Supplemental Information Memorandum

TH INTERNATIONAL LIMITED

(incorporated in the Cayman Islands with limited liability)

Up to US$55,000,000 Floating Rate Convertible Senior Secured Notes due 2029

(to be consolidated and form a single series with its existing Floating Rate Convertible Senior Secured Notes due 2029)

The Floating Rate Convertible Senior Secured Notes due 2029 (the "**New Notes**") up to the principal amount of US$55,000,000 will be issued by TH International Limited ("**THIL**", the "**Company**" or the "**Issuer**") in up to 4 separate tranches, and the final tranche is expected to close in the first quarter of 2027. Each tranche remains subject to customary and other closing conditions, including required regulatory approvals in China and certain business performance milestone conditions. Each tranche of the New Notes bears interest commencing on June 2, 2026 (or the Interest Payment Date immediately preceding its issuance date (whichever is more recent)), payable semi-annually in arrears on the interest payment dates falling on June 2 and December 2 of each year. The New Notes will be issued under the indenture (the "**Indenture**") governing the Company's outstanding Floating Rate Convertible Senior Secured Notes due 2029, originally issued on December 2, 2025 in an initial principal amount of US$89,922,201 (the "**Original Notes**" and, together with the New Notes and any other additional notes that may be issued from time to time under the Indenture, the "**Notes**"). The New Notes constitute Additional Notes under the Indenture, will be consolidated and form a single series with the Original Notes, and are identical in all respects to the Original Notes, except for the issue date and issue price. The Original Notes and the New Notes are referred to collectively as the "Notes." The Notes mature on September 30, 2029.

As the Additional Notes (as defined under the Indenture) under the Indenture, the New Notes share equal priority in and have the benefit of the collateral securing, or proposing to be securing, directly or indirectly, the Original Notes on a *pari passu* basis. The obligations of the Company under the Notes are secured by (i) a share pledge (the "**Share Pledge**") dated December 2, 2025, entered into between the Company and Wilmington Savings Fund Society, FSB, as security agent (the "**Security Agent**"), over 100% of the issued shares of TH Hong Kong International Limited, and (ii) an all-asset debenture over all of the Company's assets (the "**Debenture**") dated December 2, 2025, between the Company and the Security Agent (collectively, the "**Collateral**").

Each holder of a Note (a "**Holder**") will have the right, at its election, (i) on or after August 1, 2027 to require the Issuer to repurchase all of such holder's Notes on the date falling no less than two months after the date the Holder sends the related repurchase notice or (ii) upon the occurrence of a Fundamental Change to require the Issuer to repurchase all of such holder's Notes on the date falling no less than 30 days after the date the Holder sends the related repurchase notice, in each case for a repurchase price equal to an amount in cash of 100.0% of the aggregate principal amount of the Notes held by the Holder plus accrued and unpaid interest on such Notes to, but excluding, the relevant repurchase date under the Indenture governing the Notes.

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at a redemption price equal to 102% of the principal amount, plus accrued and unpaid interest, in the event of certain tax changes as described under the Indenture.

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time on or after June 2, 2028 and prior to the seventh (7^{th}) business day immediately before the maturity date, for a cash purchase price equal to an amount in cash equal to 100.0% of the aggregate principal amount of the Notes then outstanding plus accrued and unpaid interest on such Notes to, but excluding, the redemption date for such redemption (the "**Redemption Price**"), as described under the Indenture.

Each Note will be convertible into a number of fully paid, validly issued and non-assessable ordinary shares of the Company (the "**Shares**"). Details of the conversion price are described under the Indenture.

The Original Notes are listed on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Issuer has received approval-in-principle for the listing and quotation of the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Supplemental Information Memorandum. Approval-in-principle for the listing and quotation of the Notes and admission of the Notes to the Official List of the SGX-ST and quotation of the Notes are not to be taken as an indication of the merits of the Issuer, its subsidiaries, any of its associated companies or the Notes.

Notification pursuant to Section 309B(1) of the Securities and Futures Act 2001 of Singapore — The Notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

For a discussion of certain risks relating to the Issuer and the New Notes, see "*Risk Factors*" beginning on page S-7 in this Supplemental Information Memorandum and the section entitled "Risk Factors" beginning on page 14 of the Original Information Memorandum.

It is expected that the delivery of the New Notes will be made through the facilities of The Depository Trust Company ("**DTC**") in book-entry form.

The New Notes and the Shares issuable upon conversion of the New Notes have not been and will not be registered under the United States Securities Act of 1933 (the "**Securities Act**") or the securities laws of any other jurisdiction and may not be offered or sold within the United States, except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act. For a description of certain restrictions on resale or transfer, see the section entitled "Selling Restrictions" in the Original Information Memorandum.

Supplemental Information Memorandum dated July 7, 2026.

This supplemental information memorandum (the "**Supplemental Information Memorandum**") supplements the information contained in the attached information memorandum dated December 2, 2025 (the "**Original Information Memorandum**" together, the "**Information Memorandum**"), and should be read in conjunction with the accompanying Original Information Memorandum. The information in this Supplemental Information Memorandum supersedes the information in the Original Information Memorandum to the extent inconsistent with the information in the Original Information Memorandum. Terms used but not defined herein shall have the meanings given to them in the Original Information Memorandum.

This Supplemental Information Memorandum and the accompanying Original Information Memorandum do not constitute an offer to sell to, or a solicitation of an offer to buy, the Notes, the Shares, or any other securities from, any person in any jurisdiction to whom it is unlawful to make the offer or solicitation in such jurisdiction. Neither the delivery of this Supplemental Information Memorandum and the accompanying Original Information Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in our affairs since the date of this Supplemental Information Memorandum and the accompanying Original Information Memorandum or that the information contained in this Supplemental Information Memorandum and the accompanying Original Information Memorandum is correct as of any time after that date.

Neither we nor Wilmington Savings Fund Society, FSB, as the trustee (the "**Trustee**"), paying agent, registrar, conversion agent, transfer agent and security agent (the "**Paying Agent**", the "**Registrar**", the "**Conversion Agent**", the "**Transfer Agent**" and the "**Security Agent**", respectively, and collectively, the "**Note Agents**") have authorized the provision of information different from that contained in this Supplemental Information Memorandum. The information contained in this Supplemental Information Memorandum may be accurate only as of the date of such information, regardless of the time of any delivery of this Supplemental Information Memorandum or of any sale of the Notes.

None of THIL, the Trustee, the Note Agents or our or their respective affiliates or representatives is making any representation to any purchaser of the Notes regarding the legality of any investment by such purchaser under applicable legal investment or similar laws. None of the Trustee, the Note Agents or their respective affiliates or representatives makes any representation, warranty or undertaking, express or implied, or accepts any responsibility with respect to the accuracy or completeness of any of the information in this Supplemental Information Memorandum. To the fullest extent permitted by law, none of the Trustee or the Note Agents accepts any responsibility for the contents of this Supplemental Information Memorandum. Each of the Trustee and the Note Agents accordingly disclaims any and all liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Supplemental Information Memorandum or any such statement.

Each prospective investor contemplating purchasing any Notes should make its own independent investigation of our financial condition and affairs, and its own appraisal of our creditworthiness and the terms of the Notes, including the merits and risks involved, and its purchase of the Notes should be based upon such investigations with its own tax, legal, and business advisers as it deems necessary. See "*Risk Factors*" in the accompanying Original Information Memorandum for a discussion of certain factors to be considered. Any prospective investor in the Notes should be able to bear the economic risk of an investment in the Notes, including the complete loss of such investment, for an indefinite period of time.

The distribution of this Supplemental Information Memorandum and the accompanying Original Information Memorandum and the offer and sale of the Notes may, in certain jurisdictions,

be restricted by law. None of THIL, the Trustee or the Note Agents represents that this Supplemental Information Memorandum and the accompanying Original Information Memorandum may be lawfully distributed, or that any Notes may be lawfully offered or sold, in any such jurisdiction, or pursuant to an exemption available under applicable law, including laws regarding registration or similar requirements, or assumes any responsibility for facilitating any such distribution, offering or sale. In particular, no action has been taken by us which would permit a public offering of any Notes or distribution of this Supplemental Information Memorandum and the accompanying Original Information Memorandum in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Supplemental Information Memorandum, the accompanying Original Information Memorandum or any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that timely satisfy compliance with any applicable laws and regulations.

Each Holder must comply with all applicable laws and regulations in force in each jurisdiction in which it purchases, offers or sells the Notes or possesses or distributes this Supplemental Information Memorandum and the accompanying Original Information Memorandum, and must obtain any consent, approval or permission required for the purchase, offer or sale by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes purchases, offers or sales. Persons into whose possession this Supplemental Information Memorandum, the accompanying Original Information Memorandum or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Supplemental Information Memorandum and the accompanying Original Information Memorandum and the offering and sale of the Notes.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this Supplemental Information Memorandum, unless the context otherwise indicates or implies, references to "**THIL**", the "**Company**" and the "**Issuer**" are to TH International Limited, and references to "**we**", "**us**" and "**our**" refer to TH International Limited and its subsidiaries on a consolidated basis.

In this Supplemental Information Memorandum, all references to "**U.S. dollars**" and "**US$**" and "**$**" are to United States dollars. All references herein to the "**U.S.**" or the "**United States**" are to the United States of America and its territories and possessions.

Our audited consolidated financial statements as of and for the years ended December 31, 2023, 2024 and 2025 and our unaudited condensed consolidated financial information as of March 31, 2026 have been prepared in accordance with generally accepted accounting principles in the U.S. ("**U.S. GAAP**"). The financial information for the three months ended March 31, 2026 has been derived from our unaudited condensed consolidated statements as of March 31, 2026 and for the three months ended March 31, 2025 and 2026. These financial statements are incorporated by reference in this Supplemental Information Memorandum. See "*Information Incorporated by Reference*."

In this Supplemental Information Memorandum, certain amounts have been rounded. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Any reference in this Supplemental Information Memorandum to any legislation, act, regulation, statutory provision, or notification is a reference to such legislation, act, regulation, statutory provision, or notification as the same may have been, or may from time to time be, amended, supplemented or replaced.

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 issuance of the Notes has not been endorsed by RBI or any of 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 (financial or otherwise) in this Supplemental Information Memorandum and the accompanying Original Information Memorandum. In making an investment decision, an investor must rely on its own examination of THIL and the terms of the Notes.

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 Supplemental Information Memorandum and the accompanying Original Information Memorandum that are important to its business, many of which are registered under applicable intellectual property laws. This Supplemental Information Memorandum and the accompanying Original Information Memorandum also contain 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 Supplemental Information Memorandum and the accompanying Original Information Memorandum 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 Supplemental Information Memorandum has been converted from Renminbi to U.S. dollars at a rate of RMB6.9931 to US$1.00, the exchange rate set forth in the H.10 statistical release of the Federal Reserve Board on December 31, 2025. Exchange rates fluctuate, and such fluctuation can be significant.

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RECENT DEVELOPMENTS

Issuance of the Original Notes

On December 2, 2025, the Company issued senior secured convertible notes due September 2029 in an aggregate principal amount of approximately US$89.9 million.

Effectiveness of Form F-3 Shelf Registration Statement

On March 27, 2026, the Company filed a shelf registration statement on Form F-3, which was subsequently declared effective by the Securities and Exchange Commission ("**SEC**") on March 31, 2026. The registration statement allows the Company to offer and sell preferred shares, warrants, subscription rights, units, and ordinary shares from time to time. Additionally, it registers the resale of up to 82,107,312 Ordinary Shares by certain selling shareholders, including shares issuable upon the conversion of various existing notes.

Leadership and Board of Directors Transitions

On June 9, 2026, the Company announced several key leadership and Board changes:

- **Chairman and CEO Transition:** Mr. Peter Yu stepped down from his role as Chairman of the Board, though he continues to serve as a director. Mr. Yongchen Lu, who had served as Chief Executive Officer since May 2018, was designated as the new Chairman of the Company for a fixed term expiring on June 15, 2027.
- **New CEO Appointment:** Mr. Kwok Wah Cheung was appointed to succeed Mr. Lu as the new Chief Executive Officer of the Company and its subsidiaries.
- **Board Replacement:** Effective June 9, 2026, Mr. Lucas Alperi Suarez was appointed to the Board, replacing Mr. Rafael Odorizzi. Mr. Alperi was nominated by THRI.

First Quarter 2026 Financial Results

On June 10, 2026, the Company furnished a Report on Form 6-K with the SEC containing its latest earnings release dated June 9, 2026 on its unaudited financial results for the first quarter 2026 (the "**First Quarter 2026 Financial Results**") which is publicly accessible, without charge, on the SEC's website at www.sec.gov and is included herein.

The First Quarter 2026 Financial Results are unaudited and unreviewed and are based on the Group's preliminary internal information, which may differ from figures to be disclosed in its audited or unaudited consolidated financial statements due to various uncertainties during the process of collating such operating or financial data. Such unaudited and unreviewed results should not be taken as an indication of operating or financial results of the Group for the full financial year ending December 31, 2026.

SUMMARY TERMS OF THE NEW NOTES

The following is a summary of certain terms of the New Notes and is not intended to be complete. You should read the full text and more specific details contained elsewhere in this Supplemental Information Memorandum. For a more complete understanding of the Notes, you should read the Indenture, the form of which is included in the accompanying Original Information Memorandum. Capitalized terms used in this summary and not otherwise defined have the meanings given to them in the Indenture.

Issuer	TH International Limited.
Legal Entity Identifier	83680076T3V63VAU4I14
Issue	Up to US$55,000,000 aggregate principal amount of floating rate convertible senior secured notes due 2029 (the "**New Notes**" which shall include the Initial Tranche of New Notes, the Second Tranche of New Notes, the Third Tranche of New Notes and the Fourth Tranche of New Notes) in four separate tranches, each to be consolidated and form a single series with the floating rate convertible senior secured notes due 2029, originally issued on December 2, 2025 in an initial principal amount of US$89,922,201, convertible into fully-paid, validly issued and non-assessable ordinary shares of the Issuer (the "**Shares**").
Interest Rate	SOFR + 8% per annum
Security	The New Notes constitute Additional Notes under the Indenture and will also be secured and have the benefit of, the existing Collateral (as defined below) securing, directly or indirectly, the Original Notes on a *pari passu* basis, including (i) the Share Pledge (as defined below) granted by the Issuer over 100% of the shares of capital stock of TH Hong Kong International Limited, and (ii) an all-asset Debenture (as defined below) granted by the Issuer over all of its assets.
Form and Denomination	The New Notes will be issued in registered form in the denomination of US$1,000,000 or integral multiples of US$1 in excess thereof, without coupons attached.
Interest	The New Notes will bear interest from and including June 2, 2026 (or the Interest Payment Date immediately preceding the issue date of the relevant tranche of the New Notes (whichever is more recent)), at the rates set forth under the Indenture. Interest on the New Notes will be

payable semi-annually in arrears on June 2 and December 2 in each year.

For any interest payment period, the Issuer may, at its option, elect to pay interest on the New Notes entirely in cash or entirely by PIK Interest. Solely for the purpose of SGX listing application, the maximum amount of PIK Notes that may be issued is US$30,000,000.

Issue Date..... The New Notes will be issued in up to four separate tranches, and the final tranche is expected to close in the first quarter of 2027. Each tranche remains subject to customary and other closing conditions, including required regulatory approvals in China and certain business performance milestone conditions.

Maturity Date ..... September 30, 2029.

Issue Price ..... ***Initial Tranche of New Notes:*** up to US$15,800,000, which shall equal the total sum of (i) an issue price of 100% of the principal amount of the Initial Tranche of Notes, and (ii) the accrued interest from (and including) June 2, 2026 or the Interest Payment Date immediately preceding its issue date (whichever is more recent) to (but excluding) its issue date.

Second Tranche of New Notes: up to US$15,000,000, which shall equal the total sum of (i) an issue price of 100% of the principal amount of the Second Tranche of Notes, and (ii) the accrued interest from (and including) June 2, 2026 or the Interest Payment Date immediately preceding its issue date (whichever is more recent) to (but excluding) its issue date.

Third Tranche of New Notes: up to US$15,000,000, which shall equal the total sum of (i) an issue price of 100% of the principal amount of the Third Tranche of Notes, and (ii) the accrued interest from (and including) June 2, 2026 or the Interest Payment Date immediately preceding its issue date (whichever is more recent) to (but excluding) its issue date.

Fourth Tranche of New Notes: up to US$9,200,000, which shall equal the total sum of (i) an issue price of 100% of the principal amount of the Fourth Tranche of Notes, and (ii) the accrued interest from (and including) June 2, 2026 or the Interest Payment Date immediately preceding its issue date (whichever is more recent)

to (but excluding) its issue date.

Conversion ..... At any time from the Issue Date, each Holder may, in its sole discretion, convert all or part of its Notes into Shares at a price of US$2.7822 per share, subject to customary adjustments including:

- share dividends, subdivisions and consolidations,
- grant of rights, options and warrants,
- shares, rights, options, warrants or other equity securities issued below conversion price,
- spin-offs and other distributed property,
- cash dividends or distributions,
- tender offers or exchange offers, or
- other events which have the direct or indirect effect of adversely affecting a Holder's proportionate interest in the equity of the Issuer,

in each case as provided in Section 5.05 of the Indenture.

Final Redemption ..... Unless previously redeemed, converted, or purchased and cancelled, the Issuer will redeem each Note at 100% of its principal amount together with accrued and unpaid interest thereon on the Maturity Date.

Repurchase at the Option of Noteholders .....Each Holder will have the right, at its election, (i) on or after August 1, 2027 to require the Issuer to repurchase all of such holder's Notes on the date falling no less than two months after the date the Holder sends the related repurchase notice or (ii) upon the occurrence of a Fundamental Change to require the Issuer to repurchase all of such holder's Notes on the date falling no less than 30 days after the date the Holder sends the related repurchase notice, in each case for a repurchase price equal to an amount in cash of 100% of the principal amount of such Note plus accrued and unpaid interest on such Note to, but excluding, the repurchase date.

Redemption for Tax Reasons .....The Notes may be redeemed at the option of the Issuer in connection with certain changes in tax laws, at a redemption price equal to 102% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the date fixed by the Company for redemption.

Redemption at the Option of the Issuer .....The Notes may be redeemed by the Issuer in whole, but not in part, at any time on or after June 2, 2028

	and prior to the seventh (7th) business day immediately before the maturity date, for a cash purchase price equal to the Redemption Price.
Covenants.....	Section 3 of the Indenture contains covenants that restrict the ability of the Issuer and its Subsidiaries to, among other things: (i) incur Indebtedness, (ii) make Restricted Payments, (iii) incur Liens, (iv) sell assets, (v) amend their memorandum and articles of association, and (vi) materially change the scope of their principal business. Such covenants are subject to important limitations, exceptions and qualifications.
Taxation	All payments by the Issuer in respect of the Notes shall be made without deduction or withholding for or on account of any Taxes, unless deduction or withholding of such Taxes is required by law. In such event, the Issuer will pay such additional amounts as will result in the receipt by Holders of such amounts as would have been received by them had no such deduction or withholding been required, except in circumstances specified in the Indenture.
CUSIP	87251C AD8
ISIN	US87251CAD83
Global Note	The New Notes will initially be represented by one or more Global Notes registered in the name of DTC or Cede & Co., as its nominee. Beneficial interests in the Global Notes will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its direct and indirect participants. Beneficial interests in the Global Notes may not be exchanged for Notes in definitive form except in limited circumstances.
Listing	The Original Notes are listed and quoted on the SGX-ST. The Issuer has received approval-in-principle for the listing and quotation of the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Supplemental Information Memorandum. The Notes will trade on the SGX-ST in a minimum board lot size of US$1,000,000, so long as any of the Notes remain listed on the SGX-ST. For so long as the Notes are listed on the SGX-ST

	and the rules of the SGX-ST so require, if any Notes are issued in definitive form, the Issuer shall appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption. In addition, in the event that any Global Note is exchanged for Notes in definitive form, announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST, and such announcement will include all material information with respect to the delivery of the Notes in definitive form, including details of the paying agent in Singapore.
Trustee, Paying Agent, Registrar, Conversion Agent, Security Agent and Transfer Agent.....	Wilmington Savings Fund Society, FSB.
Transfer Restrictions.....	The New Notes and the Shares have not been and will not be registered under the Securities Act, or the securities laws of any other jurisdiction, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There are restrictions on the offer, sale and transfer of the New Notes in certain jurisdictions, including the United States. See "*Transfer Restrictions*."
Use of Proceeds.....	Proceeds are to be used for repayment of certain existing indebtedness (including amounts owed to THRI and its affiliates), and funding the working capital or operating expenditure requirements of the Company and its Subsidiaries. See "*Use of Proceeds*."
Risk Factors	For a discussion of certain factors that should be considered before investing in the Notes, see "*Risk Factors*" in this Supplemental Information Memorandum and in the Original Information Memorandum.
Rating	The New Notes are not, and are not expected to be, rated by any rating agency.
Governing Law	The Indenture and the New Notes will be governed by New York law. The Share Charge will be governed by Hong Kong law and the Debenture will be governed by the Cayman Islands law.

