series:
 - (a) the designation of such series and the number of preferred shares to constitute such series;

- (b) whether the preferred shares of such series shall have voting rights, in addition to any voting rights provided by law, and, if so, the terms of such voting rights, which may be general or limited;
 - (c) the dividends, if any, payable on such series, whether any such dividends shall be cumulative, and, if so, from what dates, the conditions and dates upon which such dividends shall be payable, and the preference or relation which such dividends shall bear to the dividends payable on any Shares of any other Class or any other series of preferred shares;
 - (d) whether the preferred shares of such series shall be subject to redemption by the Company, and, if so, the times, prices and other conditions of such redemption;
 - (e) the amount or amounts payable upon preferred shares of such series upon, and the rights of the holders of such series in, a voluntary or involuntary liquidation, dissolution or winding up, or upon any distribution of the assets, of the Company;
 - (f) whether the preferred shares of such series shall be subject to the operation of a retirement or sinking fund and, if so, the extent to and manner in which any such retirement or sinking fund shall be applied to the purchase or redemption of the preferred shares of such series for retirement or other corporate purposes and the terms and provisions relative to the operation of the retirement or sinking fund;
 - (g) whether the preferred shares of such series shall be convertible into, or exchangeable for, Shares of any other Class or any other series of preferred shares or any other securities and, if so, the price or prices or the rate or rates of conversion or exchange and the method, if any, of adjusting the same, and any other terms and conditions of conversion or exchange;
 - (h) the limitations and restrictions, if any, to be effective while any preferred shares of such series are outstanding upon the payment of dividends or the making of other distributions on, and upon the purchase, redemption or other acquisition by the Company of, the existing Shares or Shares of any other Class or any other series of preferred shares;
 - (i) the conditions or restrictions, if any, upon the creation of indebtedness of the Company or upon the issue of any additional Shares, including additional preferred shares of such series or Shares of any other Class or any other series of preferred shares; and
 - (j) any other powers, preferences and relative, participating, optional and other special rights, and any qualifications, limitations and restrictions thereof.
10. The powers, preferences and relative, participating, optional and other special rights of each series of preferred shares, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding. All Shares of any one series of preferred shares shall be identical in all respects with all other Shares of such series, except that Shares of any one series issued at different times may differ as to the dates from which dividends on Shares of that series shall be cumulative.

11. The Company may insofar as may be permitted by law, pay a commission to any Person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any Shares. Such commissions may be satisfied by the payment of cash or the lodgement of fully or partly paid-up Shares or partly in one way and partly in the other. The Company may also pay such brokerage as may be lawful on any issue of Shares.
12. The Directors may refuse to accept any application for Shares, and may accept any application in whole or in part, for any reason or for no reason.
13. The Company shall not issue Shares to bearer.

SHARE RIGHTS

14. If at any time the share capital of the Company is divided into different Classes of Shares, all or any of the rights attached to any Class (unless otherwise provided by the terms of issue of the Shares of that Class) may, whether or not the Company is being wound up, be varied without the consent of the holders of the issued Shares of that Class where such variation is considered by the Directors not to have a material adverse effect upon such rights; otherwise, any such variation shall be made only with the consent in writing of the holders of not less than two-thirds of the issued Shares of that Class, or with the approval of a resolution passed by a majority of not less than two-thirds of the votes cast at a separate meeting of the holders of the Shares of that Class. For the avoidance of doubt, the Directors reserve the right, notwithstanding that any such variation may not have a material adverse effect, to obtain consent from the holders of Shares of the relevant Class. To any such meeting all the provisions of these Articles relating to general meetings shall apply mutatis mutandis, except that the necessary quorum shall be one or more Persons holding or representing by proxy at least one-third of the issued Shares of the Class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those Members who are present shall form a quorum) and that any holder of Shares of the Class present in person or by proxy may demand a poll.
15. For the purposes of a separate Class meeting, the Directors may treat two or more or all the Classes of Shares as forming one Class of Shares if the Directors consider that such Class of Shares would be affected in the same way by the proposals under consideration, but in any other case shall treat them as separate Classes of Shares.
16. The rights conferred upon the holders of the Shares of any Class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that Class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith or Shares issued with preferred or other rights, any variation of the rights conferred upon the holders of Shares of any other Class, or the redemption or purchase of any Shares of any Class by the Company.

SHAREHOLDER RIGHTS PLAN

17. The Board is authorised to establish a Shareholder rights plan including approving the execution of any document relating to the adoption and/or implementation of a rights plan. A rights plan may be in such form and may be subject to such terms and conditions as the Board shall determine in its absolute discretion.
 18. The Board is authorised to grant rights to subscribe for Shares of the Company in accordance with a rights plan.
 19. The Board may, in accordance with a rights plan, exercise any power under such rights plan (including a power relating to the issuance, redemption or exchange of rights or Shares) on a basis that excludes one or more Members, including a Member who has acquired or may acquire a significant interest in or control of the Company, subject to applicable law.
 20. The Board is authorised to exercise the powers under these Articles relating to a rights plan for any purpose that the Board, in its discretion, deems reasonable and appropriate, including to ensure that:
 - (a) any process which may result in an acquisition of a significant interest or change of control of the Company is conducted in an orderly manner;
 - (b) any potential acquisition of a significant interest or change of control of the Company which would be unlikely to treat all Members fairly and in a similar manner would be prevented;
 - (c) the use of abusive tactics by any Person in connection with any potential acquisition of a significant interest or change of control of the Company would be prevented;
 - (d) an optimum price for Shares would be received by or on behalf of all Members of the Company;
 - (e) the success of the Company would be promoted for the benefit of its Members as a whole;
 - (f) the long-term interests of the Company, its employees, its Members and its business would be safeguarded;
 - (g) the Company would not suffer serious economic harm;
 - (h) the Board has additional time to gather relevant information or pursue appropriate strategies; or
 - (i) all or any of the above.
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CERTIFICATES

21. No Person shall be entitled to a certificate for any or all of his Shares, unless the Directors shall determine otherwise. Share certificates representing Shares, if any, shall be in such form as the Directors may determine. Share certificates shall be signed by one or more Directors or other person authorised by the Directors. The Directors may authorise certificates to be issued with the authorised signature(s) affixed by mechanical process. All certificates for Shares shall be consecutively numbered or otherwise identified and shall specify the Shares to which they relate. All certificates surrendered to the Company for transfer shall be cancelled and, subject to Article 23, no new certificate shall be issued until the former certificate representing a like number of relevant Shares shall have been surrendered and cancelled.
22. Every share certificate of the Company shall bear legends required under the applicable laws, including the Securities Act.
23. If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed, a new certificate representing the same Shares may be issued to the relevant Member upon request subject to delivery up of the old certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity and the payment of out-of-pocket expenses of the Company in connection with the request as the Directors may think fit.
24. In the event that Shares are held jointly by several Persons, any request may be made by any one of the joint holders and if so made shall be binding on all of the joint holders.

FRACTIONAL SHARES

25. The Directors may issue fractions of a Share and, if so issued, a fraction of a Share shall be subject to and carry the corresponding fraction of liabilities (whether with respect to nominal or par value, premium, contributions, calls or otherwise), limitations, preferences, privileges, qualifications, restrictions, rights (including, without prejudice to the generality of the foregoing, voting and participation rights) and other attributes of a whole Share. If more than one fraction of a Share of the same Class is issued to or acquired by the same Shareholder such fractions shall be accumulated.

LIEN

26. The Company has a first and paramount lien on every Share (whether or not fully paid) for all amounts (whether presently payable or not) payable at a fixed time or called in respect of that Share. The Company also has a first and paramount lien on every Share (whether or not fully paid) registered in the name of a Person indebted or under liability to the Company (whether he is the sole registered holder of a Share or one of two or more joint holders) for all amounts owing by him or his estate to the Company (whether or not presently payable). The Directors may at any time declare a Share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a Share extends to any amount payable in respect of it.

27. The Company may sell, in such manner as the Directors may determine, any Share on which the Company has a lien, but no sale shall be made unless an amount in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing, demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Share, or the Persons entitled thereto by reason of his death or bankruptcy.
28. For giving effect to any such sale the Directors may authorise some Person to transfer the Shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the Shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
29. The proceeds of the sale after deduction of expenses, fees and commission incurred by the Company shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the Shares prior to the sale) be paid to the Person entitled to the Shares immediately prior to the sale.

CALLS ON SHARES

30. The Directors may from time to time make calls upon the Shareholders in respect of any moneys unpaid on their Shares, and each Shareholder shall (subject to receiving at least fourteen days' notice specifying the time or times of payment) pay to the Company at the time or times so specified the amount called on such Shares.
31. The joint holders of a Share shall be jointly and severally liable to pay calls in respect thereof.
32. If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the Person from whom the sum is due shall pay interest upon the sum at the rate of eight percent per annum from the day appointed for the payment thereof to the time of the actual payment, but the Directors shall be at liberty to waive payment of that interest wholly or in part.
33. The provisions of these Articles as to the liability of joint holders and as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the par value of the Share, or by way of premium, as if the same had become payable by virtue of a call duly made and notified.
34. The Directors may make arrangements on the issue of partly paid Shares for a difference between the Shareholders, or the particular Shares, in the amount of calls to be paid and in the times of payment.
35. The Directors may, if they think fit, receive from any Shareholder willing to advance the same all or any part of the moneys uncalled and unpaid upon any partly paid Shares held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding without the sanction of an Ordinary Resolution, eight percent per annum) as may be agreed upon between the Shareholder paying the sum in advance and the Directors. No such amount paid in advance of calls shall entitle the Shareholder paying such amount to any portion of a dividend or other distribution payable in respect of any period prior to the date upon which such amount would, but for such payment, become payable.

FORFEITURE OF SHARES

36. If a Shareholder fails to pay any call or instalment of a call in respect of any Shares on the day appointed for payment, the Directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
37. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the Shares in respect of which the call was made will be liable to be forfeited.
38. If the requirements of any such notice as aforesaid are not complied with, any Share in respect of which the notice has been given may at any time thereafter, before the payment required by notice has been made, be forfeited by a resolution of the Directors to that effect.
39. A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.
40. A Person whose Shares have been forfeited shall cease to be a Shareholder in respect of the forfeited Shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which at the date of forfeiture were payable by him to the Company in respect of the Shares forfeited, but his liability shall cease if and when the Company receives payment in full of the amount unpaid on the Shares forfeited.
41. A statutory declaration in writing that the declarant is a Director, and that a Share has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts in the declaration as against all Persons claiming to be entitled to the Share.
42. The Company may receive the consideration, if any, given for a Share on any sale or disposition thereof pursuant to the provisions of these Articles as to forfeiture and may execute a transfer of the Share in favour of the Person to whom the Share is sold or disposed of and that Person shall be registered as the holder of the Share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the disposition or sale.

43. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes due and payable, whether on account of the par value of the Share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

TRANSFER OF SHARES

44. The instrument of transfer of any Share shall be in writing and in any usual or common form or such other form as the Directors may determine, or in such form so as to comply with the rules and regulations of the Nasdaq, the Securities and Exchange Commission and/or any other competent regulatory authority, and shall be executed by or on behalf of the transferor and if in respect of a nil or partly paid up Share, or if so required by the Directors, shall also be executed on behalf of the transferee and shall be accompanied by the certificate (if any) of the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain the holder of a Share until the name of the transferee is entered in the Register in respect of the relevant Shares.
45. Subject to the terms of issue thereof and the rules and regulations of the Nasdaq, the Securities and Exchange Commission and/or any other competent regulatory authority, the Directors may determine to decline to register any transfer of Shares without assigning any reason therefor.
46. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, after notice has been given by advertisement in an appointed newspaper or any other newspaper or by any other means in accordance with the rules and regulations of the Nasdaq, the Securities and Exchange Commission and/or any other competent regulatory authority or otherwise under Applicable Law, provide that the Register shall be closed for transfers for a stated period which shall not in any case exceed forty days in any calendar year.
47. All instruments of transfer that are registered shall be retained by the Company, but any instrument of transfer that the Directors decline to register shall (except in any case of fraud) be returned to the Person depositing the same.

TRANSMISSION OF SHARES

48. The legal personal representative of a deceased sole holder of a Share shall be the only Person recognised by the Company as having any title to the Share. In the case of a Share registered in the name of two or more holders, the survivors or survivor, or the legal personal representatives of the deceased holder of the Share, shall be the only Person recognised by the Company as having any title to the Share.
49. Any Person becoming entitled to a Share in consequence of the death or bankruptcy of a Shareholder shall upon such evidence being produced as may from time to time be required by the Directors, have the right either to be registered as a Shareholder in respect of the Share or, instead of being registered himself, to make such transfer of the Share as the deceased or bankrupt Person could have made; but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the Share by the deceased or bankrupt Shareholder before the death or bankruptcy.

50. A Person becoming entitled to a Share by reason of the death or bankruptcy of a Shareholder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered Shareholder, except that he shall not, before being registered as a Shareholder in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company and the Directors may at any time give notice requiring any such Person to elect either to be registered himself or to have some Person nominated by him be registered as the holder of the Share (but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the Share by the deceased or bankrupt Shareholder before the death or bankruptcy). If the notice is not complied with within ninety days of being received or deemed to be received (as determined pursuant to these Articles) the Directors may thereafter withhold payment of all dividends, other distributions, bonuses or other monies payable in respect of the Share until the requirements of the notice have been complied with.

ALTERATION OF SHARE CAPITAL AND AMENDMENTS TO MEMORANDUM AND ARTICLES OF ASSOCIATION

51. The Company may by Ordinary Resolution:
- (a) increase the share capital by such sum, to be divided into Shares of such Classes and amount, as the Ordinary Resolution shall prescribe;
 - (b) consolidate and divide all or any of its share capital into Shares of a larger amount than its existing Shares;
 - (c) convert all or any of its paid up Shares into stock and reconvert that stock into paid up Shares of any denomination;
 - (d) subdivide its existing Shares, or any of them into Shares of a smaller amount provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in case of the Share from which the reduced Share is derived; and
 - (e) cancel any Shares that, at the date of the passing of the resolution, have not been taken or agreed to be taken by any Person and diminish the amount of its share capital by the amount of the Shares so cancelled.
52. All new Shares created in accordance with the provisions of the preceding Article shall be subject to the same provisions of these Articles with reference to the payment of calls, liens, transfer, transmission, forfeiture and otherwise as the Shares in the original share capital.

53. Subject to the provisions of the Companies Act and the provisions of these Articles as regards the matters to be dealt with by Ordinary Resolution, the Company may by Special Resolution:
- (a) change its name;
 - (b) alter or add to these Articles;
 - (c) alter or add to the Memorandum with respect to any objects, powers or other matters specified therein; and
 - (d) reduce its share capital or any capital redemption reserve fund.

REDEMPTION, PURCHASE AND SURRENDER OF SHARES

54. Subject to the Companies Act, the Company may:
- (a) issue Shares on terms that they are to be redeemed or are liable to be redeemed at the option of the Company or the Shareholder on such terms and in such manner as the Directors may determine before the issue of such Shares;
 - (b) purchase its own Shares (including any redeemable Shares) on such terms and in such manner as the Directors may determine and agree with the Shareholder;
 - (c) make a payment in respect of the redemption or purchase of its own Shares in any manner authorised by the Companies Act, including out of its capital; and
 - (d) accept the surrender for no consideration of any paid up Share (including any redeemable Share) on such terms and in such manner as the Directors may determine.
55. Any Share in respect of which notice of redemption has been given shall not be entitled to participate in the profits of the Company in respect of the period after the date specified as the date of redemption in the notice of redemption.
56. The redemption, purchase or surrender of any Share shall not be deemed to give rise to the redemption, purchase or surrender of any other Share.
57. The Directors may when making payments in respect of redemption or purchase of Shares, if authorised by the terms of issue of the Shares being redeemed or purchased or with the agreement of the holder of such Shares, make such payment either in cash or in specie including, without limitation, interests in a special purpose vehicle holding assets of the Company or holding entitlement to the proceeds of assets held by the Company or in a liquidating structure.

TREASURY SHARES

58. Shares that the Company purchases, redeems or acquires (by way of surrender or otherwise) may, at the option of the Company, be cancelled immediately or held as Treasury Shares in accordance with the Companies Act. In the event that the Directors do not specify that the relevant Shares are to be held as Treasury Shares, such Shares shall be cancelled.
59. No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to Members on a winding up) may be declared or paid in respect of a Treasury Share.
60. The Company shall be entered in the Register as the holder of the Treasury Shares provided that:
- (a) the Company shall not be treated as a Member for any purpose and shall not exercise any right in respect of the Treasury Shares, and any purported exercise of such a right shall be void;
 - (b) a Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued Shares at any given time, whether for the purposes of these Articles or the Companies Act, save that an allotment of Shares as fully paid bonus shares in respect of a Treasury Share is permitted and Shares allotted as fully paid bonus shares in respect of a Treasury Share shall be treated as Treasury Shares.
61. The Directors may determine to cancel a Treasury Share or transfer a Treasury Share on such terms as they think proper (including, without limitation, for nil consideration).

GENERAL MEETINGS

62. All general meetings other than annual general meetings shall be called extraordinary general meetings.
63. The Directors may, whenever they think fit, convene a general meeting of the Company. The Company may, but shall not (unless required by the Companies Act or, for so long as any Shares are traded on the Nasdaq, the rules and regulations of the Nasdaq) be obliged to, in each year hold a general meeting as its annual general meeting, and shall specify the meeting as such in the notices calling it. Any annual general meeting shall be held at such time and place as the Directors shall appoint. At these meetings the report of the Directors (if any) shall be presented.
64. The Directors may cancel or postpone any duly convened general meeting at any time prior to such meeting, except for general meetings requisitioned by the Shareholders in accordance with these Articles, for any reason or for no reason at any time prior to the time for holding such meeting or, if the meeting is adjourned, the time for holding such adjourned meeting. The Directors shall give Shareholders notice in writing of any cancellation or postponement. A postponement may be for a stated period of any length or indefinitely as the Directors may determine.

65. General meetings shall also be convened on the requisition in writing of any Shareholder or Shareholders entitled to attend and vote at general meetings of the Company holding at least ten percent of the paid up voting share capital of the Company deposited at the Office specifying the objects of the meeting by notice given no later than 21 days from the date of deposit of the requisition signed by the requisitionists, and if the Directors do not convene such meeting for a date not later than 45 days after the date of such deposit, the requisitionists themselves may convene the general meeting in the same manner, as nearly as possible, as that in which general meetings may be convened by the Directors, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Directors to convene the general meeting shall be reimbursed to them by the Company.
66. If at any time there are no Directors, any two Shareholders (or if there is only one Shareholder then that Shareholder) entitled to vote at general meetings of the Company may convene a general meeting in the same manner as nearly as possible as that in which general meetings may be convened by the Directors.

NOTICE OF GENERAL MEETINGS

67. At least seven clear days' notice in writing shall be given of any general meeting. Every notice shall specify the place, the day and the hour of the meeting and the general nature of the business to be conducted at the general meeting and shall be given in the manner hereinafter provided or in such other manner (if any) as may be prescribed by the Company by Ordinary Resolution to such Persons as are, under these Articles, entitled to receive such notices from the Company, provided that a general meeting of the Company shall, whether or not the notice specified in this Article has been given and whether or not the provisions of these Articles regarding general meetings have been complied with, be deemed to have been duly convened if it is so agreed:
- (a) in the case of an annual general meeting, by all of the Members entitled to attend and vote thereat; and
 - (b) in the case of an extraordinary general meeting, by a majority in number of the Members having a right to attend and vote at the meeting, together holding not less than ninety-five per cent in par value of the Shares giving that right.
68. The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any Person entitled to receive such notice shall not invalidate the proceedings at that general meeting.

PROCEEDINGS AT GENERAL MEETINGS

69. All business carried out at a general meeting shall be deemed special with the exception of sanctioning a dividend, the consideration of the accounts, balance sheets, any report of the Directors or of the Company's auditors, and the fixing of the remuneration of the Company's auditors. No special business shall be transacted at any general meeting without the consent of all Shareholders entitled to receive notice of that meeting unless notice of such special business has been given in the notice convening that meeting.

70. No business shall be transacted at any general meeting unless a quorum of Shareholders is present at the time when the meeting proceeds to business. Save as otherwise provided by these Articles, one or more Shareholders holding at least a majority of the paid up voting share capital of the Company present in person or by proxy or if a corporation or other non-natural person by its duly authorised representative or proxy and entitled to vote at that meeting shall form a quorum.
71. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Shareholders, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the Shareholder or Shareholders present and entitled to vote shall form a quorum.
72. If the Directors wish to make this facility available for a specific general meeting or all general meetings of the Company, participation in any general meeting of the Company may be by means of a telephone, electronic, web-based or similar communication equipment by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting.
73. The chairman, if any, of the Board shall preside as chairman at every general meeting of the Company.
74. If there is no such chairman of the Board, or if at any general meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman, any Director or Person nominated by the Directors shall preside as chairman, failing which the Shareholders present in person or by proxy shall choose any Person present to be chairman of that meeting.
75. The chairman may adjourn a meeting from time to time and from place to place either:
- (a) with the consent of any general meeting at which a quorum is present (and shall if so directed by the meeting by Ordinary Resolution); or
 - (b) without the consent of such meeting if, in his sole opinion, he considers it necessary to do so to:
 - (i) secure the orderly conduct or proceedings of the meeting; or
 - (ii) give all Persons present in person or by proxy and having the right to speak and / or vote at such meeting, the ability to do so,

but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting, or adjourned meeting, is adjourned for fourteen days or more, notice of the adjourned meeting shall be given in the manner provided for the original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

76. Save where a Special Resolution or other greater majority is required by the Companies Act or these Articles, any question proposed for consideration at any general meeting shall be decided by an Ordinary Resolution.
77. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands, or on the withdrawal of any other demand for a poll) demanded by the chairman or one or more Shareholders who together hold not less than ten percent (10%) in nominal value of the total issued voting shares in the Company present in person or by proxy entitled to vote, and unless a poll is so demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution. Where a poll is taken regard shall be had in computing a majority to the number of votes to which each Shareholder is entitled.
78. If a poll is duly demanded it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
79. In the case of an equality of votes at a general meeting, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.
80. A poll demanded on the election of a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs.
81. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded and the demand for a poll may be withdrawn by the Person or any Persons making it at any time prior to the declaration of the result of the poll.
82. A resolution (including a Special Resolution) in writing (in one or more counterparts) signed by or on behalf of all of the Members for the time being entitled to receive notice of and to attend and vote at general meetings (or, being corporations or other non-natural persons, signed by their duly authorised representatives) shall be as valid and effective as if the resolution had been passed at a general meeting of the Company duly convened and held.

VOTES OF SHAREHOLDERS

83. Subject to any rights and restrictions for the time being attached to any Share, on a show of hands every Member who being a natural person is present in person or by proxy and entitled to vote, or if a corporation or other non-natural person is present by its duly authorised representative or by proxy and entitled to vote, shall have one vote. Subject to any rights and restrictions for the time being attached to any Share, on a poll every Member who being a natural person is present in person or by proxy and entitled to vote, or if a corporation or other non-natural person is present by its duly authorised representative or by proxy and entitled to vote, shall have one vote for each Share of which he is the registered holder.

84. Notwithstanding anything contained in these Articles, where more than one proxy is appointed by a Member which is a clearing house or a central depository house (or its nominee(s)), each such proxy shall have one vote on a show of hands.
85. In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy (or, in the case of a corporation or other non-natural person, by its duly authorised representative or proxy) shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register.
86. A Shareholder of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote in respect of Shares carrying the right to vote held by him, whether on a show of hands or on a poll, by his committee, or other Person in the nature of a committee appointed by that court, and any such committee or other Person, may vote in respect of such Shares by proxy.
87. No Shareholder shall be entitled to vote at any general meeting of the Company unless all calls, if any, or other sums presently payable by him in respect of Shares carrying the right to vote held by him have been paid.
88. On a poll votes may be given either personally or by proxy (or in the case of a corporation or other non-natural person by its duly authorised representative or proxy). A Member may appoint more than one proxy or the same proxy under one or more instruments to attend and vote at a meeting. Where a Member appoints more than one proxy the instrument of proxy shall specify the number of Shares in respect of which each proxy is entitled to exercise the related votes.
89. A Member holding more than one Share need not cast the votes in respect of his Shares in the same way on any resolution and therefore may vote a Share or some or all such Shares either for or against a resolution and/or abstain from voting a Share or some or all of the Shares and, subject to the terms of the instrument appointing him, a proxy appointed under one or more instruments may vote a Share or some or all of the Shares in respect of which he is appointed either for or against a resolution and/or abstain from voting a Share or some or all of the Shares in respect of which he is appointed.

PROXIES

90. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation or other non-natural person, either under seal or under the hand of its duly authorised representative or attorney duly authorised. A proxy need not be a Shareholder.

91. An instrument appointing a proxy may be in any usual or common form or such other form as the Directors may approve.
92. The Directors may, in the notice convening any meeting or adjourned meeting, or in an instrument of proxy sent out by the Company, specify the manner by which the instrument appointing a proxy shall be deposited and the place and the time (being not later than the time appointed for the commencement of the meeting or adjourned meeting to which the proxy relates) at which the instrument appointing a proxy shall be deposited. In the absence of any such direction from the Directors in the notice convening any meeting or adjourned meeting or in an instrument of proxy sent out by the Company, the instrument appointing a proxy shall be deposited physically at the Office not less than 48 hours before the time appointed for the meeting or adjourned meeting to commence at which the Person named in the instrument proposes to vote. The chairman may in any event at his discretion declare that an instrument of proxy shall be deemed to have been duly deposited. An instrument of proxy that is not deposited in the manner permitted, or which has not been declared to have been duly deposited by the chairman, shall be invalid.
93. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
94. Votes given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Share in respect of which the proxy is given unless notice in writing of such death, insanity, revocation or transfer was received by the Company at the Office before the commencement of the general meeting, or adjourned meeting at which it is sought to use the proxy.

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

95. Any corporation or other non-natural person which is a Shareholder or a Director may by resolution of its directors or other governing body authorise such Person as it thinks fit to act as its representative at any meeting of the Company or of any meeting of holders of a Class or of the Directors or of a committee of Directors, and the Person so authorised shall be entitled to exercise the same powers on behalf of the corporation or other non-natural person which he represents as that corporation or other non-natural person could exercise if it were an individual Shareholder or Director.

CLEARING HOUSES

96. If a clearing house or a central depository house (or its nominee(s)), being a corporation, is a Member it may authorise such Person or Persons as it thinks fit to act as its representative or representatives at any general meeting of the Company or at any meeting of any Class of Members provided that, if more than one Person is so authorised, the authorisation shall specify the number and Class of Shares in respect of which each such Person is so authorised. A Person so authorised pursuant to this Article shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same powers on behalf of the clearing house or central depository house (or its nominee(s)) which he represents as if such Person was the registered holder of such Shares held by the clearing house (or its nominee(s)).

DIRECTORS

97. Subject to Articles 98 and 120, the Company may by Ordinary Resolution appoint any Person to be a Director or may by Ordinary Resolution remove any Director.
98. The term of office of each Director shall expire at the first annual general meeting of Members following the last appointment of such Director, save that the term of office of the Directors in office at the date of the effectiveness of these Articles shall expire at the first annual general meeting of Members following the effectiveness of these Articles. No decrease in the number of Directors constituting the Board shall shorten the term of any incumbent Director. Notwithstanding the foregoing provisions of this Article, each Director shall hold office until the expiration of his term or until his earlier death, resignation or removal in accordance with Article 120.
99. Commencing at the first annual general meeting of Members following the effectiveness of these Articles, and at each annual general meeting thereafter, Directors elected to succeed those Directors whose terms expire thereat shall be elected for a term of office to expire at the next succeeding annual general meeting after their election. Directors whose terms expire shall be eligible for re-election.
100. Subject to these Articles, the Company may by Ordinary Resolution from time to time fix the maximum and minimum number of Directors to be appointed but unless such numbers are fixed as aforesaid the minimum number of Directors shall be one and the maximum number of Directors shall be unlimited.
101. The remuneration of the Directors may be determined by the Directors or by the Company by Ordinary Resolution.
102. There shall be no shareholding qualification for Directors unless determined otherwise by the Company by Ordinary Resolution.
103. The Directors shall have power at any time and from time to time to appoint any Person to be a Director, either as a result of a casual vacancy or as an additional Director, subject to the maximum number (if any) imposed by Ordinary Resolution.

ALTERNATE DIRECTOR

104. Any Director (but not an alternate Director) may in writing appoint another Person to be his alternate and revoke the appointment of an alternate appointed by him. Such appointment or removal shall be by notice to the Office signed by the Director making or revoking the appointment or in any other manner approved by the Directors, and shall be effective on the date the notice is served. Subject to the removal by the appointing Director, the alternate shall continue in office until the date on which the Director who appointed him ceases to be a Director. Save to the extent provided otherwise in the form of appointment, such alternate shall have authority to sign written resolutions on behalf of the appointing Director, but shall not be authorised to sign such written resolutions where they have been signed by the appointing Director, and to act in such Director's place at any meeting of the Directors and any meetings of committees of Directors of which his appointor is a member. Every such alternate shall be entitled to attend and vote at meetings of the Directors and meetings of committees of Directors of which his appointor is a member as the alternate of the Director appointing him and where he is a Director to have a separate vote in addition to his own vote. Subject to the provisions of these Articles, an alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and shall not be deemed to be the agent of the Director appointing him. The remuneration of such alternate shall be payable out of the remuneration of the Director appointing him and the proportion thereof shall be agreed between them.

POWERS AND DUTIES OF DIRECTORS

105. Subject to the Companies Act, these Articles and to any resolutions passed in a general meeting, the business of the Company shall be managed by the Directors, who may pay all expenses incurred in setting up and registering the Company and may exercise all powers of the Company. No resolution passed by the Company in general meeting shall invalidate any prior act of the Directors that would have been valid if that resolution had not been passed.
106. The Directors may from time to time appoint any Person, whether or not a Director, to hold such office in the Company as the Directors may think necessary for the administration of the Company, including but not limited to, the office of president, one or more vice-presidents, chief financial officer, treasurer, assistant treasurer, manager or controller, and for such term and at such remuneration (whether by way of salary or commission or participation in profits or partly in one way and partly in another), and with such powers and duties as the Directors may think fit. Any Person so appointed by the Directors may be removed by the Directors or by the Company by Ordinary Resolution. An Officer may vacate his office at any time if he gives notice in writing to the Company that he resigns his office. The Directors may also appoint one or more of their number to the office of managing director upon like terms, but any such appointment shall ipso facto terminate if any managing director ceases from any cause to be a Director, or if the Company by Ordinary Resolution resolves that his tenure of office be terminated.
107. The Directors may appoint any Person to be a Secretary (and if need be an assistant Secretary or assistant Secretaries) who shall hold office for such term, at such remuneration and upon such conditions and with such powers as the Directors may think fit. Any Secretary or assistant Secretary so appointed by the Directors may be removed by the Directors or by the Company by Ordinary Resolution.
108. The Board may establish and delegate any of their powers to committees consisting of such member or members of their body as they think fit including, without limitation, the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors. Subject to any such regulations that may be imposed by the Directors, the proceedings of a committee of Directors shall be governed by the Articles regulating the proceedings of Directors, so far as they are capable of applying. The Directors may adopt formal written charters for committees.

109. The Directors may from time to time and at any time by power of attorney (whether under Seal or under hand) or otherwise appoint any Person or body of Persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys or authorised signatory (any such Person being an “**Attorney**” or “**Authorised Signatory**”, respectively) of the Company for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney or other appointment may contain such provisions for the protection and convenience of Persons dealing with any such Attorney or Authorised Signatory as the Directors may think fit, and may also authorise any such Attorney or Authorised Signatory to delegate all or any of the powers, authorities and discretion vested in him.
110. The Directors may from time to time provide for the management of the affairs of the Company in such manner as they shall think fit and the provisions contained in the three next following Articles shall not limit the general powers conferred by this Article.
111. The Directors from time to time and at any time may establish any other committees, local boards or agencies for managing any of the affairs of the Company and may appoint any Person to be a member of such committees or local boards and may appoint any managers or agents of the Company and may fix the remuneration of any such Person.
112. The Directors from time to time and at any time may delegate to any such committee, local board, manager or agent any of the powers, authorities and discretions for the time being vested in the Directors and may authorise the members for the time being of any such local board, or any of them to fill any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit and the Directors may at any time remove any Person so appointed and may annul or vary any such delegation, but no Person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
113. Any such delegates as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.
114. The Directors may agree with a Shareholder to waive or modify the terms applicable to such Shareholder’s subscription for Shares without obtaining the consent of any other Shareholder; provided that such waiver or modification does not amount to a variation or abrogation of the rights attaching to the Shares of such other Shareholders.