RISK FACTORS

Prospective investors should carefully take into account the following risk factors, in addition to the other information contained in the Original Information Memorandum and all of the other information included in, or incorporated by reference into, this Supplemental Information Memorandum (including the risk factors set out under "Risk Factors" in the Company's annual report on Form 20-F for the fiscal year ended December 31, 2025), before investing in the New Notes. The following considerations and uncertainties may not be exhaustive. Additional considerations and uncertainties not currently known to the Company, or which the Company currently deems immaterial, may also have an adverse effect on an investment in the New Notes.

The preliminary unaudited condensed consolidated financial information of the Company as of and for the three months ended March 31, 2026 included in this Supplemental Information Memorandum (the "First Quarter 2026 Financial Results") by reference to the Company's press release dated June 9, 2026 has not been audited or reviewed. You are advised therefore not to unduly rely on such First Quarter 2026 Preliminary Financial Information.

On June 10, 2026, the Company furnished a Report on Form 6-K with the SEC containing its latest earnings release dated June 9, 2026 on the First Quarter 2026 Financial Results in accordance with the Securities Exchange Act of 1934 as applicable to the Company. The Company has included the First Quarter 2026 Financial Results in this Supplemental Information Memorandum for your information only. You should note that the First Quarter 2026 Financial Results are preliminary in nature, do not include statements of changes in equity or statements of cash flow, and include only some condensed notes. The First Quarter 2026 Financial Results are unaudited and unreviewed and are based on the Group's preliminary internal information, which may differ from figures to be disclosed in its audited or unaudited consolidated financial statements due to various uncertainties during the process of collating such operating or financial data. Such unaudited and unreviewed results should not be taken as an indication of operating or financial results of the Group for the full financial year ending December 31, 2026. Accordingly, you should not unduly rely on the First Quarter 2026 Financial Results included in this Supplemental Information Memorandum when you decide whether to invest in the Notes.

USE OF PROCEEDS

Proceeds are to be used for (a) the payment of all amounts owed to THRI and its affiliates pursuant to the Amended and Restated Master Development Agreement with THRI, as amended (the "**A&R MDA**") and the Amended and Restated Company Franchise Agreement as amended (the "**A&R CFA**"), (b) the repayment of certain PRC working capital facilities, (c) funding the working capital or operating expenditure requirements of the Company and its Subsidiaries, and (d) capital expenditure as approved by THRI.

BUSINESS

This section replaces the section "Business" appearing on pages 70 to 92 of the Original Information Memorandum in its entirety.

In this section, "we," "us" and "our" refer to TH International Limited.

Who We Are

We are the exclusive master franchisees in China for Tim Hortons, a leading global coffee and bakery shop brand. 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, 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 December 31, 2025, we had 1,047 system-wide stores across 92 cities in mainland China.

As of 31 December 2025, 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 2023, 2024 and 2025, digital orders, including both delivery and mobile ordering for self pick-up, accounted for approximately 82.1%, 86.1% and 89.3% of our revenues from company owned and operated stores. We also have a popular loyalty program, which has experienced tremendous growth since its establishment in 2019, reaching 18.5 million, 24.0 million and 31.0 million members as of December 31, 2023, 2024 and 2025, respectively. In February 2022 and July 2023, respectively, Tim Hortons China and Popeyes Shanghai each transferred control and possession of the personal data of their customers to DataCo, a PRC-incorporated company, pursuant to their respective Business Cooperation Agreement with Dataco. 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, in 2024 and 2025, we made a strategic adjustment to prune certain underperforming company owned and operated stores and to focus more on the franchised business, our revenue in 2024 and 2025 decreased by 10.8% and 5.4% compared to 2023 and 2024. In the meantime, we maintained positive adjusted company owned and operated store contribution for the past 11 consecutive quarters. The fully-burdened gross profit of our company owned and operated stores, the most comparable GAAP measure to adjusted company owned and operated store contribution, for 2023, 2024 and 2025 was negative RMB109.4 million, negative RMB42.0 million and RMB32.7 million (US$4.7 million), respectively. During the same periods, our adjusted company owned and operated store contribution was RMB29.4 million, RMB87.6 million and RMB75.3 million (US$10.8 million), respectively. For more details regarding adjusted company owned and operated store contribution, a non-GAAP financial measure, which is a key measure used by our management and Board 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 Measures*" in this Supplemental Information Memorandum.

Our revenues decreased from RMB1,560.0 million in 2023 to RMB1,391.2 million in 2024, and then decreased to RMB1,316.2 million (US$ 188.2 million) in 2025. Our total costs and expenses decreased from RMB2,227.9 million in 2023 to RMB1,740.2 million in 2024, and then decreased to RMB1,633.5 million (US$233.6 million) in 2025. Our net loss significantly decreased from RMB872.9 million in 2023 to RMB409.0 million in 2024, and then increased to RMB435.8 million (US$62.3 million) in 2025.

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 2022/23, domestic consumption (measured in 60-kilogram bags) in China was only 5.0 million bags, compared to 24.6 million bags in the United States and 6.9 million in Japan.

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 attractively priced, high-quality coffee, we also offer other quality, freshly prepared and locally relevant beverages and food at compelling price points, such as RMB9.9 breakfast bagels, RMB24.0 coffee plus bagel sandwich lunchbox combos. We believe that our food offerings are a key differentiator and one reason customers choose to come to our stores throughout the day and deliver strong value-for-money to our customers. In 2025, the percentage of orders with food increased to 39.5% from 36.8% in 2024.

Robust Local Supply Chain

Drawing on our management's experience and network, 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 2023, 2024 and 2025, digital orders, including both delivery and mobile ordering for self pick-up, accounted for approximately 82.1%, 86.1% and 89.3% of our revenues from company owned and operated stores. 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.

Development Expertise and High-Visibility Pipeline

Since entering the Chinese market, we have maintained steady growth in our store roll-out, opening 34 stores in 2019, 103 stores in 2020, 253 stores in 2021, 227 stores in 2022, 285 stores in 2023, 120 stores in 2024 and 25 stores in 2025.

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 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 Executive Officer, Kwok Wah Cheung, brings over 20 years of experience as a chief executive and president of major consumer businesses in China. He served as Chief Executive Officer of Supor, a leading Chinese manufacturer of cookware and household appliances. Prior to that, he served as Executive Director of China Feihe Limited, one of China's foremost dairy companies, and Chairman & Chief Executive Officer of Nestle's Greater China Region, and Global President of Wyeth Nutrition.

Our shareholders, including Cartesian, THRI, Tencent and HongShan (formerly known as 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 four 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. Additionally, our "Tims

Express" stores offer a compact and efficient footprint that integrates easily into the stores of our franchise partners with whom we collaborate, exhibiting our signature welcoming design. 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 and well-tiered portfolio of coffee beverages across three distinct price bands. At the entry level, our signature freshly brewed coffee—customizable with cream and sugar, alongside flavored Americanos—serves as a key traffic driver. Our core menu focuses on handcrafted espresso-based beverages, including Lattes, Flat Whites, Double Doubles, and Spanish Lattes, delivering strong value at a slightly higher price point. Meanwhile, we continue to innovate with specialty and trend-driven offerings such as Cold Brew and seasonal LTOs, including popular series like Cheese, Rose, and Pomegranate. Beyond coffee, we provide a diversified beverage lineup, including freshly brewed teas, sparkling lemon drinks, Black Tea Lattes, and Matcha Lattes, catering to evolving consumer preferences.



On the food side, bagels remain at the heart of our offering. Signature products such as Whole Grain Bagels and Smile Bagels continue to resonate strongly with consumers. To date, we have sold over 80 million bagels—equivalent to stacking more than 6,000 Oriental Pearl Towers. In 2025, we further expanded into lunch occasions with the launch of our "Light Bagel Sandwich Lunch Box" series, reinforcing our positioning around convenient, high-quality, and balanced meal solutions. Built around a bagel sandwich (or wrap), paired with salad and coffee, this offering targets urban consumers seeking healthier Western-style lunch options. At the same time, we are scaling our croissant platform, with popular items such as the Round Croissant and Cheese Lava Croissant emerging as strong contributors, further diversifying our food mix alongside bagels.



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. In September 2022, we launched two co-branded ready-to-drink coffee products in partnership with Easy Joy. On November 18, 2022, we announced a two-year partnership with Freshippo, pursuant which we and Freshippo will introduce co-branded coffee products for sale exclusively through Freshippo's online channels and over 300 brick-and-mortar stores located in 27 cities across China. We and Freshippo will also work together on research and development of the co-branded products, collaborating on product design, positioning, promotion, and pricing. In September 2023, we celebrated the Bagel Festival with celebrity guest Muchi Chen, contributing to the brand's emergence as one of the most favored bagel and coffee shops in China. The total units of bagels sold reached an impressive 19.1 million in 2025. In December 2023, we partnered with SpongeBob SquarePants, achieving over 10 million exposures on social platforms and significantly enhancing brand awareness among the younger demographic. The collaborative product, Strawberry Flavored Latte, saw sales of 286 thousand cups within three months, with a re-purchase rate of 19% among our membership base. Later in 2023, we partnered with ride-hailing company DiDi Chuxing ("**DiDi**") in a strategic brand-building initiative. This partnership focuses on cross-brand and cross-channel marketing, leveraging Didi's extensive customer base to elevate Tims China's brand visibility. As a result, we acquired approximately 20,000 new loyalty club members and generated around RMB1.7 million in incremental sales. Notably, the initiative garnered significant attention on Xiaohongshu (also known as Red), a prominent social media platform in China, accumulating over 11 million views. In September 2024, Tims China partnered with Meng Lan, the beloved panda superstar, to celebrate the second annual Bagel Festival, with a theme as "Healthy and Delicious: Bagel Maverick." This collaboration with Meng Lan, the "Chief Bagel Recommendation Officer", introduces four new seasonal products, crafted with low-calorie ingredients, offering a delicious and also health-conscious way to enjoy our celebrated bagels. To further celebrate the Bagel Festival, Tims China is offering special promotions, including

the "Multi-Grain Bagel Six-Pass," "Smile Bagel Three-Pass," and an exclusive deal for new members to enjoy popular Multi-Grain Bagel for just 8.8 RMB.

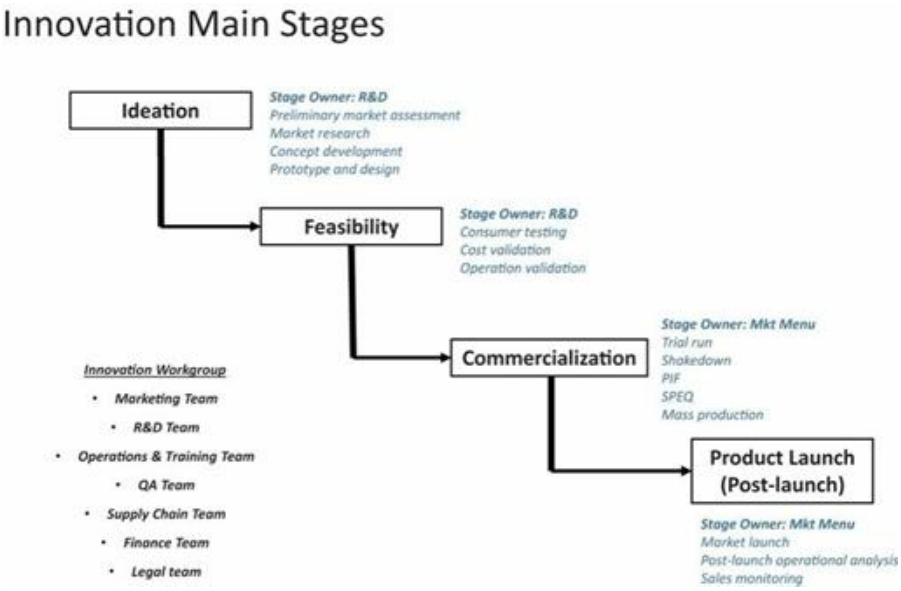
Tims China has built a diverse "Bagel Universe," featuring the nutritious "Multi-Grain Bagel" series, the light and tasty "Smile Bagel" series, and the energizing "Bagel Sandwich" line:

- "Multi-Grain Bagel" series: The highly nutritious Multi-Grain Bagel is made with whole wheat flour or rye flour and contains an assortment of flax seeds, oats, sunflower seeds, and a variety of grains and other seeds. It gives customers a fiber-rich breakfast or lunch option. The latest additions to the "Multi-Grain Bagel" series—Five-Red Bagel and Five-Black Bagel—combine the freshness of the grains with the power of superfoods, providing a satisfying and nutritious meal or snack. All under 300 calories and available with cream cheese.

- "Smile Bagel" series: Stuffed with a delicious cream cheese filling, bursting with flavors and all under 300 calories, Smile Bagel is perfect match for morning coffee or an afternoon treat.

- "Bagel Sandwich" line: The ultimate breakfast or lunch bagel, made fresh on the spot. A toasted bagel with meat, egg, cheese, and veggies, the energy-boosting and protein-rich Bagel Sandwich can bolster the day in a jiffy.

The chart below outlines the process flow for new project launch.



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 18.5 million,

24.0 million and 31.0 million as of December 31, 2023, 2024, and 2025, respectively.

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 their customers to DataCo, a PRC-incorporated company, pursuant to their respective Business Cooperation Agreement with DataCo. For a more detailed description, see "*-Digital Technology and Information Systems.*"

Our Store Network

As of December 31, 2025, we had 1,047 stores across 92 cities in mainland China, of which 485 are franchised and 562 are owned and operated by us, as shown in the map below. As of the date of this Supplement Information Memorandum, we do not have any stores outside of mainland China. Most of our stores are located in first-tier and second-tier cities in China, including Beijing, Shanghai, Hangzhou, Shenzhen and Guangzhou, and within those, in locations with high demand for coffee, such as office buildings, shopping malls and transportation hubs.



Cities	Store Count in Each City
Shanghai	235
Beijing	96
Hangzhou	59
Nanjing	47
Suzhou	38
Wuhan	36
Shenzhen	34
Chengdu	32
Guangzhou	32
Xi'an	30
Tianjin	24
Chongqing	23
Ningbo	23
Changzhou	22
Xuzhou	16
Dalian	15
Taizhou	14
Xuxi	14
Huaian	13
Shenyang	13
Qingdao	11
Yangzhou	11
Zhenjiang	11
Nantong	10
Others	188
Total	**1047**

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 four complementary store formats, namely flagship stores, classic stores, "Tims Go" stores and "Tim Express" 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 and 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.

- Innovative "Tims Express" Stores (~20 square meters) are located within Easy Joy convenience stores, as part of our collaboration with Easy Joy, and the storefronts of certain other brick and mortar businesses that we collaborate with.

As of December 31, 2025, we had 22 flagship stores, 786 classic stores, 79 "Tims Go" stores and 160 "Tims Express" 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. In 2025, we made a strategic adjustment to prune certain underperforming company owned and operated stores and to focus more on the franchised business. We work closely with well-selected, qualified franchisees and remain disciplined to open high-quality franchised stores in those cities that we operate or into new lower-tier cities, or in exceptional locations to which the franchise has unique access. As of December 31, 2025, we received over 10,000 individual franchisee applications.

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, protein and packing materials. We believe that 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.

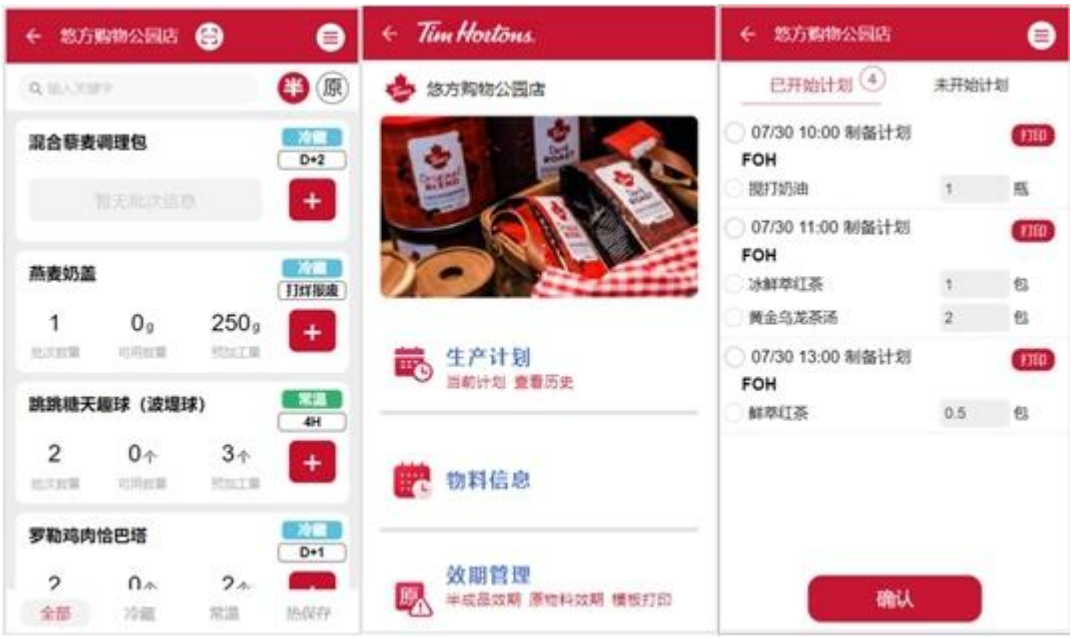
We import roasted coffee beans from THRI's world-class roasteries. All other inputs are sourced in China, with fresh produce and dairy sourced regionally. To mitigate risks associated with reliance on a single supplier, with the exception of coffee beans, we have developed both primary and secondary 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, usually1 – 2 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 implement 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 Supplemental Information Memorandum, 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, pursuant to which:

- Tim Hortons China assigned, conveyed and transferred, and caused 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 Agreements and all intellectual property therein (collectively, "**TH China and PPE China Data**");

- DataCo provides 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 pays 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 granted to each of 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 and PPE 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. We have also established strategic collaboration with Easy Joy and Freshippo to promote in-store sales through their sales networks.

In addition to in-store sales, we also utilize mobile ordering to streamline customer experience and delivery to increase reach and efficiency. In 2022, in-store sales, mobile ordering for self pick-up and delivery accounted for approximately 21.0%, 31.8% and 47.2% of our revenues from company owned and operated stores, respectively. In 2023, in-store sales, mobile ordering for self pick-up and delivery accounted for approximately 17.9%, 33.4% and 48.7% of our revenues from company owned and operated stores, respectively. In 2024, in-store sales, mobile ordering for self pick-up and delivery accounted for approximately 13.1%, 31.9% and 55.0% of our revenues from company owned and operated stores, respectively. In 2025, in-store sales, mobile ordering for self pick-up and delivery accounted for approximately 8.1%, 26.3% and 63.6% 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.

As of year-end 2025, Tims China's total membership base surpassed 31.0 million. Over the course of the year, we continued to enhance our CRM capabilities, building a full-lifecycle engagement model anchored in more refined and segmented member operations. Our focus remains on deepening emotional connection while driving high-quality, scalable growth.

To support retention and frequency, we rolled out a series of IP-led engagement initiatives, including our weekly Super Member Day, New Year Fortune Draw, and Bagel Festival—designed to reinforce habitual engagement and strengthen brand affinity. We also accelerated our omnichannel integration through collaboration with Taobao Instant Retail's membership ecosystem, enabling seamless connectivity across member identity, benefits, and transaction data. This has expanded our acquisition channels and improved overall operating efficiency. In parallel, we continued to scale our "Coffee+" ecosystem through partnerships with leading platforms such as Ctrip, Didi, and JD.com. These collaborations enriched our member value proposition while driving incremental growth.

Notably, our July "Pet Companion" campaign—combining coffee, pets, and corporate social responsibility—generated over 2 million impressions and increased mini-program traffic by 30% month-over-month. In August, our campaign with Ctrip drove strong engagement, with over 300,000 members participating within five days. During the National Day holiday in October, our partnership with Didi contributed more than one million new member registrations.

Overall, through continued investment in IP campaigns, omnichannel integration, and cross-sector partnerships, we expanded our membership base, enhanced engagement quality, and strengthened the foundation for long-term, sustainable growth.



We continue to strengthen brand relevance and deepen engagement—particularly among younger consumers—through co-branding initiatives and ambassador collaborations. This year, we appointed singer-songwriter and influencer Lars Huang as our brand ambassador. With a strong creative identity and broad social influence, Lars brings meaningful resonance and helps us connect more authentically with Gen Z audiences.



We also elevated our cultural positioning through high-impact partnerships, including collaborations with the hit TV series The Vendetta of An and with People's Daily for a National Day campaign celebrating everyday heroes across China. These initiatives leverage culturally relevant storytelling to drive deeper consumer connection and social engagement.



In parallel, we continued to advance our sustainability agenda. We expanded our Bring-Your-Own-Cup program and increased incentives to RMB8 per cup. To date, the program has attracted over 200,000 participants, reducing carbon emissions by approximately 8 tons—equivalent to planting around 360 trees.



We also introduced eco-friendly straws in partnership with Tencent's CarbonX program, leveraging carbon capture technology to convert industrial CO_2 into sustainable materials. SGS certification indicates that every 100 straws store 3.185 grams of CO_2, reinforcing our commitment to sustainable innovation.

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 2025, we had 1,544 full-time employees and 36 part-time employees. The following table sets forth the number of our full-time employees categorized by function.

	As of December 31, 2025	
	Number	**Percentage (%)**
Operations	1,362	88.2
Sales and marketing	26	1.7
Research and innovation	9	0.6
Store development	48	3.1
Management and administration	99	6.4
Total	**1,544**	**100.0**

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.

Competition

We face intense competition in China's coffee shop industry and food and beverage sector in general. Our competitors in the coffee shop industry include both new and well-established quick service restaurants and coffee chains, independent local coffee shop operators, as well as convenience stores and grocery stores, with key competitors including Luckin Coffee, Starbucks, COTTI Coffee, and Manner.

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 Peets, Starbucks, Costa Coffee, Pacific Coffee, Manner Coffee and above the list price of Luckin and COTTI Coffee. As consumers continue to seek higher quality offerings, especially given an increasing consumer focus on responsible sourcing, ingredients and preparation, we believe there is significant demand and opportunity in our market space and that we are well-positioned to compete effectively with existing and new competitors on the basis of these factors. In addition, we place a focus on innovation and localization to ensure our menu offerings stand out from our competitors.

However, the restaurant industry is intensely competitive and we compete with many well-established food service companies on the basis of product choice, quality, affordability, service and location. The restaurant business is often affected by changes in consumer tastes, national, regional or local economic conditions, demographic trends, traffic patterns, the type, number and location of competing restaurants, and disposable income. Our competitors may also 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 Our 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*." in the Company's annual report on Form 20-F for the fiscal year ended December 31, 2025.

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.

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 Cyberspace Administration of China (the "**CAC**") and their enforcement agencies, to require THIL to obtain permission or approval or complete certain filing procedures 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 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 State Administration of Foreign Exchange (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. 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 February 17, 2023, the CSRC promulgated the Trial Measures for Administration of the Overseas Securities Offerings and Listings by Domestic Enterprises and several supporting rules, or collectively the New Filing Rules, which became effective on March 31, 2023. Under the New Filing Rules, an overseas-listed issuer may be subject to filing or report obligations. Failure to comply with the filing requirements or any other requirements under the New Filing Rules could result in warnings, a fine ranging from RMB1 million to RMB10 million, and our controlling shareholders, actual controllers, any person who is directly in charge and other directly liable persons could also be subject to administrative penalties, such as warnings and fines. If THIL fails to receive or maintain any requisite permission or approval from or complete the required filing procedure with the CSRC for any future offerings, or the waiver for such permission, approval or filing requirement, in a timely manner, or at all, or inadvertently concludes that such permission, approval or filing 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 THIL's offerings of its listed securities 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 our future issuance of securities to foreign investors under PRC laws, regulations or policies.*" in the Company's annual report on Form 20-F for the fiscal year ended December 31, 2025.

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. On September 24, 2024, the State Council of China published the Regulations on Network Data Security Administration, which took effect on January 1, 2025. The Regulations on Network Data Security Administration provides that network data processing operators engaging in network data processing activities that affect or may affect national security must be subject to security review in accordance with the relevant PRC regulations. "Network data processing activities" refers to the collection, retention, use, processing, transmission, provision, disclosure, deletion, and other activities of network data. As of the date of the Company's annual report on Form 20-F for the fiscal year ended December 31, 2025, 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 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 the Company's annual report on Form 20-F for the fiscal year ended December 31, 2025.

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 December 31, 2025, out of the 1,047 company owned and franchised stores, 14 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 2025. 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, six 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 RMB500,000 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, beverage and packaged products, raw materials and equipment and impose fines based on a multiple of the value of the food, beverage and packaged 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. Except for the outstanding licenses and permits mentioned above, none of THIL's PRC Subsidiaries have been denied or are missing 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 as of the date of this Supplemental Information Memorandum. 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.

TH Hong Kong International Limited ("**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*" in the Company's annual report on Form 20-F for the fiscal year ended December 31, 2025.

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. 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, including payments under dollar-denominated debt obligations, 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 offerings of its listed securities to fund the operations or liquidity needs of its PRC 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 Supplemental Information Memorandum, 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 (save that, under Cayman Islands law, dividends may only be declared out of profits or share premium and immediately following the payment of dividends, THIL must be able to pay its debts as they fall due in the ordinary course of business) 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.

Subject to the passive foreign investment company rules discussed in detail under "Item 10. Additional Information-E. Taxation-Passive Foreign Investment Company" of our annual report on Form 20-F for the fiscal year ended December 31, 2025, which is incorporated herein by reference, the gross amount of any distribution that we make to investors with respect to our ordinary shares (including any amounts withheld to reflect PRC or other withholding taxes) will be taxable as a dividend, to the extent paid out of our current or accumulated earnings and profits, as determined under United States federal income tax principles. Furthermore, if we are considered a PRC tax resident enterprise for tax purposes, any dividends we pay to our overseas shareholders may be regarded as China-sourced income and as a result may be subject to PRC withholding tax.

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 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 Supplemental Information Memorandum, there has been an aggregate of US$126.0 million in cash transfer of capital expenses among THIL and its subsidiaries.

Shareholder loans and capital contributions. THIL's subsidiaries may only access THIL's proceeds from the offerings of its listed securities 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 Supplemental Information Memorandum, THIL has transferred an aggregate of US$309.4 million in cash to THHK as capital injections and shareholder loans, and THHK has transferred an aggregate of US$297.7 million in cash to Tim Hortons China and US$7.4 million in cash to Tim Hortons (Shanghai) Food and Beverage Management Co., Ltd. as capital injections and shareholder loans.

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 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.

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

This section replaces the section "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing on pages 93 to 127 of the Original Information Memorandum in its entirety.

In this section, "we," "us" and "our" refer to TH International Limited. The following discussion and analysis provides information that THIL's management believes is relevant to an assessment and understanding of THIL's results of operations and financial condition. This discussion and analysis should be read together with the financial statements and related notes that are incorporated by reference in this Supplemental Information Memorandum. 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 the accompanying Original Information Memorandum entitled "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 the accompanying Original Information Memorandum entitled "Risk Factors" or elsewhere in this Supplemental Information Memorandum.

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 that are incorporated by reference in this Supplemental Information Memorandum.

Overview

We are the exclusive master franchisees in China for Tim Hortons, a leading global coffee and bakery shop brand. Founded by affiliates of Cartesian and THRI, 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. We opened our first coffee shop in China in February 2019. As of December 31, 2025, we had 1,047 system-wide stores across 92 cities in mainland China. For more details, see "*Business*" in this Supplemental Information Memorandum. Our revenues decreased from RMB1,560.0 million in 2023 to RMB1,391.2 million in 2024, and then decreased to RMB1,316.2 million (US$ 188.2 million) in 2025. Our total costs and expenses decreased from RMB2,227.9 million in 2023 to RMB1,740.2 million in 2024, and then decreased to RMB1,633.5 million (US$233.6 million) in 2025. Our net loss significantly decreased from RMB872.9 million in 2023 to RMB409.0 million in 2024, and then increased to RMB435.8 million (US$62.3 million) in 2025. For more details, see "— *Results of Operations*" in this Supplemental Information Memorandum.

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;
- 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*" in this Supplemental Information Memorandum and the Original Information Memorandum.

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 shown in the table below.

Year	Company owned and operated Stores	Franchise Stores	Total
2019	31	3	34
2020	128	9	137
2021	373	17	390
2022	547	70	617
2023	619	283	902
2024	576	446	1,022
2025	562	485	1,047

As we continue to grow our store network in China while maintaining high 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 economic growth, China has experienced an 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 believe that 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 work to continue to 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 gradually 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.

Inflation and Supply Chain Impacts

Rising inflation, geopolitical conflicts, including the war in Ukraine and the Middle East, 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 coffee beans has been fluctuant since our inception. 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 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*," "*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*" 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 the Company's annual report on Form 20-F for the fiscal year ended December 31, 2025.

In addition, although we do not have any operations outside of mainland China nor any business relationships, connections to, or assets in, Russia, Ukraine, the Middle East and Iran, our business, financial condition and results of operations have been, and could continue to be, indirectly and adversely affected by these geopolitical tensions. 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 escalation of geopolitical tensions in Europe and the Middle East, including the military confrontations between the United States and Iran, military conflict between Russia and Ukraine, and the Hamas-Israel conflict in the Middle East. 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 geopolitical tensions*" in the Company's annual report on Form 20-F for the fiscal year ended December 31, 2025.

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. 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. 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.

Our profit margins for beverage products have also remained relatively stable in 2024 and 2025, despite having slightly increased the rate of promotional discounts without raising the average list price of our beverage products, including coffees. If the costs and expenses described above continue to increase, we may raise the list price of our beverage products in the future. However, there can be no assurance that any such increase would be sufficient 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 the Company's annual report on Form 20-F for the fiscal year ended December 31, 2025. 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.

The Business Combination

On September 28, 2022 (the "**Closing Date**"), we consummated the Business Combination with Silver Crest. Following the consummation of the Business Combination, our ordinary shares and warrants began trading on Nasdaq, and we are required to develop the functions and resources necessary to operate as a public company, including employee-related costs and equity compensation, which may result in increased operating expenses.

Completion of Warrant Exchange Offer

As previously disclosed, we completed an exchange offer relating to our outstanding warrants (the "**Offer**") on June 14, 2023. Each warrant that was outstanding upon the closing of the Offer was exchanged for 0.216 ordinary shares of the Company per warrant on June 27, 2023 (the "**Post-Offer Exchange**"). Pursuant to the Offer and the Post-Offer Exchange, we issued an aggregate of 1,083,949 ordinary shares in exchange for all of our outstanding warrants, increasing the number of ordinary shares outstanding from 32,069,622 to 33,153,571. As a result of the completion of the Offer and the Post-Offer Exchange, no warrants remain outstanding. The Public Warrants have been delisted upon completion of the Post-Offer Exchange. The purpose of the Offer was to simplify our capital structure and reduce the potential dilutive impact of the warrants.

Components of Results of Operations

Revenues

Revenue mainly includes sales of food, beverage and packaged 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 years indicated:

	For the year ended December 31,				
	2024		2025		
	(in thousands, except for %)				
	RMB	%	RMB	US$	%
Revenues:					
Sales of food, beverage and packaged products by Company owned and operated stores	1,188,293	85.4%	1,068,170	152,746	81.2%
Franchise fees	24,215	1.7%	36,552	5,227	2.8%
Revenues from other franchise support activities	149,458	10.7%	196,105	28,043	14.9%
Revenue from e-commerce sales	809	0.1%	-	-	-%
Revenues from wholesale and other activities	28,383	2.0%	15,369	2,198	1.2%
Total Revenues	**1,391,158**	**100.0%**	**1,316,196**	**188,214**	**100.0%**

- ***Sales of food, beverage and packaged products by company operated stores.*** We

generate the vast majority of our revenue from sales of food, beverage and packaged 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 consist of sales of kitchen equipment, raw materials for food, beverage and packaged products and provision of pre-opening and training services to sub-franchisees.

- ***Revenues from e-commerce sales.*** We generate revenue from sales of packaged coffee, tea beverages and single-serve coffee and tea products to customers through third-party e-commerce platforms.

- ***Revenues from wholesale products.*** We generate revenue from wholesale of canned coffee beverage and packaged coffee extract.

Costs and Expenses, Net

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

	For the year ended December 31,						
	2023		2024		2025		
	(in thousands, except for %)						
	RMB	%	RMB	%	RMB	US$	%
Costs and Expenses, Net:							
Company owned and operated stores							
Food and packaging	486,359	21.8%	374,086	21.5%	321,948	46,038	19.7%
Store rental expenses	289,556	13.0%	241,425	13.9%	220,885	31,586	13.5%
Payroll and employee benefits	304,545	13.7%	231,542	13.3%	199,342	28,506	12.2%
Delivery costs	116,449	5.2%	119,171	6.8%	130,649	18,682	8.0%
Other operating expenses	118,634	5.3%	95,036	5.5%	84,317	12,057	5.2%
Store depreciation and amortization	138,735	6.2%	129,614	7.4%	107,930	15,434	6.6%
Company owned and operated store costs and expenses	**1,454,278**	**65.3%**	**1,190,874**	**68.4%**	**1,065,071**	**152,303**	**65.2%**
Costs of other revenues	149,692	6.7%	153,612	8.8%	171,326	24,499	10.5%
Marketing expenses	96,679	4.3%	64,849	3.7%	63,457	9,074	3.9%
General and administrative expenses	325,259	14.6%	210,323	12.1%	204,341	29,222	12.5%
Franchise and royalty expenses	57,063	2.6%	57,761	3.3%	62,736	8,971	3.8%
Other operating costs and expenses	28,872	1.3%	10,794	0.6%	3,283	469	0.2%
Loss on disposal of property and equipment	16,404	0.7%	4,147	0.2%	6,470	925	0.4%
Impairment losses of long-lived assets	111,427	5.0%	56,287	3.2%	60,320	8,626	3.7%
Other income	(11,743)	(0.5)%	(8,408)	(0.5)%	(3,455)	(494)	(0.2)%
Total Costs and Expenses, Net	**2,227,931**	**100.0%**	**1,740,239**	**100.0%**	**1,633,549**	**233,595**	**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, other operating expenses, and store depreciation and amortization.

- ***Costs of other revenues.*** Costs of other revenues primarily consist of costs related to the costs of raw materials for food, beverage and packaged products and kitchen equipment that we sell to sub-franchisees and costs of product and kitchen equipment sales related to our e-commerce business.

- ***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 pertaining to franchised stores and monthly royalties that we pay to THRI, and the amortization of franchise rights.

- ***Other operating costs and expenses.*** Other operating costs and expenses primarily consist of the miscellaneous taxes and costs related to recovery of closed stores.

- ***Loss on disposal of property and equipment.*** When assets are disposed of, whether through retirement or sale, the net gain or loss is recognized in net loss. Long-lived assets to be disposed of are reported at the lower of their carrying amount or fair value less estimated costs to sell.

- ***Impairment losses of long-lived assets.*** The Company reviews long-lived assets (including property and equipment and intangible assets with definite useful lives and operating lease right-of-use ("**ROU**") assets for impairment whenever events or changes in circumstances indicate the carrying value of the asset may not be recoverable.

- ***Other income.*** Other income primarily consists of government grants and additional input VAT deductions.

Non-operating Income and Expenses

- ***Interest income.*** Interest income primarily consists of interest received on cash deposited in bank accounts and received from short-term investment.

- ***Interest expenses.*** Interest expenses primarily consist of interests in relation to our bank borrowings and promissory notes.

- ***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.

- ***Loss of debt extinguishment.*** Loss of debt extinguishment represents the extinguishment loss of financial liabilities under extinguishment accounting.

- ***Changes in fair value of convertible notes.*** Changes in fair value of convertible notes are the fair value changes of convertible notes measured at fair value, excluding impact of instrument-specific credit risk.

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 and PLKC HK International Limited are 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, 2023, 2024 and 2025.

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.

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 with PRC law.

Results of Operations

Comparison of the Years ended December 31, 2024 and 2025

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

	For the year ended December 31,				
	2024		2025		
	(in thousands, except for %)				
	RMB	%	RMB	US$	%
Revenues:					
Company owned and operated stores	1,188,293	85.4%	1,068,169	152,747	81.2%
Other revenues	202,865	14.6%	248,027	35,467	18.8%
Total revenues:	**1,391,158**	100.0%	**1,316,196**	**188,214**	**100.0%**
Costs and expenses, net:					
Company owned and operated stores					
Food and packaging	374,086	26.9%	321,948	46,038	24.5%
Store rental expenses	241,425	17.4%	220,885	31,586	16.8%

Payroll and employee benefits	231,542	16.6%	199,342	28,506	15.1%
Delivery costs	119,171	8.6%	130,649	18,682	9.9%
Other operating expenses	95,036	6.8%	84,317	12,057	6.4%
Store depreciation and amortization	129,614	9.3%	107,930	15,434	8.2%
Company owned and operated store costs and expenses	**1,190,874**	**85.6%**	**1,065,071**	**152,303**	**80.9%**
Costs of other revenues	153,612	11.0%	171,326	24,499	13.0%
Marketing expenses	64,849	4.7%	63,457	9,074	4.8%
General and administrative expenses	210,323	15.1%	204,341	29,222	15.5%
Franchise and royalty expenses	57,761	4.2%	62,736	8,971	4.8%
Other operating costs and expenses	10,794	0.8%	3,283	469	0.2%
Loss on disposal of property and equipment	4,147	0.3%	6,470	925	0.5%
Impairment losses of long-lived assets	56,287	4.0%	60,320	8,626	4.6%
Other income	8,408	0.6%	3,455	494	0.3%
Total costs and expenses, net	**1,740,239**	**125.1%**	**1,633,549**	**233,595**	**124.1%**
Operating loss from continuing operations	**(349,081)**	**(25.1)%**	**(317,353)**	**(45,381)**	**(24.1)%**
Interest income	3,203	0.2%	3,528	504	0.3%
Interest expenses	(22,448)	(1.6)%	(16,679)	(2,385)	(1.3)%
Foreign currency transaction gain/(loss)	3,484	0.3%	(1,120)	(159)	(0.1)%
Loss of the debt extinguishment	(10,657)	(0.8)%	(73,078)	(10,736)	(5.7)%
Changes in fair value of Deferred Contingent consideration	(16,941)	(1.2)%	-	-	-
Changes in fair value of convertible notes	(65,874)	(4.7)%	(30,627)	(4,094)	(2.2)%
Loss from continuing operations before income taxes	**(458,314)**	**(32.9)%**	**(435,329)**	**(62,251)**	**(33.1)%**
Income tax expenses	(2,115)	(0.2)%	(484)	(69)	0.0%
Net loss from continuing operations	**(460,429)**	**(33.1)%**	**(435,813)**	**(62,320)**	**(33.1)%**
Discontinued operations:					
Net income from discontinued operations	51,444	3.7%	-	-	-
Net loss	**(408,985)**	**(29.4)%**	**(435,813)**	**(62,320)**	**(33.1)%**

Revenues

Our revenues decreased by 5.4% from RMB1,391.2 million in 2024 to RMB1,316.2 million (US$188.2 million) in 2025, primarily as a result of closures of certain under-performing company owned and operated stores.