BORROWING POWERS OF DIRECTORS

115. The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof, or to otherwise provide for a security interest to be taken in such undertaking, property or uncalled capital, and to issue debentures, debenture stock and other securities whenever money is borrowed or as security for any debt, liability or obligation of the Company or of any third party.

THE SEAL

116. The Seal (if any) shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of the Seal and if given after may be in general form confirming a number of affixings of the Seal. The Seal shall be affixed in the presence of a Director or a Secretary (or an assistant Secretary) or in the presence of any one or more Persons as the Directors may appoint for the purpose and every Person as aforesaid shall sign every instrument to which the Seal is so affixed in their presence.
117. The Company may maintain a facsimile of the Seal in such countries or places as the Directors may appoint and such facsimile Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of such facsimile Seal and if given after may be in general form confirming a number of affixings of such facsimile Seal. The facsimile Seal shall be affixed in the presence of such Person or Persons as the Directors shall for this purpose appoint and such Person or Persons as aforesaid shall sign every instrument to which the facsimile Seal is so affixed in their presence and such affixing of the facsimile Seal and signing as aforesaid shall have the same meaning and effect as if the Seal had been affixed in the presence of and the instrument signed by a Director or a Secretary (or an assistant Secretary) or in the presence of any one or more Persons as the Directors may appoint for the purpose.
118. Notwithstanding the foregoing, a Secretary or any assistant Secretary shall have the authority to affix the Seal, or the facsimile Seal, to any instrument for the purposes of attesting authenticity of the matter contained therein but which does not create any obligation binding on the Company.

RETIREMENT OF DIRECTORS

119. A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires.

DISQUALIFICATION OF DIRECTORS

120. The office of Director shall be vacated, if the Director:
- (a) becomes bankrupt or makes any arrangement or composition with his creditors;
 - (b) dies or is found to be or becomes of unsound mind;
 - (c) resigns his office by notice in writing to the Company;
 - (d) is removed from office by Ordinary Resolution;

- (e) is removed from office by notice addressed to him at his last known address and signed by all of his co-Directors (not being less than two in number); or
- (f) retires, resigns or is removed from office pursuant to any other provision of these Articles;

provided that in the case of clauses (d) and (e) above, no Director may be removed without Cause.

PROCEEDINGS OF DIRECTORS

- 121. The Directors may meet together (either within or outside the Cayman Islands) for the despatch of business, adjourn, and otherwise regulate their meetings and proceedings as they think fit. Questions arising at any meeting of the Directors shall be decided by a majority of votes and each Director present in person or represented by his alternate or proxy shall be entitled to one vote. In case of an equality of votes the chairman of the meeting shall have a second or casting vote. A Director may, and a Secretary or assistant Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors by at least two days' notice in writing to every Director and alternate Director which notice shall set forth the general nature of the business to be considered unless notice is waived by all the Directors (or their alternates) either at, before or after the meeting is held.
- 122. A Director may participate in any meeting of the Directors, or of any committee appointed by the Directors of which such Director is a member, by means of telephone, electronic, web-based or similar communication equipment by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting. Unless otherwise determined by the Directors the meeting shall be deemed to be held at the place where the chairman of the meeting is located at the start of the meeting.
- 123. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed, if there be two or more Directors the quorum shall be two, and if there be one Director the quorum shall be one. A Director represented by an alternate Director at any meeting shall be deemed to be present for the purposes of determining whether or not a quorum is present.
- 124. A Director (or his alternate Director in his absence) may vote in respect of any contract or proposed contract or arrangement notwithstanding that he may be interested therein and if he does so his vote shall be counted and he may be counted in the quorum at any meeting of the Directors at which any such contract or proposed contract or arrangement shall come before the meeting for consideration, provided that the nature of the interest of any Director or alternate Director in any such contract or proposed contract or arrangement shall be disclosed by him at or prior to its consideration and any vote thereon. A general notice that a Director or alternate Director is a shareholder, director, officer or employee of any specified Person and is to be regarded as interested in any transaction with such Person shall be sufficient disclosure for the purposes of voting on a resolution in respect of a contract, proposed contract or arrangement in which he has an interest, and after such general notice it shall not be necessary to give special notice relating to any particular transaction.

125. A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established. A Director, notwithstanding his interest, may be counted in the quorum present at any meeting of the Directors whereat he or any other Director is appointed to hold any such office or place of profit under the Company or whereat the terms of any such appointment are arranged and he may vote on any such appointment or arrangement.
126. Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the Company.
127. The Directors shall cause minutes to be made in books or loose-leaf folders provided for the purpose of recording:
- (a) all appointments of Officers made by the Directors;
 - (b) the names of the Directors present at each meeting of the Directors and of any committee of the Directors; and
 - (c) all resolutions and proceedings at all meetings of the Company, and of the Directors and of committees of Directors.
128. When the chairman of a meeting of the Directors signs the minutes of such meeting the same shall be deemed to have been duly held notwithstanding that all the Directors have not actually come together or that there may have been a technical defect in the proceedings.
129. A resolution in writing signed by all the Directors or all the members of a committee of Directors, as the case may be (an alternate Director, subject as provided otherwise in the terms of appointment of the alternate Director, being entitled to sign such a resolution on behalf of his appointer), shall be as valid and effectual as if it had been passed at a duly called and constituted meeting of Directors or committee of Directors, as the case may be. When signed a resolution may consist of several documents each signed by one or more of the Directors or his duly appointed alternate.
130. The continuing Directors (or a sole continuing Director, as the case may be) may act notwithstanding any vacancy in their body but if and for so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors or Director may act for the purpose of increasing the number, or of summoning a general meeting of the Company, but for no other purpose.

131. The Directors may elect a chairman of their board and determine the period for which he is to hold office. If no such chairman is elected, or if at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairman of the meeting.
132. Subject to any regulations imposed on it by the Directors, a committee appointed by the Directors may elect a chairman of its meetings. If no such chairman is elected, or if at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting, the committee members present may choose one of their number to be chairman of the meeting.
133. A committee appointed by the Directors may meet and adjourn as it thinks proper. Subject to any regulations imposed on it by the Directors, questions arising at any meeting shall be determined by a majority of votes of the committee members present and in case of an equality of votes the chairman shall have a second or casting vote.
134. All acts done by any meeting of the Directors or of a committee of Directors, or by any Person acting as a Director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or Person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Person had been duly appointed and was qualified to be a Director.
135. A Director or alternate Director who is present at a meeting of the Board or committee of the Board at which action on any Company matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent from such action with the Person acting as the chairman or secretary of the meeting before the adjournment thereof or shall forward such dissent by registered post to such Person immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director or alternate Director who voted in favour of such action.
136. A Director but not an alternate Director may be represented at any meetings of the Directors by a proxy appointed in writing by him. The proxy shall count towards the quorum and the vote of the proxy shall for all purposes be deemed to be that of the appointing Director.

DIVIDENDS

137. Subject to any rights and restrictions for the time being attached to any Shares, or as otherwise provided for in the Companies Act and these Articles, the Directors may from time to time declare dividends (including interim dividends) and other distributions on Shares in issue and authorise payment of the same out of the funds of the Company lawfully available therefor.

138. Subject to any rights and restrictions for the time being attached to any Shares, the Company by Ordinary Resolution may declare dividends out of the funds of the Company lawfully available therefor, but no dividend shall exceed the amount recommended by the Directors.
139. The Directors may determine, before recommending or declaring any dividend, to set aside out of the funds legally available for distribution such sums as they think proper as a reserve or reserves which shall be applicable for meeting contingencies, or for equalising dividends or for any other purpose to which those funds may be properly applied and pending such application may, at the determination of the Directors, either be employed in the business of the Company or be invested in such investments as the Directors may from time to time think fit.
140. Any dividend may be paid in any manner as the Directors may determine. If paid by cheque it will be sent through the post to the registered address of the Shareholder or Person entitled thereto, or in the case of joint holders, to any one of such joint holders at his registered address or to such Person and such address as the Shareholder or Person entitled, or such joint holders as the case may be, may direct. Every such cheque shall be made payable to the order of the Shareholder to whom it is sent or to the order of such other Person as the Shareholder or Person entitled, or such joint holders as the case may be, may direct.
141. The Directors when paying dividends to the Shareholders in accordance with the foregoing provisions of these Articles may make such payment either in cash or in specie and may determine the extent to which amounts may be withheld therefrom (including, without limitation, any taxes, fees, expenses or other liabilities for which a Shareholder (or the Company, as a result of any action or inaction of the Shareholder) is liable).
142. Subject to any rights and restrictions for the time being attached to any Shares, all dividends shall be declared and paid according to the amounts paid up on the Shares, but if and for so long as nothing is paid up on any of the Shares dividends may be declared and paid according to the par value of the Shares.
143. If several Persons are registered as joint holders of any Share, any of them may give effectual receipts for any dividend or other moneys payable on or in respect of the Share.
144. No dividend shall bear interest against the Company.
145. Any dividend or other distribution which cannot be paid to a Member and/or which remains unclaimed after six months from the date on which such dividend or other distribution becomes payable may, in the discretion of the Directors, be paid into a separate account in the Company's name, provided that the Company shall not be constituted as a trustee in respect of that account and the dividend or other distribution shall remain as a debt due to the Member. Any dividend or other distribution which remains unclaimed after a period of six years from the date on which such dividend or other distribution becomes payable shall be forfeited and shall revert to the Company.
146. The Directors may deduct from any dividend or other distribution payable to any Member all sums of money (if any) then payable by him to the Company on account of calls or otherwise.

ACCOUNTS, AUDIT AND ANNUAL RETURN AND DECLARATION

147. The books of account (including, where applicable, material underlying documentation including contracts and invoices) relating to the Company's affairs shall be kept in such manner as may be determined from time to time by the Directors. Such books of account must be retained for a minimum period of five years from the date on which they are prepared. Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.
148. The books of account shall be kept at the Office, or at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.
149. The Directors may from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Shareholders not being Directors, and no Shareholder (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors or by the Company by Ordinary Resolution. The remuneration of the Auditor shall be fixed by the Audit Committee (if one exists) or otherwise by the Directors.
150. The accounts relating to the Company's affairs shall only be audited if the Directors so determine, in which case the financial year end and the accounting principles will be determined by the Directors. The Directors may appoint an auditor of the Company who shall hold office on such terms as the Directors determine. Every auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and Officers such information and explanation as may be necessary for the performance of the duties of the auditor.
151. Auditors shall, if so required by the Directors, make a report on the accounts of the Company during their tenure of office at the next general meeting following their appointment, and at any other time during their term of office, upon request of the Directors or any general meeting of the Members.
152. The Directors in each year shall prepare, or cause to be prepared, an annual return and declaration setting forth the particulars required by the Companies Act and deliver a copy thereof to the Registrar of Companies in the Cayman Islands.

CAPITALISATION OF RESERVES

153. Subject to the Companies Act and any rights and restrictions for the time being attached to any Shares, the Directors may:
 - (a) resolve to capitalise an amount standing to the credit of reserves (including a Share Premium Account, capital redemption reserve and profit and loss account), whether or not available for distribution;

- (b) appropriate the sum resolved to be capitalised to the Shareholders in proportion to the nominal amount of Shares (whether or not fully paid) held by them respectively and apply that sum on their behalf in or towards:
- (i) paying up the amounts (if any) for the time being unpaid on Shares held by them respectively, or
 - (ii) paying up in full unissued Shares or debentures of a nominal amount equal to that sum,
- and allot the Shares or debentures, credited as fully paid, to the Shareholders (or as they may direct) in those proportions, or partly in one way and partly in the other, but the Share Premium Account, the capital redemption reserve and profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued Shares to be allotted to Shareholders credited as fully paid;
- (c) make any arrangements they think fit to resolve a difficulty arising in the distribution of a capitalised reserve and in particular, without limitation, where Shares or debentures become distributable in fractions the Directors may deal with the fractions as they think fit;
- (d) authorise a Person to enter (on behalf of all the Shareholders concerned) into an agreement with the Company providing for either:
- (i) the allotment to the Shareholders respectively, credited as fully paid, of Shares or debentures to which they may be entitled on the capitalisation, or
 - (ii) the payment by the Company on behalf of the Shareholders (by the application of their respective proportions of the reserves resolved to be capitalised) of the amounts or part of the amounts remaining unpaid on their existing Shares,
- and any such agreement made under this authority being effective and binding on all those Shareholders; and
- (e) generally do all acts and things required to give effect to any of the actions contemplated by this Article.

SHARE PREMIUM ACCOUNT

154. The Directors shall in accordance with the Companies Act establish a Share Premium Account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any Share.
155. There shall be debited to any Share Premium Account on the redemption or purchase of a Share the difference between the nominal value of such Share and the redemption or purchase price provided always that at the determination of the Directors such sum may be paid out of the profits of the Company or, if permitted by the Companies Act, out of capital.

NOTICES

156. Any notice or document may be served by the Company or by the Person entitled to give notice to any Shareholder either personally, or by post in a prepaid letter or via a recognised courier service, fees prepaid, addressed to such Shareholder at his address as appearing in the Register, or by electronic mail to any electronic mail address such Shareholder may have specified in writing for the purpose of such service of notices, or by facsimile to any facsimile number such Shareholder may have specified in writing for the purpose of such service of notices. Notice may also be served by electronic communication in accordance with the rules and regulations of the Nasdaq, the Securities and Exchange Commission and/or any other competent regulatory authority. In the case of joint holders of a Share, all notices shall be given to that one of the joint holders whose name stands first in the Register in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.
157. Any Shareholder present, either personally or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.
158. Any notice or other document, if served by:
- (a) post, shall be deemed to have been served five calendar days after the time when the letter containing the same is posted;
 - (b) facsimile, shall be deemed to have been served upon production by the transmitting facsimile machine of a report confirming transmission of the facsimile in full to the facsimile number of the recipient;
 - (c) recognised courier service, shall be deemed to have been served 48 hours after the time when the letter containing the same is delivered to the courier service; or
 - (d) electronic mail or other electronic communication, shall be deemed to have been served immediately upon the time of the transmission by electronic mail and it shall not be necessary for the receipt of the e-mail or electronic communication to be acknowledged by the recipient.
- In proving service by post or courier service it shall be sufficient to prove that the letter containing the notice or documents was properly addressed and duly posted or delivered to the courier service.
159. Any notice or document delivered or sent in accordance with the terms of these Articles shall notwithstanding that such Shareholder be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any Share registered in the name of such Shareholder as sole or joint holder, unless his name shall at the time of the service of the notice or document, have been removed from the Register as the holder of the Share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all Persons interested (whether jointly with or as claiming through or under him) in the Share.

160. Notice of every general meeting of the Company shall be given in any manner authorised by these Articles to:

- (a) all Shareholders holding Shares with the right to receive notice and who have supplied to the Company an address for the giving of notices to them; and
- (b) every Person entitled to a Share in consequence of the death or bankruptcy of a Shareholder, who but for his death or bankruptcy would be entitled to receive notice of the meeting.

No other Person shall be entitled to receive notices of general meetings.

INDEMNITY

161. Every Director (including for the purposes of this Article any alternate Director appointed pursuant to the provisions of these Articles) and Officer (which for the avoidance of doubt shall not include the Company's auditors) together with every former Director and former Officer and the personal representatives of the same (each an **Indemnified Person**) shall be indemnified and secured harmless out of the assets of the Company against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such Indemnified Person, other than by reason of such Indemnified Person's own actual fraud or wilful default as determined by a court of competent jurisdiction, in or about the conduct of the Company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such Indemnified Person in defending (whether successfully or otherwise) any civil proceedings concerning the Company or its affairs in any court whether in the Cayman Islands or elsewhere.

162. No Indemnified Person shall be liable:

- (a) for the acts, receipts, neglects, defaults or omissions of any other Director or Officer or agent of the Company; or
- (b) for any loss on account of defect of title to any property of the Company; or
- (c) on account of the insufficiency of any security in or upon which any money of the Company shall be invested; or
- (d) for any loss incurred through any bank, broker or other similar Person; or

- (e) for any loss occasioned by any negligence, default, breach of duty, breach of trust, error of judgement or oversight on such Indemnified Person's part; or
- (f) for any loss, damage or misfortune whatsoever which may happen in or arise from the execution or discharge of the duties, powers, authorities, or discretions of such Indemnified Person's office or in relation thereto;

unless the same shall happen through such Indemnified Person's own actual fraud or wilful default as determined by a court of competent jurisdiction.

163. The Company shall advance to each Indemnified Person reasonable attorneys' fees and other costs and expenses incurred in connection with the defence of any action, suit, proceeding or investigation involving such Indemnified Person for which indemnity will or could be sought. In connection with any advance of any expenses hereunder, the Indemnified Person shall execute an undertaking to repay the advanced amount to the Company if it shall be determined by final judgment or other final adjudication that such Indemnified Person was not entitled to indemnification pursuant to these Articles. If it shall be determined by a final judgment or other final adjudication that such Indemnified Person was not entitled to indemnification with respect to such judgment, costs or expenses, then such party shall not be indemnified with respect to such judgment, costs or expenses and any advancement shall be returned to the Company (without interest) by the Indemnified Person.
164. The Directors, on behalf of the Company, may purchase and maintain insurance for the benefit of any Director or Officer against any liability which, by virtue of any rule of law, would otherwise attach to such person in respect of any negligence, default, breach of duty or breach of trust of which such person may be guilty in relation to the Company.

NON-RECOGNITION OF TRUSTS

165. Subject to the proviso hereto, no Person shall be recognised by the Company as holding any Share upon any trust and the Company shall not, unless required by law, be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share or (except only as otherwise provided by these Articles or as the Companies Act requires) any other right in respect of any Share except an absolute right to the entirety thereof in each Shareholder registered in the Register, provided that, notwithstanding the foregoing, the Company shall be entitled to recognise any such interests as shall be determined by the Directors.

WINDING UP

166. If the Company shall be wound up the liquidator shall apply the assets of the Company in such manner and order as he thinks fit in satisfaction of creditors' claims.

167. If the Company shall be wound up, the liquidator may, subject to the rights attaching to any Shares and with the sanction of an Ordinary Resolution, divide amongst the Shareholders in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different Classes of Shareholders. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Shareholders as the liquidator, with the like sanction shall think fit, but so that no Shareholder shall be compelled to accept any assets whereon there is any liability.

CLOSING OF REGISTER OR FIXING RECORD DATE

168. For the purpose of determining those Shareholders that are entitled to receive notice of, attend or vote at any meeting of Shareholders or any adjournment thereof, or those Shareholders that are entitled to receive payment of any dividend or other distribution, or in order to make a determination as to who is a Shareholder for any other purpose, the Directors may, after notice has been given by advertisement in an appointed newspaper or any other newspaper or by any other means in accordance with the rules and regulations of the Nasdaq, the Securities and Exchange Commission and/or any other competent regulatory authority, provide that the Register shall be closed for transfers for a stated period which shall not exceed in any case forty days in any calendar year. If the Register shall be so closed for the purpose of determining those Shareholders that are entitled to receive notice of, attend or vote at a meeting of Shareholders the Register shall be so closed for at least ten days immediately preceding such meeting and the record date for such determination shall be the date of the closure of the Register.
169. In lieu of, or apart from, closing the Register, the Directors may fix in advance or arrears a date as the record date for any such determination of Shareholders entitled to notice of, attend or vote at any meeting of Shareholders or any adjournment thereof, or for the purpose of determining the Shareholders entitled to receive payment of any dividend or other distribution, or in order to make a determination of Shareholders for any other purpose.
170. If the Register is not so closed and no record date is fixed for the determination of those Shareholders entitled to receive notice of, attend or vote at a meeting of Shareholders or those Shareholders that are entitled to receive payment of a dividend or other distribution, the date on which notice of the meeting is sent or the date on which the resolution of the Directors declaring such dividend or other distribution is adopted, as the case may be, shall be the record date for such determination of Shareholders. When a determination of those Shareholders that are entitled to receive notice of, attend or vote at a meeting of Shareholders has been made as provided in this Article, such determination shall apply to any adjournment thereof.

REGISTRATION BY WAY OF CONTINUATION

171. The Company may by Special Resolution resolve to be registered by way of continuation in a jurisdiction outside the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing. In furtherance of a resolution adopted pursuant to this Article, the Directors may cause an application to be made to the Registrar of Companies to deregister the Company in the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing and may cause all such further steps as they consider appropriate to be taken to effect the transfer by way of continuation of the Company.

MERGERS AND CONSOLIDATION

172. The Company shall have the power to merge or consolidate with one or more other constituent companies (as defined in the Companies Act) upon such terms as the Directors may determine and (to the extent required by the Companies Act) with the approval of a Special Resolution.

DISCLOSURE

173. The Directors, Secretary, assistant Secretary, or other Officer or any authorised service providers (including the registered office agent of the Company), shall be entitled to disclose to any regulatory or judicial authority, or to any stock exchange on which the Shares may from time to time be listed, any information regarding the affairs of the Company including, without limitation, information contained in the Register and books of the Company.

**ASSIGNMENT, ASSUMPTION AND AMENDED & RESTATED
WARRANT AGREEMENT**

THIS ASSIGNMENT, ASSUMPTION AND AMENDED & RESTATED WARRANT AGREEMENT (this “*Agreement*”), dated as of September 28, 2022 (the “*Effective Date*”), is by and among Silver Crest Acquisition Corporation, a Cayman Islands exempted company (“*SPAC*”), TH International Limited, a Cayman Islands exempted company (the “*Company*”), and Continental Stock Transfer & Trust Company, a New York limited purpose trust company, as warrant agent (in such capacity, the “*Warrant Agent*”).

WHEREAS, SPAC and the Warrant Agent are parties to that certain Warrant Agreement, dated as of January 13, 2021 (the “*Existing Warrant Agreement*”);

WHEREAS, SPAC issued (i) 17,250,000 warrants as part of the units offered in its initial public offering (the “*Public Warrants*”) and (ii) 8,900,000 warrants to Silver Crest Management LLC, a Cayman Islands limited liability company (the “*Sponsor*”) in a concurrent private placement (the “*Private Placement Warrants*”) pursuant to that certain Private Placement Warrants Purchase Agreement, dated as of January 13, 2021, in each case, on the terms and conditions set forth in the Existing Warrant Agreement;

WHEREAS, on August 13, 2021, the Company, Miami Swan Ltd, a Cayman Islands exempted company and a direct, wholly-owned subsidiary of the Company (“*Merger Sub*”), and SPAC entered into that certain Agreement and Plan of Merger (as may be amended from time to time, the “*Merger Agreement*”);

WHEREAS, upon the terms and subject to the conditions of the Merger Agreement, on the Effective Date (i) Merger Sub will merge with and into SPAC (the “*First Merger*”), with SPAC continuing as the surviving entity after the First Merger and becoming a direct, wholly-owned subsidiary of the Company, and (ii) SPAC will merge with and into the Company (the “*Second Merger*” and, together with the First Merger, the “*Mergers*”), with the Company continuing as the surviving entity after the Second Merger;

WHEREAS, upon consummation of the Mergers, as provided in Section 4.5 of the Existing Warrant Agreement, (i) the Public Warrants and Private Placement Warrants will no longer be exercisable for Class A ordinary shares of SPAC, par value \$0.0001 per share (the “*SPAC Class A Shares*”), but instead will be exercisable (subject to the terms and conditions of the Existing Warrant Agreement as amended hereby) for a number of ordinary shares of the Company, par value \$0.00000939586994067732 per share (the “*Ordinary Shares*”), equal to the number of SPAC Class A Shares for which such warrants were exercisable immediately prior to the Mergers, subject to adjustment as described herein (such warrants as so adjusted and amended, the “*Warrants*”) and (ii) the Public Warrants and the Private Placement Warrants issued by by SPAC shall be assumed by the Company;

WHEREAS, in connection with the transactions contemplated by the Merger Agreement, SPAC desires to assign to the Company, and the Company desires to assume, all of SPAC's rights, interests and obligations under the Existing Warrant Agreement;

WHEREAS, in connection with the transactions contemplated by the Merger Agreement, the Company has agreed to issue to certain PIPE Investors (as defined in the Merger Agreement) pursuant to the terms of, and subject to the conditions of, that certain Subscription Agreements, dated March 9, 2022, an aggregate of 1,200,000 Warrants (the "**PIPE Private Warrants**") and such PIPE Investors, the "**Qualified PIPE Investors**"), and, for the purpose of this Agreement, all references to "the Private Placement Warrants" in this Agreement shall be deemed to include the PIPE Private Warrants;

WHEREAS, the consummation of the transactions contemplated by the Merger Agreement will constitute a Business Combination as defined in the Existing Warrant Agreement;

WHEREAS, Section 9.8 of the Existing Warrant Agreement provides that SPAC and the Warrant Agent may amend the Existing Warrant Agreement without the consent of any Registered Holder for the purpose of (i) curing any ambiguity or correcting any defective provision or mistake contained therein, including to conform the provisions thereof to the description of the terms of the Warrants and the Existing Warrant Agreement set forth in the registration statements on Form S-1, File No. 333-251655 and 333-252085, and a prospectus (the "**Prospectus**") filed by SPAC with the Securities and Exchange Commission (the "**Commission**"), and (ii) adding or changing any provisions with respect to matters or questions arising under the Existing Warrant Agreement as the parties may deem necessary or desirable and that the parties deem shall not adversely affect the rights of the Registered Holders thereunder;

WHEREAS, the Company desires the Warrant Agent to act on behalf of the Company, and the Warrant Agent is willing to so act, in connection with the issuance, registration, transfer, exchange, redemption and exercise of the Warrants; and

WHEREAS, the Company desires to provide for the form and provisions of the Warrants, the terms upon which they shall be issued and exercised, and the respective rights, limitation of rights, and immunities of the Company, the Warrant Agent and the holders of the Warrants; and

WHEREAS, all acts and things have been done and performed which are necessary to make the Warrants, when executed on behalf of the Company and countersigned by or on behalf of the Warrant Agent (if a physical certificate is issued), as provided herein, the valid, binding and legal obligations of the Company, and to authorize the execution and delivery of this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements herein contained, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Assignment and Assumption; Amendment; Appointment of Warrant Agent.

1.1 Assignment and Assumption. SPAC hereby assigns to the Company all of SPAC's right, title and interest in and to the Existing Warrant Agreement and the Warrants (each as amended hereby) as of the Closing (as defined in the Merger Agreement). The Company hereby assumes, and agrees to pay, perform, satisfy and discharge in full, as the same become due, all of SPAC's liabilities and obligations under the Existing Warrant Agreement and the Warrants (each as amended hereby) arising from and after the Closing (as defined in the Merger Agreement).

1.2 Amendment. The Company, SPAC and the Warrant Agent hereby amend and restate the Existing Warrant Agreement and the Public Warrants and Private Placement Warrants issued thereunder in accordance with Section 9.8 of the Existing Warrant Agreement, in its entirety in the form of this Agreement as of the Closing (as defined in the Merger Agreement).

1.3 Appointment of Warrant Agent. The Company hereby appoints the Warrant Agent to act as agent for the Company for the Warrants, and the Warrant Agent hereby accepts such appointment and agrees to perform the same in accordance with the terms and conditions set forth in this Agreement.

2. Warrants.

2.1 Form of Warrant. Each Warrant shall initially be issued in registered form only.

2.2 Effect of Countersignature. If a physical certificate is issued, unless and until countersigned by the Warrant Agent pursuant to this Agreement, a certificated Warrant shall be invalid and of no effect and may not be exercised by the holder thereof.

2.3 Registration.

2.3.1 Warrant Register. The Warrant Agent shall maintain books (the "**Warrant Register**"), for the registration of original issuance and the registration of transfer of the Warrants. Upon the initial issuance of the Warrants in book-entry form, the Warrant Agent shall issue and register the Warrants in the names of the respective holders thereof in such denominations and otherwise in accordance with instructions delivered to the Warrant Agent by the Company. Ownership of beneficial interests in the Public Warrants shall be shown on, and the transfer of such ownership shall be effected through, records maintained by institutions that have accounts with The Depository Trust Company (the "**Depository**") (such institution, with respect to a Warrant in its account, a "**Participant**").

If the Depository subsequently ceases to make its book-entry settlement system available for the Public Warrants, the Company may instruct the Warrant Agent regarding making other arrangements for book-entry settlement. In the event that the Public Warrants are not eligible for, or it is no longer necessary to have the Public Warrants available in, book-entry form, the Warrant Agent shall provide written instructions to the Depository to deliver to the Warrant Agent for cancellation each book-entry Public Warrant, and the Company shall instruct the Warrant Agent to deliver to the Depository definitive certificates in physical form evidencing such Warrants, which shall be in the form annexed hereto as Exhibit A.

Physical certificates, if issued, shall be signed by, or bear the facsimile signature of, the Chairman, Vice Chairman, Chief Executive Officer or other principal officer of the Company. In the event the person whose facsimile signature has been placed upon any Warrant shall have ceased to serve in the capacity in which such person signed the Warrant before such Warrant is issued, it may be issued with the same effect as if he or she had not ceased to be such at the date of issuance.

2.3.2 Registered Holder. Prior to due presentment for registration of transfer of any Warrant, the Company and the Warrant Agent may deem and treat the person in whose name such Warrant is registered in the Warrant Register (the “**Registered Holder**”) as the absolute owner of such Warrant and of each Warrant represented thereby, for the purpose of any exercise thereof, and for all other purposes, and neither the Company nor the Warrant Agent shall be affected by any notice to the contrary.

2.4 [Reserved.]

2.5 Fractional Warrants. The Company shall not issue fractional Warrants. If a holder of Warrants would be entitled to receive a fractional Warrant, the Company shall round down to the nearest whole number the number of Warrants to be issued to such holder.

2.6 Private Placement Warrants.

2.6.1 The Private Placement Warrants shall be identical to the Public Warrants, except that so long as they are held by the Sponsor, the Qualified PIPE Investors or any of their Permitted Transferees (as defined below) the Private Placement Warrants: (i) may be exercised for cash or on a “cashless basis,” pursuant to subsection 3.3.1(c) hereof, (ii) including the Ordinary Shares issuable upon exercise of the Private Placement Warrants, may not be transferred, assigned or sold until thirty (30) days after the Effective Date, (iii) shall not be redeemable by the Company pursuant to Section 6.1 hereof and (iv) shall only be redeemable by the Company pursuant to Section 6.2 if the Reference Value (as defined below) is less than \$18.00 per share (subject to adjustment in compliance with Section 4 hereof); provided, however, that in the case of (ii), the Private Placement Warrants and any Ordinary Shares issued upon exercise of the Private Placement Warrants may be transferred by the holders thereof:

(a) to Sponsor’s or any of the Qualified PIPE Investors’ officers or directors, any affiliates or family members of any of Sponsor’s or any of the Qualified PIPE Investors’ officers or directors, any members or partners of the Sponsor or any of the Qualified PIPE Investors or their affiliates, any affiliates of the Sponsor or any of the Qualified PIPE Investors, or any employees of such affiliates;

(b) in the case of an individual, by gift to a member of the individual's immediate family or to a trust, the beneficiary of which is a member of the individual's immediate family, an affiliate of such person or to a charitable organization;

(c) in the case of an individual, by virtue of laws of descent and distribution upon death of the individual;

(d) in the case of an individual, pursuant to a qualified domestic relations order;

(e) by private sales or transfers made in connection with any forward purchase agreement or similar arrangement at prices no greater than the price at which the Private Placement Warrants or Ordinary Shares, as applicable, were originally purchased;

(f) by virtue of the organizational documents of the Sponsor or any of the Qualified PIPE Investors seeking to make the transfer, upon liquidation or dissolution of such entity; or

(g) in the event of the Company's completion of a liquidation, merger, share exchange or other similar transaction which results in all of the public shareholders having the right to exchange their Ordinary Shares for cash, securities or other property subsequent to the Effective Date; provided, however, that, in the case of clauses (a) through (f), these permitted transferees (the "**Permitted Transferees**") must enter into a written agreement with the Company agreeing to be bound by the transfer restrictions in this Agreement.

3. Terms and Exercise of Warrants.

3.1 Warrant Price. Each whole Warrant shall entitle the Registered Holder thereof, subject to the provisions of such Warrant and of this Agreement, to purchase from the Company the number of Ordinary Shares stated therein, at the price of \$11.50 per share, subject to the adjustments provided in Section 4 hereof and in the second to last sentence of this Section 3.1. The term "**Warrant Price**" as used in this Agreement shall mean the price per share (including in cash or by payment of Warrants pursuant to a "cashless exercise," to the extent permitted hereunder) described in the prior sentence at which Ordinary Shares may be purchased at the time a Warrant is exercised. The Company in its sole discretion may lower the Warrant Price at any time prior to the Expiration Date (as defined below) for a period of not less than fifteen Business Days (unless otherwise required by the Commission, any national securities exchange on which the Warrants are listed or applicable law); provided that the Company shall provide at least five days' prior written notice of such reduction to Registered Holders of the Warrants; and provided further, that any such reduction shall be identical among all of the Warrants. "**Business Day**" means a day other than a Saturday, Sunday or federal holiday, on which banks in New York City are generally open for normal business.