- ***Company owned and operated stores.*** Revenue from company owned and operated stores represents revenue from sales of food, beverage and packaged products to customers by company owned and operated stores, inclusive of delivery-generated revenue. Our revenues from company owned and operated stores were RMB1,068.2 million (US$152.7 million) in 2025, representing 81.2% of our total revenues, compared to RMB1,188.3 million in 2024, or 85.4% of our total revenues. The decrease of our revenues from company owned and operated stores was primarily driven by a decrease in the number of company owned and operated stores from 576 as of December 31, 2024 to 562 as of December 31 2025, and a decrease in same-store sales for company owned and operated stores of 2.0% in

2025.

The decrease was also attributable to a 5.2% decrease in the number of orders from 42.1 million in 2024 to 39.9 million in 2025, and a 5.3% decrease in average ticket size from RMB28.22 in 2024 to RMB26.73 in 2025.

- ***Other Revenues.*** Our other revenue increased by 22.3% from RMB202.9 million in 2024 to RMB248.0 million (US$35.5 million) in 2025, primarily due to the expansion of our franchise business as the number of our franchised stores increased from 446 as of December 31, 2024 to 485 as of December 31, 2025.

Company-Operated Store Costs and Expenses

Our company owned and operated store costs and expenses were RMB1,065.1 million (US$152.3 million) in 2025, compared to RMB1,190.9 million in 2024. The decrease was primarily due to: (i) a decrease in costs and expenses related to food and packaging from RMB374.1 million in 2024 to RMB321.9 million in 2025, in line with our revenue growth and store network reduction; (ii) a decrease in rental expenses from RMB241.4 million in 2024 to RMB220.9 million in 2025, in line with closure of our stores; (iii) an increase in delivery costs from RMB119.2 million in 2024 to RMB130.6 million in 2025, in line with the significant increase in delivery orders; (iv) a decrease in payroll and employee benefits from RMB231.5 million in 2024 to RMB 199.3 million in 2025, primarily due to decreased headcount of our store operations; (v) a decrease in other operating expenses from RMB95.0 million in 2024 to RMB 84.3 million in 2025, as a result of the net decreased in the number of company owned and operated stores in 2025; and (vi) a decrease in store depreciation and amortization expenses from RMB129.6 million in 2024 to RMB107.9 million in 2025, in line with our store network closure. Our company owned and operated store costs and expenses as a percentage of our revenue generated from company owned and operated stores decreased from 100.2% in 2024 to 99.7% in 2025, primarily due to our continuous efforts to optimize our cost structure and drive operating leverage through revenue growth and store network expansion.

The following tables set forth the breakdowns of the line items included in our company-operated store costs and expenses.

Food and packaging:

	Year Ended December 31,			
	2025	**2024**	**2025 vs 2024**	
	(in thousands of RMB, except for percentages and bps)			
Food and packaging	321,948	374,086	(52,138)	(13.9)%
As a percentage of company-owned store revenues	30.1%	31.5%	N/A	(134)bps[(1)]

The food and packaging costs impacts for the year-over-year comparison, in thousands of RMB and basis points (as a percentage of current year company-owned store revenues), were driven by the following:

	in thousands of RMB
Ingredient costs	(47,403)
Freight	(4,735)
Total Change	**(52,138)**

Store rental expenses:

	Year Ended December 31,		
2025	**2024**	**2025 vs 2024**	

	(in thousands of RMB, except for percentages and bps)			
Store rental expenses	220,885	241,425	(20,540)	(8.5)%
As a percentage of company-owned store revenues	20.7	20.3%	N/A	36bps[1]

The store rental expenses impacts for the year-over-year comparison, in thousands of RMB and basis points (as a percentage of current year company-owned store revenues), were driven by the following:

	in thousands of RMB
Store days[2]	(13,218)
Pricing impacts[3]	(7,322)
Total Change	**(20,540)**

Payroll and employee benefits:

	Year Ended December 31,			
	2025	2024	2025 vs 2024	
	(in thousands of RMB, except for percentages and bps)			
Payroll and employee benefits	199,342	231,542	(32,200)	(13.9)%
As a percentage of company-owned store revenues	18.7%	19.5%	N/A	(82)bps[1]

The payroll and employee benefits impacts for the year-over-year comparison, in thousands of RMB and basis points (as a percentage of current year company-owned store revenues), were driven by the following:

	in thousands of RMB
Full-time store employees	(25,721)
Part-time store employees	(6,479)
Total Change	**(32,200)**

Delivery costs:

	Year Ended December 31,			
	2025	2024	2025 vs 2024	
	(in thousands of RMB, except for percentages and bps)			
Delivery costs	130,649	119,171	11,478	9.6%
As a percentage of company-owned store revenues	12.2%	10.0%	N/A	220bps[1]

The delivery costs impacts for the year-over-year comparison, in thousands of RMB and basis points (as a percentage of current year company-owned store revenues), were driven by the following:

	in thousands of RMB
Number of delivery orders	6,608
Pricing impacts	4,870
Total Change	**11,478**

Other operating expenses:

	Year Ended December 31,		
2024	2023	2024 vs 2023	
(in thousands of RMB, except for percentages and bps)			

Other operating expenses	84,317	95,036	(10,719)	(11.3)%
As a percentage of company-owned store revenues	7.9%	8.0%	N/A	(10)bps[(1)]

The other operating expenses impacts for the year-over-year comparison, in thousands of RMB and basis points (as a percentage of current year company-owned store revenues), were driven by the following:

	in thousands of RMB
Utilities	(3,286)
Operating material	(1,159)
Maintenance costs	487
Others	(6,761)
Total Change	**(10,719)**

Store depreciation and amortization:

	Year Ended December 31,			
	2025	**2024**	**2025 vs 2024**	
	(in thousands of RMB, except for percentages and bps)			
Store depreciation and amortization	107,930	129,614	(21,684)	(16.7)%
As a percentage of company-owned store revenues	10.1%	10.9%	N/A	(80)bps[(1)]

The decrease in store depreciation and amortization was primarily driven by the net closure of 14 company owned and operated stores and less depreciation due to impairment recognized during 2025.

Notes:

(1) Basis points which are used to express differences in rates. One basis point is the equivalent of 1/100 of one percent.

(2) Store days represent cumulative store operating days during the specific period.

(3) Pricing impacts were mostly because of decreased rental rate as a result of market price changes and certain rent concessions that we received during 2025.

Cost of Other Revenues

Our costs of other revenues increased by 11.5% from RMB153.6 million in 2024 to RMB171.3 million (US$24.5 million) in 2025, primarily due to an increase in the number of franchise stores.

Marketing Expenses

Our marketing expenses remained relatively stable year-over-year, decreasing slightly from RMB64.8 million in 2024 to RMB63.5 million (US$9.1 million) in 2025. As a percentage of total revenues, marketing expenses also saw a marginal increase from 4.7% in 2024 to 4.8% in 2025.

General and Administrative Expenses

Our general and administrative expenses decreased by 2.8% from RMB210.3 million

in 2024 to RMB204.3 million (US$ 29.2 million) in 2025, primarily due to: (i) improved collection of accounts receivable resulting in a decrease in credit losses and (ii) decreased travelling and meeting cost as a result of enhanced operational efficiency in business travel and meetings. Our general and administrative expenses as a percentage of our total revenues remained relatively stable at approximately 15.1% in 2024 and 15.5% in 2025.

	Year Ended December 31,			
	2025	2024	2025 vs 2024	
	(in thousands of RMB, except for percentages and bps)			
General and administrative expenses	204,341	210,323	(5,982)	(2.8)%
As a percentage of total revenues	15.5%	15.1%	N/A	40bps[(1)]

Our general and administrative expenses decreased in 2025, primarily due to:

- RMB4.9 million decrease in credit loss of account receivables;
- RMB3.3 million decrease in travelling and meeting cost;
- RMB2.6 million decrease in payroll and employee benefits; offset by
- RMB6.3 million increase in professional and other service fee related to our financing programs.

Notes

(1) Basis points which are used to express differences in rates. One basis point is the equivalent of 1/100 of one percent.

Franchise and Royalty Expenses

Our franchise and royalty expenses increased by 8.6% from RMB57.8 million in 2024 to RMB62.7 million (US$9.0 million) in 2025, primarily due to an increase in the number of franchise stores.

Other Operating Costs and Expenses

Our other operating costs and expenses were RMB3.3 million (US$0.5 million) in 2025, compared to RMB10.8 million in 2024. The decrease was primarily due to higher store closure-related expenses in 2024 that were lower in 2025.

Loss on Disposal of Property and Equipment

We incurred loss on disposal of property and equipment of RMB6.5 million (US$0.9 million) in 2025, primarily due to disposal of certain scraped kitchen equipment, store leasehold improvements and furniture.

Impairment Losses of Long-lived Assets

We incurred impairment losses of long-lived assets of RMB60.3 million (US$8.6 million) in 2025 as a result of the closure of certain company owned and operated stores in 2025 and closure plan in 2026 or whenever events or changes in circumstances indicate the carrying value of the assets may not be recoverable.

Other Income

We received other income of RMB3.4 million (US$0.5 million) in 2025, consisting primarily of unconditional government grants.

Interest Income

Our interest income increased slightly from RMB3.2 million in 2024 to RMB3.5 million (US$0.5 million) in 2025, primarily due to improved efficiency in cash management.

Interest Expenses

Our interest expenses decreased from RMB22.4 million in 2024 to RMB16.7 million (US$2.4 million) in 2025, which was primarily due to the accrual of interest expenses related to promissory notes in 2024, which did not recur in 2025..

Foreign Currency Transaction Loss

We recorded a net foreign exchange loss of RMB1.1 million (US$0.2 million) in 2025, as compared to a gain of RMB3.5 million in 2024, primarily due to the appreciation of the RMB against the US dollar during 2025, which resulted in exchange losses on our US dollar-denominated cash balances.

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

We recorded fair value of convertible notes of RMB30.6 million (US$4.1 million) in 2025, excluding the impact of instrument-specific credit risks.

Loss of the debt extinguishment

We recorded loss of the debt extinguishment of RMB73.1 million (US$10.7 million) in 2025, as we settled the Convertible Senior Note issued in 2021 and amend the term of Convertible Junior Note.

Changes in fair value of deferred contingent consideration

We recognized no change in the fair value of deferred contingent consideration in 2025, as relevant transactions has not occurred during the year.

Net income from discontinued operations

We recorded no net income or loss from discontinued operations in 2025, as the disposal of the related operation was completed in 2024 with no further impact in 2025.*Income tax expenses*

The statutory income tax rate for the Company's major operating entities is 25% for the years ended December 31, 2025 and 2024. The effective income tax rate of continuing operations for the years ended December 31, 2025 and 2024 was 0.11% and 0.46%, respectively. The effective income tax rate differs from the applicable statutory income tax rate, primarily due to the recognition of full valuation allowance for deferred income tax assets of loss-making entities.

Net Loss

As a result of the foregoing, our net loss was RMB409.0 million for the year ended

December 31, 2024 and RMB435.8 million (US$62.3 million) for the year ended December 31, 2025.

Comparison of the Years Ended December 31, 2023 and 2024

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

	Year ended December 31				
	2023		2024		
	(in thousands, except for %)				
	RMB	%	RMB	US$	%
Revenues					
Company owned and operated stores	1,389,641	89.1%	1,188,293	165,879	85.4%
Other revenues	170,365	10.9%	202,865	28,319	14.6%
Total revenues	**1,560,006**	**100%**	**1,391,158**	**194,198**	**100%**
Costs and expenses, net					
Company owned and operated stores					
Food and packaging	486,359	31.2%	374,086	52,220	26.9%
Store rental expenses	289,556	18.6%	241,425	33,702	17.4%
Payroll and employee benefits	304,545	19.5%	231,542	32,322	16.6%
Delivery costs	116,449	7.5%	119,171	16,636	8.6%
Other operating expenses	118,634	7.6%	95,036	13,267	6.8%
Store depreciation and amortization	138,735	8.9%	129,614	18,093	9.3%
Company owned and operated store costs and expenses	**1,454,278**	**93.2%**	**1,190,874**	**166,240**	**85.6%**
Costs of other revenues	149,692	9.6%	153,612	21,443	11.0%
Marketing expenses	96,679	6.2%	64,849	9,053	4.7%
General and administrative expenses	325,259	20.8%	210,323	29,360	15.1%
Franchise and royalty expenses	57,063	3.7%	57,761	8,063	4.2%
Other operating costs and expenses	28,872	1.9%	10,794	1,507	0.8%
Loss on disposal of property and equipment	16,404	1.1%	4,147	579	0.3%
Impairment losses of long-lived assets	111,427	7.1%	56,287	7,857	4.0%
Other income	(11,743)	(0.8)%	(8,408)	(1,174)	(0.6)%
Total costs and expenses, net	**2,227,931**	**142.8%**	**1,740,239**	**242,928**	**125.1%**
Operating loss from continuing operations	**(667,925)**	**(42.8)%**	**(349,081)**	**(48,730)**	**(25.1)%**
Interest income	14,183	0.9%	3,203	447	0.2%
Interest expenses	(20,420)	(1.3)%	(22,448)	(3,134)	(1.6)%
Foreign currency transaction gain / (loss)	(16,772)	(1.1)%	3,484	486	0.3%
Loss of the debt extinguishment	-	-	(10,657)	(1,488)	(0.8)%
Changes in fair value of Deferred Contingent consideration	(26,106)	(1.7)%	(16,941)	(2,365)	(1.2)%
Changes in fair value of convertible notes	(58,281)	(3.7)%	(65,874)	(9,196)	(4.7)%
Changes in fair value of warrant liabilities	(83,966)	(5.4)%	0	0	0.0%
Changes in fair value of ESA derivative liabilities	19,654	1.3%	0	0	0.0%

	Year ended December 31				
	2023		2024		
	(in thousands, except for %)				
	RMB	%	RMB	US$	%
Loss from continuing operations	**(839,633)**	**(53.8)%**	**(458,314)**	**(63,978)**	**(32.9)%**

before income taxes.....					
Income tax expenses	(97)	(0.0)%	(2,115)	(295)	(0.2)%
Net loss from continuing operations	**(839,730)**	**(53.8)%**	**(460,429)**	**(64,273)**	**(33.1)%**
Discontinued operation:					
Net income (loss) from discontinued operations.....	(33,196)	(2.1)%	51,444	7,181.3	3.7%
Net loss	**(872,926)**	**(56.0)%**	**(408,985)**	**(57,092)**	**(29.4)%**

Revenues

Our revenues decreased by 10.8% from RMB1,560.0 million in 2023 to RMB1,391.2 million (US$194.2 million) in 2024, primarily as a result of closures of certain underperforming company owned and operated stores.

- ***Company owned and operated stores.*** Revenue from company owned and operated stores represents revenue from sales of food, beverage and packaged products to customers by company owned and operated stores, inclusive of delivery-generated revenue. Our revenues from company owned and operated stores were RMB1,188.3 million (US$165.9 million) in 2024, representing 85.4% of our total revenues, compared to RMB1,389.6 million in 2023, or 89.1% of our total revenues. The decrease of our revenues from company owned and operated stores was primarily driven by a decrease in the number of company owned and operated stores from 619 as of December 31, 2023 to 576 as of December 31, 2024, and a decrease in same-store sales for company owned and operated stores of 14.6% in 2024.

  The decrease was also attributable to an 11.0% decrease in number of orders from 47.3 million in 2023 to 42.1 million in 2024, and a 3.9% decrease in average ticket size from RMB29.36 in 2023 to RMB28.22 in 2024.

- ***Other Revenues.*** Our other revenue increased by 19.1% from RMB170.4 million in 2023 to RMB202.9 million (US$28.3 million) in 2024, primarily due to the expansion of our franchise business as the number of our franchised stores increased from 283 as of December 31, 2023 to 446 as of December 31, 2024.

Company-Operated Store Costs and Expenses

Our company owned and operated store costs and expenses were RMB1,190.9 million (US$166.2 million) in 2024, compared to RMB1,454.3 million in 2023. The decrease was primarily due to: (i) a decrease in costs and expenses related to food and packaging from RMB486.4 million in 2023 to RMB374.1 million in 2024, in line with our revenue growth and store network reduction; (ii) a decrease in rental expenses from RMB289.6 million in 2023 to RMB241.4 million in 2024, in line with closure of our stores; (iii) an increase in delivery costs from RMB116.4 million in 2023 to RMB119.2 million in 2024, in line with the significant increase in delivery orders; (iv) a decrease in payroll and employee benefits from RMB304.5 million in 2023 to RMB231.5 million in 2024, primarily due to decreased headcount of our store operations; (v) a decrease in other operating expenses from RMB118.6 million in 2023 to RMB95.0 million in 2024, as a result of the net decreased in the number of company owned and operated stores in 2024; and (vi) a decrease in store depreciation and amortization expenses from RMB138.7 million in 2023 to RMB129.6 million in 2024, in line with our store network

closure. Our company owned and operated store costs and expenses as a percentage of our revenue generated from company owned and operated stores decreased from 104.7% in 2023 to 100.2% in 2024, primarily due to our continuous efforts to optimize our cost structure and drive operating leverage through revenue growth and store network expansion.

The following tables set forth the breakdowns of the line items included in our company-operated store costs and expenses.

Food and packaging:

	Year Ended December 31,			
	2024	2023	2024 vs 2023	
	(in thousands of RMB, except for percentages and bps)			
Food and packaging	374,086	486,359	(112,273)	(23.1)%
As a percentage of company-owned store revenues	31.5%	35.0%	N/A	(352)bps[(1)]

The food and packaging costs impacts for the year-over-year comparison, in thousands of RMB and basis points (as a percentage of current year company-owned store revenues), were driven by the following:

	in thousands of RMB
Ingredient costs	(99,620)
Freight	(12,653)
Total Change	**(112,273)**

Store rental expenses:

	Year Ended December 31,			
	2024	2023	2024 vs 2023	
	(in thousands of RMB, except for percentages and bps)			
Store rental expenses	241,425	289,556	(48,131)	(16.6)%
As a percentage of company-owned store revenues	20.3%	20.8%	N/A	(52)bps[(1)]

The store rental expenses impacts for the year-over-year comparison, in thousands of RMB and basis points (as a percentage of current year company-owned store revenues), were driven by the following:

	in thousands of RMB
Store days[(2)]	6,437
Pricing impacts[(3)]	(54,568)
Total Change	**(48,131)**

Payroll and employee benefits:

	Year Ended December 31,			
	2024	2023	2024 vs 2023	
	(in thousands of RMB, except for percentages and bps)			
Payroll and employee benefits	231,542	304,545	(73,003)	(24.0)%
As a percentage of company-owned store revenues	19.5%	21.9%	N/A	(243)bps[(1)]

The payroll and employee benefits impacts for the year-over-year comparison, in thousands of RMB and basis points (as a percentage of current year company-owned store revenues), were driven by the following:

	in thousands of RMB
Full-time store employees	(64,595)
Part-time store employees	(8,408)
Total Change	**(73,003)**

Delivery costs:

	Year Ended December 31,			
	2024	**2023**	**2024 vs 2023**	
	(in thousands of RMB, except for percentages and bps)			
Delivery costs	119,171	116,449	2,722	(2.3)%
As a percentage of company-owned store revenues	10.0%	8.4%	N/A	165bps[(1)]

The delivery costs impacts for the year-over-year comparison, in thousands of RMB and basis points (as a percentage of current year company-owned store revenues), were driven by the following:

	in thousands of RMB
Number of delivery orders	33,982
Pricing impacts	(31,260)
Total Change	**2,722**

Other operating expenses:

	Year Ended December 31,			
	2024	**2023**	**2024 vs 2023**	
	(in thousands of RMB, except for percentages and bps)			
Other operating expenses	95,036	118,634	(23,598)	(19.9)%
As a percentage of company-owned store revenues	8.0%	8.5%	N/A	(54)bps[(1)]

The other operating expenses impacts for the year-over-year comparison, in thousands of RMB and basis points (as a percentage of current year company-owned store revenues), were driven by the following:

	in thousands of RMB
Utilities	(6,420)
Operating material	(11,892)
Maintenance costs	(3,358)
Others	(1,928)
Total Change	**(23,598)**

Store depreciation and amortization:

	Year Ended December 31,			
	2024	**2023**	**2024 vs 2023**	
	(in thousands of RMB, except for percentages and bps)			
Store depreciation and amortization	129,614	138,735	(9,121)	(6.6)%
As a percentage of company-owned store revenues	10.9%	10.0%	N/A	(92)bps[(1)]

The decrease in store depreciation and amortization was primarily driven by the net closure of 43 company owned and operated stores and less depreciation due to impairment recognized during 2024.

Notes

(4) Basis points which are used to express differences in rates. One basis point is the equivalent of 1/100 of one percent.

(5) Store days represent cumulative store operating days during the specific period.

(6) Pricing impacts were mostly because of decreased rental rate as a result of market price changes and certain rent concessions that we received during 2024.

Cost of Other Revenues

Our cost of other revenues increased by 2.6% from RMB149.7 million in 2023 to RMB153.6 million (US$21.4 million) in 2024, as a result of an increase in the number of franchised stores from 283 as of December 31, 2023 to 446 as of December 31, 2024.

Marketing Expenses

Our marketing expenses decreased from RMB96.7 million in 2023 to RMB64.8 million (US$9.1 million) in 2024, as a result of the slowdown in the pace of company owned and operated store openings. Our marketing expenses as a percentage of our total revenues decreased from 6.2% in 2023 to 4.7% in 2024, driven by cost optimization measures and higher brand influence.

General and Administrative Expenses

Our general and administrative expenses decreased by 35.3% from RMB325.3 million in 2023 to RMB210.3 million (US$29.4 million) in 2024, primarily due to: (i) decreased payroll and employee benefits as a result of cutting down headcount annually and (ii) a decrease of Share-based Compensation related to Restricted Share Units granted on June 5, 2023. Our general and administrative expenses as a percentage of our total revenues decreased from 20.8% in 2023 to 15.1% in 2024 as a result of improved efficiency of our administrative staff and achieved economies of scale as our business grew.

	Year Ended December 31,			
	2024	**2023**	**2024 vs 2023**	
	(in thousands of RMB, except for percentages and bps)			
General and administrative expenses	210,323	325,259	(114,936)	(35.3)%
As a percentage of total revenues	15.1%	20.8%	N/A	(583)bps[(1)]

Our general and administrative expenses decreased by 35.3% from RMB325.3 million in 2023 to RMB210.3 million (US$28.8 million) in 2024, primarily due to:

- RMB25.7 million decrease in payroll and employee benefits as a result of declining headquarter headcount from 483 at end of December 2023 to 356 at end of December 2024;
- RMB65.0 million decrease in share-based compensation expenses;
- RMB26.3 million decrease of professional fees related to our financing programs; offset by
- RMB10.7 million increase in depreciation and amortization expenses, and

- RMB6.1 million increase in credit loss of account receivables.

Notes

(2) Basis points which are used to express differences in rates. One basis point is the equivalent of 1/100 of one percent.

Franchise and Royalty Expenses

Our franchise and royalty expenses increased by 1.2% from RMB57.1 million in 2023 to RMB57.8 million (US$8.1 million) in 2024, primarily due to the increase number of franchise store partially off-set by the closure of the company owned store.

Other Operating Costs and Expenses

Our other operating costs and expenses were RMB10.8 million (US$1.5 million) in 2024, compared to RMB28.9 million in 2023. The decrease was primarily due to the closure of unprofitable stores.

Loss on Disposal of Property and Equipment

We incurred loss on disposal of property and equipment of RMB4.1 million (US$0.6 million) in 2024 primarily due to disposal of certain scraped kitchen equipment, store leasehold improvements and furniture in 2024.

Impairment Losses of Long-lived Assets

We incurred impairment losses of long-lived assets of RMB56.3 million (US$7.9 million) in 2024 as a result of the closure of certain company owned and operated stores in 2024 and closure plan in 2025 or whenever events or changes in circumstances indicate the carrying value of the assets may not be recoverable.

Other Income

We received other income of RMB8.4 million (US$1.2 million) in 2024 which primary consisted of RMB6.7 million resulted from unconditional government grant.

Interest Income

Our interest income decreased significantly from RMB14.2 million in 2023 to RMB3.2 million (US$0.4 million) in 2024, which primarily reflected a decrease in the interest generated from the collateral account of the ESA program in 2023 and a decrease of USD denominated deposits compared to 2023.

Interest Expenses

Our interest expenses increased from RMB20.4 million in 2023 to RMB22.4 million (US$3.1 million) in 2024, which was primarily due to interests incurred in relation to the promissory notes issued in March 2024.

Foreign Currency Transaction loss

We recorded a net foreign exchange gain of RMB3.5 million (US$0.5 million) in 2024, compared to a loss of RMB16.8 million in 2023. The improvement in net foreign exchange loss was primarily due to the reduction of the depreciation of RMB to USD with respect to the

purchase of coffee beans.

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

We recorded an increase in fair value of convertible notes of RMB65.9 million (US$9.2 million) in 2024, excluding the impact of instrument-specific credit risks.

Loss of the debt extinguishment

We recorded loss of the debt extinguishment of RMB10.7 million (US$1.5 million) in 2024, as we settled the deferred contingent consideration through the Popeyes Disposal transaction in June 2024 and settlement of outstanding principal and interest of Promissory Notes by issuance of the convertible notes.

Changes in fair value of deferred contingent consideration

We recorded an increase in fair value of deferred contingent consideration of RMB16.9 million (US$2.4 million) in 2024.

Net income (loss) from discontinued operations

We recognized disposal of Popeyes business RMB70.7 million (US$9.9 million) in 2024 due to Popeyes Disposal on June 28, 2024 transactions and operation losses on Popeyes business.

Net Loss

As a result of the foregoing, our net loss was RMB872.9 million for the year ended December 31, 2023 and RMB409.0 million (US$57.1 million) for the year ended December 31, 2024.

Non-GAAP Financial Measures

We use non-GAAP financial measures, namely adjusted company owned and operated store contribution, adjusted company owned and operated store contribution margin, adjusted general and administrative expenses, adjusted corporate EBITDA, adjusted corporate EBITDA margin, adjusted net loss, adjusted net loss margin, and adjusted basic and diluted net loss per ordinary share in evaluating our operating results and for financial and operational decision-making purposes. We define (i) adjusted company owned and operated store contribution as fully-burdened gross profit of company owned and operated stores excluding depreciation and amortization, and store pre-opening expenses; (ii) adjusted company owned and operated store contribution margin as adjusted company owned and operated store contribution as a percentage of revenues from company owned and operated stores; (iii) adjusted general and administrative expenses as general and administrative expenses excluding share-based compensation expenses (including equity settlement and cash settlement), professional fees related to warrant exchange and other financing programs, impairment losses of rental deposits, commission fee for Cantor shares, option granted by controlling shareholder to CB holder and offering costs for ESA transactions; (iv) adjusted corporate EBITDA as operating loss excluding depreciation and amortization, share-based compensation expenses, commission fee for Cantor shares, impairment losses of rental deposits, one-off expense of store closure, professional fees related to warrant exchange and other financing programs, option granted by controlling shareholder to CB holder, offering costs for ESA transactions, impairment losses of long-lived assets and loss on disposal of property and equipment; (v) adjusted corporate

EBITDA margin as adjusted corporate EBITDA as a percentage of total revenues; (vi) adjusted net loss as net loss excluding share-based compensation expenses, professional fees relating to warrant exchange and other financing programs, commission fee for Cantor shares, option granted by controlling shareholder to CB holder, offering costs for ESA transactions, impairment losses of long-lived assets, impairment losses of rental deposits, one-off expense of store closure, loss on disposal of property and equipment, changes in fair value of deferred contingent consideration, changes in fair value of convertible bonds, changes in fair value of warrant liabilities, changes in fair value of ESA derivatives liabilities; (vii) adjusted net loss margin as adjusted net loss as a percentage of total revenues; (viii) adjusted basic and diluted net loss per ordinary share as adjusted net loss from continuing operations attributable to shareholders of the Company divided by weighted average number of basic and diluted ordinary share. We believe adjusted company owned and operated store contribution, adjusted company owned and operated store contribution margin, adjusted general and administrative expenses, adjusted corporate EBITDA, adjusted corporate EBITDA margin, adjusted net loss, adjusted net loss margin, and adjusted basic and diluted net loss per ordinary share enhance investors' overall understanding of our financial performance and allow for greater visibility with respect to key metrics used by the management in our financial and operational decision-making.

These non-GAAP financial measures are not defined under U.S. GAAP and are not presented in accordance with U.S. GAAP. As these non-GAAP financial measures have limitations as analytical tools and may not be calculated in the same manner by all companies, they may not be comparable to other similarly titled measures used by other companies. We compensate for these limitations by reconciling the non-GAAP financial measures to the nearest U.S. GAAP performance measures, which should be considered when evaluating our performance. For reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures, please see the tables set out below. We encourage investors and others to review our financial information in the entirety and not rely on any single financial measure.

A. Adjusted company owned and operated store contribution and adjusted company owned and operated store contribution margin

	For the year ended December 31,				
	2024		2025		
	RMB	% of Revenues - company owned and operated stores	RMB	US$	% of Revenues - company owned and operated stores
	(in thousands of RMB and US$)				
Revenues - company owned and operated stores	1,188,293	100.0	1,068,169	152,747	100.0
Food and packaging costs - company owned and operated stores	(374,086)	(31.5)	(321,948)	(46,038)	(30.1)
Store rental expenses - company owned and operated stores	(241,425)	(20.3)	(220,885)	(31,586)	(20.7)
Payroll and employee benefits - company owned and operated stores	(231,542)	(19.5)	(199,342)	(28,506)	(18.7)
Delivery costs - company owned and operated stores	(119,171)	(10.0)	(130,649)	(18,682)	(12.2)
Other operating expenses - company owned and operated stores	(95,036)	(8.0)	(84,317)	(12,057)	(7.9)
Store depreciation and amortization	(129,614)	(10.9)	(107,930)	(15,434)	(10.1)
Franchise and royalty expenses - company owned and operated stores	(39,420)	(3.3)	(35,748)	(5,112)	(3.4)
Fully-burdened gross loss - company owned and operated stores	**(42,001)**	**(3.5)**	**(32,650)**	**(4,668)**	**(3.1)**

Store depreciation and amortization [1] ……	129,614	10.9	107,930	15,434	10.1
Adjusted company owned and operated store contribution……	**87,613**	**7.4**	**75,280**	**10,766**	**7.0**
Adjusted company owned and operated store contribution margin……		**7.4**			**7.0**

B. Adjusted general and administrative expenses

	For the year ended December 31,				
	2024		2025		
	RMB	% of Total Revenues	RMB	US$	% of Total Revenues
	(in thousands of RMB and US$)				
General and administrative expenses…	**(210,323)**	**(15.2)**	**(204,341)**	**(29,222)**	**(15.5)**
Adjusted for:					
Share-based compensation expenses…..	519	-	2,827	404	0.2
Professional fees related to financing programs……..……..……..…	10,464	0.8	16,239	2,322	1.2
Impairment losses of rental deposits …..	2,457	0.2	7,615	1,089	0.6
Adjusted General and administrative expenses……...	**(196,883)**	**(14.2)**	**(177,660)**	**(25,407)**	**(13.5)**

C. Adjusted corporate EBITDA and adjusted corporate EBITDA margin

	For the year ended December 31,				
	2024		2025		
	RMB	% of Total Revenues	RMB	US$	% of Total Revenues
	(in thousands of RMB and US$)				
Operating loss from continuing operations	**(349,081)**	**(25.10)**	**(317,353)**	**(45,381)**	**(24.1)**
Adjusted for:					
Depreciation and amortization [2]……...	167,721	12.1	146,412	20,937	11.1
Share-based compensation expenses…..	519	0.0	2,829	405	0.2
Impairment losses of rental deposits…..	2,457	0.2	7,615	1,089	0.6
One-off expense of store closure……...	11,090	0.8	-	-	-
Professional fees related to financing programs…….……..……	10,464	0.8	16,239	2,322	1.2
Impairment losses of long-lived assets…	56,287	4.0	60,320	8,626	4.6
Loss on disposal of property and equipment…….……..……	4,147	0.3	6,470	925	0.5
Adjusted corporate EBITDA…….	**(96,396)**	**(6.9)**	**(77,468)**	**(11,077)**	**(5.9)**
Adjusted corporate EBITDA margin…		**(6.9)**			**(5.9)**

D. Adjusted net loss and adjusted net loss margin

	For the year ended December 31,				
	2024		2025		
	RMB	% of Total Revenues	RMB	US$	% of Total Revenues
	(in thousands of RMB and US$)				
Net loss from continuing operations	**(460,429)**	**(33.1)**	**(435,813)**	**(62,320)**	**(33.1)**
Adjusted for:					
Share-based compensation expenses …	519	-	2,829	405	0.2
Professional fees related to financing programs……	10,464	0.8	16,239	2,322	1.2

Impairment losses of long-lived assets…	56,287	4.0	60,320	8,626	4.6
Impairment losses of rental deposits……	2,457	0.2	7,615	1,089	0.6
One-off expense of store closure…….	11,090	0.8	-	-	-
Loss on disposal of property and equipment…..……	4,147	0.3	6,470	925	0.5
Loss of the debt extinguishment……	10,657	0.8	73,078	10,450	5.6
Changes in fair value of deferred contingent consideration……	16,941	1.2	-	-	-
Changes in fair value of convertible notes……	65,874	4.7	30,627	4,380	2.3
Adjusted net loss…….	**(281,993)**	**(20.3)**	**(238,635)**	**(34,123)**	**(18.1)**
Adjusted net loss margin……		**(20.3)**			**(18.1)**

E. Adjusted basic and diluted net loss per Ordinary Share

	For the year ended December 31,				
	2024		2025		
		Unadjusted and adjusted basic and diluted loss per Ordinary Share			Unadjusted and adjusted basic and diluted loss per Ordinary Share
	RMB	RMB	RMB	US$	RMB
	(in thousands of RMB and US$)				
Net loss attributable to shareholders of the Company	(412,081)	(12.70)	(434,490)	(62,131)	(1.91)
Add:					
Net income/(loss) from discontinuing operations attributable to shareholders of the Company……	51,444	1.59	-	-	-
Net loss from continuing operations attributable to shareholders of the Company……..	(463,525)	(14.29)	(434,490)	(62,131)	(1.90)
Adjusted for:					
Share-based compensation expenses……	519	0.02	2,829	405	0.01
Professional fees related to financing programs……	10,464	0.32	16,239	2,322	0.07
Impairment losses of long-lived assets……	56,287	1.73	60,320	8,626	0.27
Impairment losses of rental deposits……	2,457	0.08	7,615	1,089	0.03
One-off expense of store closure……	11,090	0.34	-	-	-
Loss on disposal of property and equipment……	4,147	0.13	6,470	925	0.03
Loss of the debt extinguishment……	10,657	0.33	73,078	10,450	0.32
Changes in fair value of deferred contingent consideration……	16,941	0.52	-	-	-
Changes in fair value of convertible notes	65,874	2.03	30,627	4,380	0.13
Adjusted net loss attributable to shareholders of the Company……	**(285,089)**	**(8.79)**	**(237,312)**	**(33,934)**	**(1.04)**
Weighted average shares outstanding used in calculating basic and diluted loss per share….	32,444,772		32,519,377	32,519,377	-
Adjusted basic and diluted net loss per Ordinary Share……	**(8.79)**		**(7.30)**	**(1.04)**	

Notes:

(1) consists of company owned and operated store depreciation related to property, equipment and store renovations and amortization of the franchise right to use the Tim Hortons brand.

(2) consists of store depreciation and amortization (1) and headquarter depreciation and amortization related to property, equipment and store renovations and amortization of the franchise right to use the Tim Hortons brand.

Liquidity and Capital Resources

Cash Flows and Working Capital

Our capital expenditures are incurred primarily in connection with purchase of property and equipment. Our main source of liquidity is proceeds from bank borrowings and proceeds from equity, equity-linked financing and convertible notes, and cash derived from revenue generating activities. As of December 31, 2023, 2024 and 2025, our cash was RMB202.3 million, RMB184.2 million and RMB129,7 million (US$18.5 million), respectively, consisting of bank deposits. Our cash requirements may fluctuate based on the timing and extent of many factors such as those discussed above.

We have incurred loss since our inception. We incurred net losses of RMB435.8 million (US$62.3 million), RMB409.0 million, and RMB872.9 million for the years ended December 31, 2025, 2024 and 2023, respectively. In addition, for the year ended December 31, 2025, we recorded net cash used in operating activities in the amount of RMB12.7 million (US$1.8 million). We will require additional liquidity to continue our operations over the next 12 months.

We have concluded that substantial doubt exists about our ability to continue as a going concern. Historically, we had relied principally on proceeds from the issuance of ordinary shares, long-term convertible notes and bank borrowings to finance our operations and business expansion. We have evaluated plans to continue as a going concern which include, but are not limited to, (i) reducing discretionary capital and operating expenses (ii) obtaining additional facilities from banks and renewal of existing bank borrowings (iii) obtaining financial support from controlling shareholder and related parties (iv) exploring opportunities for further equity or equity-linked financing. Notwithstanding this, feasibility of some of these plans is contingent upon factors outside of our control and, as such, we concluded that substantial doubt about our ability to continue as a going concern has not been alleviated as of the reporting date. We may not be able to raise financing from third party sources on acceptable terms or at all. There remains substantial doubt about our ability to continue as a going concern for the next twelve months from the date the consolidated financial statements were issued. See "*Risk Factors — Risks Related to THIL's Business and Industry — We have concluded that substantial doubt exists about our ability to continue as a going concern, and will require additional capital to support our business, which might not be available in a timely manner or on commercially acceptable terms, if at all*" and "*Risk Factors — Risks Related to THIL's Business and Industry — We had negative net cash flows from operations in the past and have not been profitable, which may continue in the future*" in the Company's annual report on Form 20-F for the fiscal year ended December 31, 2025..