3.2 Duration of Warrants. A Warrant may be exercised only during the period (the “**Exercise Period**”) (A) commencing on the date that is thirty (30) days after the Effective Date, and (B) terminating at the earliest to occur of (x) 5:00 p.m., New York City time on the date that is five (5) years after the Effective Date, and (y) other than with respect to the Private Placement Warrants then held by the Sponsor, the Qualified PIPE Investors or their Permitted Transferees with respect to a redemption pursuant to Section 6.1 hereof or, if the Reference Value equals or exceeds \$18.00 per share (subject to adjustment in compliance with Section 4 hereof), Section 6.2 hereof, 5:00 p.m., New York City time on the Redemption Date (as defined below) as provided in Section 6.3 hereof (the “**Expiration Date**”); provided, however, that the exercise of any Warrant shall be subject to the satisfaction of any applicable conditions, as set forth in subsection 3.3.2 below, with respect to an effective registration statement or a valid exemption therefrom being available. Except with respect to the right to receive the Redemption Price (as defined below) (other than with respect to a Private Placement Warrant then held by the Sponsor, the Qualified PIPE Investors or their Permitted Transferees in connection with a redemption pursuant to Section 6.1 hereof or, if the Reference Value equals or exceeds \$18.00 per share (subject to adjustment in compliance with Section 4 hereof), Section 6.2 hereof), in the event of a redemption (as set forth in Section 6 hereof), each Warrant (other than a Private Placement Warrant then held by the Sponsor, the Qualified PIPE Investors or their Permitted Transferees in the event of a redemption pursuant to Section 6.1 hereof or, if the Reference Value equals or exceeds \$18.00 per share (subject to adjustment in compliance with Section 4 hereof), Section 6.2 hereof) not exercised on or before the Expiration Date shall become void, and all rights thereunder and all rights in respect thereof under this Agreement shall cease at 5:00 p.m. New York City time on the Expiration Date. The Company in its sole discretion may extend the duration of the Warrants by delaying the Expiration Date; provided that the Company shall provide at least twenty (20) days prior written notice of any such extension to Registered Holders of the Warrants and, provided further that any such extension shall be identical in duration among all the Warrants.

3.3 Exercise of Warrants.

3.3.1 Payment. Subject to the provisions of the Warrant and this Agreement, a Warrant may be exercised by the Registered Holder thereof by delivering to the Warrant Agent at its corporate trust department (i) the Definitive Warrant Certificate evidencing the Warrants to be exercised, or, in the case of a Warrant represented by a book-entry, the Warrants to be exercised (the “**Book-Entry Warrants**”) on the records of the Depository to an account of the Warrant Agent at the Depository designated for such purposes in writing by the Warrant Agent to the Depository from time to time, (ii) an election to purchase (the “**Election to Purchase**”) any Ordinary Shares pursuant to the exercise of a Warrant, properly completed and executed by the Registered Holder on the reverse of the Definitive Warrant Certificate or, in the case of a Book-Entry Warrant, properly delivered by the Participant in accordance with the Depository’s procedures, and (iii) the payment in full of the Warrant Price for each Ordinary Share as to which the Warrant is exercised and any and all applicable taxes due in connection with the exercise of the Warrant, the exchange of the Warrant for the Ordinary Shares and the issuance of such Ordinary Shares, as follows:

(a) by wire transfer of immediately available funds, in good certified check or good bank draft payable to the order of the Warrant Agent;

(b) [Reserved];

(c) with respect to any Private Placement Warrant, so long as such Private Placement Warrant is held by the Sponsor, the Qualified PIPE Investors or a Permitted Transferee, by surrendering the Warrants for that number of Ordinary Shares equal to (i) if in connection with a redemption of Private Placement Warrants pursuant to Section 6.2 hereof, as provided in Section 6.2 hereof with respect to a Make-Whole Exercise and (ii) in all other scenarios the quotient obtained by dividing (x) the product of the number of Ordinary Shares underlying the Warrants, multiplied by the excess of the Sponsor Exercise Fair Market Value (as defined in this subsection 3.3.1(c)) over the Warrant Price by (y) the Sponsor Exercise Fair Market Value. Solely for purposes of this subsection 3.3.1(c), the “*Sponsor Exercise Fair Market Value*” shall mean the average last reported sale price of the Ordinary Shares for the ten (10) trading days ending on the third (3rd) trading day prior to the date on which notice of exercise of the Private Placement Warrant is sent to the Warrant Agent;

(d) as provided in Section 6.2 hereof with respect to a Make-Whole Exercise; or

(e) as provided in Section 7.4 hereof.

3.3.2 Issuance of Ordinary Shares on Exercise. As soon as practicable after the exercise of any Warrant and the clearance of the funds in payment of the Warrant Price (if payment is pursuant to subsection 3.3.1(a)), the Company shall issue to the Registered Holder of such Warrant a book-entry position or certificate, as applicable, for the number of Ordinary Shares to which he, she or it is entitled, registered in such name or names as may be directed by him, her or it on the register of members of the Company, and if such Warrant shall not have been exercised in full, a new book-entry position or countersigned Warrant, as applicable, for the number of Ordinary Shares as to which such Warrant shall not have been exercised. Notwithstanding the foregoing, the Company shall not be obligated to deliver any Ordinary Shares pursuant to the exercise of a Warrant and shall have no obligation to settle such Warrant exercise unless a registration statement under the Securities Act with respect to the Ordinary Shares underlying the Public Warrants is then effective and a prospectus relating thereto is current, subject to the Company’s satisfying its obligations under Section 7.4 or a valid exemption from registration is available. No Warrant shall be exercisable and the Company shall not be obligated to issue Ordinary Shares upon exercise of a Warrant unless the Ordinary Shares issuable upon such Warrant exercise have been registered, qualified or deemed to be exempt from registration or qualification under the securities laws of the state of residence of the Registered Holder of the Warrants. Subject to Section 4.6 of this Agreement, a Registered Holder of Warrants may exercise its Warrants only for a whole number of Ordinary Shares. The Company may require holders of Public Warrants to settle the Warrant on a “cashless basis” pursuant to Section 7.4. If, by reason of any exercise of Warrants on a “cashless basis”, the holder of any Warrant would be entitled, upon the exercise of such Warrant, to receive a fractional interest in an Ordinary Share, the Company shall round down to the nearest whole number, the number of Ordinary Shares to be issued to such holder.

3.3.3 Valid Issuance. All Ordinary Shares issued upon the proper exercise of a Warrant in conformity with this Agreement and the Company's amended and restated memorandum and articles of association, as amended from time to time shall be validly issued, fully paid and nonassessable.

3.3.4 Date of Issuance. Each person in whose name any book-entry position or certificate, as applicable, for Ordinary Shares is issued and who is registered in the register of members of the Company shall for all purposes be deemed to have become the holder of record of such Ordinary Shares on the date on which the Warrant, or book-entry position representing such Warrant, was surrendered and payment of the Warrant Price was made, irrespective of the date of delivery of such certificate in the case of a certificated Warrant, except that, if the date of such surrender and payment is a date when the register of members of the Company or book-entry system of the Warrant Agent are closed, such person shall be deemed to have become the holder of such shares at the close of business on the next succeeding date on which the register of members of the Company or book-entry system are open.

3.3.5 Maximum Percentage. A holder of a Warrant may notify the Company in writing in the event it elects to be subject to the provisions contained in this subsection 3.3.5; however, no holder of a Warrant shall be subject to this subsection 3.3.5 unless he, she or it makes such election. If the election is made by a holder, the Warrant Agent shall not effect the exercise of the holder's Warrant, and such holder shall not have the right to exercise such Warrant, to the extent that after giving effect to such exercise, such person (together with such person's affiliates), to the Warrant Agent's actual knowledge, would beneficially own in excess of 9.8% (or such other amount as a holder may specify) (the "**Maximum Percentage**") of the Ordinary Shares outstanding immediately after giving effect to such exercise. For purposes of the foregoing sentence, the aggregate number of Ordinary Shares beneficially owned by such person and its affiliates shall include the number of Ordinary Shares issuable upon exercise of the Warrant with respect to which the determination of such sentence is being made, but shall exclude Ordinary Shares that would be issuable upon (x) exercise of the remaining, unexercised portion of the Warrant beneficially owned by such person and its affiliates and (y) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company beneficially owned by such person and its affiliates (including, without limitation, any convertible notes or convertible preferred shares or warrants) subject to a limitation on conversion or exercise analogous to the limitation contained herein. Except as set forth in the preceding sentence, for purposes of this paragraph, beneficial ownership shall be calculated in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). For purposes of the Warrant, in determining the number of outstanding Ordinary Shares, the holder may rely on the number of outstanding Ordinary Shares as reflected in (1) the Company's most recent Annual Report on Form 20-F, Current Report on Form 6-K or other public filing with the Commission as the case may be, (2) a more recent public announcement by the Company or (3) any other notice by the Company or Continental Stock Transfer & Trust Company, as transfer agent (in such capacity, the "**Transfer Agent**"), setting forth the number of Ordinary Shares outstanding. For any reason at any time, upon the written request of the holder of the Warrant, the Company shall, within two (2) Business Days, confirm orally and in writing to such holder the number of Ordinary Shares then outstanding. In any case, the number of issued and outstanding Ordinary Shares shall be determined after giving effect to the conversion or exercise of equity securities of the Company by the holder and its affiliates since the date as of which such number of issued and outstanding Ordinary Shares was reported. By written notice to the Company, the holder of a Warrant may from time to time increase or decrease the Maximum Percentage applicable to such holder to any other percentage specified in such notice; provided, however, that any such increase shall not be effective until the sixty-first (61st) day after such notice is delivered to the Company.

4. Adjustments.

4.1 Share Capitalizations.

4.1.1 Sub-Divisions. If after the date hereof, and subject to the provisions of Section 4.6 below, the number of issued and outstanding Ordinary Shares is increased by a capitalization or share dividend of Ordinary Shares, or by a sub-division of Ordinary Shares or other similar event, then, on the effective date of such share capitalization, sub-division or similar event, the number of Ordinary Shares issuable on exercise of each Warrant shall be increased in proportion to such increase in the issued and outstanding Ordinary Shares. A rights offering made to all or substantially all holders of Ordinary Shares entitling holders to purchase Ordinary Shares at a price less than the “Historical Fair Market Value” (as defined below) shall be deemed a capitalization of a number of Ordinary Shares equal to the product of (i) the number of Ordinary Shares actually sold in such rights offering (or issuable under any other equity securities sold in such rights offering that are convertible into or exercisable for the Ordinary Shares) multiplied by (ii) one (1) minus the quotient of (x) the price per Ordinary Share paid in such rights offering divided by (y) the Historical Fair Market Value. For purposes of this subsection 4.1.1, (i) if the rights offering is for securities convertible into or exercisable for Ordinary Shares, in determining the price payable for Ordinary Shares, there shall be taken into account any consideration received for such rights, as well as any additional amount payable upon exercise or conversion and (ii) “**Historical Fair Market Value**” means the volume weighted average price of the Ordinary Shares during the ten (10) trading day period ending on the trading day prior to the first date on which the Ordinary Shares trade on the applicable exchange or in the applicable market, regular way, without the right to receive such rights. No Ordinary Shares shall be issued at less than their par value.

4.1.2 Extraordinary Dividends. If the Company, at any time while the Warrants are outstanding and unexpired, pays to all or substantially all of the holders of the Ordinary Shares a dividend or makes a distribution in cash, securities or other assets on account of such Ordinary Shares (or other shares into which the Warrants are convertible), other than (a) as described in subsection 4.1.1 above, or (b) Ordinary Cash Dividends (as defined below), (any such non-excluded event being referred to herein as an “**Extraordinary Dividend**”), then the Warrant Price shall be decreased, effective immediately after the effective date of such Extraordinary Dividend, by the amount of cash and/or the fair market value (as determined by the Company’s board of directors (the “**Board**”), in good faith) of any securities or other assets paid on each Ordinary Share in respect of such Extraordinary Dividend. For purposes of this subsection 4.1.2, “**Ordinary Cash Dividends**” means any cash dividend or cash distribution which, when combined on a per share basis with the per share amounts of all other cash dividends and cash distributions paid on the Ordinary Shares during the 365-day period ending on the date of declaration of such dividend or distribution, does not exceed \$0.50 per share (which amount shall be adjusted to appropriately reflect any of the events referred to in other subsections of this Section 4 and excluding cash dividends or cash distributions that resulted in an adjustment to the Warrant Price or to the number of Ordinary Shares issuable on exercise of each Warrant) but only with respect to the amount of the aggregate cash dividends or cash distributions equal to or less than \$0.50.

4.2 Aggregation of Shares. If after the date hereof, and subject to the provisions of Section 4.6 hereof, the number of issued and outstanding Ordinary Shares is decreased by a consolidation, combination, reverse share split or reclassification of Ordinary Shares or other similar event, then, on the effective date of such consolidation, combination, reverse share split, reclassification or similar event, the number of Ordinary Shares issuable on exercise of each Warrant shall be decreased in proportion to such decrease in issued and outstanding Ordinary Shares.

4.3 Adjustments in Exercise Price. Whenever the number of Ordinary Shares purchasable upon the exercise of the Warrants is adjusted, as provided in subsection 4.1.1 or Section 4.2 above, the Warrant Price shall be adjusted (to the nearest cent) by multiplying such Warrant Price immediately prior to such adjustment by a fraction (x) the numerator of which shall be the number of Ordinary Shares purchasable upon the exercise of the Warrants immediately prior to such adjustment, and (y) the denominator of which shall be the number of Ordinary Shares so purchasable immediately thereafter.

4.4 [Reserved].

4.5 Replacement of Securities upon Reorganization, etc. In case of any reclassification or reorganization of the issued and outstanding Ordinary Shares (other than a change under Section 4.1 or Section 4.2 hereof or that solely affects the par value of such Ordinary Shares), or in the case of any merger or consolidation of the Company with or into another corporation or entity (other than a consolidation or merger in which the Company is the continuing entity and that does not result in any reclassification or reorganization of the issued and outstanding Ordinary Shares), or in the case of any sale or conveyance to another corporation or entity of the assets or other property of the Company as an entirety or substantially as an entirety in connection with which the Company is dissolved, the holders of the Warrants shall thereafter have the right to purchase and receive, upon the basis and upon the terms and conditions specified in the Warrants and in lieu of the Ordinary Shares of the Company immediately theretofore purchasable and receivable upon the exercise of the rights represented thereby, the kind and amount of shares or stock or other securities or property (including cash) receivable upon such reclassification, reorganization, merger or consolidation, or upon a dissolution following any such sale or transfer, that the holder of the Warrants would have received if such holder had exercised his, her or its Warrant(s) immediately prior to such event (the “**Alternative Issuance**”); provided, however, that (i) if the holders of the Ordinary Shares were entitled to exercise a right of election as to the kind or amount of securities, cash or other assets receivable upon such consolidation or merger, then the kind and amount of securities, cash or other assets constituting the Alternative Issuance for which each Warrant shall become exercisable shall be deemed to be the weighted average of the kind and amount received per share by the holders of the Ordinary Shares in such consolidation or merger that affirmatively make such election, and (ii) if a tender, exchange or redemption offer shall have been made to and accepted by the holders of the Ordinary Shares under circumstances in which, upon completion of such tender or exchange offer, the maker thereof, together with members of any group (within the meaning of Rule 13d-5(b)(1) under the Exchange Act) of which such maker is a part, and together with any affiliate or associate of such maker (within the meaning of Rule 12b-2 under the Exchange Act) and any members of any such group of which any such affiliate or associate is a part, own beneficially (within the meaning of Rule 13d-3 under the Exchange Act) more than 50% of the issued and outstanding Ordinary Shares, the holder of a Warrant shall be entitled to receive as the Alternative Issuance, the highest amount of cash, securities or other property to which such holder would actually have been entitled as a shareholder if such Warrant holder had exercised the Warrant prior to the expiration of such tender or exchange offer, accepted such offer and all of the Ordinary Shares held by such holder had been purchased pursuant to such tender or exchange offer, subject to adjustments (from and after the consummation of such tender or exchange offer) as nearly equivalent as possible to the adjustments provided for in this Section 4; provided further that if less than 70% of the consideration receivable by the holders of the Ordinary Shares in the applicable event is payable in the form of shares in the successor entity that is listed for trading on a national securities exchange or is quoted in an established over-the-counter market, or is to be so listed for trading or quoted immediately following such event, and if the Registered Holder properly exercises the Warrant within thirty (30) days following the public disclosure of the consummation of such applicable event by the Company pursuant to a Current Report on Form 6-K filed with the Commission, the Warrant Price shall be reduced by an amount (in dollars) equal to the difference of (i) the Warrant Price in effect prior to such reduction minus (ii) (A) the Per Share Consideration (as defined below) (but in no event less than zero) minus (B) the Black-Scholes Warrant Value (as defined below). The “**Black-Scholes Warrant Value**” means the value of a Warrant immediately prior to the consummation of the applicable event based on the Black-Scholes Warrant Model for a Capped American Call on Bloomberg Financial Markets (assuming zero dividends) (“**Bloomberg**”). For purposes of calculating such amount, (i) Section 6 of this Agreement shall be taken into account, (ii) the price of each Ordinary Share shall be the volume weighted average price of the Ordinary Shares during the ten (10) trading day period ending on the trading day prior to the effective date of the applicable event, (iii) the assumed volatility shall be the 90 day volatility obtained from the HVT function on Bloomberg determined as of the trading day immediately prior to the day of the announcement of the applicable event and (iv) the assumed risk-free interest rate shall correspond to the U.S. Treasury rate for a period equal to the remaining term of the Warrant. “**Per Share Consideration**” means (i) if the consideration paid to holders of the Ordinary Shares consists exclusively of cash, the amount of such cash per Ordinary Share, and (ii) in all other cases, the volume weighted average price of the Ordinary Shares during the ten (10) trading day period ending on the trading day prior to the effective date of the applicable event. If any reclassification or reorganization also results in a change in Ordinary Shares covered by subsection 4.1.1, then such adjustment shall be made pursuant to subsection 4.1.1 or Sections 4.2, 4.3 and this Section 4.4. The provisions of this Section 4.4 shall similarly apply to successive reclassifications, reorganizations, mergers or consolidations, sales or other transfers. In no event shall the Warrant Price be reduced to less than the par value per share issuable upon exercise of such Warrant.

4.6 Notices of Changes in Warrant. Upon every adjustment of the Warrant Price or the number of Ordinary Shares issuable upon exercise of a Warrant, the Company shall give written notice thereof to the Warrant Agent, which notice shall state the Warrant Price resulting from such adjustment and the increase or decrease, if any, in the number of Ordinary Shares purchasable at such price upon the exercise of a Warrant, setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based. Upon the occurrence of any event specified in Sections 4.1, 4.2, 4.3, 4.4 or 4.5, the Company shall give written notice of the occurrence of such event to each holder of a Warrant, at the last address set forth for such holder in the Warrant Register, of the record date or the effective date of the event. Failure to give such notice, or any defect therein, shall not affect the legality or validity of such event.

4.7 No Fractional Shares. Notwithstanding any provision contained in this Agreement to the contrary, the Company shall not issue fractional shares upon the exercise of Warrants. If, by reason of any adjustment made pursuant to this Section 4, the holder of any Warrant would be entitled, upon the exercise of such Warrant, to receive a fractional interest in a share, the Company shall, upon such exercise, round down to the nearest whole number the number of Ordinary Shares to be issued to such holder.

4.8 Form of Warrant. The form of Warrant need not be changed because of any adjustment pursuant to this Section 4, and Warrants issued after such adjustment may state the same Warrant Price and the same number of Ordinary Shares as is stated in the Warrants initially issued pursuant to this Agreement; provided, however, that the Company may at any time in its sole discretion make any change in the form of Warrant that the Company may deem appropriate and that does not affect the substance thereof, and any Warrant thereafter issued or countersigned, whether in exchange or substitution for an outstanding Warrant or otherwise, may be in the form as so changed.

5. Transfer and Exchange of Warrants.

5.1 Registration of Transfer. The Warrant Agent shall register the transfer, from time to time, of any outstanding Warrant upon the Warrant Register, upon surrender of such Warrant for transfer, in the case of certificated Warrants, properly endorsed with signatures properly guaranteed and accompanied by appropriate instructions for transfer. Upon any such transfer, a new Warrant representing an equal aggregate number of Warrants shall be issued and the old Warrant shall be cancelled by the Warrant Agent. In the case of certificated Warrants, the Warrants so cancelled shall be delivered by the Warrant Agent to the Company from time to time upon request.

5.2 Procedure for Surrender of Warrants. Warrants may be surrendered to the Warrant Agent, together with a written request for exchange or transfer, and thereupon the Warrant Agent shall issue in exchange therefor one or more new Warrants as requested by the Registered Holder of the Warrants so surrendered, representing an equal aggregate number of Warrants; provided, however, that except as otherwise provided herein or with respect to any Book-Entry Warrant, each Book-Entry Warrant may be transferred only in whole and only to the Depositary, to another nominee of the Depositary, to a successor depository, or to a nominee of a successor depository; provided further, however that in the event that a Warrant surrendered for transfer bears a restrictive legend (as in the case of the Private Placement Warrants), the Warrant Agent shall not cancel such Warrant and issue new Warrants in exchange thereof until the Warrant Agent has received an opinion of counsel for the Company stating that such transfer may be made and indicating whether the new Warrants must also bear a restrictive legend.

5.3 Fractional Warrants. The Warrant Agent shall not be required to effect any registration of transfer or exchange which shall result in the issuance of a warrant certificate or book-entry position for a fraction of a Warrant.

5.4 Service Charges. No service charge shall be made for any exchange or registration of transfer of Warrants.

5.5 Warrant Execution and Countersignature. The Warrant Agent is hereby authorized to countersign and to deliver, in accordance with the terms of this Agreement, the Warrants required to be issued pursuant to the provisions of this Section 5, and the Company, whenever required by the Warrant Agent, shall supply the Warrant Agent with Warrants duly executed on behalf of the Company for such purpose.

6. Redemption.

6.1 Redemption of Warrants for Cash. Subject to Section 6.5 hereof, not less than all of the outstanding Warrants may be redeemed, at the option of the Company, at any time during the Exercise Period, at the office of the Warrant Agent, upon notice to the Registered Holders of the Warrants, as described in Section 6.3 below, at a Redemption Price of \$0.01 per Warrant, provided that (a) the Reference Value equals or exceeds \$18.00 per share (subject to adjustment in compliance with Section 4 hereof) and (b) there is an effective registration statement covering the issuance of the Ordinary Shares issuable upon exercise of the Warrants, and a current prospectus relating thereto, available throughout the 30-day Redemption Period (as defined in Section 6.3 below).

6.2 **Redemption of Warrants for Ordinary Shares.** Subject to [Section 6.5](#) hereof, not less than all of the outstanding Warrants may be redeemed, at the option of the Company, at any time during the Exercise Period, at the office of the Warrant Agent, upon notice to the Registered Holders of the Warrants, as described in [Section 6.3](#) below, at a Redemption Price of \$0.10 per Warrant, provided that (i) the Reference Value equals or exceeds \$10.00 per share (subject to adjustment in compliance with [Section 4](#) hereof) and (ii) if the Reference Value is less than \$18.00 per share (subject to adjustment in compliance with [Section 4](#) hereof), the Private Placement Warrants are also concurrently called for redemption on the same terms as the outstanding Public Warrants. During the 30-day Redemption Period in connection with a redemption pursuant to this [Section 6.2](#), Registered Holders of the Warrants may elect to exercise their Warrants on a “cashless basis” pursuant to [subsection 3.3.1](#) and receive a number of Ordinary Shares determined by reference to the table below, based on the Redemption Date (calculated for purposes of the table as the period to expiration of the Warrants) and the “Redemption Fair Market Value” (as such term is defined in this [Section 6.2](#)) (a “*Make-Whole Exercise*”). Solely for purposes of this [Section 6.2](#), the “*Redemption Fair Market Value*” shall mean the volume weighted average price of the Ordinary Shares for the ten (10) trading days immediately following the date on which notice of redemption pursuant to this [Section 6.2](#) is sent to the Registered Holders. In connection with any redemption pursuant to this [Section 6.2](#), the Company shall provide the Registered Holders with the Redemption Fair Market Value no later than one (1) Business Day after the ten (10) trading day period described above ends.

| Redemption Date | Redemption Fair Market Value of Ordinary Shares (period to expiration of warrants) | | | | | | | | |
|-----------------|---|-------|-------|-------|-------|-------|-------|-------|---------|
| | ≤ 10.00 | 11.00 | 12.00 | 13.00 | 14.00 | 15.00 | 16.00 | 17.00 | ≥ 18.00 |
| 60 months | 0.261 | 0.281 | 0.297 | 0.311 | 0.324 | 0.337 | 0.348 | 0.358 | 0.361 |
| 57 months | 0.257 | 0.277 | 0.294 | 0.310 | 0.324 | 0.337 | 0.348 | 0.358 | 0.361 |
| 54 months | 0.252 | 0.272 | 0.291 | 0.307 | 0.322 | 0.335 | 0.347 | 0.357 | 0.361 |
| 51 months | 0.246 | 0.268 | 0.287 | 0.304 | 0.320 | 0.333 | 0.346 | 0.357 | 0.361 |
| 48 months | 0.241 | 0.263 | 0.283 | 0.301 | 0.317 | 0.332 | 0.344 | 0.356 | 0.361 |
| 45 months | 0.235 | 0.258 | 0.279 | 0.298 | 0.315 | 0.330 | 0.343 | 0.356 | 0.361 |
| 42 months | 0.228 | 0.252 | 0.274 | 0.294 | 0.312 | 0.328 | 0.342 | 0.355 | 0.361 |
| 39 months | 0.221 | 0.246 | 0.269 | 0.290 | 0.309 | 0.325 | 0.340 | 0.354 | 0.361 |
| 36 months | 0.213 | 0.239 | 0.263 | 0.285 | 0.305 | 0.323 | 0.339 | 0.353 | 0.361 |
| 33 months | 0.205 | 0.232 | 0.257 | 0.280 | 0.301 | 0.320 | 0.337 | 0.352 | 0.361 |
| 30 months | 0.196 | 0.224 | 0.250 | 0.274 | 0.297 | 0.316 | 0.335 | 0.351 | 0.361 |
| 27 months | 0.185 | 0.214 | 0.242 | 0.268 | 0.291 | 0.313 | 0.332 | 0.350 | 0.361 |
| 24 months | 0.173 | 0.204 | 0.233 | 0.260 | 0.285 | 0.308 | 0.329 | 0.348 | 0.361 |
| 21 months | 0.161 | 0.193 | 0.223 | 0.252 | 0.279 | 0.304 | 0.326 | 0.347 | 0.361 |
| 18 months | 0.146 | 0.179 | 0.211 | 0.242 | 0.271 | 0.298 | 0.322 | 0.345 | 0.361 |
| 15 months | 0.130 | 0.164 | 0.197 | 0.230 | 0.262 | 0.291 | 0.317 | 0.342 | 0.361 |
| 12 months | 0.111 | 0.146 | 0.181 | 0.216 | 0.250 | 0.282 | 0.312 | 0.339 | 0.361 |
| 9 months | 0.090 | 0.125 | 0.162 | 0.199 | 0.237 | 0.272 | 0.305 | 0.336 | 0.361 |
| 6 months | 0.065 | 0.099 | 0.137 | 0.178 | 0.219 | 0.259 | 0.296 | 0.331 | 0.361 |
| 3 months | 0.034 | 0.065 | 0.104 | 0.150 | 0.197 | 0.243 | 0.286 | 0.326 | 0.361 |
| 0 months | — | — | 0.042 | 0.115 | 0.179 | 0.233 | 0.281 | 0.323 | 0.361 |

The exact Redemption Fair Market Value and Redemption Date may not be set forth in the table above, in which case, if the Redemption Fair Market Value is between two values in the table or the Redemption Date is between two redemption dates in the table, the number of Ordinary Shares to be issued for each Warrant exercised in a Make-Whole Exercise shall be determined by a straight-line interpolation between the number of shares set forth for the higher and lower Redemption Fair Market Values and the earlier and later redemption dates, as applicable, based on a 365- or 366-day year, as applicable.

The share prices set forth in the column headings of the table above shall be adjusted as of any date on which the number of Ordinary Shares issuable upon exercise of a Warrant or the Exercise Price is adjusted pursuant to Section 4 hereof. If the number of Ordinary Shares issuable upon exercise of a Warrant is adjusted pursuant to Section 4 hereof, the adjusted share prices in the column headings shall equal the share prices immediately prior to such adjustment, multiplied by a fraction, the numerator of which is the number of shares deliverable upon exercise of a Warrant immediately prior to such adjustment and the denominator of which is the number of shares deliverable upon exercise of a Warrant as so adjusted. The number of shares in the table above shall be adjusted in the same manner and at the same time as the number of shares issuable upon exercise of a Warrant. If the Exercise Price of a Warrant is adjusted, (a) [Reserved] and (b) in the case of an adjustment pursuant to Section 4.1.2 hereof, the adjusted share prices in the column headings shall equal the share prices immediately prior to such adjustment less the decrease in the Exercise Price pursuant to such Exercise Price adjustment. In no event shall the number of shares issued in connection with a Make-Whole Exercise exceed 0.361 Ordinary Shares per Warrant (subject to adjustment).

6.3 Date Fixed for, and Notice of, Redemption; Redemption Price; Reference Value. In the event that the Company elects to redeem the Warrants pursuant to Sections 6.1 or 6.2, the Company shall fix a date for the redemption (the “**Redemption Date**”). Notice of redemption shall be mailed by first class mail, postage prepaid, by the Company not less than thirty (30) days prior to the Redemption Date (the “**30-day Redemption Period**”) to the Registered Holders of the Warrants to be redeemed at their last addresses as they shall appear on the registration books. Any notice mailed in the manner herein provided shall be conclusively presumed to have been duly given whether or not the Registered Holder received such notice. As used in this Agreement, (a) “**Redemption Price**” shall mean the price per Warrant at which any Warrants are redeemed pursuant to Sections 6.1 or 6.2 and (b) “**Reference Value**” shall mean the last reported sales price of the Ordinary Shares for any twenty (20) trading days within the thirty (30) trading-day period ending on the third trading day prior to the date on which notice of the redemption is given.

6.4 Exercise After Notice of Redemption. The Warrants may be exercised, for cash (or on a “cashless basis” in accordance with Section 6.2 of this Agreement) at any time after notice of redemption shall have been given by the Company pursuant to Section 6.3 hereof and prior to the Redemption Date. On and after the Redemption Date, the record holder of the Warrants shall have no further rights except to receive, upon surrender of the Warrants, the Redemption Price.

6.5 Exclusion of Private Placement Warrants. The Company agrees that (a) the redemption rights provided in Section 6.1 hereof shall not apply to the Private Placement Warrants if at the time of the redemption such Private Placement Warrants continue to be held by the Sponsor, the Qualified PIPE Investors or their Permitted Transferees and (b) if the Reference Value equals or exceeds \$18.00 per share (subject to adjustment in compliance with Section 4 hereof), the redemption rights provided in Section 6.2 hereof shall not apply to the Private Placement Warrants if at the time of the redemption such Private Placement Warrants continue to be held by the Sponsor, the Qualified PIPE Investors or their Permitted Transferees. However, once such Private Placement Warrants are transferred (other than to Permitted Transferees in accordance with Section 2.6 hereof), the Company may redeem the Private Placement Warrants pursuant to Section 6.1 or 6.2 hereof, provided that the criteria for redemption are met, including the opportunity of the holder of such Private Placement Warrants to exercise the Private Placement Warrants prior to redemption pursuant to Section 6.4 hereof. Private Placement Warrants that are transferred to persons other than Permitted Transferees shall upon such transfer cease to be Private Placement Warrants and shall become Public Warrants under this Agreement, including for purposes of Section 9.8 hereof.

7. Other Provisions Relating to Rights of Holders of Warrants.

7.1 No Rights as Shareholder. A Warrant does not entitle the Registered Holder thereof to any of the rights of a shareholder of the Company, including, without limitation, the right to receive dividends, or other distributions, to exercise any preemptive rights to vote or to consent or to receive notice as shareholders in respect of the meetings of shareholders or the election of directors of the Company or any other matter.

7.2 Lost, Stolen, Mutilated, or Destroyed Warrants. If any Warrant is lost, stolen, mutilated, or destroyed, the Company and the Warrant Agent may on such terms as to indemnity or otherwise as they may in their discretion impose (which shall, in the case of a mutilated Warrant, include the surrender thereof), issue a new Warrant of like denomination, tenor, and date as the Warrant so lost, stolen, mutilated, or destroyed. Any such new Warrant shall constitute a substitute contractual obligation of the Company, whether or not the allegedly lost, stolen, mutilated, or destroyed Warrant shall be at any time enforceable by anyone.

7.3 Reservation of Ordinary Shares. The Company shall at all times reserve and keep available a number of its authorized but unissued Ordinary Shares that shall be sufficient to permit the exercise in full of all outstanding Warrants issued pursuant to this Agreement.

7.4 Registration of Ordinary Shares; Cashless Exercise at Company's Option.

7.4.1 Registration of the Ordinary Shares. The Company agrees that as soon as practicable, but in no event later than twenty (20) Business Days after the Effective Date, it shall use its commercially reasonable efforts to file with the Commission a registration statement for the registration, under the Securities Act, of the Ordinary Shares issuable upon exercise of the Warrants. The Company shall use its commercially reasonable efforts to cause the same to become effective within sixty (60) Business Days following the Effective Date and to maintain the effectiveness of such registration statement, and a current prospectus relating thereto, until the expiration or redemption of the Warrants in accordance with the provisions of this Agreement. If any such registration statement has not been declared effective by the sixtieth (60th) Business Day following the Effective Date, holders of the Warrants shall have the right, during the period beginning on the sixty-first (61st) Business Day after the Effective Date and ending upon such registration statement being declared effective by the Commission, and during any other period when the Company shall fail to have maintained an effective registration statement covering the issuance of the Ordinary Shares issuable upon exercise of the Warrants, to exercise such Warrants on a "cashless basis," by exchanging the Warrants (in accordance with Section 3(a)(9) of the Securities Act or another exemption) for that number of Ordinary Shares equal to the lesser of (A) the quotient obtained by dividing (x) the product of the number of Ordinary Shares underlying the Warrants, multiplied by the excess of the "Fair Market Value" (as defined below) over the Warrant Price by (y) the Fair Market Value and (B) 0.361. Solely for purposes of this subsection 7.4.1, "**Fair Market Value**" shall mean the volume-weighted average price of the Ordinary Shares as reported during the ten (10) trading day period ending on the trading day prior to the date that notice of exercise is received by the Warrant Agent from the holder of such Warrants or its securities broker or intermediary. The date that notice of "cashless exercise" is received by the Warrant Agent shall be conclusively determined by the Warrant Agent. In connection with the "cashless exercise" of a Public Warrant, the Company shall, upon request, provide the Warrant Agent with an opinion of counsel for the Company (which shall be an outside law firm with securities law experience) stating that (i) the exercise of the Warrants on a "cashless basis" in accordance with this subsection 7.4.1 is not required to be registered under the Securities Act and (ii) the Ordinary Shares issued upon such exercise shall be freely tradable under United States federal securities laws by anyone who is not an affiliate (as such term is defined in Rule 144 under the Securities Act) of the Company and, accordingly, shall not be required to bear a restrictive legend. Except as provided in subsection 7.4.2, for the avoidance of doubt, unless and until all of the Warrants have been exercised or have expired, the Company shall continue to be obligated to comply with its registration obligations under the first three sentences of this subsection 7.4.1.

7.4.2 Cashless Exercise at Company's Option. If the Ordinary Shares are at the time of any exercise of a Public Warrant not listed on a national securities exchange such that they satisfy the definition of a "covered security" under Section 18(b)(1) of the Securities Act, the Company may, at its option, (i) require holders of Public Warrants who exercise Public Warrants to exercise such Public Warrants on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act as described in subsection 7.4.1 and (ii) in the event the Company so elects, the Company shall (x) not be required to file or maintain in effect a registration statement for the registration, under the Securities Act, of the Ordinary Shares issuable upon exercise of the Warrants, notwithstanding anything in this Agreement to the contrary, and (y) use its commercially reasonable efforts to register or qualify for sale the Ordinary Shares issuable upon exercise of the Public Warrant under applicable blue sky laws to the extent an exemption is not available.

8. Concerning the Warrant Agent and Other Matters.

8.1 Payment of Taxes. The Company shall from time to time promptly pay all taxes and charges that may be imposed upon the Company or the Warrant Agent in respect of the issuance or delivery of Ordinary Shares upon the exercise of the Warrants, but the Company shall not be obligated to pay any transfer taxes in respect of the Warrants or such shares.

8.2 Resignation, Consolidation, or Merger of Warrant Agent.

8.2.1 Appointment of Successor Warrant Agent. The Warrant Agent, or any successor to it hereafter appointed, may resign its duties and be discharged from all further duties and liabilities hereunder after giving sixty (60) days' notice in writing to the Company. If the office of the Warrant Agent becomes vacant by resignation or incapacity to act or otherwise, the Company shall appoint in writing a successor Warrant Agent in place of the Warrant Agent. If the Company shall fail to make such appointment within a period of thirty (30) days after it has been notified in writing of such resignation or incapacity by the Warrant Agent or by the holder of a Warrant (who shall, with such notice, submit his, her or its Warrant for inspection by the Company), then the holder of any Warrant may apply to the Supreme Court of the State of New York for the County of New York for the appointment of a successor Warrant Agent at the Company's cost. Any successor Warrant Agent, whether appointed by the Company or by such court, shall be a corporation or other entity organized and existing under the laws of the State of New York, in good standing and having its principal office in the United States of America, and authorized under such laws to exercise corporate trust powers and subject to supervision or examination by federal or state authority. After appointment, any successor Warrant Agent shall be vested with all the authority, powers, rights, immunities, duties, and obligations of its predecessor Warrant Agent with like effect as if originally named as Warrant Agent hereunder, without any further act or deed; but if for any reason it becomes necessary or appropriate, the predecessor Warrant Agent shall execute and deliver, at the expense of the Company, an instrument transferring to such successor Warrant Agent all the authority, powers, and rights of such predecessor Warrant Agent hereunder; and upon request of any successor Warrant Agent the Company shall make, execute, acknowledge, and deliver any and all instruments in writing for more fully and effectually vesting in and confirming to such successor Warrant Agent all such authority, powers, rights, immunities, duties, and obligations.

8.2.2 Notice of Successor Warrant Agent. In the event a successor Warrant Agent shall be appointed, the Company shall give notice thereof to the predecessor Warrant Agent and the Transfer Agent for the Ordinary Shares not later than the effective date of any such appointment.

8.2.3 Merger or Consolidation of Warrant Agent. Any entity into which the Warrant Agent may be merged or with which it may be consolidated or any entity resulting from any merger or consolidation to which the Warrant Agent shall be a party shall be the successor Warrant Agent under this Agreement without any further act.

8.3 Fees and Expenses of Warrant Agent.

8.3.1 Remuneration. The Company agrees to pay the Warrant Agent reasonable remuneration for its services as such Warrant Agent hereunder and shall, pursuant to its obligations under this Agreement, reimburse the Warrant Agent upon demand for all expenditures that the Warrant Agent may reasonably incur in the execution of its duties hereunder.

8.3.2 Further Assurances. The Company agrees to perform, execute, acknowledge, and deliver or cause to be performed, executed, acknowledged, and delivered all such further and other acts, instruments, and assurances as may reasonably be required by the Warrant Agent for the carrying out or performing of the provisions of this Agreement.

8.4 Liability of Warrant Agent.

8.4.1 Reliance on Company Statement. Whenever in the performance of its duties under this Agreement, the Warrant Agent shall deem it necessary or desirable that any fact or matter be proved or established by the Company prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a statement signed by the Chairman, Vice Chairman, or Chief Executive Officer of the Company and delivered to the Warrant Agent. The Warrant Agent may rely upon such statement for any action taken or suffered in good faith by it pursuant to the provisions of this Agreement.

8.4.2 Indemnity. The Warrant Agent shall be liable hereunder only for its own gross negligence, willful misconduct, fraud or bad faith. The Company agrees to indemnify the Warrant Agent and save it harmless against any and all liabilities, including judgments, out-of-pocket costs and reasonable outside counsel fees, for anything done or omitted by the Warrant Agent in the execution of this Agreement, except as a result of the Warrant Agent's gross negligence, willful misconduct, fraud or bad faith.

8.4.3 Exclusions. The Warrant Agent shall have no responsibility with respect to the validity of this Agreement or with respect to the validity or execution of any Warrant (except its countersignature thereof). The Warrant Agent shall not be responsible for any breach by the Company of any covenant or condition contained in this Agreement or in any Warrant. The Warrant Agent shall not be responsible to make any adjustments required under the provisions of Section 4 hereof or responsible for the manner, method, or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment; nor shall it by any act hereunder be deemed to make any representation or warranty as to the authorization or reservation of any Ordinary Shares to be issued pursuant to this Agreement or any Warrant or as to whether any Ordinary Shares shall, when issued, be valid and fully paid and nonassessable.

8.5 Acceptance of Agency. The Warrant Agent hereby accepts the agency established by this Agreement and agrees to perform the same upon the terms and conditions herein set forth and among other things, shall account promptly to the Company with respect to Warrants exercised and concurrently account for, and pay to the Company, all monies received by the Warrant Agent for the purchase of Ordinary Shares through the exercise of the Warrants.

8.6 Waiver. The Warrant Agent has no right of set-off or any other right, title, interest or claim of any kind (“*Claim*”) in, or to any distribution of, the Trust Account (as defined in that certain Investment Management Trust Agreement, dated as of January 13, 2021, by and between SPAC and Continental Stock Transfer & Trust Company as trustee thereunder) and hereby agrees not to seek recourse, reimbursement, payment or satisfaction for any Claim against the Trust Account for any reason whatsoever. The Warrant Agent hereby waives any and all Claims against the Trust Account and any and all rights to seek access to the Trust Account.

9. Miscellaneous Provisions.

9.1 Successors. All the covenants and provisions of this Agreement by or for the benefit of the Company or the Warrant Agent shall bind and inure to the benefit of their respective successors and assigns.

9.2 Notices. Any notice, statement or demand authorized by this Agreement to be given or made by the Warrant Agent or by the holder of any Warrant to or on the Company shall be sufficiently given when so delivered if by hand or overnight delivery or if sent by certified mail or private courier service within five (5) days after deposit of such notice, postage prepaid, addressed (until another address is filed in writing by the Company with the Warrant Agent), as follows:

TH International Limited
c/o Cartesian Capital Group LLC
505 5th Avenue, 15th Floor
Attn: Peter Yu, Gregory Armstrong
E-mail: peter.yu@cartesiangroup.com; gregory.armstrong@cartesiangroup.com

with a copy to:

Kirkland & Ellis
26th Floor, Gloucester Tower, The Landmark
15 Queen’s Road Central, Hong Kong
Attn: Joseph Raymond Casey; Ram Narayan
E-mail: joseph.casey@kirkland.com; ram.narayan@kirkland.com

and

Kirkland & Ellis LLP
200 Clarendon Street
Boston, MA 02116
United States
Attn: Armand A. Della Monica
Email: armand.dellamonica@kirkland.com

Any notice, statement or demand authorized by this Agreement to be given or made by the holder of any Warrant or by the Company to or on the Warrant Agent shall be sufficiently given when so delivered if by hand or overnight delivery or if sent by certified mail or private courier service within five (5) days after deposit of such notice, postage prepaid, addressed (until another address is filed in writing by the Warrant Agent with the Company), as follows:

Continental Stock Transfer & Trust Company
One State Street, 30th Floor
New York, NY 10004
Attention: Compliance Department

9.3 Applicable Law and Exclusive Forum. The validity, interpretation, and performance of this Agreement and of the Warrants shall be governed in all respects by the laws of the State of New York. Subject to applicable law, the Company hereby agrees that any action, proceeding or claim against it arising out of or relating in any way to this Agreement shall be brought and enforced in the courts of the State of New York or the United States District Court for the Southern District of New York, and irrevocably submits to such jurisdiction, which jurisdiction shall be exclusive forum for any such action, proceeding or claim. The Company hereby waives any objection to such exclusive jurisdiction and that such courts represent an inconvenient forum. Notwithstanding the foregoing, the provisions of this paragraph will not apply to suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which the federal district courts of the United States of America are the sole and exclusive forum.

Any person or entity purchasing or otherwise acquiring any interest in the Warrants shall be deemed to have notice of and to have consented to the forum provisions in this Section 9.3. If any action, the subject matter of which is within the scope of the forum provisions above, is filed in a court other than a court located within the State of New York or the United States District Court for the Southern District of New York (a “*foreign action*”) in the name of any warrant holder, such warrant holder shall be deemed to have consented to: (x) the personal jurisdiction of the state and federal courts located within the State of New York or the United States District Court for the Southern District of New York in connection with any action brought in any such court to enforce the forum provisions (an “*enforcement action*”), and (y) having service of process made upon such warrant holder in any such enforcement action by service upon such warrant holder’s counsel in the foreign action as agent for such warrant holder.

9.4 Persons Having Rights under this Agreement. Nothing in this Agreement shall be construed to confer upon, or give to, any person, corporation or other entity other than the parties hereto and the Registered Holders of the Warrants any right, remedy, or claim under or by reason of this Agreement or of any covenant, condition, stipulation, promise, or agreement hereof. All covenants, conditions, stipulations, promises, and agreements contained in this Agreement shall be for the sole and exclusive benefit of the parties hereto and their successors and assigns and of the Registered Holders of the Warrants.

9.5 Examination of the Warrant Agreement. A copy of this Agreement shall be available at all reasonable times at the office of the Warrant Agent in the United States of America, for inspection by the Registered Holder of any Warrant. The Warrant Agent may require any such holder to submit such holder’s Warrant for inspection by the Warrant Agent.

9.6 Counterparts. This Agreement may be executed in any number of original or facsimile counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

9.7 Effect of Headings. The section headings herein are for convenience only and are not part of this Agreement and shall not affect the interpretation thereof.

9.8 Amendments. This Agreement may be amended by the parties hereto without the consent of any Registered Holder for the purpose of (i) curing any ambiguity or correcting any mistake, including to conform the provisions hereof to the description of the terms of the Warrants and this Agreement set forth in the Prospectus, or defective provision contained herein, (ii) amending the definition of “Ordinary Cash Dividend” as contemplated by and in accordance with the second sentence of subsection 4.1.2 or (iii) adding or changing any provisions with respect to matters or questions arising under this Agreement as the parties may deem necessary or desirable and that the parties deem shall not adversely affect the rights of the Registered Holders under this Agreement. All other modifications or amendments, including any modification or amendment to increase the Warrant Price or shorten the Exercise Period and any amendment to the terms of only the Private Placement Warrants, shall require the vote or written consent of the Registered Holders of 50% of the then-outstanding Public Warrants and, solely with respect to any amendment to the terms of the Private Placement Warrants or any provision of this Agreement with respect to the Private Placement Warrants, 50% of the then-outstanding Private Placement Warrants. Notwithstanding the foregoing, the Company may lower the Warrant Price or extend the duration of the Exercise Period pursuant to Sections 3.1 and 3.2, respectively, without the consent of the Registered Holders.

9.9 Severability. This Agreement shall be deemed severable, and the invalidity or unenforceability of any term or provision hereof shall not affect the validity or enforceability of this Agreement or of any other term or provision hereof. Furthermore, in lieu of any such invalid or unenforceable term or provision, the parties hereto intend that there shall be added as a part of this Agreement a provision as similar in terms to such invalid or unenforceable provision as may be possible and be valid and enforceable.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

TH INTERNATIONAL LIMITED

By: _____
Name:
Title:

SILVER CREST ACQUISITION CORPORATION

By: _____
Name: Liang (Leon) Meng
Title: Chairman

CONTINENTAL STOCK TRANSFER & TRUST COMPANY, as Warrant Agent

By: _____
Name: Margaret B. Lloyd
Title: Vice President

[Signature Page to Warrant Agreement]

EXHIBIT A

Form of Warrant Certificate

[FACE]

Number

Warrants

**THIS WARRANT SHALL BE VOID IF NOT EXERCISED PRIOR TO
THE EXPIRATION OF THE EXERCISE PERIOD PROVIDED FOR
IN THE WARRANT AGREEMENT DESCRIBED BELOW**

TH International Limited

Incorporated Under the Laws of the Cayman Islands

CUSIP [●]

Warrant Certificate

This Warrant Certificate certifies that [], or registered assigns, is the registered holder of [] warrant(s) (the “*Warrants*” and each, a “*Warrant*”) to purchase ordinary shares, [●] par value per share (the “*Ordinary Shares*”), of TH International Limited, a Cayman Islands exempted company (the “*Company*”). Each Warrant entitles the holder, upon exercise during the period set forth in the Warrant Agreement referred to below, to receive from the Company that number of fully paid and nonassessable Ordinary Shares as set forth below, at the exercise price (the “*Exercise Price*”) as determined pursuant to the Warrant Agreement, payable in lawful money (or through “*cashless exercise*” as provided for in the Warrant Agreement) of the United States of America upon surrender of this Warrant Certificate and payment of the Exercise Price at the office or agency of the Warrant Agent referred to below, subject to the conditions set forth herein and in the Warrant Agreement. Defined terms used in this Warrant Certificate but not defined herein shall have the meanings given to them in the Warrant Agreement.

Each whole Warrant is initially exercisable for one fully paid and non-assessable Ordinary Share. Fractional shares shall not be issued upon exercise of any Warrant. If, upon the exercise of Warrants, a holder would be entitled to receive a fractional interest in an Ordinary Share, the Company shall, upon exercise, round down to the nearest whole number the number of Ordinary Shares to be issued to the Warrant holder. The number of Ordinary Shares issuable upon exercise of the Warrants is subject to adjustment upon the occurrence of certain events as set forth in the Warrant Agreement.

The initial Exercise Price per one Ordinary Share for any Warrant is equal to \$11.50 per share. The Exercise Price is subject to adjustment upon the occurrence of certain events as set forth in the Warrant Agreement.

Subject to the conditions set forth in the Warrant Agreement, the Warrants may be exercised only during the Exercise Period and to the extent not exercised by the end of such Exercise Period, such Warrants shall become void. The Warrants may be redeemed, subject to certain conditions as set forth in the Warrant Agreement.

Reference is hereby made to the further provisions of this Warrant Certificate set forth on the reverse hereof and such further provisions shall for all purposes have the same effect as though fully set forth at this place.

This Warrant Certificate shall not be valid unless countersigned by the Warrant Agent, as such term is used in the Warrant Agreement. This Warrant Certificate shall be governed by and construed in accordance with the internal laws of the State of New York.

TH INTERNATIONAL LIMITED

By: _____
Name:
Title:

CONTINENTAL STOCK TRANSFER & TRUST COMPANY, AS WARRANT
AGENT

By: _____
Name:
Title:

[Form of Warrant Certificate]
[Reverse]

The Warrants evidenced by this Warrant Certificate are part of a duly authorized issue of Warrants entitling the holder on exercise to receive [] Ordinary Shares and are issued or to be issued pursuant to an Assignment, Assumption and Amended and Restated Warrant Agreement, dated as of [●], 202[●] (as amended from time to time, the "**Warrant Agreement**"), duly executed and delivered by the Company to Continental Stock Transfer & Trust Company, a New York limited purpose trust company, as warrant agent (the "**Warrant Agent**"), which Warrant Agreement is hereby incorporated by reference in and made a part of this instrument and is hereby referred to for a description of the rights, limitation of rights, obligations, duties and immunities thereunder of the Warrant Agent, the Company and the holders (the words "**holders**" or "**holder**" meaning the Registered Holders or Registered Holder, respectively) of the Warrants. A copy of the Warrant Agreement may be obtained by the holder hereof upon written request to the Company. Defined terms used in this Warrant Certificate but not defined herein shall have the meanings given to them in the Warrant Agreement.

Warrants may be exercised at any time during the Exercise Period set forth in the Warrant Agreement. The holder of Warrants evidenced by this Warrant Certificate may exercise them by surrendering this Warrant Certificate, with the form of Election to Purchase set forth hereon properly completed and executed, together with payment of the Exercise Price as specified in the Warrant Agreement (or through "*cashless exercise*" as provided for in the Warrant Agreement) at the principal corporate trust office of the Warrant Agent. In the event that upon any exercise of Warrants evidenced hereby the number of Warrants exercised shall be less than the total number of Warrants evidenced hereby, there shall be issued to the holder hereof, or his, her or its assignee, a new Warrant Certificate evidencing the number of Warrants not exercised.

Notwithstanding anything else in this Warrant Certificate or the Warrant Agreement, no Warrant may be exercised unless at the time of exercise (i) a registration statement covering the issuance of the Ordinary Shares to be issued upon exercise is effective under the Securities Act and (ii) a prospectus thereunder relating to the Ordinary Shares is current, except through "*cashless exercise*" as provided for in the Warrant Agreement.

The Warrant Agreement provides that upon the occurrence of certain events the number of Ordinary Shares issuable upon exercise of the Warrants set forth on the face hereof may, subject to certain conditions, be adjusted. If, upon exercise of a Warrant, the holder thereof would be entitled to receive a fractional interest in an Ordinary Share, the Company shall, upon exercise, round down to the nearest whole number of Ordinary Shares to be issued to the holder of the Warrant.

Warrant Certificates, when surrendered at the principal corporate trust office of the Warrant Agent by the Registered Holder thereof in person or by legal representative or attorney duly authorized in writing, may be exchanged, in the manner and subject to the limitations provided in the Warrant Agreement, but without payment of any service charge, for another Warrant Certificate or Warrant Certificates of like tenor evidencing in the aggregate a like number of Warrants.

Upon due presentation for registration of transfer of this Warrant Certificate at the office of the Warrant Agent, a new Warrant Certificate or Warrant Certificates of like tenor and evidencing in the aggregate a like number of Warrants shall be issued to the transferee(s) in exchange for this Warrant Certificate, subject to the limitations provided in the Warrant Agreement, without charge except for any tax or other governmental charge imposed in connection therewith.

The Company and the Warrant Agent may deem and treat the Registered Holder(s) hereof as the absolute owner(s) of this Warrant Certificate (notwithstanding any notation of ownership or other writing hereon made by anyone), for the purpose of any exercise hereof, of any distribution to the holder(s) hereof, and for all other purposes, and neither the Company nor the Warrant Agent shall be affected by any notice to the contrary. Neither the Warrants nor this Warrant Certificate entitles any holder hereof to any rights of a shareholder of the Company.

Election to Purchase
(To Be Executed Upon Exercise of Warrant)

The undersigned hereby irrevocably elects to exercise the right, represented by this Warrant Certificate, to receive [●] Ordinary Shares and herewith tenders payment for such Ordinary Shares to the order of TH International Limited (the “*Company*”) in the amount of \$[] in accordance with the terms hereof. The undersigned requests that a certificate for such Ordinary Shares be registered in the name of [●], whose address is [●] and that such Ordinary Shares be delivered to [●], whose address is [●]. If said [●] number of Ordinary Shares is less than all of the Ordinary Shares purchasable hereunder, the undersigned requests that a new Warrant Certificate representing the remaining balance of such Ordinary Shares be registered in the name of [●], whose address is [●] and that such Warrant Certificate be delivered to [●], whose address is [●].

In the event that the Warrant has been called for redemption by the Company pursuant to Section 6.2 of the Warrant Agreement and a holder thereof elects to exercise its Warrant pursuant to a Make-Whole Exercise, the number of Ordinary Shares that this Warrant is exercisable for shall be determined in accordance with subsection 3.3.1(c) or Section 6.2 of the Warrant Agreement, as applicable.

In the event that the Warrant is a Private Placement Warrant that is to be exercised on a “cashless” basis pursuant to subsection 3.3.1(c) of the Warrant Agreement, the number of Ordinary Shares that this Warrant is exercisable for shall be determined in accordance with subsection 3.3.1(c) of the Warrant Agreement.

In the event that the Warrant is to be exercised on a “cashless” basis pursuant to Section 7.4 of the Warrant Agreement, the number of Ordinary Shares that this Warrant is exercisable for shall be determined in accordance with Section 7.4 of the Warrant Agreement.

In the event that the Warrant may be exercised, to the extent allowed by the Warrant Agreement, through cashless exercise (i) the number of Ordinary Shares that this Warrant is exercisable for would be determined in accordance with the relevant section of the Warrant Agreement which allows for such cashless exercise and (ii) the holder hereof shall complete the following: The undersigned hereby irrevocably elects to exercise the right, represented by this Warrant Certificate, through the cashless exercise provisions of the Warrant Agreement, to receive Ordinary Shares. If said number of Ordinary Shares is less than all of the Ordinary Shares purchasable hereunder (after giving effect to the cashless exercise), the undersigned requests that a new Warrant Certificate representing the remaining balance of such Ordinary Shares be registered in the name of [●], whose address is [●] and that such Warrant Certificate be delivered to [●], whose address is [●].

[Signature Page Follows]

Date [], 20__

(Signature)

(Address)

(Tax Identification Number)

Signature Guaranteed:

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM, PURSUANT TO S.E.C. RULE 17Ad-15 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED).

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this “*Agreement*”) is entered into as of September 28, 2022 by and among (i) TH International Limited, a Cayman Islands exempted company (including any successor entity thereto, the “*Company*”), and (ii) the undersigned parties listed as “Investors” on the signature page hereto (each, an “*Investor*” and collectively, the “*Investors*”).

WHEREAS, on August 13, 2021, (i) Silver Crest Acquisition Corporation, a Cayman Islands exempted company (“*SPAC*”), (ii) the Company and (iii) Miami Swan Ltd, a Cayman Islands exempted company and a wholly-owned subsidiary of the Company (the “*Merger Sub*”) entered into that certain Merger Agreement (as amended and restated after the date hereof, the “*Merger Agreement*”);

WHEREAS, pursuant to the Merger Agreement, subject to the terms and conditions thereof, upon the consummation of the transactions contemplated thereby (the “*Closing*”), among other matters, (i) Merger Sub will be merged with and into SPAC (the “*First Merger*”), with SPAC surviving the First Merger as a wholly owned subsidiary of the Company, and (ii) SPAC will be merged with and into the Company (the “*Second Merger*”), with the Company surviving the Second Merger; and

WHEREAS, in connection with the execution of the Merger Agreement, the Investors (the “*Lock-Up Investors*”) entered into a lock-up agreement with the Company (each, as amended from time to time in accordance with the terms thereof, a “*Lock-Up Agreement*”), pursuant to which each such Lock-Up Investor agreed not to transfer its Company securities for a certain period of time after the Closing as stated in the Lock-Up Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **DEFINITIONS.** Any capitalized term used but not defined in this Agreement will have the meaning ascribed to such term in the Merger Agreement. The following capitalized terms used herein have the following meanings:

“*Agreement*” means this Agreement, as amended, restated, supplemented, or otherwise modified from time to time.

“*Beneficial Owners*” means Cartesian Capital Group, Tencent Holdings Limited, SCC Growth VI Holdco D, Ltd. and Eastern Bell International XXVI Limited.

“*Business Day*” means a day, other than a Saturday, Sunday or other day on which commercial banks in New York City, the Cayman Islands, Hong Kong or the PRC (as defined in the Merger Agreement) are authorized or required by law to close.

“*Closing*” is defined in the recitals to this Agreement.

“*Company*” is defined in the preamble to this Agreement, and shall include the Company’s successors by merger, acquisition, reorganization or otherwise.

“*Disinterested Independent Director*” means an independent director serving on the Company’s board of directors at the applicable time of determination that is disinterested in this Agreement (i.e., such independent director is not an Investor, an affiliate of an Investor, or an officer, director, manager, employee, trustee or beneficiary of an Investor or its affiliate, nor an immediate family member of any of the foregoing).

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, all as the same shall be in effect at the time.

“**First Merger**” is defined in the recitals to this Agreement.

“**Form S-3**” and “**Form F-3**” mean such respective form under the Securities Act as is in effect on the date hereof or any successor registration form under the Securities Act subsequently adopted by the SEC which permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

“**Government Entity**” means any foreign or domestic governmental authority, agency, instrumentality, bureau, court, board, commission, tribunal, subdivision or other body of any federal, state, local, regional, or municipal government, any commercial or similar entities that the government controls or owns (whether partially or completely), including any state-owned and state-operated companies or enterprises, any international organizations such as the United Nations or the World Bank, and any political party.

“**Holder**” means any Person owning of record Registrable Securities that have not been sold to the public or pursuant to Rule 144 promulgated under the Securities Act or any permitted assignee of record of such Registrable Securities to whom rights under this Agreement have been duly assigned in accordance with this Agreement.

“**Holder Information**” means such information and affidavits as the Company reasonably requests for use in connection with any Registration.

“**Investor(s)**” is defined in the preamble to this Agreement, and include any transferee of the Registrable Securities (so long as they remain Registrable Securities) of an Investor permitted under this Agreement and with respect to a Lock-Up Investor, its Lock-Up Agreement.

“**Joinder**” is defined in Section 5.2 to this Agreement.

“**Law**” means all federal, state, foreign, local civil and common law, statute, subordinate legislation, treaty, regulations, directive, decision, by-law, ordinance, rule, code, order, decree, injunction or judgment of any Government Entity.

“**Lock-Up Agreement**” is defined in the recitals to this Agreement.

“**Lock-Up Investor**” is defined in the recitals to this Agreement.

“**Merger Agreement**” is defined in the recitals to this Agreement.

“**Merger Sub**” is defined in the recitals to this Agreement.

“**Person**” means (i) any individual, firm, company, corporation or other body corporate, unincorporated organization, joint venture, association, organization, trust or partnership, works council or employee representative body, a division or an operating group of any of the foregoing or any other entity or organization, including any Government Entity (whether or not having separate legal personality); and (ii) that Person’s legal personal representatives, successors, permitted assigns and permitted nominees in any jurisdiction and whether or not having separate legal personality but only if such successors, permitted assigns and permitted nominees are not prohibited by this Agreement.

“**Ordinary Shares**” means the ordinary shares of the Company.

“**Register**,” “**registered**” and “**registration**” mean a registration effected by preparing and filing a registration statement in compliance with the Securities Act, and the declaration or ordering of effectiveness of such registration statement.

“**Registrable Securities**” means (i) any Ordinary Shares held by the Investors as of the date of this Agreement or hereafter by the Beneficial Owners, either of record or beneficially, issued or issuable upon conversion, exchange or exercise of any other Securities of the Company (including Ordinary Shares issued or issuable upon the exercise of the SPAC Private Placement Warrants); (ii) any Ordinary Shares issued as (or issuable upon the conversion or exercise of any warrant, right or other Security which is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, any Securities of the Company described in clause (i) of this definition; and (iii) any other Ordinary Shares owned or hereafter acquired by any Investor or Beneficial Owner in its capacity as an affiliate of the Company (as defined in Rule 144). Notwithstanding the foregoing, as to any particular Registrable Securities, such securities shall cease to be Registrable Securities when: (a) a Registration Statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been sold, transferred, disposed of or exchanged in accordance with such Registration Statement; (b) such securities shall have been otherwise transferred, new certificates for them not bearing a legend restricting further transfer shall have been delivered by the Company and subsequent public distribution of them shall not require registration under the Securities Act; (c) such securities shall have ceased to be outstanding; or (d) such securities are freely saleable under Rule 144 without limitation, including with respect to volume, manner of sale and the availability of current public information. Notwithstanding anything to the contrary contained herein, a person shall be deemed to be an “Investor holding Registrable Securities” (or words to that effect) under this Agreement only if they are an Investor or a transferee of the applicable Registrable Securities (so long as they remain Registrable Securities) of any Investor permitted under this Agreement and the Lock-Up Agreement.

“**Registrable Securities Then Outstanding**” means the number of Ordinary Shares that are Registrable Securities and are then issued and outstanding.

“**Registration Statement**” means a registration statement filed by the Company with the SEC in compliance with the Securities Act and the rules and regulations promulgated thereunder for a public offering and sale of equity securities, or securities or other obligations exercisable or exchangeable for, or convertible into, equity securities (other than a registration statement on Form S-4, F-4 or Form S-8, or their successors, or any registration statement covering only securities proposed to be issued in exchange for securities or assets of another entity).

“**Rule 144**” means Rule 144 promulgated under the Securities Act.

“**SEC**” means the United States Securities and Exchange Commission or any successor thereto.

“**Second Merger**” is defined in the recitals to this Agreement.

“**Securities Act**” means the Securities Act of 1933 of the United States of America, as amended, or any similar federal statute and the rules and regulations of the SEC thereunder, all as the same shall be in effect at the time.