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, including servicing our convertible notes and other dollar-denominated debt obligations, or to fund our foreign creditors, 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 Supplemental Information Memorandum, our PRC Subsidiaries have been in accumulated loss and did not pay dividends to us. Further, if any of our PRC Subsidiaries incurs debt 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 "*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 offerings of our listed securities and adversely affect the value of your investment*" in the Company's annual report on Form 20-F for the fiscal year ended December 31, 2025.

Convertible Notes

On December 9, 2021, we and XXIIA entered into a Convertible Note Purchase Agreement with each of Sona and Sunrise. On December 10, 2021, we issued US$50 million in aggregate principal amount of Private Notes to Sona and Sunrise for a purchase price of 98% of the principal amount thereof. On December 30, 2021, we issued US$50 million in aggregate principal amount of Notes under the Indenture to Sona and Sunrise in exchange for the Private Notes, which were cancelled upon such exchange. The Notes will mature on December 10, 2026 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 PIK Interest. On June 10, 2022 and December 10, 2022, THIL paid PIK Interest in the amount of $2,250,000 and $2,351,250, respectively.

The Indenture contains covenants that, subject to significant exceptions, restrict the ability of THIL 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.

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. On December 2, 2025, we repurchased from holders the entire outstanding principal amount of the Notes due 2026 by applying certain of the cash proceeds from the issuance of the Convertible Senior

Secured Notes (as discussed below). The payment of such cash interest, repurchase price or redemption price lowered the amount of cash we have on hand and could restrict our ability to satisfy our liquidity requirements and ability to operate and expand our business. For more details on the related risks, see "*Risk Factors — Risks Related to THIL's Business and Industry — Our convertible notes or preferred shares may impact our financial results, result in the dilution of our shareholders, adversely affect our liquidity, create downward pressure on the price of our securities, and restrict our ability to raise additional capital or take advantage of future opportunities*" in the Company's annual report on Form 20-F for the fiscal year ended December 31, 2025.

In addition, on June 28, 2024, we entered into a securities purchase agreement with THRI, P3AHIV and PTAHXXIIA pursuant to which we issued:

- US$40.0 million of Series A Convertible Subordinated Notes due 2027 (the "Series A Convertible Notes"), consisting of US$20.0 million to THRI and US$10.0 million to each of P3AHIV and PTAHXXIIA. The Series A Convertible Notes are convertible into Series A-2 Convertible Preferred Shares (the "Series A-2 Convertible Preferred Shares") (1) at the option of the holder at any time after the later of (i) January 16, 2025 and (ii) the date that is six months following its issue date (i.e. June 28, 2024), and (2) mandatorily upon maturity or on the occurrence of certain change of control events, provided that the conversion requirements have been met. The Series A Convertible Notes were issued (i) to THRI in exchange for cash and the settlement of overdue accounts payables and (ii) to the Cartesian Investors in exchange for outstanding promissory notes issued in March 2024 with an outstanding principal amount of US$20 million (the "Cartesian Existing Notes").

- One (1) Series A-2 Convertible Preferred Share (which currently represents 0.2 of a Series A-2 Convertible Preferred Share as a result of the Company's reverse stock split) to THRI for US$99.99. Series A-2 Convertible Preferred Shares, which will also be issued upon conversion of the Series A Convertible Notes, are convertible into ordinary shares of the Company with par value of US$0.0000469793497033866 per share (as adjusted for share splits and combinations) (i) at the option of the holder at any time and (ii) automatically upon the earlier of certain change of control events or June 28, 2028, provided that the conversion requirements have been met.

- One (1) Class A-1 Special Voting Share(which currently represents 0.2 of a Series A-2 Convertible Preferred Share as a result of the Company's reverse stock split), in the name of THRI for the benefit of all holders of Series A Convertible Notes. The Class A-1 Special Voting Share is a non-economic share that has certain voting rights.

- Approximately US$15.7 million of Series A-1 Convertible Subordinated Notes (the "Series A-1 Convertible Notes") which are convertible into ordinary shares (1) at the option of the holder at any time after the later of (i) January 16, 2025 and (ii) the date that is six months following its issue date (i.e. June 28, 2024) and (2) mandatorily upon maturity or on the occurrence of certain change of control events, provided that the conversion requirements have been met. The Series A-1 Convertible Notes were issued to P3AHIV (i) in full satisfaction of all deferred contingent consideration due to P3AHIV under the share purchase agreement, dated as of March 30, 2023, among the

Company, PLK APAC Pte. Ltd., Popeyes China and P3AHIV and (ii) in satisfaction of the interest due under the Cartesian Existing Notes.

Furthermore, subject to the satisfaction of certain operational and financial conditions set forth in the securities purchase agreement, we agreed to issue US$5.0 million of Series A Convertible Notes no later than each of August 15, 2024 (the second tranche) and January 15, 2025 (the third tranche). On August 15, 2024, the Company issued the second tranche of Series A Convertible Notes in the principal amount of US$5.0 million to THRI. The third tranche of Series A Convertible Notes was not issued as the necessary closing conditions were not satisfied.

The Series A Convertible Notes and the Series A-1 Convertible Notes are collectively referred to as the "Convertible Notes."

Maturity. Interest Rates and Covenants. Concurrently with the issuance of the Convertible Senior Secured Notes due 2029 on December 2, 2025 (as discussed below), pursuant to the letter agreement dated December 2, 2025 among the Company, THRI and Cartesian Investors, the maturity date of Convertible Notes was extended to September 30, 2029. Each of the Convertible Notes bears interest at a per annum rate equal to the secured overnight financing rate as administered by the SOFR Administrator plus eight percent (8.00%) compounding continuously, which will be due and payable at the earlier of conversion or maturity, and shall be paid in kind in the form of additional Convertible Notes to their respective outstanding principal amount. The Convertible Notes also contain restrictions on payment of dividends or other distributions on, or repurchases or redemptions of, any shares of any class or series of equity securities which are ranked junior to the Convertible Notes and certain customary events of default.

Conversion Rates. Upon their issuances, each US$100 principal amount of Series A Convertible Notes would convert into one (1) Series A-2 Preferred Share and each Series A-2 Preferred Share would convert into 24.202 ordinary shares; and each US$100 of principal amount of Series A-1 Convertible Notes would convert directly into 24.202 ordinary shares. The aforesaid conversion rates for each Series A-2 Preferred Share and each US$100 of principal amount of Series A-1 Convertible Notes are based on 110% of the average of the volume weighted average closing price of the ordinary shares for the 5 trading days immediately prior to the initial closing date. The conversion rates are subject to adjustment for share splits and consolidations. Subsequently, concurrently with the issuance of the Convertible Senior Secured Notes due 2029 (as discussed below) on December 2, 2025, pursuant to the letter agreement dated December 2, 2025 and the amended and restated certificate of designation of Series A-2 Convertible Preferred Shares and Class A-1 Special Voting Share, the conversion rates of these notes were re-struck to match the conversion price of the Convertible Senior Secured Notes, such that each US$100 principal amount of Series A Convertible Notes converts into one (1) Series A-2 Preferred Share and each Series A-2 Preferred Share converts into 35.94 ordinary shares and each US$100 of principal amount of Series A-1 Convertible Notes converts directly into 35.94 ordinary shares.

Voting Rights. Each holder of outstanding Series A-2 Preferred Shares will have the right to exercise those number of votes as it would be entitled to vote on an "as converted basis". The one Class A-1 Special Voting Share is entitled to that number of votes equal to the aggregate number of votes which would be exercisable by the holders of outstanding Series A Convertible Notes upon the exchange of all outstanding Series A Convertible Notes (i.e., those that have not yet converted) into Series A-2 Preferred Shares. The holder of the Class A-1 Special Voting Share will vote such shares at the direction on the holders of the Series A Convertible Notes (based upon the number of votes represented by such Convertible Notes).

The Class A-1 Special Voting Share and the Series A-2 Preferred Shares voting together as a single class, will have the right to elect two directors until the aggregate voting power of the Class A-1 Special Voting Share and the Series A-2 Preferred Shares represent less than 11.1% of the total voting power of us and one director until the aggregate voting power of the Class A-1 Special Voting Share and the Series A-2 Preferred Shares represent less than 3.0% of the total voting power of us. In addition, the Class A-1 Special Voting Share and the outstanding Series A-2 Preferred Shares will vote, as a single class, with the ordinary shares on all other matters other than the election of the ordinary share directors.

The foregoing summary of the investments in us does not purport to be complete and is qualified in its entirety by reference to the securities purchase agreement along with form of Series A convertible subordinate note, form of Series A-1 convertible subordinated note, the letter agreement dated December 2, 2025 and the amended and restated certificate of designation of Series A-2 Convertible Preferred Shares and Class A-1 Special Voting Share, copies of which are filed as Exhibits 2.7, 4.34, 4.35, 4.36 and 4.40 of our annual report on Form 20-F for the fiscal year ended December 31, 2025, respectively, as well as the amended and restated certificate of designation of Series A-2 Convertible Preferred Shares and Class A-1 Special Voting Share (a copy of which is filed as Exhibit 4.1 to our Report on Form 6-K filed with the SEC on July 7, 2026), all of which are incorporated herein by reference.

On October 31, 2025, we entered into a convertible note purchase agreement with THRI, SONA Credit Fund and SONA Blue, pursuant to which we issued, on December 2, 2025, the Convertible Senior Secured Notes due September 2029 in an aggregate principal amount of approximately US$89.9 million. The Company used substantial part of the proceeds from the issuance of the Convertible Senior Secured Notes for the repurchase of all outstanding amount due under our Note due 2026. The Convertible Senior Secured Notes bear an interest rate at compounded SOFR plus 8.0% for the relevant interest period, which the Company may choose at its sole discretion to pay interest in kind in the form of additional notes to their outstanding principal amount. The Convertible Senior Secured Notes may be convertible directly into newly issued Ordinary Shares of the Company at a price of US$2.7822 per share, which is based on 110% of the volume-weighted average share price for the five trading days immediately prior to the signing of the transaction. The Convertible Senior Secured Notes are secured by a pledge of 100% of the shares of TH Hong Kong International Limited and an all-asset debenture of the Company. The issuance of Convertible Senior Secured Notes was completed on December 2, 2025. Copies of the convertible note purchase agreement dated October 31, 2025 and the indenture dated December 2, 2025 are filed as Exhibits 4.37 and 2.8 of our annual report on Form 20-F for the fiscal year ended December 31, 2025, respectively, which is incorporated herein by reference. See also "Recent Developments."

Equity Support Agreement

On March 8, 2022, we entered into an Equity Support Agreement with Shaolin Capital Management LLC, 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. On June 13, 2022, we, Shaolin Capital Management LLC, and U.S. Bank National Association entered into 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 July 28, 2022, we and the ESA Investors entered into Amendment No. 1 to Equity Support Agreement, pursuant to which we agreed not to identify

any of the ESA Investors as a statutory underwriter in the Resale Registration Statement, provided, that if the SEC requests that any of the ESA Investors be identified as a statutory underwriter in the Resale Registration Statement, the ESA Investors will have the opportunity to withdraw from the Resale Registration Statement upon prompt written request to us.

On the Closing Date, we issued 1,000,000 ordinary shares to the ESA Investors at a price of $50.00 per share. In connection with such issuance and pursuant to the ESA, we paid $500,000 to the ESA Investors as an option premium and $3,166,667 into the Collateral Account as deposit, and the ESA Investors deposited $50,000,000 into the Collateral Account.

On December 27, 2022, we and the ESA Investors entered into Amendment No. 2 to Equity Support Agreement, which, among other things, amends the definitions of "First Reference Price Commencement Date" and "Reference Period" and extends the duration of the "First Reference Period" from 25 consecutive VWAP Trading Days to 27 consecutive VWAP Trading Days and the "Second Reference Period" and the "Third Reference Period" from 25 consecutive VWAP Trading Days to 30 consecutive VWAP Trading Days.

The Equity Support Agreement has expired as of September 29, 2025.

Committed Equity Facility

On March 11, 2022, THIL entered into an Ordinary Shares Purchase Agreement with CF Principal Investments LLC ("**Cantor**") related to the committed equity facility (the "**Facility**"), which was amended on November 9, 2022 (the "**Purchase Agreement**"). Pursuant to and subject to the conditions set forth in the Purchase Agreement, beginning on the date on which the conditions to Cantor's purchase obligation thereunder have been satisfied, including that a registration statement covering the resale by Cantor of the maximum number of ordinary shares issuable under the Purchase Agreement be declared effective by the SEC, THIL has the right from time to time at its option to direct Cantor to purchase its ordinary shares up to a maximum aggregate purchase price of $100.0 million (each such purchase, a "**VWAP Purchase**"), subject to certain limitations and conditions set forth in the Purchase Agreement. The per share purchase price of the ordinary shares that THIL elects to sell to Cantor in a VWAP Purchase pursuant to the Purchase Agreement, if any, will be equal to 97% of the VWAP of the ordinary shares during the applicable VWAP Purchase Period for such VWAP Purchase; accordingly, the purchase price per share that Cantor will pay for the ordinary shares purchased from THIL under the Purchase Agreement will fluctuate based on the market price of the ordinary shares at the time THIL elects to sell shares to Cantor. For example, assuming that the VWAP of THIL's ordinary shares during the VWAP Purchase Period on a VWAP Purchase Date is $5.70 per share, which was the closing price of the ordinary shares on April 26, 2024, the purchase price per share that Cantor would pay for these ordinary shares would be approximately $5.55, and Cantor would profit on such shares if it were subsequently able to resell them for greater than $5.55 per share.

On November 9, 2022, THIL issued 165,289 ordinary shares to Cantor (the "**Commitment Fee Shares**"), as consideration for its entry into the Purchase Agreement on March 11, 2022. Cantor paid no cash consideration for the Commitment Fee Shares. Accordingly, any proceeds received by Cantor upon its sale of the Commitment Fee Shares would be profit. As of the date of this Supplemental Information Memorandum, no other ordinary shares have been issued to Cantor. In addition, pursuant to the Purchase Agreement, THIL has agreed to reimburse Cantor for certain expenses incurred in connection with the Facility.

The Purchase Agreement and the Registration Rights Agreement between THIL and Cantor, dated March 11, 2022 (the "**Cantor Registration Rights Agreement**") contain

customary registration rights, representations, warranties, conditions and indemnification obligations by each party. The representations, warranties and covenants contained in the Purchase Agreement were made only for purposes of the Purchase Agreement and as of specific dates, were solely for the benefit of the parties to such agreements and are subject to certain important limitations.

THIL has the right to terminate the Purchase Agreement at any time after Commencement, at no cost or penalty, upon three trading days' prior written notice to Cantor. Cantor also has the right to terminate the Purchase Agreement upon three trading days' prior written notice to us, but only upon the occurrence of certain customary events, including the following: (a) the existence of any condition, occurrence, state or event constituting a "material adverse effect" has occurred and is continuing, (b) a change of control or other fundamental transaction has occurred, (c) THIL is in material breach or default under the Cantor Registration Rights Agreement, which is not cured within 15 trading days, (d) while a registration statement, or any post-effective amendment thereto, is required to be maintained effective pursuant to the terms of the Cantor Registration Rights Agreement and Cantor holds any securities registrable under the Cantor Registration Rights Agreement, the effectiveness of such registration statement, or any post-effective amendment thereto, lapses for any reason (including, without limitation, the issuance of a stop order by the SEC) or such registration statement or any post-effective amendment thereto, the prospectus contained therein or any prospectus supplement thereto otherwise becomes unavailable to Cantor for the resale of all of the registerable securities included therein in accordance with the terms of the Cantor Registration Rights Agreement, and such lapse or unavailability continues for a period of 45 consecutive trading days or for more than an aggregate of 90 trading days in any 365-day period, other than due to acts of Cantor; (e) trading in THIL's ordinary shares on Nasdaq shall have been suspended and such suspension continues for a period of five consecutive trading days; or (f) THIL is in material breach or default of any of its covenants and agreements contained in the Purchase Agreement, and, if such breach or default is capable of being cured, such breach or default is not cured within 15 trading days after notice of such breach or default is delivered to THIL pursuant to the terms of the Purchase Agreement. THIL and Cantor may also terminate the Purchase Agreement at any time by mutual written consent.

No termination of the Purchase Agreement by THIL or by Cantor will (i) become effective prior to the second trading day immediately following the date on which the purchase of ordinary shares by Cantor pursuant to any pending VWAP Purchase has been fully settled in accordance with the terms and conditions of the Purchase Agreement, (ii) limit, alter, modify, change or otherwise affect THIL's or Cantor's rights or obligations under the Cantor Registration Rights Agreement, all of which will survive any such termination, or (iii) affect the Commitment Fee Shares.

Subject to specified exceptions included in the Purchase Agreement, during the term of the Purchase Agreement, THIL shall not effect or enter into an agreement to effect an "equity line of credit," "at-the-market offering," "equity distribution program" or any similar transaction whereby it may issue or sell ordinary shares or any securities of THIL or its subsidiaries which entitle the holder thereof to acquire at any time ordinary shares, including, without limitation, any debt, preferred stock or shares, rights, options, warrants or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, ordinary shares, at a future determined price.

The Purchase Agreement has expired as of September 29, 2025.

Cash Flows

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

	For the year ended December 31			
	2023	2024	2025	
	RMB	RMB	RMB	US$
	(in thousands of RMB and US$)			
Net cash used in operating activities – continuing operations	(198,139)	(46,381)	(12,707)	(1,817)
Net cash provided by operating activities – discontinued operations.	2,009	6,714	-	-
Net cash provided by/(used in) investing activities – continuing operations	60,737	(75,834)	(62,833)	(8,985)
Net cash provided by/(used in) investing activities – discontinued operations	(738)	67,797	-	-
Net cash provided by financing activities – continuing operations	80,833	26,004	21,702	3,103
Effect of foreign currency exchange rate changes on cash	19,807	2,350	(688)	(99)
Net decrease in cash	(35,491)	(19,350)	(54,526)	(7,798)
Cash at beginning of year	239,077	203,587	184,237	26,346
Cash and cash equivalents and restricted cash, at end of year	203,586	184,237	129,711	18,548
Less: Cash and restricted cash of discontinued operations at end of year	(1,272)	-	-	-
Cash and Restricted cash at end of year	**202,315**	**184,237**	**129,711**	**18,548**

Operating Activities

Net cash used in operating activities for the year ended December 31, 2025 was RMB12.7 million (US$1.8 million). The difference between our net loss of RMB435.8 million (US$62.3 million) and net cash used in operating activities for the year ended December 31, 2025 was primarily due to (i) an adjustment of RMB340.9 million in non-cash items, which primarily consisted of (a) depreciation and amortization expense of RMB146.8 million, (b) changes in fair value of convertible notes of RMB30.6 million, (c) impairment losses of long-lived assets of RMB60.3 million, (d) loss of debt distinguishment of RMB73.1 million, (e) allowance for doubtful accounts of RMB3.7 million, (f) Transaction cost for issuance of convertible notes of RMB13.6 million, (g) other adjustment of RMB12.8 million due to loss on disposal of property and equipment and of intangible assets, provision for inventories write-down, share-based payment expenses, and unrealized foreign currency transaction loss (gain), and (ii) net changes in operating assets and liabilities of RMB82.2 million, which primarily consisted of (a) a decrease in accounts payable of RMB24.7 million due to timely payment of purchase order, (b) an increase in other current liabilities of RMB25.2 million due to increased payable for other operating expenditures, and (c) increase of RMB84.6 million in amounts due to related parties due to increase of payable to related parties.