“**Securities**” means any shares, stocks, debentures, funds, bonds, notes or any rights, warrants, options or interests in respect of any of the foregoing or any other derivatives or instruments having similar economic effect.

“**SPAC**” is defined in the recitals to this Agreement.

“**Underwriter**” means a securities dealer who purchases any Registrable Securities as principal in an underwritten offering and not as part of such dealer’s market-making activities.

2. **REGISTRATION RIGHTS.**

2.1 Demand Registration.

2.1.1 Request by Holders. If the Company at any time after six (6) months following the consummation of the Closing, receives a written request from the Holders of at least five (5%) of the Registrable Securities Then Outstanding (the “**Demanding Holders**”) that the Company file a registration statement under the Securities Act covering the registration of Registrable Securities pursuant to this Section 2.1, then the Company shall, no later than ten (10) Business Days after the receipt of such written request, give written notice of such request (the “**Request Notice**”) to all Holders, and use reasonable efforts to effect, as soon as practicable, the registration under the Securities Act of all Registrable Securities that Holders (including other shareholders) who so request to be registered and included in such registration by written notice given by such Holders to the Company within twenty (20) calendar days after receipt of the Request Notice, subject only to the limitations of this Section 2.1.

2.1.2 Underwriting. If the Holders initiating the registration request under this Section 2.1 (the “**Initiating Holders**”) intend to distribute the Registrable Securities covered by their request by means of an underwriting, then they shall so advise the Company as a part of their request made pursuant to this Section 2.1 and the Company shall include such information in the written notice referred to in subsection 2.1.1. In such event, the right of any Holder to include Registrable Securities in such registration will be conditional upon such Holder’s participation in such underwriting and the inclusion of such Holder’s Registrable Securities in the underwriting (unless otherwise mutually agreed by a majority in interest of the Initiating Holders and such Holder) to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall enter into an underwriting agreement in customary form with the managing underwriter or underwriters selected for such underwriting by the Holders of a majority of the Registrable Securities being registered and reasonably acceptable to the Company. Notwithstanding any other provision of this Section 2.1, if the one or more underwriters advise the Company in writing that marketing factors require a limitation of the number of securities to be underwritten then the Company shall so advise all Holders of Registrable Securities which would otherwise be registered and underwritten pursuant hereto, and the number of Registrable Securities that may be included in the underwriting shall be reduced as required by the underwriter(s) and allocated among the Holders of Registrable Securities on a pro rata basis according to the number of Registrable Securities Then Outstanding held by each Holder requesting registration (including the Initiating Holders); on the condition that the number of shares of Registrable Securities to be included in such underwriting and registration will not be reduced unless all other Securities are first entirely excluded from the underwriting and registration. If any Holder disapproves of the terms of any underwriting, such Holder may elect to withdraw therefrom by written notice to the Company and the one or more underwriters, delivered prior to the filing of the “red herring” prospectus related to such offering. Any Registrable Securities excluded and withdrawn from such underwriting will be withdrawn from the registration. If the underwriter has not limited the number of Registrable Securities to be underwritten, the Company may include its Securities for its own account in such registration if the underwriter so agrees and if the number of Registrable Securities which would otherwise have been included in such registration and underwriting will not thereby be limited.

2.1.3 Maximum Number of Demand Registrations. Other than as contemplated by Section 2.1.6, the Company shall be obligated to effect only two (2) such registrations pursuant to this Section 2.1 so long as such registrations have been declared or ordered effective.

2.1.4 Deferral. Notwithstanding anything to the contrary contained herein, the Company will not be required to effect a registration pursuant to this Section 2.1: (i) during the period starting with the date thirty (30) calendar days prior to the Company's good faith estimate of the date of the filing of, and ending on a date ninety (90) calendar days following the effective date of, a Company-initiated registration subject to Section 2.2 below, provided that the Company is actively employing in good faith all reasonable efforts to cause such registration statement to become effective; (ii) if the Initiating Holders propose to dispose of Registrable Securities that may be registered on Form S-3 or Form F-3 pursuant to Section 2.3 below; or (iii) if the Company shall furnish to Holders requesting the filing of a registration statement pursuant to this Section 2.1 a certificate signed by the Chief Executive Officer or Chairman of the Board of the Company stating that in the good faith judgment of the Board, it would be materially detrimental to the Company and its shareholders for such registration statement to be filed at such time, then the Company shall have the right to defer such filing for a period of not more than ninety (90) calendar days after receipt of the request of the Initiating Holders; provided, however, that the Company may not utilize this right more than once in any twelve (12) month period, and provided further that the Company shall not register any securities for the account of itself or any other shareholder during such ninety (90) calendar day period (other than a registration relating solely to the sale of securities of participants in an employee benefit plan, a registration relating to a corporate reorganization or transaction under Rule 145 of the Securities Act).

2.1.5 Expenses. The Company shall bear all expenses incurred in connection with any registration pursuant to this Section 2.1, including without limitation all registration, filing and qualification fees, printer's and accounting fees, fees and disbursements of counsel for the Company, and reasonable fees and disbursements of one legal counsel for the selling Holders (but excluding underwriters' discounts and commissions relating to shares sold by the Holders). Each Holder participating in a registration pursuant to this Section 2.1 shall bear such Holder's proportionate share (based on the total number of shares sold in such registration other than for the account of the Company) of all discounts, commissions or other amounts payable to underwriter(s) or brokers, in connection with such offering by the Holders. Notwithstanding any of the foregoing provisions, the Company will not be required to pay for any expenses of any registration proceeding begun pursuant to this Section 2.1 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered (in which case the participating Holders requesting for the withdrawal shall bear such expenses), unless all of the Holders of the Registrable Securities agree to forfeit their right to one demand registration pursuant to this Section 2.1; on the condition, however, that if at the time of such withdrawal, the Holders have learned of a material adverse change in the conditions, business or prospects of the Company from that known to the Holders at the time of their request and have withdrawn the request with reasonable promptness following disclosure by the Company of such material adverse change, then the Holders will not be required to pay any of such expenses and will retain their rights pursuant to this Section 2.1.

2.1.6 Shelf Registration. The Company shall file within forty-five (45) calendar days of the Closing, and use commercially reasonable efforts to cause to be declared effective as soon as practicable thereafter (but no later than the earlier of (a) the ninetieth (90th) day following the filing date thereof if the SEC notifies the Company that it will “review” the Registration Statement and (b) the tenth (10th) Business Day after the date the Company is notified (orally or in writing, whichever is earlier) by the SEC that the Registration Statement will not be “reviewed” or will not be subject to further review), a Registration Statement for a shelf registration on Form S-1 or Form F-1 (the “**Form S-1 or Form F-1 Shelf**”) or, if the Company is eligible to use a Registration Statement on Form S-3 or Form F-3, a shelf registration on Form S-3 or Form F-3 (the “**Form S-3 or Form F-3 Shelf**” and together with the Form S-1 or Form F-1 Shelf, each a “**Shelf**”), in each case, covering the resale of all the Registrable Securities (determined as of two Business Days prior to such filing) on a delayed or continuous basis. Such Shelf shall provide for the resale of the Registrable Securities included therein pursuant to any method or combination of methods legally available to, and requested by, any holder named therein. The Company shall maintain a Shelf in accordance with the terms hereof, and shall prepare and file with the SEC such amendments, including post-effective amendments, and supplements as may be necessary to keep a Shelf continuously effective, available for use and in compliance with the provisions of the Securities Act until such time as there are no longer any Registrable Securities. In the event the Company files a Form S-1 or Form F-1 Shelf, the Company shall use its commercially reasonable efforts to convert the Form S-1 or Form F-1 Shelf (and any subsequent Shelf) to a Form S-3 or Form F-3 Shelf as soon as practicable after the Company is eligible to use Form S-3 or Form F-3. Notwithstanding anything to the contrary herein, to the extent there is an active Shelf under this Section 2.1.6 covering an Investor’s or Investors’ Registrable Securities, and such Investor or Investors qualify as Demanding Holders pursuant to Section 2.1.1 and wish to request an underwritten offering from such Shelf, such underwritten offering shall follow the procedures of Section 2.1 but such underwritten offering shall be made from the Shelf and shall count against the number of long form Demand Registrations that may be made pursuant to Section 2.1.1. The Company shall have the right to remove any Persons no longer holding Registrable Securities from the Shelf or any other shelf registration statement by means of a post-effective amendment. In the event that any Holder holds Registrable Securities that are not registered for resale on a delayed or continuous basis, the Company, upon written request of such Holder, shall promptly use its commercially reasonable efforts to cause the resale of such Registrable Securities to be covered by either, at the Company’s option, any then available Shelf (including by means of a post-effective amendment) or by filing a new Shelf and cause the same to become effective as soon as practicable after such filing and such Shelf shall be subject to the terms hereof; provided, however, that the Company shall only be required to cause such Registrable Securities to be so covered twice per calendar year for each of the Holders.

2.2 Piggy-Back Registration

2.2.1 Piggy-Back Rights. The Company shall notify all Holders of Registrable Securities in writing at least twenty (20) calendar days prior to filing any registration statement under the Securities Act for purposes of effecting a public offering of securities of the Company (including, but not limited to, registration statements relating to secondary offerings of securities of the Company, but excluding registration statements relating to any registration under Section 2.1 or Section 2.3, any employee benefit plan, any corporate reorganization or transaction under Rule 145 of the Securities Act) and will afford each such Holder an opportunity to include in such registration statement all or any part of the Registrable Securities then held by such Holder. Each Holder desiring to include in any such registration statement all or any part of the Registrable Securities held by such Holder shall, no later than 18 calendar days after receipt of the above-described notice from the Company, so notify the Company in writing, and in such notice must indicate the number of Registrable Securities such Holder wishes to include in such registration statement. If a Holder decides not to include all of its Registrable Securities in any registration statement thereafter filed by the Company, such Holder shall nevertheless continue to have the right to include any Registrable Securities in any subsequent registration statement or registration statements as may be filed by the Company with respect to offerings of its securities, all upon the terms and conditions set forth herein.

2.2.1 Right to Terminate Registration. The Company may terminate or withdraw any registration initiated by it under this Section 2.2 prior to the effectiveness of such registration, regardless of whether any Holder has elected to include securities in such registration. The Company shall bear all expenses of such withdrawn registration in accordance with Section 2.1.1(d).

2.2.2 Underwriting. If a registration statement under which the Company gives notice under this Section 2.2 is for an underwritten offering, then the Company shall so advise the Holders of Registrable Securities. In such event, the right of any such Holder's Registrable Securities to be included in a registration pursuant to this Section 2.2 will be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their Registrable Securities through such underwriting shall enter into an underwriting agreement in customary form with the managing underwriter or underwriters selected for such underwriting. Notwithstanding any other provision of this Agreement, if the one or more managing underwriters determine in good faith that marketing factors require a limitation of the number of shares to be underwritten, then the one or more managing underwriters may exclude shares from the registration and the underwriting, and the number of shares that may be included in the registration and the underwriting shall be allocated, first to the Company, if applicable, and second, to each of the Holders requesting inclusion of their Registrable Securities in such registration statement on a pro rata basis based on the total number of Registrable Securities then held by each such Holder (or such other proportions as agreed among all the selling Holders); except that the right of the one or more underwriters to exclude shares (including Registrable Securities) from the registration and underwriting as described above shall be restricted so that (i) the number of Registrable Securities included in any such registration is not reduced below 25% of the aggregate number of Registrable Securities for which inclusion has been requested; and (ii) all shares that are not Registrable Securities and are held by any other Person, including, without limitation, any Person who is an employee, officer, consultant or director of the Company (or any subsidiary of the Company), will first be excluded from such registration and underwriting before any Registrable Securities are so excluded. If any Holder disapproves of the terms of any such underwriting, such Holder may elect to withdraw therefrom by written notice to the Company and the one or more underwriters, delivered prior to the filing of the "red herring" prospectus related such offering. Any Registrable Securities excluded or withdrawn from such underwriting will be excluded and withdrawn from the registration. For any Holder that is a partnership, the Holder and the partners and retired partners of such Holder, or the estates and family members of any such partners and retired partners and any trusts for the benefit of any of the foregoing Persons, and for any Holder that is a corporation, the Holder and all corporations that are affiliates of such Holder, shall be deemed to be a single "Holder" and any pro rata reduction with respect to such "Holder" shall be based upon the aggregate amount of Registrable Securities owned by all such entities and individuals.

2.2.3 Expenses. All expenses incurred in connection with any registration pursuant to this Section 2.2, including without limitation all registration, filing and qualification fees, printer's and accounting fees, fees and disbursements of counsel for the Company, and reasonable fees and disbursements of one legal counsel for the selling Holders (but excluding underwriters' discounts and commissions relating to shares sold by the Holders), shall be borne by the Company.

2.2.4 Not Demand Registration. Registration pursuant to this Section 2.2 will not be deemed to be a demand registration as described in Section 2.1 above. Except as otherwise provided herein, there will be no limit on the number of times the Holders may request registration of Registrable Securities under this Section 2.2.

2.3 Form S-3 or Form F-3 Registration.

2.3.1 If the Company receives from any one or more Holder of Registrable Securities Then Outstanding a written request or requests that the Company effect a registration on Form S-3 or Form F-3 and any related qualification or compliance with respect to all or a part of the Registrable Securities owned by such Holder or Holders, then the Company will (i) promptly give written notice of the proposed registration and the Holder's or Holders' request therefor, and any related qualification or compliance, to all other Holders of Registrable Securities; (ii) and use commercially reasonable efforts to effect, as soon as practicable, such registration and all such qualifications and compliances as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Holders or Holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holder or Holders joining in such request as are specified in a written request given no later than fourteen (14) calendar days after the Company provides the notice contemplated by this section 2.3.1; except that the Company will not be obligated to effect any such registration, qualification or compliance pursuant to this Section 2.3:

- (a) if Form S-3 or Form F-3 is not available for such offering by the Holders;
- (b) if the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) at an aggregate price to the public (net of any underwriters' discounts or commissions) of less than US\$1,000,000;
- (c) if the Company furnishes the Holders with a certificate signed by the Company's Chief Executive Officer or Chairman of the Board stating that in the good faith judgment of the board of directors of the Company, it would be materially detrimental to the Company and its shareholders for such Form S-3 or Form F-3 registration to be effected at such time, in which event the Company may defer the filing of the Form S-3 or Form F-3 registration statement for a period of not more than ninety (90) calendar days after receipt of the request of the Holder or Holders under this Section 2.3; except that the Company shall not (i) exercise this right more than once in any twelve (12) month period; and (ii) register any securities for the account of itself or any other shareholder during any such ninety (90) day period (other than a registration relating solely to the sale of securities of participants in an employee benefit plan, a registration relating to a corporate reorganization or transaction under Rule 145 of the Securities Act);
- (d) if the Company has, during the twelve (12) month period preceding the date of such request, already effected two (2) registrations under the Securities Act pursuant to the provisions of this Section 2.3 and such registrations have been declared or ordered effective; or
- (e) during the period starting with the date thirty (30) calendar days prior to the Company's good faith estimate of the date of the filing of and ending on a date ninety (90) calendar days following the effective date of a Company-initiated registration subject to Section 2.2, so long as the Company is actively employing in good faith reasonable efforts to cause such registration statement to become effective.

2.3.2 Expenses. The Company shall bear all expenses incurred in connection with any registration pursuant to this Section 2.3, including without limitation all registration, filing and qualification fees, printer's and accounting fees, fees and disbursements of counsel for the Company, and reasonable fees and disbursements of one legal counsel for the selling Holders (but excluding underwriters' discounts and commissions relating to shares sold by the Holders). Notwithstanding any of the foregoing provisions, the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to this Section 2.3 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered (in which case the participating Holders requesting for the withdrawal shall bear such expenses), except that if at the time of such withdrawal, the Holders have learned of a material adverse change in the condition, business or prospects of the Company from that known to the Holders at the time of their request and have withdrawn the request with reasonable promptness following disclosure by the Company of such material adverse change, then the Holders will not be required to pay any of such expenses and will retain their rights pursuant to this Section 2.3.

2.3.3 Underwriting. If the Holders requesting registration on Form S-3 or Form F-3 intend to distribute the Registrable Securities covered by their request by means of an underwriting, such Holders shall so advise the Company as a part of their request made pursuant to this Section 2.3 and the Company shall include such information in the written notice referred to in Section 2.3.1. The provisions of Section 2.1 will apply to such a request (with the substitution of this Section 2.3 for references to Section 2.1). Subject to the foregoing, the Company shall file a registration statement covering the Registrable Securities and other securities so requested to be registered as soon as practicable after receipt of the request or requests of the Holders requesting registration on Form S-3 or Form F-3.

2.3.4 Not Demand Registration. Form S-3 or Form F-3 registrations will not be deemed to be demand registrations as described in Section 2.1. Except as otherwise provided herein, there will be no limit on the number of times the Holders may request registration of Registrable Securities under this Section 2.3.

3. **REGISTRATION PROCEDURES.**

3.1 Filings; Information. Whenever required to effect the registration of any Registrable Securities under this Agreement, the Company shall, as expeditiously as reasonably possible:

3.1.1 Registration Statement. Prepare and file with the SEC a registration statement with respect to such Registrable Securities and use reasonable efforts to cause such registration statement to become effective.

3.1.2 Amendments and Supplements. Prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement.

3.1.3 State Securities Laws Compliance. Use reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or Blue Sky laws of such jurisdictions as is reasonably requested by the Holders, but the Company will not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions.

3.1.4 Notification. Notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus or free writing prospectus (to the extent prepared by or on behalf of the Company) relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing, and, at the request of any such Holder, the Company will, as soon as reasonably practicable, file and furnish to all such Holders a supplement or amendment to such prospectus or free writing prospectus (to the extent prepared by or on behalf of the Company) so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any fact necessary to make the statements therein not misleading in light of the circumstances under which they were made.

3.1.5 Opinion and Comfort Letter. Furnish, at the request of any Holder requesting registration of Registrable Securities, on the date that such Registrable Securities are delivered to the one or more underwriters for sale, if such securities are being sold through underwriters, or, if such securities are not being sold through underwriters, on the date that the registration statement with respect to such securities becomes effective, (i) an opinion, dated as of such date, of each of the Company's United States securities counsel and the local counsel which are representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering and reasonably satisfactory to a majority in interest of the Holders requesting registration, addressed to the underwriters, if any, and to the Holders requesting registration of Registrable Securities and (ii) a "comfort letter", dated as of such date, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering and reasonably satisfactory to a majority in interest of the Holders requesting registration, addressed to the underwriters, if any, and to the Holders requesting registration of Registrable Securities.

3.1.6 Exchange. Cause all such Registrable Securities registered pursuant to this Agreement to be listed on a national exchange or trading system and on each securities exchange and trading system on which similar securities issued by the Company are then listed.

3.1.7 CUSIP. Provide a transfer agent and registrar for all Registrable Securities registered pursuant to this Agreement and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration.

3.2 Holder Information. Notwithstanding anything in this Agreement to the contrary, if any Holder does not provide the Company with its requested Holder Information, the Company may exclude such Holder's Registrable Securities from the applicable Registration if the Company determines, based on the advice of counsel, that such information is necessary to effect the Registration and such Holder continues thereafter to withhold such information. The exclusion of a Holder's Registrable Securities as a result of this Section 3.2 shall not affect the registration of the other Registrable Securities to be included in such Registration.

4. INDEMNIFICATION AND CONTRIBUTION.

4.1 Indemnification by the Company. To the extent permitted by law, the Company shall indemnify and hold harmless each Holder, the partners, members, officers, directors and stockholders of each Holder, legal counsel and accountants for each Holder, any underwriter (as defined in the Securities Act) for such Holder and each Person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any losses, claims, damages or liabilities (joint or several) to which they may become subject under the Securities Act, the Exchange Act, any state securities laws or any rule or regulation promulgated under the Securities Act, insofar as such losses, claims, damages, or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively a “**Violation**”): (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement, including any preliminary prospectus, final prospectus, or free writing prospectus contained therein or any amendments or supplements thereto, any issuer information (as defined in Rule 433 of the Securities Act) filed or required to be filed pursuant to Rule 433(d) under the Securities Act or any other document incident to such registration prepared by or on behalf of the Company or used or referred to by the Company, (ii) the omission or alleged omission to state in such registration statement a material fact required to be stated therein, or necessary to make the statements therein not misleading or (iii) any violation or alleged violation by the Company of the Securities Act, the Exchange Act, any state securities laws or any rule or regulation promulgated under the Securities Act, the Exchange Act or any state securities laws, and the Company shall reimburse each such Holder, underwriter, controlling Person or other aforementioned Person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; except that the indemnity agreement contained in this Section 4 will not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Company (which consent cannot be unreasonably withheld), nor shall the Company be liable in any such case for any such loss, claim, damage, liability or action to the extent that it arises out of or is based upon a Violation that occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by any such Holder, underwriter, controlling Person or other aforementioned Person.

4.2 Indemnification by Investors Holding Registrable Securities. To the extent permitted by law, each selling Holder, severally and not jointly, will indemnify and hold harmless the Company, each of the Holder’s directors, each of its officers who has signed the registration statement, each Person, if any, who controls the Company within the meaning of the Securities Act, legal counsel and accountants for the Company, any underwriter, any other Holder selling securities in such registration statement and any controlling Person of any such underwriter or other Holder, against any losses, claims, damages or liabilities (joint or several) to which any of the foregoing Persons may become subject, under the Securities Act, the Exchange Act, any state securities laws or any rule or regulation promulgated under the Securities Act, the Exchange Act or any state securities laws, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Holder expressly for use in connection with such registration; and each such Holder will reimburse any Person intended to be indemnified pursuant to this Section 4.2 for any legal or other expenses reasonably incurred by such Person in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the indemnity agreement contained in this Section 4.2 shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder (which consent shall not be unreasonably withheld), and provided that in no event shall a Holder’s liability pursuant to this Section 4.2, when combined with the amounts paid or payable by such Holder pursuant to Section 4.4 below, exceed the proceeds from the offering received by such Holder (net of underwriter discounts and commissions and any expenses paid by such Holder).

4.3 Conduct of Indemnification Proceedings. Promptly after receipt by an indemnified party under this Section 4 of notice of the commencement of any action (including any governmental action) for which a party may be entitled to indemnification, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 4, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one (1) separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, if prejudicial to its ability to defend such action, shall relieve such indemnifying party of liability to the indemnified party under this Section 4 to the extent of such prejudice, but the omission to so deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 4.

4.4 Contribution. If the indemnification provided for in this Section 4 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to herein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and the indemnified party on the other hand in connection with the statements or omissions that resulted in such loss, liability, claim, damage or expense, as well as any other relevant equitable considerations; provided, however, that (i) no contribution by any Holder, when combined with any amounts paid by such Holder pursuant to Section 4.2, shall exceed the net proceeds from the offering received by such Holder and (ii) no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation; and provided further that in no event shall a Holder's liability pursuant to this Section 4.4, when combined with the amounts paid or payable by such Holder pursuant to Section 4.2, exceed the proceeds from the offering received by such Holder (net of underwriter discounts and commissions and any expenses paid by such Holder). The relative fault of the indemnifying party and the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

4.5 Survival. The obligations of the Company and Holders under this Section 4 will survive the completion of any offering of Registrable Securities in a registration statement under this Section 4 and otherwise.

4.6 The obligations of the parties under this Section 4 shall be in addition to any liability which any party may otherwise have to any other party.

5. MISCELLANEOUS

5.1 No Registration Rights to Third Parties. Without the prior consent of the Holders of a majority of the Registrable Securities Then Outstanding, the Company shall not grant, and shall not cause or permit to be created, for the benefit of any Person any registration rights of any kind (whether similar to the demand, "piggyback" or Form S-3 or Form F-3 registration rights described in this Agreement, or otherwise) relating to any Securities of the Company, other than rights that are subordinate in right to each Investor.

5.2 Third-Party Beneficiaries; Joinder. Each Beneficial Owner shall be a third-party beneficiary of this Agreement. If any Beneficial Owner becomes a direct shareholder of the Company, such Beneficial Owners shall become a party to this Agreement and be entitled to and be bound by all the rights and obligations as a Holder by executing a joinder to this Agreement in the form of Exhibit A attached hereto (each, a "*Joinder*"). Upon the execution and delivery of a Joinder by such Beneficial Owner, such Beneficial Owner shall be deemed as a Holder.

5.3 Assignment. This Agreement and the rights, duties and obligations of the Company hereunder may not be assigned or delegated by the Company in whole or in part, unless the Company first provides Investors holding Registrable Securities at least ten (10) Business Days prior written notice; provided that no assignment or delegation by the Company will relieve the Company of its obligations under this Agreement unless the Investors holding a majority-in-interest of the Registrable Securities provide their prior written consent, which consent must not be unreasonably withheld, delayed or conditioned. This Agreement and the rights, duties and obligations of an Investor holding Registrable Securities hereunder may be freely assigned or delegated by such Investor in conjunction with and to the extent of any transfer of Registrable Securities by such Investor which is not prohibited by such Investor's Lock-Up Agreement; provided that no assignment by any Investor of its rights, duties and obligations hereunder shall be binding upon or obligate the Company unless and until the Company shall have received (i) written notice of such assignment and (ii) the written agreement of the assignee, in a form reasonably satisfactory to the Company, to be bound by the terms and provisions of this Agreement (which may be accomplished by an addendum or certificate of joinder to this Agreement). This Agreement and the provisions hereof shall be binding upon and shall inure to the benefit of each of the parties, to the permitted assigns of the Investors or of any assignee of the Investors. This Agreement is not intended to confer any rights or benefits on any persons that are not party hereto other than as expressly set forth in Section 4 and this Section 5.3.

5.4 Specific Performance. Each of the parties acknowledges and agrees that the other parties would be damaged irreparably in the event any of the provisions of this Agreement are not performed in accordance with their specific terms or otherwise are breached or violated. Accordingly, to the fullest extent permitted by law, each of the parties agrees that, without posting bond or other undertaking, the other parties will be entitled to an injunction or injunctions to prevent breaches or violations of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof in any action, claim or suit in addition to any other remedy to which it may be entitled, at law or in equity. Each party further agrees that, in the event of any action for specific performance in respect of such breach or violation, it will not assert that the defense that a remedy at law would be adequate.

5.5 Reports under the Exchange Act. the Company covenants that it shall file any reports required to be filed by it under the Securities Act and the Exchange Act and shall take such further action as Investors holding Registrable Securities may reasonably request, all to the extent required from time to time to enable such Investors to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by Rule 144 under the Securities Act, as such Rule 144 may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC.

5.6 Severability. This Agreement shall be deemed severable, and the invalidity or unenforceability of any term or provision hereof shall not affect the validity or enforceability of this Agreement or of any other term or provision hereof. Furthermore, in lieu of any such invalid or unenforceable term or provision, the parties hereto intend that there shall be added as a part of this Agreement a provision as similar in terms to such invalid or unenforceable provision as may be possible that is valid and enforceable.

5.7 Entire Agreement. This Agreement (together with the Merger Agreement and the Lock-Up Agreements to the extent incorporated herein, and including all agreements entered into pursuant hereto or thereto or referenced herein or therein and all certificates and instruments delivered pursuant hereto and thereto) constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements, representations, understandings, negotiations and discussions between the parties, whether oral or written, relating to the subject matter hereof; provided, that, for the avoidance of doubt, the foregoing shall not affect the rights and obligations of the parties under the Merger Agreement or any other ancillary document.

5.8 Interpretation. Titles and headings of sections of this Agreement are for convenience only and shall not affect the construction of any provision of this Agreement. In this Agreement, unless the context otherwise requires: (i) any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa; (ii) “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding or succeeding such term and shall be deemed in each case to be followed by the words “without limitation”; (iii) the words “herein,” “hereto,” and “hereby” and other words of similar import in this Agreement shall be deemed in each case to refer to this Agreement as a whole and not to any particular section or other subdivision of this Agreement; and (iv) the term “or” means “and/or”. The parties have participated jointly in the negotiation and drafting of this Agreement. Consequently, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

5.9 Amendments; Waivers. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance, and either retroactively or prospectively) only with the written agreement or consent of the Company (after the Closing by a majority of the Disinterested Independent Directors) and Investors holding a majority-in-interest of the Registrable Securities; provided, that any amendment or waiver of this Agreement which affects an Investor in a manner materially and adversely disproportionate to other Investors will also require the consent of such Investor. No failure or delay by a party in exercising any right hereunder shall operate as a waiver thereof. No waivers of or exceptions to any term, condition, or provision of this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, condition, or provision.

5.10 Remedies Cumulative. In the event a party fails to observe or perform any covenant or agreement to be observed or performed under this Agreement, the other parties may proceed to protect and enforce its rights by suit in equity or action at law, whether for specific performance of any term contained in this Agreement or for an injunction against the breach of any such term or in aid of the exercise of any power granted in this Agreement or to enforce any other legal or equitable right, or to take any one or more of such actions, without being required to post a bond. None of the rights, powers or remedies conferred under this Agreement shall be mutually exclusive, and each such right, power or remedy shall be cumulative and in addition to any other right, power or remedy, whether conferred by this Agreement or now or hereafter available at law, in equity, by statute or otherwise.

5.11 Governing Law; Jurisdiction. This Agreement shall be governed by, construed and enforced in accordance with the Laws of the State of New York without regard to the conflict of laws principles thereof. THE PARTIES HERETO IRREVOCABLY SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, THE SUPREME COURT OF THE STATE OF NEW YORK AND THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA LOCATED IN THE STATE OF NEW YORK IN NEW YORK COUNTY SOLELY IN RESPECT OF THE INTERPRETATION AND ENFORCEMENT OF THE PROVISIONS OF THIS AGREEMENT AND THE DOCUMENTS REFERRED TO IN THIS AGREEMENT AND IN RESPECT OF THE TRANSACTIONS CONTEMPLATED HEREBY, AND HEREBY WAIVE, AND AGREE NOT TO ASSERT, AS A DEFENSE IN ANY ACTION, SUIT OR PROCEEDING FOR INTERPRETATION OR ENFORCEMENT HEREOF OR SUCH DOCUMENTS THAT SUCH ACTION, SUIT OR PROCEEDING MAY NOT BE BROUGHT OR IS NOT MAINTAINABLE IN SAID COURTS OR THAT VENUE THEREOF MAY NOT BE APPROPRIATE OR THAT THIS AGREEMENT OR ANY SUCH DOCUMENT MAY NOT BE ENFORCED IN OR BY SUCH COURTS, AND THE PARTIES HERETO IRREVOCABLY AGREE THAT ALL CLAIMS WITH RESPECT TO SUCH ACTION, SUIT OR PROCEEDING SHALL BE HEARD AND DETERMINED BY SUCH A NEW YORK STATE OR FEDERAL COURT. THE PARTIES HEREBY CONSENT TO AND GRANT ANY SUCH COURT JURISDICTION OVER THE PERSON OF SUCH PARTIES AND OVER THE SUBJECT MATTER OF SUCH DISPUTE AND AGREE THAT MAILING OF PROCESS OR OTHER PAPERS IN CONNECTION WITH SUCH ACTION, SUIT OR PROCEEDING IN THE MANNER PROVIDED IN SECTION 5.15 OR IN SUCH OTHER MANNER AS MAY BE PERMITTED BY LAW SHALL BE VALID AND SUFFICIENT SERVICE THEREOF.

5.12 WAIVER OF TRIAL BY JURY. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER; (II) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THE FOREGOING WAIVER; (III) SUCH PARTY MAKES THE FOREGOING WAIVER VOLUNTARILY AND (IV) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVER AND CERTIFICATIONS IN THIS SECTION 5.12.

5.13 Authorization to Act on Behalf of the Company. The parties acknowledge and agree that from and after the Closing, the Disinterested Independent Directors, by vote, consent, approval or determination of a majority of the Disinterested Independent Directors, is authorized and shall have the sole right to act on behalf of the Company under this Agreement, including the right to enforce the Company's rights and remedies under this Agreement. Without limiting the foregoing, in the event that an Investor serves as a director, officer, employee or other authorized agent of the Company, such Investor shall have no authority, express or implied, to act or make any determination on behalf of the Company in connection with this Agreement or any dispute or Action with respect hereto.

5.14 Termination of Merger Agreement. This Agreement shall be binding upon each party upon such party's execution and delivery of this Agreement, but this Agreement shall only become effective upon the Closing. In the event that the Merger Agreement is validly terminated in accordance with its terms prior to the Closing, this Agreement shall automatically terminate and become null and void and be of no further force or effect, and the parties shall have no obligations hereunder.

5.15 Notices. All notices, consents, waivers and other communications hereunder shall be in writing and shall be deemed to have been duly given when delivered (i) in person, (ii) by facsimile or other electronic means, with affirmative confirmation of receipt, (iii) one Business Day after being sent, if sent by reputable, nationally recognized overnight courier service or (iv) three (3) Business Days after being mailed, if sent by registered or certified mail, pre-paid and return receipt requested, in each case to the applicable party at the addresses provided under such party's signature page hereto (or at such other address for such party as shall be specified by like notice).

5.16 Counterparts. This Agreement may be executed in multiple counterparts (including by facsimile or pdf or other electronic document transmission), each of which shall be deemed an original, and all of which taken together shall constitute one and the same instrument.

{REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGES FOLLOW}

IN WITNESS WHEREOF, the parties have caused this Seller Registration Rights Agreement to be executed and delivered as of the date first written above.

Company:

TH INTERNATIONAL LIMITED

By:

Name:

Title:

Address for Notice:

Address:

Facsimile No.:

Telephone No.:

Email:

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be executed and delivered as of the date first written above.

Investor:

Tim Hortons Restaurants International GmbH

By:

Name:

Title:

Address for Notice:

Address:

Facsimile No.:

Telephone No.:

Email:

{Exhibit A to Registration Rights Agreement}

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be executed and delivered as of the date first written above.

Investor:

Pangaea Two Acquisition Holdings XXIB Limited

By:

Name:

Title:

Address for Notice:

Address:

Facsimile No.:

Telephone No.:

Email:

{Signature Page to Registration Rights Agreement}

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be executed and delivered as of the date first written above.

Investor:

L&L Tomorrow Holdings Limited

By:

Name:

Title:

Address for Notice:

Address:

Facsimile No.:

Telephone No.:

Email:

{Signature Page to Registration Rights Agreement}

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be executed and delivered as of the date first written above.

Investor:

Lord Winterfell Limited

By:

Name:

Title:

Address for Notice:

Address:

Facsimile No.:

Telephone No.:

Email:

{Signature Page to Registration Rights Agreement}

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be executed and delivered as of the date first written above.

Investor:

THC Hope IB Limited

By:

Name:

Title:

Address for Notice:

Address:

Facsimile No.:

Telephone No.:

Email:

{Exhibit A to Registration Rights Agreement}

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be executed and delivered as of the date first written above.

Investor:

SILVER CREST MANAGEMENT LLC

By:

Name:

Title:

Address for Notice:

Address:

Facsimile No.:

Telephone No.:

Email:

{Exhibit A to Registration Rights Agreement}

EXHIBIT A

The undersigned is executing and delivering this Joinder pursuant to the Registration Rights Agreement dated as of _____, 2021 (as amended, modified and waived from time to time, the "Registration Agreement") by and among TH International Limited, a Cayman Islands exempted company (including any successor entity thereto, the "**Company**"), and the other parties named as parties therein (including pursuant to other Joinders). Capitalized terms used herein shall have the meaning set forth in the Registration Agreement.

By executing and delivering this Joinder to the Company, the undersigned hereby agrees to become a party to, to be bound by, and to comply with the provisions of, the Registration Agreement as a Holder in the same manner as if the undersigned were an original signatory to the Registration Agreement, and the undersigned will be deemed for all purposes to be a Holder and the undersigned's _____ Ordinary Shares of the Company will be deemed for all purposes to be Registrable Securities under the Registration Agreement.

Accordingly, the undersigned has executed and delivered this Joinder as of the ____ day of _____, 20__.

Signature

By:
Name:
Title:

Agreed and Accepted as of

_____, 20__:

TH INTERNATIONAL LIMITED

By:
Name:
Title:

{Exhibit A to Registration Rights Agreement}

KIRKLAND & ELLIS

26th Floor, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

Telephone: +852 3761 3300
Facsimile: +852 3761 3301

www.kirkland.com

October 13, 2022

TH International Limited
2501 Central Plaza
227 Huangpi North Road
Shanghai, People's Republic of China
Ladies and Gentlemen:

We are acting as special United States counsel to TH International Limited, a Cayman Islands exempted company ("*THIL*"), in connection with the registration statement on Form F-1, originally filed with the Securities and Exchange Commission (the "*Commission*") on October 13, 2022, under the Securities Act of 1933, as amended (the "*Act*") (such Registration Statement, as amended or supplemented, is hereinafter referred to as the "*Registration Statement*"), relating to 5,650,000 warrants to purchase ordinary shares of THIL, par value \$0.00000939586994067732 per ordinary share (the "*Warrants*"), of which (i) 4,450,000 Warrants were originally issued by Silver Crest Acquisition Corporation, a Cayman Islands exempted company ("*Silver Crest*"), pursuant to the Warrant Agreement, dated January 13, 2021, between Silver Crest and Continental Stock Transfer & Trust Company, as warrant agent (the "*Warrant Agent*") (the "*Warrant Agreement*"), as modified by the Assignment, Assumption and Amended & Restated Warrant Agreement, dated September 28, 2022, among Silver Crest, THIL and the Warrant Agent (the "*Warrant Assumption Agreement*"), pursuant to which THIL assumed all rights and obligations of Silver Crest under the Warrant Agreement; and (ii) 1,200,000 Warrants were issued by THIL pursuant to the Warrant Assumption Agreement.

In connection with the preparation of this opinion, we have, among other things, read:

- (i) the form of Warrant Certificate, filed as Exhibit 4.2 to the Registration Statement;
- (ii) the Warrant Agreement, filed as Exhibit 4.1 to the Current Report on Form 8-K filed by Silver Crest on January 20, 2021;
- (iii) the Warrant Assumption Agreement, filed as Exhibit 4.3 to the Registration Statement; and
- (iv) such other documents, records and other instruments as we have deemed necessary or appropriate in order to deliver the opinion set forth herein.

For purposes of this opinion, we have assumed the authenticity of all documents submitted to us as originals, the conformity to the originals of all documents submitted to us as copies and the authenticity of the originals of all documents submitted to us as copies. We have also assumed (i) the legal capacity of all natural persons, (ii) the genuineness of the signatures of persons signing all documents in connection with which this opinion is rendered, (iii) the authority of such persons signing on behalf of the parties thereto and with respect to THIL such assumption is only made with respect to the laws of the Cayman Islands and (iv) the due authorization, execution and delivery of all documents by the parties thereto and with respect to THIL such assumption is only made with respect to the laws of the Cayman Islands. We have not independently established or verified any facts relevant to the opinion expressed herein, but have relied upon statements and representations of officers and other representatives of THIL and others as to factual matters.

PARTNERS: Pierre-Luc Arsenault³ | Manas Chandrashekar⁵ | Lai Yi Chau | Maurice Conway⁵ | Justin M. Dolling⁵ | David Patrick Eich^{1,4,5} | Yuan Yue Jennifer Feng⁵ | Liu Gan² | Paul Guan³ | Brian Y.T. Ho | Karen K.Y. Ho | Ka Chun Hui | Damian C. Jacobs⁵ | Guang Li³ | Wei Yang Lim⁵ | Mengyu Lu³ | Neil E.M. McDonald | Kelly Naphtali | Ram Narayan³ | Amy Y.M. Ngan⁷ | Nicholas A. Norris⁵ | Paul S. Quinn | Louis A. Rabinowitz³ | Fergus A. Saurin⁵ | Jesse D. Sheley[#] | Wenchen Tang³ | Peng Yu³ | Jacqueline B.N. Zheng^{3,5} | Yu Zheng³

REGISTERED FOREIGN LAWYERS: Gautam Agarwal⁵ | Joseph R. Casey⁹ | Yuxin Chen³ | Ju Huang³ | Ding Jin³ | Ming Kong³ | Cori A. Lable² | Nicholas Tianchia Liew⁵ | Min Lu³ | Bo Peng⁸ | Tom Roberts⁵ | Shinong Wang³ | Jodi K. Wu⁹ | David Zhang³ | Xiang Zhou³

ADMITTED IN: ¹ State of Illinois (U.S.A.); ² Commonwealth of Massachusetts (U.S.A.); ³ State of New York (U.S.A.); ⁴ State of Wisconsin (U.S.A.); ⁵ England and Wales; ⁶ Victoria (Australia); ⁷ New South Wales (Australia); ⁸ State of Georgia (U.S.A.); ⁹ State of California (U.S.A.); [#] non-resident

Austin Bay Area Beijing Boston Brussels Chicago Dallas Houston London Los Angeles Munich New York Paris Salt Lake City
Shanghai Washington, D.C.

KIRKLAND & ELLIS

TH International Limited
October 13, 2022
Page 2

Based upon and subject to the qualifications, assumptions and limitations set forth herein, we are of the opinion that the Warrants constitute valid and binding obligations of THIL, enforceable against THIL in accordance with their terms under the laws of the State of New York.

Our opinion expressed above is subject to the qualifications that we express no opinion as to the applicability of, compliance with, or effect of (i) any bankruptcy, insolvency, reorganization, fraudulent transfer, fraudulent conveyance, moratorium or other similar law or judicially developed doctrine in this area (such as substantive consolidation or equitable subordination) affecting the enforcement of creditors' rights generally, (ii) general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law), (iii) an implied covenant of good faith and fair dealing, (iv) public policy considerations which may limit the rights of parties to obtain certain remedies, (v) any requirement that a claim with respect to any security denominated in other than U.S. dollars (or a judgment denominated in other than U.S. dollars in respect of such claim) be converted into U.S. dollars at a rate of exchange prevailing on a date determined in accordance with applicable law, (vi) governmental authority to limit, delay or prohibit the making of payments outside of the United States or in a foreign currency or currency unit and (vii) any laws except the laws of the State of New York. We advise you that issues addressed by this letter may be governed in whole or in part by other laws, but we express no opinion as to whether any relevant difference exists between the laws upon which our opinion is based and any other laws which may actually govern. We do not find it necessary for the purposes of this opinion, and accordingly we do not purport to cover herein, the application of the securities or "Blue Sky" laws of the various states to the offering of the Warrants covered by the Registration Statement.

For purposes of rendering our opinion expressed above, we have assumed that (i) the Registration Statement shall have been declared effective and such effectiveness shall not have been suspended; (ii) the terms of the Warrant Assumption Agreement are consistent with the description of the terms of such agreement set forth in the Registration Statement; and (iii) at the time of the sale and delivery of each Warrant, (x) the authorization of such Warrant by THIL will not have been modified or rescinded, and there will not have occurred any change in law affecting the validity, legally binding character or enforceability of such Warrant; and (y) the sale and delivery of such Warrant, the terms of such Warrant, and compliance by THIL with the terms of such Warrant will not violate any applicable law, any agreement or instrument then binding upon THIL (including, but not limited to the Warrant Assumption Agreement) or any restriction imposed by any court or governmental body having jurisdiction over THIL.

This opinion is limited to the specific issues addressed herein, and no opinion may be inferred or implied beyond that expressly stated herein. We assume no obligation to revise or supplement this opinion should the present laws of the State of New York be changed by legislative action, judicial decision or otherwise. This opinion is rendered solely in connection with the filing of the Registration Statement and is not to be used, circulated, quoted or otherwise relied upon for any other purposes.

KIRKLAND & ELLIS

TH International Limited
October 13, 2022
Page 3

We hereby consent to the filing of this opinion with the Commission as Exhibit 5.1 to the Registration Statement. We also consent to the reference to our firm under the heading “Legal Matters” in the Registration Statement. In giving this consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Commission.

Sincerely,

/s/ Kirkland & Ellis



TH International Limited
PO Box 309, Uglund House
Grand Cayman, KY1-1104
Cayman Islands

13 October 2022

TH International Limited

We have acted as counsel as to Cayman Islands law to TH International Limited (the "**Company**") in connection with the Company's registration statement on Form F-1, including all amendments or supplements thereto, filed with the United States Securities and Exchange Commission (the "**Commission**") under the United States Securities Act of 1933, as amended (the "**Act**") (including its exhibits, the "**Registration Statement**") for the purposes of, registering with the Commission under the Act:

- (a) the offering and sale to the public of 22,900,000 ordinary shares, par value \$0.00000939586994067732 per share, of the Company ("**Ordinary Shares**"), including (i) 17,250,000 Ordinary Shares (the "**Public Warrant Shares**") issuable upon the exercise of warrants to purchase Ordinary Shares at an exercise price of \$11.50, which were issued on September 28, 2022 (the "**Closing Date**") in exchange for the public warrants of Silver Crest Acquisition Corporation ("**Silver Crest**") that were issued in the initial public offering of Silver Crest (the "**Public Warrants**"); (ii) 4,450,000 Ordinary Shares (the "**Sponsor Warrant Shares**") issuable upon the exercise of warrants to purchase Ordinary Shares at an exercise price of \$11.50 per share, which were issued to Silver Crest Management LLC (the "**Sponsor**") on the Closing Date (the "**Sponsor Warrants**") in exchange for the private placement warrants purchased by the Sponsor for a total consideration of \$9,400,000 in a private placement concurrent with the initial public offering of Silver Crest; and (iii) 1,200,000 Ordinary Shares (the "**PIPE Warrant Shares**" and together with the Public Warrant Shares and the Sponsor Warrant Shares, the "**Warrant Shares**") issuable upon the exercise of warrants to purchase Ordinary Shares at an exercise price of \$11.50 per share, which were issued on the Closing Date to certain investors (the "**PIPE Investors**") who invested \$10 million or more pursuant to separate subscription agreements dated March 9, 2022 (the "**PIPE Subscription Agreements**") for no consideration (the "**PIPE Warrants**", and collectively with the Public Warrants and the Sponsor Warrants, the "**Warrants**"); and

Maples and Calder (Cayman) LLP

PO Box 309 Uglund House Grand Cayman KY1-1104 Cayman Islands
Tel +1 345 949 8066 Fax +1 345 949 8080 maples.com

Maples and Calder (Cayman) LLP has been registered, and operating, as a Cayman Islands limited liability partnership since 1 March 2021 following the conversion of the Cayman Islands firm of Maples and Calder to a limited liability partnership on that date.

- (b) the potential offer and sale from time to time by the Selling Securityholders (as defined in the Registration Statement) of up to (i) 62,151,365 Ordinary Shares (the "**Resale Shares**"), which include (A) an aggregate of 35,186,824 Ordinary Shares beneficially owned by certain Selling Securityholders (the "**Legacy Shares**"); (B) 4,312,500 Ordinary Shares issued to the Sponsor (the "**Sponsor Shares**") on the Closing Date in exchange for the Class B ordinary shares of Silver Crest, which were purchased by the Sponsor at a price of approximately \$0.006 per share; (D) 4,450,000 Ordinary Shares issuable upon the exercise of the Sponsor Warrants; (E) 5,050,000 Ordinary Shares issued to the PIPE Investors pursuant to the PIPE Subscription Agreements on the Closing Date (the "**PIPE Shares**"), at a price of \$10.00 per share for investors who invested less than \$10 million and an effective price of \$8.00 per share for investors who invested \$10 million or more; (F) 1,200,000 Ordinary Shares issuable upon the exercise of the PIPE Warrants; (G) 5,000,000 Ordinary Shares issued to certain Selling Securityholders on the Closing Date pursuant to an Equity Support Agreement dated May 25, 2022 at a price of \$10.00 per share (the "**ESA Shares**"); and (H) 6,752,041 Ordinary Shares issuable upon conversion of convertible notes (the "**Convertible Notes**") issued to certain Selling Securityholders on December 10, 2021 pursuant to the Convertible Note Purchase Agreements that each of the Note Investors entered into with, inter alia, the Company (the "**Conversion Shares**"), whereby the Note Investors purchased an aggregate principal amount of \$50 million Convertible Notes for a purchase price of 98% of the principal amount thereof; and (ii) 5,650,000 Warrants (the "**Subject Warrants**"), which include (A) 4,450,000 Sponsor Warrants; and (B) 1,200,000 PIPE Warrants.

The Warrant Shares and the Resale Shares are referred to herein collectively as the "**Registered Shares**". The Registered Shares and the Subject Warrants are referred to herein collectively as the "**Securities**". This opinion letter is given in accordance with the terms of the Legal Matters section of the Registration Statement.

1 Documents Reviewed

We have reviewed originals, copies, drafts or conformed copies of the following documents, and such other documents as we deem necessary:

- 1.1 The certificate of incorporation dated 25 April 2018 and the amended and restated memorandum and articles of association of the Company as adopted effective 28 September 2022 (the "**Memorandum and Articles**").
- 1.2 The written resolutions of the board of directors of the Company dated 13 August 2021 (the "**2021 Resolutions**") and 26 August 2022 (the "**2022 Resolutions**"), and the corporate records of the Company maintained at its registered office in the Cayman Islands.
- 1.3 A certificate of good standing with respect to the Company issued by the Registrar of Companies (the "**Certificate of Good Standing**").
- 1.4 A certificate from a director of the Company a copy of which is attached to this opinion letter (the "**Director's Certificate**").
- 1.5 The Registration Statement.
- 1.6 The assignment, assumption and amended and restated warrant agreement dated as of 28 September 2022, by and between the Company, Silver Crest and Continental Stock Transfer & Trust Company (the "**Warrant Agreement**") and the warrant certificate constituting the Warrants (the "**Warrant Certificates**").

1.7 The agreements constituting the PIPE Warrants (together with the Warrant Agreement and the Warrant Certificates, the "**Warrant Documents**").

1.8 The Register of Members of the Company provided to us by Continental Stock Transfer & Trust Company on 12 October 2022 (the "**Register**").

The documents listed in paragraphs 1.6 to 1.7 inclusive above shall be referred to collectively herein as the "**Documents**".

2 Assumptions

The following opinions are given only as to, and based on, circumstances and matters of fact existing and known to us on the date of this opinion letter. These opinions only relate to the laws of the Cayman Islands which are in force on the date of this opinion letter. In giving the following opinions, we have relied (without further verification) upon the completeness and accuracy, as at the date of this opinion letter, of the Director's Certificate and the Certificate of Good Standing. We have also relied upon the following assumptions, which we have not independently verified:

2.1 The Documents have been or will be authorised and duly executed and unconditionally delivered by or on behalf of all relevant parties in accordance with all relevant laws (other than, with respect to the Company, the laws of the Cayman Islands).

2.2 The Documents are, or will be, legal, valid, binding and enforceable against all relevant parties in accordance with their terms under the laws of the State of New York and all other relevant laws (other than, with respect to the Company, the laws of the Cayman Islands).

2.3 The choice of New York as the governing law of the Documents has been made in good faith and would be regarded as a valid and binding selection which will be upheld by the courts of the State of New York and any other relevant jurisdiction (other than the Cayman Islands) as a matter of New York law and all other relevant laws (other than the laws of the Cayman Islands).

2.4 Copies of documents, conformed copies or drafts of documents provided to us are true and complete copies of, or in the final forms of, the originals.

2.5 All signatures, initials and seals are genuine.

2.6 The capacity, power, authority and legal right of all parties under all relevant laws and regulations (other than, with respect to the Company, the laws and regulations of the Cayman Islands) to enter into, execute, unconditionally deliver and perform their respective obligations under the Documents.

2.7 No invitation has been or will be made by or on behalf of the Company to the public in the Cayman Islands to subscribe for any of the Warrants or the Ordinary Shares.

2.8 There is no contractual or other prohibition or restriction (other than as arising under Cayman Islands law) binding on the Company prohibiting or restricting it from entering into and performing its obligations under the Documents.

2.9 No monies paid to or for the account of any party under the Documents or any property received or disposed of by any party to the Documents in each case in connection with the Documents or the consummation of the transactions contemplated thereby represent or will represent proceeds of criminal conduct or criminal property or terrorist property (as defined in the Proceeds of Crime Act (As Revised) and the Terrorism Act (As Revised), respectively).

- 2.10 There is nothing under any law (other than the laws of the Cayman Islands) which would or might affect the opinions set out below. Specifically, we have made no independent investigation of the laws of New York.
- 2.11 The Company will receive money or money's worth in consideration for the issue of the Registered Shares and none of the Registered Shares were or will be issued for less than par value.

Save as aforesaid we have not been instructed to undertake and have not undertaken any further enquiry or due diligence in relation to the transaction the subject of this opinion.

3 Opinions

Based upon, and subject to, the foregoing assumptions and the qualifications set out below, and having regard to such legal considerations as we deem relevant, we are of the opinion that:

- 3.1 The Company has been duly incorporated as an exempted company with limited liability and is validly existing and in good standing with the Registrar of Companies under the laws of the Cayman Islands.
- 3.2 The Registered Shares to be offered and issued by the Company as contemplated by the Registration Statement (including the Warrant Shares issuable upon the exercise of the Warrants in accordance with the Documents) have been duly authorised for issue. The Warrant Shares, when issued by the Company against payment in full of the consideration as set out in the Registration Statement and in accordance with the terms set out in the Registration Statement, will be validly issued, fully paid and non-assessable. As a matter of Cayman Islands law, a share is only issued when it has been entered in the register of members (shareholders).
- 3.3 Based solely on our inspection of the Register, the Registered Shares (other than the Warrant Shares) have been validly issued, fully paid and non-assessable.
- 3.4 The execution, delivery and performance of the Warrant Agreement has been authorised by and on behalf of the Company. The Warrant Agreement has been duly executed on behalf of the Company, assuming delivery by any director or officer of the Company, delivered on behalf of the Company, and constitute the legal, valid and binding obligations of the Company enforceable in accordance with its terms.

4 Qualifications

The opinions expressed above are subject to the following qualifications:

- 4.1 The obligations assumed by the Company under the Documents will not necessarily be enforceable in all circumstances in accordance with their terms. In particular:
- (a) enforcement may be limited by bankruptcy, insolvency, liquidation, reorganisation, readjustment of debts or moratorium or other laws of general application relating to protecting or affecting the rights of creditors and/or contributories;
 - (b) enforcement may be limited by general principles of equity. For example, equitable remedies such as specific performance may not be available, *inter alia*, where damages are considered to be an adequate remedy;
 - (c) where obligations are to be performed in a jurisdiction outside the Cayman Islands, they may not be enforceable in the Cayman Islands to the extent that performance would be illegal under the laws of that jurisdiction; and
 - (d) some claims may become barred under relevant statutes of limitation or may be or become subject to defences of set off, counterclaim, estoppel and similar defences.
- 4.2 To maintain the Company in good standing with the Registrar of Companies under the laws of the Cayman Islands, annual filing fees must be paid and returns made to the Registrar of Companies within the time frame prescribed by law.
- 4.3 Under Cayman Islands law, the register of members (shareholders) is *prima facie* evidence of title to shares and this register would not record a third party interest in such shares. However, there are certain limited circumstances where an application may be made to a Cayman Islands court for a determination on whether the register of members reflects the correct legal position. Further, the Cayman Islands court has the power to order that the register of members maintained by a company should be rectified where it considers that the register of members does not reflect the correct legal position. As far as we are aware, such applications are rarely made in the Cayman Islands and for the purposes of the opinion given in paragraph 3.2, there are no circumstances or matters of fact known to us on the date of this opinion letter which would properly form the basis for an application for an order for rectification of the register of members of the Company, but if such an application were made in respect of the Ordinary Shares, then the validity of such shares may be subject to re-examination by a Cayman Islands court.
- 4.4 In this opinion letter the phrase "non-assessable" means, with respect to the issuance of shares, that a shareholder shall not, in respect of the relevant shares and in the absence of a contractual arrangement, or an obligation pursuant to the memorandum and articles of association, to the contrary, have any obligation to make further contributions to the Company's assets (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).

We hereby consent to the filing of this opinion letter as an exhibit to the Registration Statement and to the references to our firm under the headings "Legal Matters", "Shareholder Suits" and "Enforceability of Civil Liabilities" in the prospectus included in the Registration Statement. In providing our consent, we do not thereby admit that we are in the category of persons whose consent is required under section 7 of the Act or the Rules and Regulations of the Commission thereunder.

We express no view as to the commercial terms of the Documents or whether such terms represent the intentions of the parties and make no comment with regard to warranties or representations that may be made by the Company.

The opinions in this opinion letter are strictly limited to the matters contained in the opinions section above and do not extend to any other matters. We have not been asked to review and we therefore have not reviewed any of the ancillary documents relating to the Documents and express no opinion or observation upon the terms of any such document.

This opinion letter is addressed to you and may be relied upon by you, your counsel and purchasers of Securities pursuant to the Registration Statement. This opinion letter is limited to the matters detailed herein and is not to be read as an opinion with respect to any other matter.

Yours faithfully

Maples and Calder (Cayman) LLP

TH International Limited

AMENDED & RESTATED SHARE OPTION SCHEME

Adopted on September 28 2022

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TH International Limited

AMENDED & RESTATED SHARE OPTION SCHEME

1. DEFINITIONS

1.01 In this Scheme the following expressions have the following meanings.

| | |
|----------------------------|--|
| “Adoption Date” | September 28 2022, the date on which this Scheme is adopted by the Board and Shareholders of the Company; |
| “Auditor” | the auditor for the time being of the Company; |
| “Board” | the board of directors of the Company or such committee or such sub-committee or person(s) delegated with the power and authority by the board of directors of the Company to administer this Scheme; |
| “Business Day” | means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by applicable law or executive order to be closed in the PRC or the Cayman Islands; |
| “Commencement Date” | in respect of an Option, the date upon which such Option is deemed to be granted in accordance with the provisions of the Scheme; |
| “Company” | TH International Limited, an exempted company duly incorporated and validly existing under the Laws of the Cayman Islands with its registered address at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands; |
| “Control” | means the power or authority, whether exercised or not, to direct the business, management and policies of such entity, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, which power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the members or shareholders of such entity or power to control the composition of more than fifty percent (50%) of the board of directors of such entity; |
| “Eligible Employee” | employee(s) of the Company or its Subsidiaries; |
| “Excluded Employee” | any Eligible Employee who is resident in a place where the grant or exercise of the Option pursuant to the terms of this Scheme is not permitted under the laws and regulations of such place; |
| “Group” | the Company and its Subsidiaries from time to time; |

| | |
|---------------------------|--|
| “Grantee” | any Participant who accepts the Offer in accordance with the terms of this Scheme or (where the context so permits) a person or persons who, in accordance with the laws of succession applicable in respect of the death of a Grantee, is or are entitled to exercise the Option granted to such Grantee (to the extent not already exercised) in consequence of the death of such Grantee; |
| “Merger Agreement” | that certain Agreement and Plan of Merger entered into as of August 13, 2021, by and among the Company, Miami Swan Ltd, a Cayman Islands exempted company and wholly-owned subsidiary of the Company, and Silver Crest Acquisition Corporation, a Cayman Islands exempted company; |
| “MDA” | that certain amended and restated Master Development Agreement, dated August 13, 2021, by and between Tim Hortons Restaurants International GmbH, TH Hong Kong International Limited and the Company; |
| “Offer” | the offer of the grant of an Option made in accordance with Clause 4.01; |
| “Offer Date” | the date on which the Board makes an Offer to any Participant; |
| “Option(s)” | option(s) to subscribe for Shares granted pursuant to this Scheme, including, subject to Clause 14.02, Prior Options; |
| “Option Period” | in respect of any particular Option, such period as the Board may in its absolute discretion determine and notify to each Grantee, from the Commencement Date to the date of expiration of the Option, save that such period shall not be more than ten (10) years from the Commencement Date subject to the provisions for early termination set out in this Scheme; |
| “Participant(s)” | any Eligible Employee (excluding any Excluded Employee); |
| “PIPE Financing” | has the meaning set forth in the Merger Agreement; |
| “PRC” | means the People’s Republic of China, including Hong Kong Special Administrative Region and Macau Special Administrative Region, but excluding Taiwan; |
| “Prior Options” | means Options granted pursuant to the Prior Scheme; |
| “Prior Scheme” | means the share option scheme of the Company, adopted as of March 19, 2019; |
| “Scheme” | this amended and restated share option scheme in its present or any amended form; |

| | |
|-----------------------------|--|
| “Securities Act” | U.S. Securities Act of 1933, as amended and interpreted from time to time; |
| “Share(s)” | An ordinary share in the capital of the Company, par value US\$0.000009395869940677320 or such other nominal amount as shall result from a sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of the Company; |
| “Shareholder(s)” | any person or entity registered on the register of members of the Company; |
| “Stock Exchange” | A recognized international stock exchange approved by the Board; |
| “Subscription Price” | the price per Share at which a Grantee may subscribe for Share on the exercise of an Option as described in Clause 5; |
| “Subsidiary” | a company which is directly or indirectly wholly-owned by the Company; and |
| “Trust” | The THC Hope 2021 Trust, established pursuant to that Trust Deed, dated June 21, 2021, between the Company, as settlor, and Futu Trustee Limited, as trustee. |

1.02 In this Scheme, save as where the context otherwise requires:

- (a) clause headings are inserted for convenience of reference only and shall be ignored in the interpretation of this Scheme;
- (b) references herein to clauses are to clauses of this Scheme;
- (c) references to any statute or statutory provision shall be construed as references to such statute or statutory provision as respectively amended, consolidated or re-enacted, or as its operation is modified by any other statute or statutory provision (whether with or without modification), and shall include any subsidiary legislation enacted under the relevant statute;
- (d) expressions in singular shall include the plural and *vice versa*;
- (e) expressions in any gender shall include other genders; and
- (f) references to persons shall include bodies corporate, corporations, partnerships, sole proprietorships, organizations, associations, enterprises, branches and entities of any other kind.

2. CONDITIONS

2.01 This Scheme shall take effect subject to the passing of the resolution of the Shareholders and the Board of the Company to adopt this Scheme.

2.02 If the above conditions are not satisfied, this Scheme shall forthwith determine, any Option(s) granted or agreed to be granted pursuant to this Scheme and any Offer of such a grant shall be of no effect and no person shall be entitled to any rights or benefits or be under any obligations under or in respect of this Scheme.

2.03 A certificate issued by the Board that the conditions set out in Clause 2.01 have been satisfied and the date on which such conditions were satisfied or that such conditions have not been satisfied as of any particular date shall be conclusive evidence of the matters certified.

3. PURPOSE, DURATION AND ADMINISTRATION

3.01 The purpose of this Scheme is to provide incentives or rewards to Participants thereunder for their contribution to the Group and/or to enable the Group to recruit and retain high-caliber employees and attract human resources that are valuable to the Group.

3.02 Subject to Clause 13, this Scheme shall be valid and effective for a period of ten (10) years commencing on the date on which the conditions set out in Clause 2.01 are satisfied, after which period no further Options will be granted but the provisions of this Scheme shall remain in full force and effect in all other respects. Options complying with the provisions of the Securities Act which are granted during the duration of this Scheme and remain unexercised immediately prior to the end of the ten-year period shall continue to be exercisable in accordance with their terms of grant within the Option Period for which such Options are granted, notwithstanding the expiry of this Scheme.

3.03 This Scheme shall be subject to the administration of the Board whose decision (save as otherwise provided herein) shall be final and binding on all parties.

4. GRANT OF OPTIONS

4.01 On and subject to the terms of this Scheme, the Board shall be entitled at any time and from time to time within the life of this Scheme set out in Clause 3.02 to offer to grant to any Participant as the Board may in its absolute discretion select, and subject to such conditions as the Board may think fit, Option(s) to subscribe for such number of Shares as the Board may determine at the Subscription Price. For the avoidance of doubt, the grant of any Options by the Company for the subscription of Shares to any person who falls within any of the classes of Participants shall not, by itself, unless the Board otherwise determined, be construed as a grant of Option under this Scheme. The basis of eligibility of any of the classes of Participants to the grant of any Options shall be determined by the Board from time to time on the basis of their contribution to the development and growth of the Group.

4.02 An Offer shall be made to a Participant by letter in such form as the Board may from time to time determine requiring the Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of this Scheme and shall remain open for acceptance by the Participant concerned for a period of thirty (30) days from the Offer Date provided that no Offer shall be open for acceptance after the expiry of this Scheme set out in Clause 3.02 or after this Scheme has been terminated in accordance with the provisions hereof. No consideration is payable on acceptance of each grant of Option(s).

- 4.03 An Offer shall be deemed to have been accepted and the Option to which such Offer relates shall be deemed to have been granted and to have taken effect when the acceptance form attached to the Offer with the number of Shares in respect of which the Offer is accepted clearly stated therein is duly completed, signed and returned in accordance with Clause 4.02 by the Grantee and is received by the Company at its principal office or such other address as is specified in the relevant Offer letter.
- 4.04 To the extent that the Offer is not accepted within thirty (30) days from the Offer Date in the manner indicated in Clause 4.03, it will be deemed to have been irrevocably declined and lapsed automatically.
- 4.05 Each grant of Options to a director, chief executive (other than a proposed director or a proposed chief executive of the Company) or substantial shareholder of the Company under this Scheme or any other share option scheme of the Company or any of its Subsidiaries must comply with the requirements under the Securities Act and must be subject to approval by the Board.

5. SUBSCRIPTION PRICE

The Subscription Price in respect of any particular Option shall be such price as determined by the Board in good faith after taking into consideration all factors which it deems appropriate at the time of the making of the Offer (which shall be stated in the Offer Letter).