Net cash used in operating activities for the year ended December 31, 2024 was RMB39.7 million. The difference between our net loss of RMB460.4 million and net cash used in operating activities for the year ended December 31, 2024 was primarily due to (i) the difference between net loss and net cash inflows in operating activities from discontinued operations of RMB44.7 million; (ii) an adjustment of RMB340.8 million in non-cash items, which primarily consisted of (a) depreciation and amortization expense of RMB169.7 million, (b) changes in fair value of convertible notes of RMB65.9 million, (c) impairment losses of long-lived assets of RMB56.3 million, (d) changes in fair value of Deferred Contingent consideration of RMB16.9 million, (e) loss of debt distinguishment of RMB10.7 million, (f) allowance for doubtful accounts of RMB8.7 million, (g) accrued interests of promissory notes of RMB5.3 million, (h) other adjustment of RMB7.5 million due to loss on disposal of property and equipment and of intangible assets, provision for inventories write-down, share-based payment expenses, and unrealized foreign currency transaction loss (gain), (i) Transaction cost for issuance of convertible notes of RMB3.8 million and (iii) net changes in operating assets and liabilities of RMB69.4 million, which primarily consisted of (a) an increase in accounts payable of RMB4.1 million due to the extension of payment terms, (b) a decrease in other

current liabilities of RMB76.7 million due to decreased accrued payroll and employee-related costs, payable for other operating expenditures, and (c) increase of RMB130.4 million in amounts due to related parties due to settlement of payables to related parties.

Net cash used in operating activities for the year ended December 31, 2023 was RMB196.1 million. The difference between our net loss of RMB872.9 million and net cash used in operating activities for the year ended December 31, 2023 was primarily due to (i) the difference between net loss and net cash inflows in operating activities from discontinued operations of RMB35.2 million; (ii) an adjustment of RMB526.7 million in non-cash items, which primarily consisted of (a) depreciation and amortization expense of RMB163.1 million, (b) impairment losses of long-lived assets of RMB111.4 million,(c) changes in fair value of warrant liabilities of RMB84.0 million, (d) share-based payment expenses of RMB64.5 million, (e) changes in fair value of convertible notes of RMB58.3 million, (f) changes in fair value of Deferred Contingent consideration of RMB26.1 million (g) loss on disposal of property and equipment of RMB16.4 million, (h) other adjustment of RMB0.5 million due to provision for inventories write-down, unrealized foreign currency transaction loss, allowance for doubtful accounts and net off the changes in fair value of ESA derivative liabilities ; and (iii) net changes in operating assets and liabilities of RMB150.0 million, which primarily consisted of (a) an increase in accounts payable of RMB109.1 million due to the extension of payment terms, (b) an increase in other current liabilities of RMB1.1 million due to increased accrued payroll and employee-related costs, payable for other operating expenditures, and (c) other increase of RMB9.6 million in accounts receivable, inventories, prepaid expenses and other current assets, other non-current assets, amounts due to related parties, contract liabilities, other non-current liabilities, right-of-use asset and lease liabilities.

Investing Activities

Net cash used in investing activities for the year ended December 31, 2025 was RMB62.8 million (US$9.0 million), which was mainly attributable to purchase of property and equipment and intangible assets of RMB65.6 million.

Net cash used in investing activities for the year ended December 31, 2024 was RMB8.0 million, compared to net cash provided in investing activities of RMB60.0 million for the year ended December 31, 2023, which was primarily because the Company retrieved short-term investment due to ESA program back in 2023 of RMB369.3 million, and was partially offset by the net cash effect of reduce of purchase property and equipment and intangible assets RMB 188.8 million due to slowing down the expansion of company-owned store and disposal of Popeyes in 2024 of RMB 67.8 million.

Net cash provided in investing activities for the year ended December 31, 2023 was RMB60.0 million, compared to net cash used in investing activities of RMB705.2 million for the year ended December 31, 2022, which primarily resulted from the Company purchased short-term investment due to ESA program in 2022 of RMB370.2 million and retrieved the short-term investment back in 2023 of RMB369.3 million.

Financing Activities

Net cash provided by financing activities was RMB21.7 million (US$3.1 million) for the year ended December 31, 2025, primarily attributable to proceeds from convertible notes of RMB20.4 million and net proceeds from bank borrowings of RMB12.6 million, while offset by payment of issuance costs of convertible notes of RMB11.4 million.

Net cash provided by financing activities for the year ended December 31, 2024 was

RMB26.0 million, primarily attributable to proceeds from issuance of promissory notes of RMB142.5 million, proceeds from convertible notes of RMB41.1 million and proceed from exercise of employee share option of RMB8.4 million, while offset by net repayment of bank borrowings of RMB162.2 million.

Net cash provided by financing activities for the year ended December 31, 2023 was RMB80.8 million, primarily attributable to proceeds from employee share option program of RMB1.4 million, net borrowing from bank of RMB126.9 million and proceeds from Popeyes acquisition of RMB206.7 million, while offset by payment to Shaolin for ESA transaction of RMB249.5 million and payment for warrant exchange offering cost RMB4.7 million.

Off-Balance Sheet Commitments and Arrangements

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

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 3 to the Company's historical consolidated financial statements that are incorporated by reference in this Supplemental Information Memorandum.

Trend Information

Other than as disclosed elsewhere in this Supplemental Information Memorandum, we are not aware of any trends, uncertainties, demands, commitments or events since January 1, 2025 that are reasonably likely to have a material adverse effect on our net revenues, income, profitability, liquidity or capital resources, or that caused the disclosed financial information to be not necessarily indicative of future operating results or financial conditions.

Critical Accounting Estimates

We prepare our consolidated financial statements in accordance with U.S. GAAP. In doing so, we have to make estimates and assumptions. Our critical accounting estimates are those estimates that involve a significant level of uncertainty at the time the estimate was made, and changes in them have had or are reasonably likely to have a material effect on our financial condition or results of operations. Accordingly, actual results could differ materially from our estimates. We base our estimates on past experience and other assumptions that we believe are reasonable under the circumstances, and we evaluate these estimates on an ongoing basis.

Convertible notes, at fair value

On December 10, 2021, the Company issued convertible notes due December 10, 2026 in an aggregate principal amount of US$50 million ("Convertible Senior Notes"). On December 2, 2025, we repurchased from holders the entire outstanding principal amount of the Convertible Senior Notes.

On June 28, 2024 and August 15, 2024, the Company issued convertible notes due September 30, 2029 in an aggregate principal amount of US$60,741,340 ("**Convertible Junior Note**").

On December 2, 2025, the Company issued Convertible Senior Secured Notes due September 30, 2029 in an aggregate principal amount of approximately US$89.9 million

("**Convertible Senior Secured Notes**").

The details of the transaction are set out in Note 15 to the Company's historical consolidated financial statements that are incorporated by reference in this Supplemental Information Memorandum.

The above convertible notes were measured at fair value using the Binomial Option Pricing Model with the following assumptions: (i) The expected volatility was estimated based on the historical volatility of the Company or comparable peer public companies with a time horizon close to the expected term of convertible notes; (ii) 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 convertible notes in effect at the valuation date; (iii) 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; (iv) The fair value of the underlying ordinary share was obtained from the listed trading price of the Company; and (v) The bond yield was based on the market yield of comparable bonds with similar credit rating. For more details, see Note 23 to the Company's historical consolidated financial statements that are incorporated by reference in this Supplemental Information Memorandum.

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 RMB24.4 million, RMB41.5 million and RMB62.1 million (US$8.9 million) for the years ended December 31, 2023, 2024 and 2025, 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 HKD800,000, respectively. Total bank deposits are insured by the government authority with amounts up to RMB16.7 million, RMB12.3 million and RMB12.6 million (US$1.8 million) as of December 31, 2023, 2024 and 2025, 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 from the offerings of our listed securities 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.

TRANSFER RESTRICTIONS

Because of the following restrictions, you are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the New Notes.

The New Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act of 1933, as amended (the "Securities Act") and applicable securities laws of any other jurisdiction pursuant to registration or exemption therefrom. Holders and prospective purchasers of the New Notes should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. You must comply with all laws that apply to you in any place in which you buy, offer or sell any New Notes. You must also obtain any consents or approvals that you need in order to purchase or sell any New Notes. We are not responsible for your compliance with these legal requirements.

None of the New Notes have been, and will not be, registered under the Securities Act or any state or foreign securities law and they may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state and foreign securities laws.

Each acquirer of the New Notes acknowledges that each New Note will contain a legend substantially to the following effect (unless the Company determines otherwise in compliance with applicable law), and by its acquisition thereof, acknowledges that it is deemed to have made the representations and agreements therein, and represents and warrants that it will not offer, sell, pledge or otherwise transfer the Notes except in accordance therewith:

THIS NOTE AND THE SHARES OF STOCK ISSUABLE UPON THE CONVERSION THEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE ACQUIRER:

REPRESENTS THAT IT AND ANY ACCOUNT FOR WHICH IT IS ACTING IS (I) AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF SUBPARAGRAPH (A)(1), (2), (3) OR (7) OF RULE 501 UNDER THE SECURITIES ACT, OR (II) A "QUALIFIED INSTITUTIONAL BUYER" (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) AND THAT IT EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO EACH SUCH ACCOUNT, AND

(l) AGREES FOR THE BENEFIT OF THE COMPANY THAT IT WILL NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS NOTE OR THE SHARES OF STOCK ISSUABLE UPON CONVERSION THEREOF, OR ANY BENEFICIAL INTEREST HEREIN OR THEREIN, PRIOR TO THE EXPIRATION OF THE APPLICABLE HOLDING PERIOD WITH RESPECT TO RESTRICTED SECURITIES SET FORTH IN RULE 144 UNDER THE SECURITIES ACT UNLESS SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS MADE:

(A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, OR

(B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BECOME EFFECTIVE UNDER THE SECURITIES ACT, OR

(C) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT; OR

(D) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF SUBPARAGRAPH (A)(1), (2), (3) OR (7) OF RULE 501 UNDER THE SECURITIES ACT, THAT IS ACQUIRING THE SECURITY FOR ITS OWN ACCOUNT, OR FOR THE ACCOUNT OF SUCH AN INSTITUTIONAL ACCREDITED INVESTOR, FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO, OR FOR OFFER OR SALE IN CONNECTION WITH, ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT, OR

(E) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT OR ANY OTHER AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT,

PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH (2)(C),(D) OR (E) ABOVE, THE COMPANY AND THE TRUSTEE RESERVE THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

The New Notes will be available initially only in book-entry form, and will be issued in the form of one or more global notes bearing the legends set forth above.

LISTING

The Original Notes are listed and quoted on the SGX-ST. The Issuer has received approval-in-principle for the listing and quotation of the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Supplemental Information Memorandum. Approval-in-principle for the listing and quotation of the Notes and admission of the Notes to the Official List of the SGX-ST and quotation of the Notes are not to be taken as an indication of the merits of the Issuer, its subsidiaries, any of its associated companies or the Notes. The Notes will trade on the SGX-ST in a minimum board lot size of US$1,000,000, so long as any of the Notes remain listed on the SGX-ST.

For so long as the New Notes are listed on the SGX-ST and the rules of the SGX-ST so require, we will appoint and maintain a Paying Agent in Singapore, where the New Notes may be presented or surrendered for payment or redemption, in the event that a Global Note is exchanged for notes in definitive form. In addition, in the event that a Global Note is exchanged for definitive note, an announcement of such exchange shall be made by or on behalf of us through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive note, including details of the Paying Agent in Singapore.

LEGAL MATTERS

Certain legal matters with respect to the Notes will be passed upon for us by Han Kun Law Offices LLP as to matters relating to New York state and U.S. federal law, and by Maples and Calder (Cayman) LLP as to matters relating to Cayman Islands law.

INFORMATION INCORPORATED BY REFERENCE

We incorporate in this Supplemental Information Memorandum our audited consolidated financial statements as of and for the year ended December 31, 2025 and our unaudited condensed consolidated statements as of March 31, 2026 and for the three months ended 2025 and 2026, which are included in our latest 20-F we filed with the SEC on April 30, 2026, and 6-K we furnished to the SEC on June 10, 2026. The above is publicly accessible, without charge, on the SEC's website at www.sec.gov.

TH INTERNATIONAL LIMITED

(incorporated in the Cayman Islands with limited liability)

US$89,922,201 Floating Rate Convertible Senior Secured Notes due 2029

The US$89,922,201 Floating Rate Convertible Senior Secured Notes due 2029 (the "**Notes**") will be issued by TH International Limited ("**THIL**", the "**Company**" or the "**Issuer**") on December 2, 2025 (the "**Closing Date**"). The Notes bear interest commencing on December 2, 2025, payable semi-annually in arrears on the interest payment dates falling on June 2 and December 2 of each year, commencing on June 2, 2026. The Notes mature on September 30, 2029.

The obligations of the Company under this Note will be secured by (i) a share pledge granted by the Company over 100% of the shares of capital stock of TH Hong Kong International Limited, and (ii) an all-asset debenture granted by the Company over all of its assets (collectively, the "**Collateral**").

Each holder of a Note (a "**Holder**") will have the right, at its election, (i) on or after August 1, 2027 to require the Issuer to repurchase all of such holder's Notes on the date falling no less than two months after the date the Holder send the related repurchase notice or (ii) upon the occurrence of a Fundamental Change to require the Issuer to repurchase all of such holder's Notes on the date falling no less than 30 days after the date the Holder send the related repurchase notice, in each case for a repurchase price equal to an amount in cash of 100.0% of the aggregate principal amount of the Notes held by the Holder plus accrued and unpaid interest on such Notes to, but excluding, the relevant repurchase date under the indenture (the "**Indenture**") governing the Notes.

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at a redemption price equal to 102% of the principal amount, plus accrued and unpaid interest, in the event of certain tax changes as described under the Indenture.

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time on or after June 2, 2028 and prior to the seventh (7^{th}) business day immediately before the maturity date, for a cash purchase price equal to the an amount in cash equal to 100.0% of the aggregate principal amount of the Notes then outstanding plus accrued and unpaid interest on such Notes to, but excluding, the redemption date for such redemption (the "**Redemption Price**"), as described under the Indenture.

Each Note will be convertible into a number of fully paid, validly issued and non-assessable ordinary shares of the Company (the "**Shares**"). Details of the conversion price are described under the Indenture.

The Issuer has received approval-in-principle for the listing and quotation of the Notes on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Information Memorandum. Approval-in- principle for the listing and quotation of the Notes and admission of the Notes to the Official List of the SGX-ST and quotation of the Notes are not to be taken as an indication of the merits of the Issuer, its subsidiaries, any of its associated companies or the Notes.

Notification pursuant to Section 309B(1) of the Securities and Futures Act 2001 of Singapore — The Notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

For a discussion of certain risks relating to the Issuer and the Notes, see "*Risk Factors*".

It is expected that the delivery of the Notes will be made through the facilities of The Depository Trust Company ("**DTC**") in book-entry form on or about on or about December 2, 2025 (the "**Issue Date"**).

The Notes and the Shares issuable upon conversion of the Notes have not been registered under the United States Securities Act of 1933 (the "**Securities Act**") or the securities laws of any other jurisdiction and may not be offered or sold within the United States, except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act.

Information Memorandum dated December 2, 2025.

This Information Memorandum does not constitute an offer to sell, or a solicitation of an offer to buy, the Notes, the Shares, or any other securities.

Neither we nor Wilmington Savings Fund Society, FSB, as the trustee (the "**Trustee**"), paying agent, registrar, conversion agent, transfer agent and security agent (the "**Paying Agent**", the "**Registrar**", the "**Conversion Agent**", the "**Transfer Agent**" and the "**Security Agent**", respectively, and collectively, the "**Note Agents**") have authorized the provision of information different from that contained in this Information Memorandum. The information contained in this Information Memorandum may be accurate only as of the date of such information, regardless of the time of any delivery of this Information Memorandum or of any sale of the Notes.

None of THIL, the Trustee, the Note Agents or our or their respective affiliates or representatives is making any representation to any purchaser of the Notes regarding the legality of any investment by such purchaser under applicable legal investment or similar laws. None of the Trustee, the Note Agents or their respective affiliates or representatives makes any representation, warranty or undertaking, express or implied, or accepts any responsibility with respect to the accuracy or completeness of any of the information in this Information Memorandum. To the fullest extent permitted by law, none of the Trustee or the Note Agents accepts any responsibility for the contents of this Information Memorandum. Each of the Trustee and the Note Agents accordingly disclaims any and all liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Information Memorandum or any such statement.

Each prospective investor contemplating purchasing any Notes should make its own independent investigation of our financial condition and affairs, and its own appraisal of our creditworthiness and the terms of the Notes, including the merits and risks involved, and its purchase of the Notes should be based upon such investigations with its own tax, legal, and business advisers as it deems necessary. See "*Risk Factors*" for a discussion of certain factors to be considered. Any prospective investor in the Notes should be able to bear the economic risk of an investment in the Notes, including the complete loss of such investment, for an indefinite period of time.

The distribution of this Information Memorandum and the offer and sale of the Notes may, in certain jurisdictions, be restricted by law. None of THIL, the Trustee or the Note Agents represents that this Information Memorandum may be lawfully distributed, or that any Notes may be lawfully offered or sold, in any such jurisdiction, or pursuant to an exemption available under applicable law, including laws regarding registration or similar requirements, or assumes any responsibility for facilitating any such distribution, offering or sale. In particular, no action has been taken by us which would permit a public offering of any Notes or distribution of this Information Memorandum in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Information Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that timely satisfy compliance with any applicable laws and regulations.

Each Holder must comply with all applicable laws and regulations in force in each jurisdiction in which it purchases, offers or sells the Notes or possesses or distributes this Information Memorandum, and must obtain any consent, approval or permission required for the purchase, offer or sale by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes purchases, offers or sales. Persons into whose possession this Information Memorandum or any Notes may come must inform

themselves about, and observe, any such restrictions on the distribution of this Information Memorandum and the offering and sale of the Notes.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this Information Memorandum, unless the context otherwise indicates or implies, references to "**THIL**", the "**Company**" and the "**Issuer**" are to TH International Limited, and references to "**we**", "**us**" and "**our**" refers to TH International Limited and its subsidiaries on a consolidated basis.

In this Information Memorandum, all references to "**U.S. dollars**" and "**US$**" and "**$**" are to United States dollars. All references herein to the "**U.S.**" or the "**United States**" are to the United States of America and its territories and possessions.

Our audited consolidated financial statements as of and for the years ended December 31, 2023 and 2024 and our unaudited interim consolidated financial information as of June 30, 2025 have been prepared in accordance with generally accepted accounting principles in the U.S. ("**U.S. GAAP**"). For the six months ended June 30, 2024 and 2025 and summary consolidated balance sheet data as of June 30, 2025 have been derived from our unaudited condensed consolidated statements incorporated by reference in this Information Memorandum. These financial statements are incorporated by reference in this Information Memorandum. See "*Information Incorporated by Reference*."

In this Information Memorandum, certain amounts have been rounded. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Any reference in this Information Memorandum to any legislation, act, regulation, statutory provision, or notification is a reference to such legislation, act, regulation, statutory provision, or notification as the same may have been, or may from time to time be, amended, supplemented or replaced.

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 issuance of the Notes 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 (financial or otherwise) in this Information Memorandum. In making an investment decision, an investor must rely on its own examination of THIL and the terms of the Notes.

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 Information Memorandum that are important to its business, many of which are registered under applicable intellectual property laws. This Information Memorandum 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 Information Memorandum 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 Information Memorandum has been converted from Renminbi to U.S. dollars at a rate of RMB7.1636 to US$1.00, the exchange rate set forth in the H.10 statistical release of the Federal Reserve Board on June 30, 2025. Exchange rates fluctuate, and such fluctuation can be significant.