6. EXERCISE OF OPTIONS

- 6.01 The Options granted to the Grantee may be exercised by such Grantee (or, as the case may be, his or her legal personal representatives) pursuant to the terms and conditions in Clause 6.03; provided that no PRC Grantee may exercise any Options before all necessary foreign exchange control and other approvals from the State Administration of Foreign Exchange (the "SAFE") of the PRC or its local counterpart have been received.
- 6.02 Unless otherwise determined and approved by the Board, an Option must be personal to the Grantee and must not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favor of any third party over or in relation to any Option. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Grantee without any compensation.
- 6.03 Subject to Clause 6.01, an Option may be exercised in whole or in part in the manner as set out in Clauses 6.04 and 6.05 by the Grantee (or, as the case may be, his or her legal personal representative(s)) giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the Subscription Price for the Shares in respect of which the notice is given. Within thirty (30) days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate of an independent financial adviser or Auditor pursuant to Clause 9, the Company shall issue and allot ordinary shares to the Grantee (or, as the case may be, his or her legal personal representative(s)) pursuant to the Scheme and the Company shall issue to the Grantee (or, as the case may be, his or her legal personal representative(s)) a share certificate in respect of the Shares so issued and allotted. All Share certificates delivered pursuant to the Scheme and all Shares issued pursuant to book entry procedures are subject to any stop-transfer orders and other restrictions as the Board deems necessary or advisable to comply with all applicable laws. The Board may place legends on any Shares certificate or book entry to reference restrictions applicable to the Shares.

6.04 Subject as hereinafter provided in this Scheme, the Option may be exercised by the Grantee (or, as the case may be, his or her legal personal representatives) in accordance with the Clause 6.01, provided that:

- (a) in the event of the Grantee ceasing to be a Participant for any reason other than (i) his or her death, or (ii) the termination of his or her employment on one or more of the grounds specified in Clause 7(f), the Grantee shall be entitled to exercise the vested Option(s) in full (to the extent which has become exercisable and not already exercised);
- (b) in the event of the Grantee ceasing to be a Participant by reason of death (provided that none of the events which would be a ground for termination of his or her employment under Clause 7(f) arises prior to his or her death), the legal personal representative(s) of the Grantee, shall be entitled to exercise the vested Option(s) in full (to the extent which has become exercisable and not already exercised);
- (c) in the event of a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall ensure that such offer is extended to all the Grantees on the same terms, *mutatis mutandis*, and assuming that they will become, by the exercise in full of the vested Options (to the extent not already exercised) granted to them, Shareholders of the Company. If such offer becomes or is declared unconditional, a Grantee shall be entitled to exercise his or her vested Option(s) (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company in exercise of his or her vested Option(s);
- (d) in the event a notice is given by the Company to its Shareholders to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it dispatches such notice to each Shareholder give notice thereof to all Grantees (together with a notice of the existence of the provisions of this Clause) and thereupon, each Grantee (or where permitted under Clause 6.04(b) his or her legal personal representative(s)) shall be entitled to exercise all or any of his or her vested Options (to the extent which has become exercisable and not already exercised) at any time not later than thirty (30) days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, issue and allot the relevant Shares to the Grantee credited as fully paid. Prior to the passing of the resolution to wind-up the Company, the Company shall repurchase from the Grantee at a price mutually agreed between the Company and the Grantee all or any part of the Shares issued and allotted to him/her upon the exercise of an Option; and

(e) in the event of a compromise or arrangement between the Company and its creditors (or any class of them) or between the Company and its Shareholders (or any class of them), in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same day as it gives notice of the meeting to its Shareholders or creditors to consider such a scheme or arrangement, and thereupon any Grantee (or where permitted under Clause 6.04(b) his or her legal representative(s)) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of the date falling thirty (30) days thereafter and the date on which such compromise or arrangement is sanctioned by the court be entitled to exercise his or her vested Option(s) (to the extent which has become exercisable and not already exercised), but the exercise of the vested Option(s) shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective. The Company may thereafter require such Grantee to transfer or otherwise deal with the Shares transferred as a result of such exercise of his or her vested Option(s) so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement.

6.05 There is no performance target that has to be achieved before the exercise of any Option except otherwise imposed by the Board and stated in the Offer.

6.06 The Shares to be issued and allotted upon the exercise of an Option will be subject to all the provisions of the memorandum and articles of association of the Company for the time being in force and will rank *pari passu* in all respects with and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation of the Company as attached to the other fully paid Shares of the same class in issue as from the day when the name of the Grantee is registered on the register of members of the Company and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date when the name of the Grantee is registered on the register of members of the Company other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date when the name of the Grantee is registered on the register of members of the Company, provided always that when the date of exercise of the Option falls on a day upon which the register of members of the Company is closed then the exercise of the Option shall become effective on the first Business Day on which the register of members of the Company is re-opened. A Share allotted upon the exercise of an Option shall not carry voting rights until the completion of the registration of the Grantee as the holder thereof.

6.07 Unless otherwise determined by the Board, for the purpose of the Scheme, the vesting of an Option shall be deemed to continue while the Grantee is on a bona fide leave of absence, if such leave was approved by the Company in writing. Unless otherwise determined by the Board and subject to applicable law, vesting of an Option shall be suspended during any unpaid leave of absence.

7. LAPSE OF OPTION

An Option, (i) if vested but not exercised, shall automatically lapse in each case on the earliest of this Clause 7(a), (c), (f), (h), (i) and (j); or (ii) if unvested, shall automatically be cancelled and cease vesting in each case on the earliest of this Clause 7(b), (c), (d), (e), (f), (g), (h), (i) and (j).

- (a) the expiry of the Option Period;
- (b) subject to Clause 6.04(a) and Clause 6.04(b), the date on which the Grantee ceases to be a Participant;
- (c) the date on which the Grantee is found to be an Excluded Employee;
- (d) the date on which the offer (or, as the case may be, the revised offer) referred to in Clause 6.04(c) closes;
- (e) subject to Clause 6.04(d), the date of the commencement of the winding-up of the Company;
- (f) the date on which the Grantee ceases to be a Participant by reason of: the termination of his or her employment on any one or more of the grounds that he or she has been guilty of serious misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or on any other ground on which an employer would be entitled to terminate his or her employment at common law or pursuant to any applicable laws or under the Grantee's employment agreement with the Company or the relevant Subsidiary. A written decision issued by the authorized director of the Company or the relevant Subsidiary to the effect that employment of a Grantee has or has not been terminated on one or more of the grounds specified in this Clause 7(f) shall be conclusive and binding on the Grantee;
- (g) subject to Clause 6.04(e), the date when the proposed compromise or arrangement becomes effective;
- (h) the date on which the Grantee commits a breach of Clause 6.02;
- (i) the date on which the Grantee has breached the confidentiality obligation, non-compete obligation, non-solicitation obligation that such Grantee owes to the Group under relevant employment agreements, confidentiality and intellectual property rights assignment agreements, non-compete and non-solicitation agreements or this Scheme or any exhibit hereof (as applicable) in any material respect; or

- (j) on the date which the Grantee indicates in writing to the Company that he or she will waive the Option(s), notwithstanding that he or she has previously accepted the above-mentioned grant pursuant to the provisions of Clause 4.

8. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 8.01 The total number of Shares which may be issued and allotted upon exercise of all Options to be granted under this Scheme are 14,486,152 Shares (proportionally adjusted to reflect any share dividends, share splits, or similar transactions) reserved by the Company (the "Share Reserve") (8,242,983 of which underlie outstanding Options and may not be issued as of the effective date of this Scheme); provided, however, that the Share Reserve shall automatically be reduced by 2,128,595 Shares (proportionally adjusted to reflect any share dividends, share splits, or similar transactions) if the number of Tim Hortons Restaurants (as defined in the MDA) open and operating in the Territory (as defined in the MDA) by the Group on or prior to August 31, 2023 is less than 495.
- 8.02 For the purposes of administering this Scheme, the Board may divide such maximum number of Shares into individual units with each unit being equivalent to a fraction of a Share equal to 14,486,152 divided by 50,000,000. Options lapsed in accordance with the terms of this Scheme will not be counted for the purpose of calculating the total number of Shares under this Clause 8.01. Any Shares subject to an Option that is cancelled, forfeited or expires prior to exercise, either in full or in part, shall again become available for issuance under the Scheme.
- 8.03 Subject to Clauses 8.01, the number of Shares subject to Options and to this Scheme may be adjusted, in such manner as an independent financial adviser or Auditor (acting as experts and not as arbitrators) must certify in writing to the Board to be in their opinion fair and reasonable, in the event of a capitalization issue, rights issue, subdivision or consolidation of shares or reduction of capital of the Company provided that no such adjustment shall be made in the event of an issue of Shares as consideration in respect of a transaction to which the Company is a party.

9. REORGANISATION OF CAPITAL STRUCTURE

In the event of a capitalization issue, rights issue, consolidation or subdivision of shares or reduction of capital of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party), such corresponding adjustments (if any) shall be made in:

- (a) the number of Shares subject to the Options so far as unexercised; and/or
- (b) the Subscription Price; and/or
- (c) the administrative procedure to exercise of the Option(s); and/or
- (d) the maximum number of Shares referred to in Clauses 8.01,

as an independent financial adviser or Auditor shall certify in writing to the Board to be in their opinion fair and reasonable, provided that any adjustments shall be made on the basis that the proportion of the issued share capital of the Company to which a Grantee is entitled after such adjustments shall remain the same as that to which he was entitled before such adjustments and no such adjustments shall be made the effect of which would be to enable any Share to be issued at less than its nominal value and no such adjustments will be required in circumstances where there is an issue of Shares or other securities of the Group as consideration in a transaction.

In addition, in respect of any such adjustments as provided in this Clause 9, other than any made on a capitalization issue, an independent financial adviser or the Auditor must confirm in writing to the Board that the adjustment satisfies the requirements of the relevant provision of the Securities Act.

The capacity of the independent financial adviser or the Auditor in this Clause 9 is that of experts and not of arbitrators and their certification shall be final and binding on the Company and the Grantees.

The costs of the independent financial advisers or the Auditor shall be borne by the Company.

10. DISPUTES

Any dispute arising in connection with this Scheme (whether as to the number of Shares, the subject of an Option, the amount of the Subscription Price, or otherwise) shall be referred to the decision of an independent financial adviser or the Auditor who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final and binding on all persons who may be affected thereby.

11. ALTERATION OF THIS SCHEME

11.01 This Scheme may be altered in any respect by resolution of the Board, provided that the amended terms of this Scheme or the Options shall still comply with the requirements of the Securities Act and that no such alteration shall operate to affect adversely the terms of issue of any Option(s) granted or agreed to be granted prior to such alteration.

11.02 The Company must provide to all Grantees all details relating to changes in the terms of this Scheme during the life of this Scheme promptly upon such changes taking effect.

12. TERMINATION

The Company may by resolution in general meeting at any time terminate the operation of this Scheme and in such event no further Options will be offered but the provisions of this Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options (to the extent not already exercised) granted prior to the termination. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the Scheme.

13. CANCELLATION OF OPTIONS

13.01 If any of the events stipulated in this Scheme which will result in the cancellation of the Options occurs, then such cancellation of Options granted but not exercised shall require approval of the Board with the relevant Grantees abstaining from voting.

13.02 Any vote taken at the meeting to approve such cancellation must be taken by poll.

13.03 For the avoidance of doubt, Options which have been exercised shall not be included as cancelled Options.

14. MISCELLANEOUS

- 14.01 The Board shall have the power to accelerate the time at which an Option may first be exercised or the time during which an Option or any part thereof will vest in accordance with the Scheme, notwithstanding the provisions in the Option stating the time at which it may first be exercised or the time during which it will vest.
- 14.02 This Scheme shall apply to Options granted following the Adoption Date. Any Prior Options will remain subject to the terms and conditions of the Prior Scheme only to the extent that any terms contained in this Scheme would adversely impact the terms of issue of any Prior Option(s) granted prior to the Adoption Date. For the avoidance of doubt, the Prior Scheme shall continue to be administered by the Trust and Futu Trustee Limited, a company incorporated under the laws of Hong Kong, as the sole trustee of the Trust.
- 14.03 The Company shall bear the costs of establishing and administering this Scheme.
- 14.04 No fractional Shares shall be issued and the Board shall determine, in its sole discretion, whether cash shall be given in lieu of fractional shares or whether such fractional shares shall be eliminated by rounding down.
- 14.05 The Board shall have the right to require any Grantee to comply with any timing or other restrictions with respect to the settlement, distribution or exercise of any Options, including a window-period limitation, as may be imposed in the sole discretion of the Board.
- 14.06 Any notice or other communication between the Company and a Grantee may be given by sending the same by fax, E-mail, registered courier using an internationally recognized company or by personal delivery to, in the case of the Company, its principal place of business in PRC or such other address as notified to the Grantees from time to time and, in the case of the Grantee, his or her residential address in PRC as notified to the Company from time to time.
- 14.07 The Grantee shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction in order to permit the grant or exercise of the Option. The Company shall not be responsible for any failure by a Grantee to obtain any such consent or for any tax or other liability to which a Grantee may become subject as a result of his or her participation in this Scheme.
- 14.08 This Scheme shall not form part of any contract of employment between the Company or any Subsidiary and any Eligible Employee and the rights and obligations of any Eligible Employee under the terms of his or her office or employment shall not be affected by his or her participation in it and this Scheme shall afford such an Eligible Employee no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.

- 14.09 This Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.
- 14.10 The Scheme shall not confer upon any Grantee any right to continue his or her relationship as an employee with the Company for any period of specific duration or interfere in any way with his or her right or the right of the Company, which rights are hereby expressly reserved by each, to terminate this relationship at any time.
- 14.11 This Scheme and all Options granted hereunder shall be governed by and construed in accordance with the laws of Cayman Islands.
- 14.12 Notwithstanding any other provision of the Scheme, the Company shall not be obligated, and nor shall it have any liability for failure to deliver any Shares under the Scheme unless the issuance and delivery of Shares comply with (or are exempt from) all applicable law, including without limitation, the applicable securities laws in the Cayman Islands, PRC, Securities Act, U.S. state securities laws and regulations, and the regulations of any Stock Exchange or other securities market on which the Company's securities may then be traded, and shall be further subject to the approval of counsel of the Company with respect to such compliance.
- 14.13 This Scheme shall operate subject to the articles of association of the Company from time to time and any applicable law, regulations, rules and codes.

**FIRST AMENDMENT TO THE AMENDED AND RESTATED MASTER
DEVELOPMENT AGREEMENT**

This First Amendment (the “**Amendment**”) to the Amended and Restated Master Development Agreement is made on September 28, 2022 by and amongst (1) Tim Hortons Restaurants International GmbH, a private limited liability company (*Gesellschaft mit beschränkter Haftung*) organized under the laws of Switzerland (“**THRI**”), (2) TH Hong Kong International Limited, a company organized under the laws of Hong Kong (the “**Master Franchisee**”) and (3) TH International Limited, a company organized under the laws of Cayman Islands (“**Tims China**”)

For the purposes of this Amendment, each party above shall be individually referred to as a “**Party**” and collectively as the “**Parties**”. Capitalized terms used but not defined herein have the meanings set forth in the Agreement (as defined below).

WHEREAS

- A. THRI, Master Franchisee and Tims China are parties to an Amended and Restated Master Development Agreement dated August 13, 2021 (the “**Agreement**”), under which Master Franchisee was granted the exclusive right to develop, open and operate (through itself and the Approved Subsidiaries), Tim Horton Restaurants in the Territory, subject to the terms and conditions set forth in the Agreement.
- B. The Parties have decided to amend the Agreement by deleting the bold, stricken text (indicated as: **stricken text**) and adding the bold, underlined text (indicated as: **underlined text**) as more particularly set forth herein.

The Parties agree as follows:

1. Amendment to Clause 4B.1 (Nomination and Observer Rights)

The first sentence of Clause 4B.1 of the Agreement is hereby amended as follows:

“For so long as THRI holds ~~3,495-1,239,906~~ 1,165 ordinary shares, which is equivalent to 1,165 ordinary shares prior to effecting the share split in accordance with Section 2.01 of the Merger Agreement dated August 13, 2021 (the “Share Split”), entered into by and among Tims China and certain other parties in connection with the SPAC Transaction (as adjusted, if necessary, to take into account any share splits, share dividends, share combinations and similar transactions occurring after the ~~SPAC Transaction~~ Share Split) of Tims China, THRI shall have the right (but not the obligation) to nominate one (1) individual of its choosing (such individual, the “**THRI Designee**”) for election to the board of directors of Tims China (the “**Tims China Board**”) at each meeting of the shareholders of Tims China at which directors are to be elected.

2. Representations and Warranties.

Each Party represents and warrants to the other Parties that this Amendment has been duly executed by an authorized officer of such Party and constitutes a valid and binding obligation of such Party, enforceable against it in accordance with the terms hereof. No consent, approval, filing or authorization from any Authority is necessary or shall be obtained for the signature and performance by such Party of this Amendment. The Parties further represent and undertake to complete any and all corporate actions necessary to give effect to and reflect this Amendment.

3. **Effect of Amendment; Conflict.**

All provisions of the Agreement not modified by this Amendment will remain in full force and effect. In the event of a conflict between the terms and conditions of this Amendment and the Agreement, the terms and conditions of this Amendment shall control.

4. **Miscellaneous**

Clauses 24, 25, 26, 27, 28, 29.1 and 30, 32 and 24 of the Agreement shall apply to this Amendment *mutatis mutandis*, as if a reference to “this Agreement” were a reference to “this Amendment”. Any dispute or controversy arising under or in connection with this Amendment shall be resolved pursuant to Clause 29.2 of the Agreement as if it were a Dispute thereunder.

This Amendment is executed by the Parties as of the day and year set forth above.

/s/ Lucas Muniz

SIGNED by Lucas Muniz

Authorized Director

For and on behalf of

Tim Hortons Restaurants International GmbH

/s/ Peter Yu

SIGNED by Peter Yu

For and on behalf of

TH Hong Kong International Limited

/s/ Peter Yu

SIGNED by Peter Yu

For and on behalf of

TH International Limited

[Signature Page to First Amendment to the Amended and Restated Master Development Agreement]

CONTROL AGREEMENT

This Control Agreement (the “Agreement”) is among TH International Limited, a Cayman Islands company (legal name of owner of the Account (as defined below)) (“Pledgor”); Shaolin Capital Management LLC, a Delaware limited liability company, as collateral agent for the Secured Parties (as defined below) (“Collateral Agent”); and U.S. Bank National Association, a national banking association organized under the laws of the United States of America (in such capacity, together with its successor and assigns, the “Intermediary”).

WHEREAS, Collateral Agent and Pledgor have requested Intermediary to establish and maintain an account in the name of Pledgor with account number (the “Account”), with such sub- accounts as may be agreed between Collateral Agent, Pledgor and Intermediary, and to perform certain other functions as more full described herein;

WHEREAS, Pledgor, Intermediary and Collateral Agent are entering into this Agreement to provide for the control of the Account and the Collateral (as defined below) by Collateral Agent, on behalf of the Secured Parties (as defined below) as the pledgees under the Pledge Agreement (as defined below), and to perfect the security interest of the Secured Parties in the Account and the Collateral (as defined below); and

WHEREAS, Pledgor hereby directs Intermediary to enter into this Agreement;

NOW, THEREFORE, the parties hereby agree as follows:

1. **Collateral; Account Control.** Pledgor and Collateral Agent hereby represent and warrant that, pursuant to a separate agreement (as amended, supplemented or amended and restated from time to time, the “Pledge Agreement”) between Pledgor, Shaolin Capital Partners Master Fund, Ltd.; MAP 214 Segregated Portfolio, a segregated portfolio of LMA SPC; DS Liquid DIV RVA SCM LLC; and Shaolin Capital Partners SP, a segregated portfolio of PC MAP SPC (collectively, the “Secured Parties” and each individually, a “Secured Party”) and Collateral Agent, (1) each of the Secured Parties have appointed Collateral Agent as collateral agent on its behalf and (2) Pledgor has granted to the Secured Parties a security interest in, among other matters, all of Pledgor’s right, title and interest in, to, or otherwise with respect to, the following property and assets whether now owned or existing or hereafter acquired or arising and regardless of where located: (a) the Account and any cash, cash equivalents, securities, general intangibles, investment property, financial assets, and other property that may from time to time be deposited, credited, held or carried in the Account, all security entitlements as defined in §8-102(a)(17) of the Uniform Commercial Code as in effect from time to time in the State of New York or any other state the laws of which are required to be applied in connection with the issue of perfection of security interests (the “UCC”) with respect to any of the foregoing and all income and profits on any of the foregoing, all dividends, interest and other payments and distributions with respect to any of the foregoing, all other rights and privileges appurtenant to any of the foregoing, including any voting rights and any redemption rights, and any substitutions for any of the foregoing, and any proceeds of any of the foregoing, in each case whether now existing or hereafter arising to the extent held in the Account ; and (b) all proceeds of, and all other profits, products, rents or receipts, in whatever form, arising from the collection, sale, lease, exchange, assignment, or other disposition of, or other realization upon, the foregoing (collectively, the “Collateral”). Pledgor and Collateral Agent hereby intend that this Agreement establish “control” by Collateral Agent of the Account and the Collateral, on behalf of the Secured Parties as the pledgees under the Pledge Agreement, for purposes of perfecting the Secured Parties’ security interest in the Account and the Collateral pursuant to Article 8 of the UCC, and Intermediary hereby acknowledges that it has been advised of Pledgor’s grant to the Secured Parties of a security interest in the Account and the Collateral. Intermediary has no interest in, and no duty, responsibility or obligation with respect to, any such Pledge Agreement other than its duties, responsibilities and obligations under this Agreement (including without limitation, no duty, responsibility or obligation to monitor Pledgor’s, the Collateral Agent’s or any Secured Party’s compliance with the Pledge Agreement or to know the terms of such Pledge Agreement).

2. **UCC.** Intermediary is a “*securities intermediary*” with respect to the Account, and the Account is a “*securities account*”, within the meaning of Article 8 (“Article 8”) of the UCC. Intermediary hereby agrees that Collateral, including cash, will be treated as a “*financial asset*” within the meaning of Article 8 of the UCC. Notwithstanding anything in this Agreement to the contrary, New York is Intermediary’s jurisdiction for the purposes of Article 8.

3. **Assets Held in the Account.** Pledgor, simultaneously with the execution and delivery of this Agreement, has caused the initial Collateral to be deposited in the Account, which initial Collateral, together with any additional Collateral deposited in the Account, shall be held by Intermediary upon the terms and conditions hereinafter set forth. Any cash maintained in the Account will not bear interest. Any securities credited to the Account shall be held in book-entry format. Intermediary shall have no duty to solicit the Collateral. Pledgor or Collateral Agent shall use commercially reasonable efforts to notify Intermediary in writing at or prior to the time when Collateral is sent to Intermediary pursuant to this Agreement. All securities or other property underlying any financial assets credited to the Account shall be registered in the name of the Intermediary (or a nominee), indorsed to the Intermediary or in blank or credited to another securities account maintained in the name of the Intermediary (including an account at a depository), and in no case shall any financial asset credited to the Account be registered in the name of Pledgor, payable to the order of Pledgor or specially indorsed to Pledgor except to the extent the foregoing have been specially indorsed to the Intermediary or in blank.

4. **Certain Assets Not Collateral.** Notwithstanding anything herein to the contrary, the following assets are not Collateral, and Intermediary hereby makes no confirmation, covenant, representation, or warranty with respect thereto:

4.1. Assets that are neither registered in the name of Intermediary or Intermediary’s nominee nor maintained by Intermediary at any central securities depository (such as the Depository Trust Company) or Federal Reserve Bank or with a sub-custodian nor held by Intermediary in unregistered or bearer form or in such form as will pass title by delivery.

4.2. Global securities maintained by Intermediary with a sub-custodian.

4.3. Contracts, declarations of trust, documents of title, general intangibles, leases, limited liability company interests, loan agreements, notes, offering memoranda, partnership interests, security certificates, subscription agreements, or other instruments which may establish rights to income, principal, or other distributions on an asset.

4.5. Real estate.

4.6. Cryptocurrencies or other assets represented by blockchain or other decentralized ledgers.

4.7. Securities which are “*control securities*” or “*restricted securities*” within the meaning of Rule 144 under the Securities Act of 1933, as amended, or are subject to other marketability limitations.

4.8. “*Financial assets*” within the meaning of Article 8 in the physical possession of Intermediary that are registered in the name of, payable to the order of, or specially indorsed to anyone other than Intermediary and have not been indorsed to Intermediary or in blank. Pledgor hereby covenants not to deliver, or cause to be delivered, any of the foregoing to the Account.

5. **Appointment of Intermediary; Collateral Agent's Power to Direct Intermediary.**

5.1. Pledgor and Collateral Agent hereby appoint U.S. Bank National Association as Intermediary in accordance with the terms and conditions set forth herein, and Intermediary hereby accepts such appointment. Pledgor and Collateral Agent hereby direct Intermediary to comply with all directions, instructions (including Written Instructions), or entitlement orders concerning the Account and the Collateral originated by Collateral Agent without further consent by Pledgor. Intermediary hereby agrees that it will comply with all directions, instructions, or entitlement orders concerning the Account and the Collateral originated by Collateral Agent without further consent by Pledgor. Pledgor hereby agrees that Intermediary's obligation to act on Collateral Agent's directions, instructions, or entitlements orders is unconditional. Intermediary will have no duty, obligation, or authority to determine or question whether Collateral Agent is acting properly, even if Pledgor objects or directs Intermediary not to follow Collateral Agent's directions, instructions, or entitlement orders. Collateral Agent shall at all times have sole and exclusive control of the Account and the Collateral held therein.

6. **Withdrawal or Transfer** Pledgor will not, and hereby covenants not to, withdraw or transfer any Collateral without Collateral Agent's prior written consent. Without Collateral Agent's prior written consent, Intermediary will not comply with Pledgor's instructions to withdraw or transfer the Collateral.

7. **Investment of Collateral .**

7.1 Intermediary shall accept the Collateral and shall hold such Collateral in the Account. All amounts so deposited and any interest on, and any securities, dividends, distributions, earnings and other property and payments or proceeds in respect of, any such deposits or invested amounts, less any amounts released pursuant to the terms of this Agreement, shall constitute the Collateral. Intermediary shall invest any portion of the Collateral that is cash in any Eligible Investments and dispose of any Eligible Investments for cash, as may be directed by Pledgor in writing from time to time and consented to in writing by Collateral Agent. If Intermediary does not receive such written direction from Pledgor countersigned by Collateral Agent, the Collateral that constitutes cash shall remain uninvested, in cash, and no disposal of any Eligible Investments shall occur (as the case may be).

7.2 Intermediary shall be entitled to payment from Pledgor for customary fees and expenses for all services rendered by it hereunder as separately agreed to in writing between Pledgor and Intermediary (as such fees may be adjusted from time to time). Annual fees are due annually in advance for each year or any part thereof. Pledgor shall reimburse Intermediary on demand for all loss, liability, damage, disbursements, advances or reasonable expenses paid or incurred by it in the administration of its duties hereunder, including, but not limited to, all outside counsel, advisors' and agents' fees and disbursements and all taxes or other governmental charges relating to the Collateral incurred in connection herewith.

8. **Trading or Substitution.** Any trading or substitution of the Collateral at the written direction of Pledgor shall only be permitted if consented to in writing by the Collateral Agent. Any such trading or substitution shall only involve trading or substitution of Eligible Investments or as may otherwise be consented to in writing by the Collateral Agent. Intermediary is hereby authorized, in making any such trading or substitution of the Collateral or any Eligible Investments permitted by this Agreement, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or any such affiliate is acting as agent of Intermediary or for any third person or dealing as principal for its own account. The parties acknowledge that Intermediary is not providing investment supervision, recommendations, or advice. "**Eligible Investments**" shall mean (a) cash and (b) shares of money market funds which funds have, at the time of their delivery to the Account, the highest credit rating assigned by any nationally recognized statistical rating organization, as determined by Pledgor and Collateral Agent.

9. **Trade, Substitute, Withdraw, or Transfer.** As used herein, the words “trade” and “substitute” and words derived therefrom refer to deliveries out of the Account for counter-value, whereas the words “withdraw” and “transfer” and words derived therefrom refer to deliveries out of the Account not for counter-value.

10. **[Reserved].**

11. **No Other Security Interest; Ownership of Collateral.**

11.1. Pledgor hereby represents and warrants that (i) Pledgor has not granted a security interest in the Collateral to any person or entity other than the Secured Parties and Intermediary, and (ii) Pledgor is the sole beneficial owner of the Collateral (except for the Secured Parties’ interest and Intermediary’s interest).

11.2. Intermediary’s records show that Pledgor is the sole owner of the applicable Collateral as of the date hereof and that Intermediary has not received notice of any levy, security interest, or other claim in or to the Collateral other than this Agreement (“Adverse Claim”). If Intermediary receives notice of an Adverse Claim, then Intermediary will use commercially reasonable efforts to notify Pledgor and Collateral Agent thereof.

11.3. Intermediary is not presently obligated to comply with transfer or withdrawal orders from any person other than Pledgor with respect to the Collateral. After the execution of this Agreement, without Collateral Agent’s prior written consent, Intermediary will not enter into any agreements by which Intermediary agrees to comply with transfer or withdrawal orders of any person other than Collateral Agent with respect to the Collateral.

12. **Limited Subordination.**

12.1. Intermediary hereby subordinates to the Secured Parties’ security interests all of Intermediary’s present and future liens, security interests, rights of set-off, claims, and other rights and interests relating to the Collateral, except solely to the extent of those resulting from any outstanding compensation, expenses, fees, costs, or other charges incurred by Intermediary in providing services under this Agreement, up to an amount of \$100,000.00.

12.2. Except to the extent allowed under this Section, Intermediary will not execute or exercise any of Intermediary’s present or future liens, security interests, rights of set-off, claims, or other rights or interests relating to the Collateral.

13. Limited Responsibility of Intermediary.

13.1. Except as otherwise expressly provided herein, Intermediary shall not be liable for any costs, expenses, damages, liabilities or claims, including reasonable attorneys' fees ("Losses"), incurred by or asserted against Pledgor or Collateral Agent, except those Losses arising out of the gross negligence, bad faith, or willful misconduct of Intermediary as determined by a court of competent jurisdiction in a final and non-appealable decision. In no event shall Intermediary be liable to Pledgor, Collateral Agent or any third party for special, indirect or consequential damages, or lost profits or loss of business, arising in connection with this Agreement, nor shall Intermediary be liable: (i) for acting in accordance with any written instructions, entitlement orders, instructions for the disposition of cash in any of the Accounts, and any other communication received by Intermediary via email, S.W.I.F.T., tested telex, letter, facsimile transmission or other method or system specified by Intermediary as available for use in connection with this Agreement ("Written Instructions") with respect to the Account actually received by Intermediary and believed by Intermediary to be given by an Authorized Person of Pledgor or Collateral Agent, as applicable; (ii) for conclusively presuming that all disbursements of cash or deliveries of securities directed by Collateral Agent or, after termination of this Agreement in accordance with Section 17.1, by Pledgor by Written Instructions given in accordance herewith are in accordance with the Agreement, (iii) for holding property in any particular country, including, but not limited to, Losses resulting from nationalization, expropriation or other governmental actions; regulation of the banking or securities industry; exchange or currency controls or restrictions, devaluations or fluctuations; availability of cash or securities or market conditions which prevent the transfer of property or execution of securities transactions or affect the value of property; (iv) for failing to act on any oral instructions; or (v) for any Losses due to Force Majeure Events (as defined below).

13.2. The duties of Intermediary will be strictly limited to those set forth in this Agreement, and no implied covenants, duties, responsibilities, representations, warranties, or obligations will be read into this Agreement against Intermediary.

13.3. Notwithstanding anything to the contrary, Intermediary makes no representation or warranty with regard to the enforceability of any security interest described herein.

13.4. Intermediary is not at any time under any duty to monitor the value of any Collateral in the Accounts or whether the Collateral is of a type required to be held in the Accounts, or to supervise the investment of, or to advise or make any recommendation for the purchase, sale, retention or disposition of any Collateral. Without limiting the generality of the foregoing, Intermediary shall be under no obligation to inquire into, and shall not be liable for, any losses incurred by Pledgor or Collateral Agent or any other person as a result of the receipt or acceptance of fraudulent, forged or invalid Collateral, or Collateral which otherwise is not freely transferable or deliverable without encumbrance in any relevant market.

13.5. Intermediary may, with respect to questions of law or performing its duties hereunder, obtain the advice of counsel and shall be fully protected with respect to anything done or omitted by it in good faith in conformity with such advice.

13.6. No provision of this Agreement shall require Intermediary to risk or advance its own funds or otherwise incur any financial liability or potential financial liability in the performance of its duties or the exercise of its rights under this Agreement, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not assured to it.

14. Indemnification; Force Majeure; Damages.

14.1. Indemnification.

14.1.1. "Indemnified Person" means Intermediary and its affiliates, and their officers, directors, employees, agents, successors, and assigns. "Harm" means claims, costs, damages, delayed payment or non-payment on assets sold, diminution of assets by reason of investment experience, expenses (including attorneys' and other professional fees), fines, interest, liabilities, losses, penalties, stockholders' assessments (asserted on account of asset registration), and taxes.

14.1.2. Pledgor agrees to indemnify each Indemnified Person and hold each Indemnified Person harmless from and against any and all Harm sustained or incurred by or asserted against such Indemnified Person by reason of or as a result of any action or inaction hereunder, or arising out of Intermediary's performance hereunder, including reasonable fees and expenses of counsel (such fees and expenses to be evidenced by a reasonably detailed written invoice) incurred by such Indemnified Person in a successful defense of claims by Pledgor; provided that Pledgor shall not indemnify any Indemnified Person for those Harms arising out of such Indemnified Person's gross negligence, bad faith, or willful misconduct as determined by a court of competent jurisdiction in a final and non-appealable decision. Notwithstanding the foregoing, neither Pledgor nor Collateral Agent shall be responsible for lost profits or loss of business, arising in connection with this Agreement; provided that the foregoing shall not be construed to limit any Indemnified Person's right to indemnification from Harms resulting from a claim by any person or entity that is not a party to this Agreement, with respect to which the foregoing indemnity would otherwise apply.

14.1.3 Collateral Agent shall indemnify, defend and hold harmless each Indemnified Person against all Losses sustained or incurred by or asserted against such Indemnified Person resulting directly from such Indemnified Person complying with Collateral Agent's instruction pursuant to this Agreement other than if arising out of such Indemnified Person's gross negligence, bad faith or willful misconduct, as determined by a court of competent jurisdiction in a final and non-appealable decision; *provided* that such indemnity by Collateral Agent shall not relieve Pledgor of any obligation it may have to indemnify Intermediary hereunder.

14.1.4. The foregoing provisions will survive the termination of this Agreement and the resignation or removal of Intermediary.

14.2. **Force Majeure.** No party is liable for any delay or failure in performing its obligations under this Agreement caused by wars (whether declared or not and including existing wars and the invocation of war powers), revolutions, insurrections, riots, civil commotion, acts of God, medical emergencies, disease outbreaks, accidents, fires, explosions; stoppages of labor, strikes, or other differences with employees (other than Intermediary's disputes with its employees); laws, regulations, orders, or other acts of any governmental authority; or any other circumstances beyond its reasonable control, regardless of whether such was already in existence as of the date of this Agreement (collectively, "Force Majeure Events"). Nor will any such failure or delay give any party the right to terminate this Agreement.

14.3. **Damages.** No party is liable for any indirect, incidental, special, punitive, or consequential damages arising out of or in any way related to this Agreement or the performance of its obligations under this Agreement. This limitation applies even if the party has been advised of, or is aware of, the possibility of such damages.

15. **Tax Reporting.** All reports relating to the Collateral to federal, state, and local tax authorities will be made under the name and tax identification number of Pledgor. Intermediary shall not withhold any amounts from releases of Collateral to any Secured Party, if Collateral Agent has provided Intermediary with appropriate W-9 forms for tax identification number certifications, or W-8 forms for non-resident alien certifications.

16. **Account Statements.** Pledgor hereby directs Intermediary to send Account Statements to Collateral Agent at the same frequency as Pledgor receives them. In addition, Intermediary shall provide to the persons indicated on Schedule 3 hereto (as updated from time to time by Collateral Agent in accordance with the terms hereof) the ability to review assets held in the Account, pursuant to Intermediary's online platform, and the Intermediary shall provide Collateral Agent with Account Statements within a commercially reasonable time following any written request from any Authorized Person listed on Schedule 1 hereto.

17. **Termination of Agreement; Resignation of Intermediary.**

17.1. This Agreement shall terminate (a) with respect solely to Collateral Agent, upon Intermediary's receipt of Written Instructions from Collateral Agent expressly stating that Collateral Agent no longer claims any security interest in the Collateral on behalf of any Secured Party, (b) upon transfer of all of the Collateral to Secured Parties and/or their designees, or (c) upon Intermediary's providing not less than thirty (30) days prior written notice of termination to the other parties; provided that termination pursuant to (c) above shall not affect or terminate any Secured Party's security interest in the Collateral. Upon termination pursuant to (x) clause (b) or (c) above, Intermediary shall follow such reasonable Written Instructions of Collateral Agent concerning the transfer of Collateral and (y) upon termination pursuant to clause (a) above, Intermediary shall follow reasonable Written Instructions of Pledgor. Except as otherwise provided herein, all obligations of the parties to each other hereunder shall cease upon termination of this Agreement.

17.2 Intermediary may resign and be discharged from its duties hereunder at any time by giving thirty (30) calendar days' prior written notice of such resignation to Pledgor and Collateral Agent. Pledgor and Collateral Agent may jointly remove Intermediary at any time by giving thirty (30) calendar days' prior written notice to Intermediary. Upon such notice, a successor intermediary shall be appointed by Pledgor and Collateral Agent, and Collateral Agent shall provide written notice of such to the resigning or removed Intermediary. Such successor intermediary shall become Intermediary hereunder upon the resignation or removal date specified in such notice. If Pledgor and Collateral Agent are unable to agree upon a successor intermediary within thirty (30) days after notice of such resignation, Intermediary may apply to a court of competent jurisdiction for the appointment of a successor intermediary or for other appropriate relief. The costs and expenses (including its reasonable attorney's fees and expenses) incurred by Intermediary in connection with such proceeding shall be paid by Pledgor. Upon receipt of the identity of the successor intermediary and such successor intermediary agreeing to act as Intermediary hereunder and to comply with this Agreement, Intermediary shall deliver the Collateral then held hereunder to the successor intermediary. Upon its resignation and delivery of the Collateral as set forth in this Section 17.2, Intermediary shall be discharged of and from any and all further obligations arising in connection with the Collateral or this Agreement.

18. **Data Privacy, Confidentiality, and Security.**

18.1. **Definitions.** For purposes of this Section:

18.1.1. **"Applicable Privacy, Confidentiality, and Security Laws"** means, with respect to a party, all applicable federal, state, and local laws, rules, regulations, directives, and other binding requirements issued by any Governmental Authority (as defined below) pertaining to the privacy, confidentiality, or security of Confidential Information (as defined below).

18.1.2. **"Confidential Information"** means (i) all information, data, documents, records, and other materials that one party receives in connection with this Agreement or the Account from another party if already clearly and conspicuously marked as "*Confidential Information*" when received, but excluding Non-Confidential Information (as defined below), and (ii) any "*nonpublic personal information*" as defined in GLBA (as defined below) [15 U.S.C. §6809(4)] of Pledgor's employees, Collateral Agent's employees, Secured Parties' employees, and the Account's beneficial owners that Intermediary receives in connection with this Agreement or the Account from another party.

18.1.3. **"GLBA"** means the Gramm-Leach-Bliley Act, 15 U.S.C. §§6801 *et seq.*, and its implementing regulations, as amended.

18.1.4. **“Governmental Authority”** means, with respect to a party, a state or federal governmental entity having jurisdiction over such party with respect to the activities that are the subject matter of this Agreement.

18.1.5. **“Non-Confidential Information”** means information (i) of the disclosing party that was known by the receiving party without any obligation of confidentiality prior to the disclosing party’s disclosure thereof; (ii) of a party that was or becomes publicly available other than pursuant to a breach of this Agreement by the other party; (iii) of a party that was received by the receiving party in good faith on a non-confidential basis from a third party that is not actually known to the receiving party to have disclosed such information in violation of a confidentiality agreement in favor of the other party; (iv) that is independently developed by one party without use of the other party’s Confidential Information; or (v) of a party that is approved for disclosure by that party.

18.1.6. **“Services”** means the services provided by Intermediary pursuant to this Agreement.

18.2. **Compliance with Law.** Each party hereby represents and warrants that it complies with all Applicable Privacy, Confidentiality, and Security Laws.

18.3. **Third-Party/Subcontractor.** Each party hereby acknowledges that it is responsible for the actions of its officers, directors, employees, and agents with respect to the privacy, confidentiality, and security of Confidential Information. Pledgor will not, and will not ask Intermediary to, disclose Intermediary’s Confidential Information to any platform maintained by any third party Pledgor has hired to manage Pledgor’s vendor due diligence and monitoring activities. Collateral Agent will not, and will not ask Intermediary to, disclose Intermediary’s Confidential Information to any platform maintained by any third party Collateral Agent has hired to manage Collateral Agent’s vendor due diligence and monitoring activities.

19. **Authorized Persons; Delivery of Directions.**

19.1. **Authorized Persons.** With respect to this Agreement:

19.1.1. Pledgor will notify Intermediary of the identity of each (i) employee of Pledgor who is authorized to act on Pledgor’s behalf, (ii) third-party agent that is authorized to act on Pledgor’s behalf, and (iii) employee of each third-party agent who is authorized to act on such agent’s behalf. In no event is any such agent authorized to execute this Agreement or any amendment thereto or to terminate this Agreement. The Authorized Persons with respect to Pledgor as of the date hereof are designated in the Certificate of Authorized Persons attached hereto as Schedule 1.

19.1.2. Collateral Agent will notify Intermediary of the identity of each (i) employee of Collateral Agent who is authorized to act on Collateral Agent’s behalf, (ii) third-party agent that is authorized to act on Collateral Agent’s behalf, and (iii) employee of each third-party agent who is authorized to act on such agent’s behalf. In no event is any such agent authorized to execute any amendment thereto or to terminate this Agreement. The Authorized Persons with respect to Collateral Agent as of the date hereof are designated in the Certificate of Authorized Persons attached hereto as Schedule 2. The Authorized Persons with respect to the Secured Parties as of the date hereof are designated in the Certificate of Authorized Persons attached hereto as Schedule 4.

19.1.3. Intermediary may assume that any such employee or agent of Pledgor continues to be so authorized, until Intermediary receives written notice to the contrary from Pledgor (or, with respect to any such employee of any such agent, from such agent). Intermediary may assume that any such employee or agent of Collateral Agent continues to be so authorized, until Intermediary receives written notice to the contrary from Collateral Agent (or, with respect to any such employee of any such agent, from such agent). Each of Pledgor and Collateral Agent agrees to furnish to Intermediary a certificate or other signed document identifying the then-current Authorized Persons in the event of any change in the Authorized Persons of each of Pledgor and Collateral Agent. Upon the delivery of any such certificate, Schedule 1 or 2 hereto, as applicable, shall be deemed updated to reflect as applicable the information contained in such certificate or other signed document.

19.1.4. Pledgor hereby represents and warrants that any such employee or agent of Pledgor was duly appointed and is appropriately monitored and covenants that Pledgor will furnish such employee or agent with a copy of this Agreement, as amended from time to time. Pledgor hereby acknowledges that (i) such employee's or agent's actions or omissions are binding upon Pledgor as if Pledgor had taken such actions or made such omissions itself and (ii) Intermediary is indemnified, released, and held harmless accordingly.

19.1.5. Collateral Agent hereby represents and warrants that any such employee or agent of Collateral Agent was duly appointed and is appropriately monitored and covenants that Collateral Agent will furnish such employee or agent with a copy of this Agreement, as amended from time to time. Collateral Agent hereby acknowledges that (i) such employee's or agent's actions or omissions are binding upon Collateral Agent as if Collateral Agent had taken such actions or made such omissions itself and (ii) Intermediary is indemnified, released, and held harmless accordingly.

19.2. Delivery of Directions.

19.2.1. Any direction, notice, or other communication to or from Pledgor provided for in this Agreement will be given in writing and (i) unless the recipient has timely delivered a superseding address under this Agreement, addressed as provided under this Agreement, (ii) entered into Pledgor's account in Intermediary's on-line portal, or (iii) sent to Intermediary by any financial-messaging system, network, or service acceptable to Intermediary, such as the Society for Worldwide Interbank Financial Telecommunication messaging system ("Messaging System").

19.2.2. Any direction, notice, or other communication to or from Collateral Agent provided for in this Agreement will be given in writing and (i) unless the recipient has timely delivered a superseding address under this Agreement, addressed as provided under this Agreement, (ii) entered into Collateral Agent's account in Intermediary's on-line portal, or (iii) sent to Intermediary by Messaging System.

19.2.3. Any direction received from Pledgor under this Agreement by email or Messaging System, or entered into Pledgor's account in Intermediary's on-line portal, is deemed to be given in a writing signed by Pledgor. Pledgor hereby represents and warrants that Pledgor maintains commercially reasonable security measures for preventing unauthorized access to its portal account; to the email accounts of its employees, agents, and agents' employees; and to any Messaging System used by its employees, agents, and agents' employees, and Pledgor hereby assumes all risk to the Account resulting from Pledgor's failure to prevent such unauthorized access. Pledgor hereby acknowledges that Pledgor is fully informed of the protections and risks associated with the various methods of transmitting directions to Intermediary and that there may be more secure methods of transmitting directions than the methods selected by Pledgor and Pledgor's agents.

19.2.4. Any direction received from Collateral Agent under this Agreement by email or Messaging System, or entered into Collateral Agent's account in Intermediary's on-line portal, is deemed to be given in a writing signed by Collateral Agent. Collateral Agent hereby represents and warrants that Collateral Agent maintains commercially reasonable security measures for preventing unauthorized access to its portal account; to the email accounts of its employees, agents, and agents' employees; and to any Messaging System used by its employees, agents, and agents' employees, and Collateral Agent hereby assumes all risk to the Account resulting from Collateral Agent's failure to prevent such unauthorized access. Collateral Agent hereby acknowledges that Collateral Agent is fully informed of the protections and risks associated with the various methods of transmitting directions to Intermediary and that there may be more secure methods of transmitting directions than the methods selected by Collateral Agent and Collateral Agent's agents.

20. **Services Not Exclusive.** Intermediary is free to render services to others, whether similar to those services rendered under this Agreement or of a different nature.

21. **Binding Obligations.** Pledgor, Collateral Agent, and Intermediary each hereby represent and warrant that (i) it has the power and authority to transact the business in which it is engaged and to execute, deliver, and perform this Agreement and has taken all action necessary to execute, deliver, and perform this Agreement and (ii) this Agreement constitutes its legal, valid, and binding obligation enforceable according to the terms hereof.

22. **Complete Agreement; Amendment; Prevalence.**

22.1. **Complete Agreement.** This Agreement contains a complete statement of all the arrangements between the parties with respect to its subject matter and supersedes any existing agreements between them concerning the subject. This Agreement and any administrative form under this Agreement may be proved either by a signed original or by a reproduced copy thereof (including, not by way of limitation, a microfiche copy or an electronic file copy).

22.2. **Amendment.** This Agreement may be amended at any time, in whole or in part, by a written instrument signed by Pledgor, Collateral Agent, and Intermediary.

22.3. **Prevalence.** Pledgor and Intermediary hereby acknowledge and agree that, in the event of any inconsistency between this Agreement and any custody or account agreement (such agreement, the "Custody Agreement") between Pledgor and Intermediary, if any, this Agreement prevails with respect to the Collateral.

23. **Governing Law; Venue.** This Agreement and the Account will be governed, enforced, and interpreted according to the laws of the State of New York without regard to conflicts of laws, except where pre-empted by federal law. All legal actions or other proceedings directly or indirectly relating to this Agreement will be brought in federal court (or, if unavailable, state court) sitting in the State of New York. The parties submit to the jurisdiction of any such court in any such action or proceeding and waive any immunity from suit in such court or execution, attachment (whether before or after judgment), or other legal process in or by such court. As permitted by Article 4 of the Convention on the Law Applicable to Certain Rights in Respect of Securities Held with an Intermediary (the "Hague Convention"), the parties hereto expressly agree that the law of the State of New York shall govern the Account and the issues specified in Article 2(1) of the Hague Convention. The provisions of the immediately preceding sentence shall be construed as an amendment to any account agreement governing the Account.

24. **Successors and Assigns.**

24.1. This Agreement binds, and inures to the benefit of, Pledgor, Collateral Agent, Intermediary, and their respective successors and assigns; provided, however, that Pledgor will have no right to assign any rights with respect to Collateral, except as specifically permitted in this Agreement.

24.2. No party may assign any of its rights under this Agreement without the consent of each other party, which consent will not be unreasonably withheld.

25. **Severability.** The provisions of this Agreement are severable. The invalidity of a provision herein will not affect the validity of any other provision.

26. **Third-Party Beneficiaries.** This Agreement is made solely for the benefit of the parties, except that each party acknowledges and agrees that each Secured Party shall be a third party beneficiary of this Agreement. No person other than such parties and each Secured Party has any rights or remedies under this Agreement.

27. **Solvency.**

27.1. Intermediary has no duty to inquire whether Pledgor or Collateral Agent is insolvent or subject to a pending bankruptcy or receivership proceeding.

27.2. Pledgor hereby represents and warrants that Pledgor is neither insolvent nor subject to any pending bankruptcy or receivership proceeding. Pledgor will promptly notify Intermediary and Collateral Agent of any such insolvency or proceeding.

27.3. Collateral Agent hereby represents and warrants that Collateral Agent is neither insolvent nor subject to any pending bankruptcy or receivership proceeding. Collateral Agent will promptly notify Intermediary and Pledgor of any such insolvency or proceeding.

28. **Legal Advice.** Pledgor and Collateral Agent hereby acknowledge that they (i) did not receive legal advice from Intermediary concerning this Agreement, (ii) had an adequate opportunity to consult attorneys of their choice before executing this Agreement, and (iii) executed this Agreement upon their own judgment and, if sought, the advice of such attorneys.

29. **Waiver of Jury Trial.** Each party hereby irrevocably waives all right to a trial by jury in any action, proceeding, claim, or counterclaim (whether based on contract, tort, or otherwise) directly or indirectly arising out of or relating to this Agreement.

30. **Legal Action.** If Intermediary is served with any freeze order, garnishment, levy, restraining order, search warrant, subpoena, writ of attachment or execution, bankruptcy-court order, receivership order, or similar order relating to the Account (each, a "Legal Action"), then Intermediary will, to the extent permitted by law, use commercially reasonable efforts to notify Pledgor and Collateral Agent of such service. Pledgor and Collateral Agent will reimburse Intermediary for any expenses, fees, costs, or other charges incurred by Intermediary in responding to the Legal Action, including, but not limited to, any fees charged by an attorney of Intermediary's choice. If Pledgor notifies Intermediary that Pledgor is seeking a protective order to resist the Legal Action, then Intermediary will provide reasonable cooperation at Pledgor's request and sole cost and expense. If Collateral Agent notifies Intermediary that Collateral Agent is seeking a protective order to resist the Legal Action, then Intermediary will provide reasonable cooperation at Collateral Agent's request and sole cost and expense. In any event, Intermediary may comply with the Legal Action at any time in any manner it (in its reasonable determination) or legal counsel of its own choosing deems appropriate, except to the extent Intermediary has received a protective order that prevents Intermediary from complying. Barring receipt of a protective order, if Intermediary complies with any Legal Action, Intermediary shall not be liable to any of the parties hereto or to any other person or entity even though such Legal Action may be subsequently modified or vacated or otherwise determined to have been without legal force or effect.

31. **Interpleader.** With respect to Collateral that is the subject of a dispute, Intermediary may file an interpleader action or other petition with a court of competent jurisdiction for directions with respect to the dispute. Pledgor and Collateral Agent will reimburse Intermediary for any expenses, fees, costs, or other charges incurred by Intermediary in filing such petition and implementing such directions, including, but not limited to, any fees charged by an attorney of Intermediary's choice. Before disbursing Collateral pursuant to such directions, Intermediary will deduct therefrom an amount in payment or reimbursement for all compensation, expenses, fees, costs, or other charges incurred by Intermediary in providing services under this Agreement or the Custody Agreement.

32. **Representations and Warranties.** Pledgor and Collateral Agent each hereby covenant that, if any of the representations or warranties that it provides in this Agreement becomes inaccurate or incomplete, it will promptly notify Intermediary thereof and of any fact, omission, event, or change of circumstances related thereto.

33. **Publicity.** No party will disclose the existence of this Agreement or any terms thereof in advertising, promotional, or marketing materials without obtaining, in each case, the prior written consent of each other party.

34. **Counterparts and Duplicates.** This Agreement may be executed in any number of counterparts, each of which will be considered an original, but all of which together will constitute the same instrument. Delivery of an executed counterpart of this Agreement by facsimile or email shall be effective as delivery of an original executed counterpart of this Agreement. Each party hereto agrees that this Agreement and any other documents, instruments or Written Instructions to be delivered in connection herewith, including any amendment or supplement, may be electronically signed using any electronic process or digital signature provider chosen by a signatory hereto, and that any electronic signatures (including electronic images of handwritten signatures and digital signatures provided by DocuSign, Orbit, Adobe Sign or any other digital signature provider identified by any other party hereto and acceptable to Intermediary) appearing on this Agreement and any other documents, instruments or Written Instructions are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility in accordance with the Electronic Signatures in Global and National Commerce Act, Title 15, United States Code, Sections 7001 et seq., the Uniform Electronic Transaction Act and any applicable state law. Each other party to this Agreement assumes all risks arising out of the use of electronic signatures and electronic methods to send Written Instructions to Intermediary, including without limitation the risk of Intermediary acting on an unauthorized Written Instruction and the risk of interception or misuse by third parties. Notwithstanding the foregoing, Intermediary may in any instance and in its sole discretion require that a Written Instruction in the form of an original document bearing a manual signature be delivered to Intermediary in lieu of, or in addition to, any such electronic Written Instruction.

35. **Effective Date.** This Agreement will become effective when all parties have signed it. The date of this Agreement will be the date this Agreement is signed by the last party to sign it (as indicated by the date associated with that party's signature).

36. **USA PATRIOT Act.** Section 326 Customer Identification Program. Pledgor acknowledges that in order to help the United States government fight the funding of terrorism and money laundering activities, pursuant to Federal regulations that became effective on October 1, 2003 (Section 326 of the USA PATRIOT Act), all financial institutions are required to obtain, verify, record and update information that identifies each person establishing a relationship or opening an account. Pledgor agrees that it will provide to Intermediary such information as it may request, from time to time, in order for Intermediary to satisfy the requirements of the USA PATRIOT Act, including but not limited to the name, address, tax identification number and other information that will allow it to identify the individual or entity who is establishing the relationship or opening the account and may also ask for formation documents such as articles of incorporation or other identifying documents to be provided.

IN WITNESS WHEREOF, each party hereby executes this Agreement on the date stated beneath that party's signature.

PLEDGOR (AS DEFINED IN THIS AGREEMENT)

By: /s/ Dong Li
(Signature of Pledgor's authorized officer)

Dong Li
(Printed name of Pledgor's authorized officer)

Its: Chief Financial Officer
(Title of Pledgor's authorized officer)

Dated: June 13, 2022

COLLATERAL AGENT (AS DEFINED IN THIS AGREEMENT)

By: /s/ Anthony Giraulo
(Signature of Collateral Agent's authorized officer)

Anthony Giraulo
(Printed name of Collateral Agent's authorized officer)

Its: Chief Financial Officer
(Title of Collateral Agent's authorized officer)

Dated: May 25, 2022

INTERMEDIARY (U.S. BANK NATIONAL ASSOCIATION)

By: /s/ Glen Fougere
(Signature of Intermediary's authorized officer)

Glen Fougere
(Printed Name of Intermediary's authorized officer)

Its: Vice President
(Title of Intermediary's authorized officer)

Dated: June 13, 2022

List of Significant Subsidiaries

| Significant Subsidiaries | Place of Incorporation |
|---|------------------------|
| TH Hong Kong International Limited | Hong Kong |
| Tim Hortons (China) Holdings Co. Ltd. | PRC |
| Tim Hortons (Shanghai) Food and Beverage Management Co., Ltd. | PRC |
| Tim Hortons (Beijing) Food and Beverage Services Co., Ltd. | PRC |
| Tim Hortons (Shenzhen) Food and Beverage Co., Ltd. | PRC |
| Tims Coffee (Shenzhen) Co., Ltd. | PRC |
| Shanghai Donuts Enterprise Management Co., Ltd. | PRC |

Consent of Independent Registered Public Accounting Firm

We consent to the use of our report dated April 29, 2022, with respect to the consolidated financial statements of TH International Limited, included herein and to the reference to our firm under the heading “Experts” in the prospectus.

/s/ KPMG Huazhen LLP

Shanghai, China

October 13, 2022

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HAN KUN
汉坤律师事务所
Han Kun Law Offices

October 13, 2022

To: TH International Limited (the “Company”)
2501 Central Plaza, 227 Huangpi North Road, Shanghai, China

Dear Sirs/Madams,

We have acted as legal counsel as to the laws of the People’s Republic of China (the “PRC”, for purpose of this letter only, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan) to the Company in connection with the proposed offering of the Company, as set forth in the Company’s registration statement on Form F-1, including all amendments and supplements thereto (the “Registration Statement”), filed with the Securities and Exchange Commission (the “SEC”) under the U.S. Securities Act of 1933 on October 13, 2022 (as amended).

We hereby consent to the reference of our name in the Registration Statement and the filing of this consent letter with the SEC as an exhibit to the Registration Statement.

In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, or under the Securities Exchange Act of 1934, in each case, as amended, or the regulations promulgated thereunder.

Yours faithfully,

/s/ HAN KUN LAW OFFICES

HAN KUN LAW OFFICES

CONFIDENTIALITY. This document contains confidential information which may be protected by privilege from disclosure. Unless you are the intended or authorised recipient, you shall not copy, print, use or distribute it or any part thereof or carry out any act pursuant thereto and shall advise Han Kun Law Offices immediately by telephone, e-mail or facsimile and return it promptly by mail. Thank you.

Calculation of Filing Fee Table

F-1
(Form Type)

TH International Limited
(Exact Name of Registrant as Specified in its Charter)

Table 1—Newly Registered and Carry Forward Securities

| Security Type | Security Class Title | Fee Calculation and Carry Forward Rule | Amount Registered(1) | Proposed Maximum Offering Price Per Unit | Maximum Aggregate Offering Price | Fee Rate | Amount of Registration Fee | Carry Forward Form Type | Carry Forward File Number | Carry Forward Initial effective date | Filing Fee Previously Paid In Connection with Unsold Securities to be Carried Forward |
|------------------------------|---|--|----------------------|--|----------------------------------|--------------------------|----------------------------|-------------------------|---------------------------|--------------------------------------|---|
| Newly Registered Securities | | | | | | | | | | | |
| Fees to Be Paid | | | | | | | | | | | |
| Equity | Ordinary share, par value \$0.00000939586994067732 per share, underlying warrants (Primary Offering) (2) | Other | 5,650,000 | \$ 11.50(3) | \$ 64,975,000 | \$110.20 per \$1,000,000 | \$ 7,160.25 | | | | |
| Equity | Ordinary share, par value \$0.00000939586994067732 per share, underlying warrants (Primary Offering) (4) | Other | 17,250,000 | \$ 11.50(3) | \$ 198,375,000 | \$110.20 per \$1,000,000 | \$ 21,860.93 | | | | |
| Equity | Ordinary share, par value \$0.00000939586994067732 per share (Secondary Offering)(5) | Rule 457(c) | 55,399,324 | \$ 3.935(6) | \$ 217,996,339.94 | \$110.20 per \$1,000,000 | \$ 24,023.20 | | | | |
| Debt Convertible into Equity | Ordinary share, par value \$0.00000939586994067732 per share, underlying conversion notes (Secondary Offering)(7) | Other | 6,752,041 | \$ 3.935(6) | \$ 26,569,281.34 | \$110.20 per \$1,000,000 | \$ 2,927.94 | | | | |
| Equity | Warrants to purchase Ordinary share (Secondary Offering)(9) | Other | 5,650,000 | — | — | — | —(8) | | | | |
| Equity | Ordinary share, par value \$0.00000939586994067732 per share, underlying warrants (Secondary Offering)(10) | Other | 5,650,000 | — | — | — | —(8) | | | | |
| Fee Previously Paid | | | | | | | | | | | |
| Carry Forward Securities | | | | | | | | | | | |
| Carry Forward Securities | | | | | | | | | | | |
| Total Offering Amounts | | | | | \$ 507,915,621 | | | | | | |
| Total Fee Offsets | | | | | \$ 55,972.32 | | | | | | |
| Net Fee Due | | | | | \$ 34,492.35 | | | | | | |
| | | | | | \$ 21,479.97 | | | | | | |

- (1) Pursuant to Rule 416(a) under the Securities Act, this Registration Statement shall also cover any additional ordinary shares of the Registrant (“Ordinary Shares”) that become issuable as a result of any stock dividend, stock split, recapitalization, or other similar transaction effected without the receipt of consideration that results in an increase to the number of outstanding Ordinary Shares, as applicable.
- (2) Consists of (i) 1,200,000 Ordinary Shares issuable by the Registrant upon the exercise of PIPE Warrants (as defined in this Registration Statement) and (ii) 4,450,000 Ordinary Shares issuable by the Registrant upon the exercise of Sponsor Warrants (as defined in this Registration Statement).
- (3) Calculated pursuant to Rule 457(g) under the Securities Act, based on the exercise price of the warrants.
- (4) Consists of 17,250,000 Ordinary Shares issuable by the Registrant upon the exercise of Public Warrants (as defined in this Registration Statement).
- (5) Consists of an aggregate of 5,399,324 outstanding Ordinary Shares registered for resale by the Selling Securityholders named in this Registration Statement.
- (6) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(c) under the Securities Act, based on the average of the high and low prices of Ordinary Share as reported on October 11, 2022, which was approximately \$3.935 per share.
- (7) Pursuant to the indenture governing the Registrant’s Convertible Notes (as defined in this Registration Statement), this value represents the maximum aggregate number of Ordinary Shares issuable upon conversion of the Convertible Notes, including additional PIK Notes issuable through the maturity of the Convertible Notes based on assumed interest rates as described in the indenture. Pursuant to Rule 416 under the Securities Act, the Registrant is also registering such indeterminate number of additional Ordinary Share as may be issuable from time to time upon conversion of the notes as a result of the anti-dilution provisions thereof.
- (8) Pursuant to Rule 457(g) of the Securities Act, no separate fee is recorded for the warrants and the entire fee is allocated to the underlying Ordinary Share.
- (9) Consists of an aggregate of 5,650,000 warrants registered for resale by the Selling Securityholders named in this Registration Statement, comprising (i) 1,200,000 PIPE Warrants and (ii) 4,450,000 Sponsor Warrants.
- (10) Consists of an aggregate of 5,650,000 Ordinary Shares registered for resale by the Selling Securityholders named in this Registration Statement, comprising (i) 1,200,000 shares issuable upon exercise of the PIPE Warrants and (iii) 4,450,000 shares issuable upon exercise of the Sponsor Warrants.

Table 2—Fee Offset Claims and Sources

| | Registrant or Filer Name | Form or Filing Type | File Number | Initial Filing Date | Filing Date | Fee Offset Claimed | Security Type Associated with Fee Offset Claimed | Security Title Associated with Fee Offset Claimed | Unsold Securities Associated with Fee Offset Claimed | Unsold Aggregate Offering Amount Associated with Fee Offset Claimed | Fee Paid with Fee Offset Source |
|-----------------------------|--------------------------|---------------------|----------------|---------------------|-------------|--------------------|--|--|--|---|---------------------------------|
| Rules 457(b) and 0-11(a)(2) | | | | | | | | | | | |
| Fee Offset Claims | | | | | | | | | | | |
| Fee Offset Sources | | | | | | | | | | | |
| | | | | | Rule 457(p) | | | | | | |
| Fee Offset Claims | TH International Limited | Form F-4 | 333-259743(11) | 9/23/2021 | | \$ 34,492.35 | Equity | Shares underlying Warrants included as part of the Units | 26,150,000 | \$ 316,153,500 | |
| Fee Offset Sources | TH International Limited | Form F-4 | 333-259743(11) | | 7/20/2022 | | | | | | \$ 34,492.35 |

(11) The Registrant previously registered 26,150,000 Ordinary Shares issuable on the exercise of the Public Warrants and Sponsor Warrants under a registration statement on Form Form 4 (File No. 333-259743) (the "Prior Registration Statement"). None of these warrants have been exercised and, consequently, none of those Ordinary Shares have been issued or sold under the Prior Registration Statement. The Registrant has completed the offering that included these unissued Ordinary Shares under the Prior Registration Statement.