FORWARD-LOOKING STATEMENTS

This Information Memorandum contains forward-looking statements that involve risks and uncertainties. All statements other than statements of current or historical facts contained in this Information Memorandum, 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," "might," "would," "will," "should," "expects," "plans," "anticipates," "aim," "could," "intends," "targets," "projects," "contemplates," "believes," "likely to," "estimates," "predicts," "potential" or "continue" or the negative of these terms or other similar expressions. Forward-looking statements include our expectations concerning the outlook for our 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:

- our markets are rapidly evolving and may decline or experience limited growth;
- our ability to retain and expand our customer base;
- our reliance on third-party suppliers;
- our ability to compete effectively in the markets in which it operates;
- our quarterly results of operations may fluctuate for a variety of reasons;
- failure to maintain and enhance the Tim Hortons brand;
- our ability to successfully and efficiently manage our current and potential future growth;
- our dependence upon the continued growth of e-commerce and usage of mobile devices;
- our ability to ensure food safety and quality control;
- failure to prevent security breaches or unauthorized access to our or our 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*".

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 Information Memorandum. 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.

Market, ranking and industry data used in this Information Memorandum, including statements regarding market size, are 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, 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, our 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 Information Memorandum.

ENFORCEABILITY OF CIVIL LIABILITIES

THIL is incorporated under the laws of the Cayman Islands. Service of process upon THIL and upon its directors and officers may be difficult to obtain outside of the Cayman Islands, including in the United States. Furthermore, because substantially all of THIL's assets are located outside the United States, any judgment obtained in the United States against THIL may not be collectible within the United States.

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 such 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.

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SUMMARY

This summary highlights information contained elsewhere, or incorporated by reference, in this Information Memorandum and does not contain all of the information that you should consider before investing in the Notes. You should read this entire document, including "Risk Factors" and the financial statements and related notes included elsewhere in this Information Memorandum, before making an investment decision. This Information Memorandum includes forward-looking statements that involve risks and uncertainties. See "Forward-Looking Statements".

Our Business

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 all of 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 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, 2025, THIL had 1,015 stores in 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. As of June 30, 2025, THIL had registered members of approximately 26.2 million, representing an increase of 22.4% from 21.4 million as of June 30, 2024.

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.

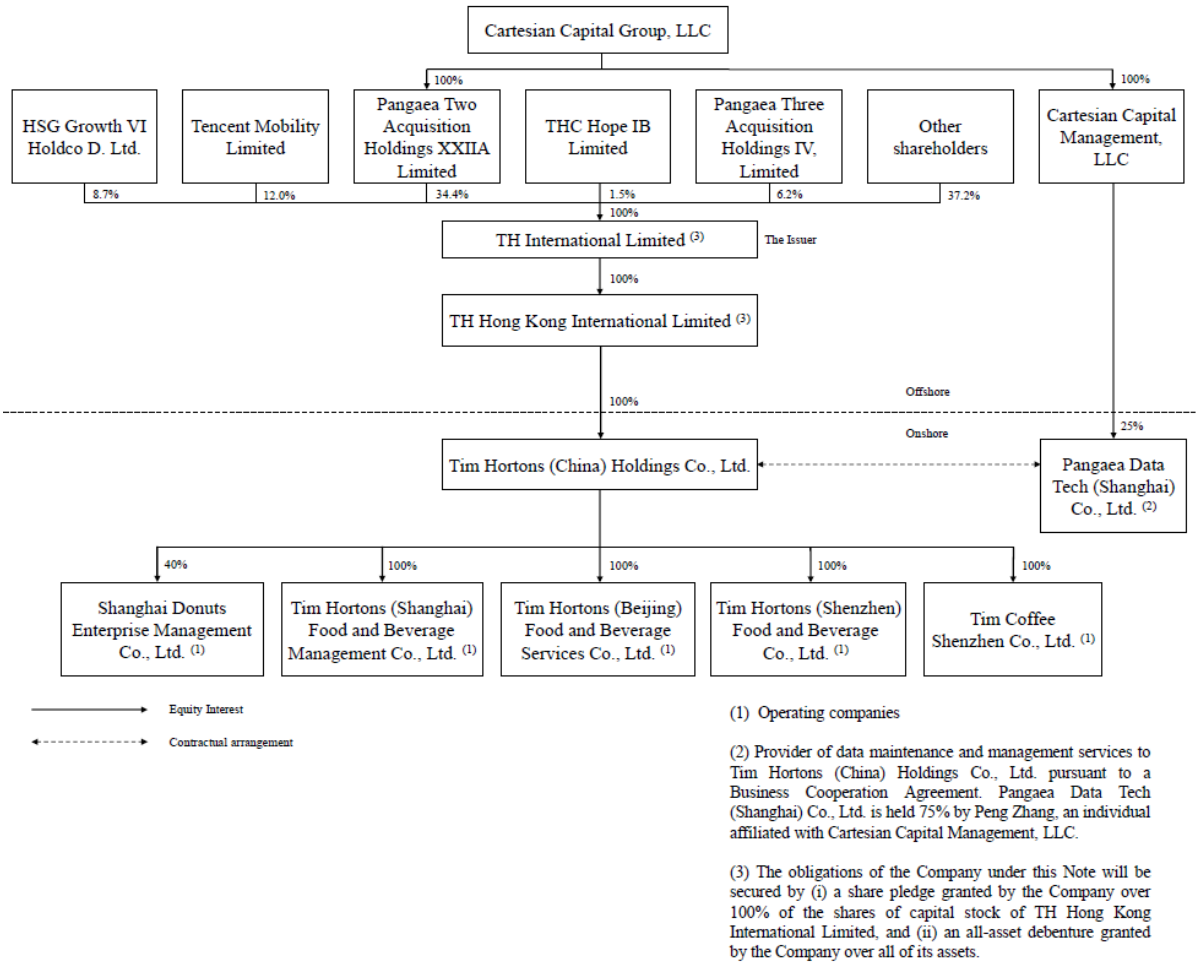
Building on these four cornerstones, our revenues decreased slightly from RMB1,560.0 million in 2023 to RMB1,391.2 million in 2024. In 2025, we made a strategic adjustment to prune certain underperforming company owned and operated stores and to focus more on the franchised business, our revenue for the six months ended June 30, 2025 decreased by 7.0% compared to the same period of 2024. In the meantime, we maintained positive adjusted company owned and operated store contribution for our company owned and operated stores for the third quarter of 2023 and 2024. The fully-burdened gross profit of our company owned and operated stores, the most comparable GAAP measure to adjusted company owned and operated store contribution, for 2024 and for the six months ended June 30, 2025 was negative RMB42.0 million (US$5.9 million) and RMB10.8 million (US$1.5 million), respectively. During the same periods, our adjusted company owned and operated store contribution was RMB87.6 million (US$12.2 million) and RMB44.3 million (US$6.2 million), respectively. For more details regarding adjusted company owned and operated store contribution, a non-GAAP financial measure, which is a key measure used by our management and Board 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 decreased slightly from RMB1,560.0 million in 2023 to RMB1,391.2 million (US$194.2 million) in 2024. Our total costs and expenses decreased from RMB2,227.9 million in 2023 to RMB1,740.2 million (US$242.9 million) in 2024. Our net loss decreased from RMB872.9 million in 2023 to RMB409.0 million (US57.1 million) in 2024. Our revenue for the six months ended June 30, 2025, decreased slightly compared to the same period in 2024 from RMB699.0 million to RMB649.7 million (US$90.7 million). Our total costs and expenses decreased from RMB875.0 million for the six months ended June 30, 2024, to RMB782.8 million (US$109.3 million) for the same period in 2025. Our net loss decreased from RMB189.2 million for the six months ended June 30, 2024, to RMB134.9 million (US$18.8 million) for the same period in 2025.

Corporate Structure

THIL is a Cayman Islands exempted company that acts as a holding company and conducts its operations in China through wholly owned subsidiaries and, as a result, all of its business operations in China are conducted through and owned by such wholly owned subsidiaries. This holding company structure involves unique risks to investors. For example, Chinese 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 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 our corporate structure:



THIL and its PRC subsidiaries are subject to various restrictions on intercompany fund transfers and foreign exchange controls.

Dividends. Dividends from its subsidiaries are 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 Information Memorandum, neither THIL nor any of its subsidiaries has made any dividends or distributions to its parent company or any U.S. investor. While THIL is not subject to any restrictions under Cayman Islands law on dividend distributions to its shareholders, THIL does not intend to pay any cash dividends in the foreseeable future, and any determination to pay dividends in the future will be at the discretion of the Board.

Capital expenses. Approval from or registration with appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of 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 China, or to make other capital expenditure payments outside China in a currency other than Renminbi.

Shareholder loans and capital contributions. 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 governmental authorities in China.

Recent Developments

Concurrently with the issuance of the Notes, THIL will enter into an amendment letter to the outstanding series A convertible notes and series A-1 convertible notes with Tim Hortons Restaurants International GmbH, Pangaea Three Acquisition Holdings IV, Limited and Pangaea Two Acquisition Holdings XXIIA Limited and an amended and restated certificate of designation of Series A-2 Convertible Preferred Shares and Class A-1 Special Voting Share, pursuant to which the maturity dates of the series A convertible notes and series A-1 convertible notes will be extended to September 30, 2029, the conversion rate will be adjusted to 35.94 Ordinary Shares per Series A-2 Convertible Preferred Share, based on the same conversion price as the Notes, and certain mandatory conversion provisions will be deleted.

Concurrently with the issuance of the Notes, THIL will also enter into convertible notes repurchase agreement with holders of its variable rate convertible senior notes due 2026 (the "2026 Convertible Notes") to repurchase all outstanding 2026 Convertible Notes and will subsequently cancel and discharge them in full.

About THIL

THIL was incorporated in the Cayman Islands on April 25, 2018. THIL's registered office 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.

SUMMARY CONSOLIDATED FINANCIAL INFORMATION

The following tables present our summary consolidated financial data. We prepare our 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, 2024 and 2023, the summary consolidated balance sheet data as of December 31, 2024 and 2023 and the summary consolidated statement of cash flows data for the years ended December 31, 2024 and 2023 have been derived from our audited consolidated financial statements, which are incorporated by reference in this Information Memorandum. The following summary consolidated statement of operations data and statement of cash flows data for the six months ended June 30, 2024 and 2025 and summary consolidated balance sheet data as of June 30, 2025 have been derived from our unaudited condensed consolidated statements incorporated by reference in this Information Memorandum. Our 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 that are incorporated by reference in this Information Memorandum.

Summary Consolidated Statements of Operations Data

	Year ended December 31,			Six months ended June 30,		
	2023	2024		2024	2025	
	RMB	RMB	US$	RMB	RMB	US$
	(in thousands except per share data)					
Total revenues	**1,560,006**	**1,391,158**	**194,198**	**698,979**	**649,718**	**90,697**
Company owned and operated store costs and expenses	**1,454,278**	**1,190,874**	**166,240**	**627,328**	**529,613**	**73,931**
Costs of other revenues	149,692	153,612	21,443	59,750	78,028	10,892
Marketing expenses	96,679	64,849	9,053	32,589	31,335	4,374
General and administrative expenses	325,259	210,323	29,360	94,250	89,508	12,496
Franchise and royalty expenses	57,063	57,761	8,063	28,177	30,985	4,325
Other operating costs and expenses	28,872	10,794	1,507	9,696	1,213	169
Loss on disposal of property and equipment	16,404	4,147	579	2,618	2,980	416
Impairment losses of long-lived assets	111,427	56,287	7,857	24,801	21,103	2,946
Other income	(11,743)	(8,408)	(1,174)	4,255	1,965	274
Total costs and expenses, net	**2,227,931**	**1,740,239**	**242,928**	**874,954**	**782,800**	**109,275**
Operating loss from continuing operations	**(667,925)**	**(349,081)**	**(48,730)**	**(175,975)**	**(133,082)**	**(18,578)**
Interest income	14,183	3,203	447	1,241	1,083	151
Interest expenses	(20,420)	(22,448)	(3,134)	(14,664)	(8,407)	(1,174)
Foreign currency transaction gain / (loss)	(16,772)	3,484	486	4,454	(51)	(6)
Loss of the debt extinguishment changes in fair value of deferred contingent consideration	-	(10,657)	(1,488)	(10,657)	-	-
	(26,106)	(16,941)	(2,365)	(16,941)	-	-

	Year ended December 31,			Six months ended June 30,		
	2023	2024		2024	2025	
	RMB	RMB	US$	RMB	RMB	US$
	(in thousands except per share data)					
Changes in fair value of convertible notes	(58,281)	(65,874)	(9,196)	(20,540)	6,075	848
Changes in fair value of warrant liabilities	(83,966)	-	-	-	-	-
Changes in fair value of ESA derivative liabilities	19,654	-	-	-	-	-
Loss from continuing operations before income taxes	**(839,633)**	**(458,314)**	**(63,978)**	**(233,082)**	**(134,382)**	**(18,759)**
Income tax expenses	(97)	(2,115)	(295)	(1,089)	(484)	(68)
Net loss from continuing Operations	**(839,730)**	**(460,429)**	**(64,273)**	**(234,171)**	**(134,866)**	**(18,827)**
Net income (loss) from discontinued operations (including gain on disposal of Popeyes business RMB70,664,684 for the year ended December 31, 2024)	(33,196)	51,444	7,181.3	44,959	-	-
Net loss	**(872,926)**	**(408,985)**	**(57,092)**	**(189,212)**	**(134,866)**	**(18,827)**
Net(income)/loss from continuing operations attributable to non-controlling interests	(3,323)	(3,096)	(428)	2,459	(1,390)	(194)
Net Loss attributable to shareholders of THIL	(876,250)	(412,082)	(57,524)	(191,671)	(133,476)	(18,633)
Basic and diluted loss per ordinary share	(28.41)	(12.70)	(1.8)	(5.90)	(4.10)	(0.57)

Summary Consolidated Balance Sheet Data

	As of December 31,			As of June 30,	
	2023	2024		2025	
	RMB	RMB	US$	RMB	US$
			(in thousands)		
Total current assets	458,620	417,081	58,222	412,598	57,596
Total non-current assets	1,756,819	1,146,453	160,039	973,217	135,856
Total assets	2,215,439	1,563,534	218,261	1,385,815	193,452
Total current liabilities	1,395,833	1,535,932	214,408	1,597,285	222,972
Total non-current liabilities	1,242,035	860,617	120,138	750,792	104,807
Total liabilities	2,637,868	2,396,549	334,545	2,348,077	327,779
Total shareholders' deficit	(422,429)	(833,015)	(116,284)	(962,262)	(134,327)
Total liabilities and shareholders' deficit	2,215,439	1,563,534	218,261	1,385,815	193,452

Summary Consolidated Statements of Cash Flow Data

	Year ended December 31,			Six months ended June 30,		
	2023	2024		2024	2025	
	RMB	RMB	US$	RMB	RMB	US$
			(in thousands)			
Net cash (used in)/provided by operating activities	(196,130)	(39,667)	(5,537)	4,961	(1,394)	(195)
Net cash (used in)/provided by investing activities	59,999	(8,037)	(1,122)	(28,685)	(53,373)	(7,451)
Net cash (used in)/provided by financing activities	80,833	26,004	3,630	(11,776)	50,113	6,996
Effect of foreign currency exchange rate changes on cash	19,807	2,350	328	780	(825)	(114)
Net decrease in cash	(35,491)	(19,350)	(2,701)	(34,720)	(5,479)	(764)
Cash at beginning of year/period	239,077	203,587	28,420	203,587	184,237	25,718
Cash at end of year/period	203,587	184,237	25,719	168,867	178,758	24,954

Non-GAAP Financial Measure

We use non-GAAP financial measures, namely adjusted company owned and operated store contribution, adjusted company owned and operated store contribution margin, adjusted general and administrative expenses, adjusted corporate EBITDA, adjusted corporate EBITDA margin, adjusted net loss, adjusted net loss margin, and adjusted basic and diluted net loss per ordinary share in evaluating our operating results and for financial and operational decision-making purposes. We define (i) adjusted company owned and operated store contribution as fully-burdened gross profit of company owned and operated stores excluding depreciation and amortization, and store pre-opening expenses; (ii) adjusted company owned and operated store contribution margin as adjusted company owned and operated store contribution as a percentage of revenues from company owned and operated stores; (iii) adjusted general and administrative expenses as general and administrative expenses excluding share-based compensation expenses (including equity settlement and cash settlement), professional fees related to warrant exchange and other financing programs, impairment losses of rental deposits, commission fee for Cantor shares, option granted by controlling shareholder to CB holder and offering costs for ESA transactions; (iv) adjusted corporate EBITDA as operating loss excluding depreciation and amortization, share-based compensation expenses, commission fee for Cantor shares, impairment losses of rental deposits, one-off expense of store closure, professional fees related to warrant exchange and other financing programs, option granted by controlling shareholder to CB holder, offering costs for ESA transactions, impairment losses of long-lived assets and loss on disposal of property and equipment; (v) adjusted corporate EBITDA margin as adjusted corporate EBITDA as a percentage of total revenues; (vi) adjusted net loss as net loss excluding share-based compensation expenses, professional fees relating to warrant exchange and other financing programs, commission fee for Cantor shares, option granted by controlling shareholder to CB holder, offering costs for ESA transactions, impairment losses of long-lived assets, impairment losses of rental deposits, one-off expense of store closure, loss on disposal of property and equipment, changes in fair value of deferred contingent consideration, changes in fair value of convertible bonds, changes in fair value of warrant

liabilities, changes in fair value of ESA derivatives liabilities; (vii) adjusted net loss margin as adjusted net loss as a percentage of total revenues; (viii) adjusted basic and diluted net loss per ordinary share as adjusted net loss from continuing operations attributable to shareholders of us divided by weighted average number of basic and diluted ordinary share. We believe adjusted company owned and operated store contribution, adjusted company owned and operated store contribution margin, adjusted general and administrative expenses, adjusted corporate EBITDA, adjusted corporate EBITDA margin, adjusted net loss, adjusted net loss margin, and adjusted basic and diluted net loss per ordinary share enhance investors' overall understanding of our financial performance and allow for greater visibility with respect to key metrics used by the management in our financial and operational decision-making.

In this Information Memorandum, THIL has included adjusted company owned and operated store contribution, 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 company owned and operated store contribution 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 company owned and operated store contribution facilitates store-level operating performance comparisons on a period-to-period basis. Accordingly, THIL believes that adjusted company owned and operated store contribution 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 company owned and operated store contribution 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 adjusted company owned and operated store contribution and adjusted company owned and operated store contribution margin for the period indicated.

	Year ended December 31, 2024		Six months ended June 30, 2025	
	RMB	US$	RMB	US$
	(in thousands)			
Revenues - company owned and operated stores	1,188,293	165,879	536,631	74,911
Food and packaging costs - company owned and operated stores	(374,086)	(52,220)	(162,279)	(22,653)
Store rental expenses - company owned and operated stores	(241,425)	(33,702)	(113,119)	(15,791)
Payroll and employee benefits - company owned and operated stores	(231,542)	(32,322)	(100,247)	(13,994)
Delivery costs - company owned and operated stores	(119,171)	(16,636)	(60,379)	(8,429)
Other operating expenses - company owned and operated stores	(95,036)	(13,267)	(38,442)	(5,366)
Store depreciation and amortization	(129,614)	(18,093)	(55,147)	(7,698)
Franchise and royalty expenses - company owned and operated stores	(39,420)	(5,503)	(17,835)	(2,490)
Fully-burdened gross loss - company owned and operated stores	**(42,001)**	**(5,863)**	**(10,817)**	**(1,510)**
Store depreciation and amortization [(1)]	129,614	18,093	55,147	7,698
Company owned and operated store contribution	**87,613**	**12,230**	**44,330**	**6,188**
Company owned and operated store contribution margin	**7.4%**	**7.4%**	**8.3%**	**8.3%**

(1) consists of company owned and operated store depreciation related to property, equipment and store renovations and amortization of the franchise right to use the Tim Hortons brand.

SUMMARY TERMS OF THE NOTES

The following is a summary of certain terms of the Notes and is not intended to be complete. For a more complete understanding of the Notes, you should read the Indenture, the form of which is included herein in Appendix A. Capitalized terms used in this summary and not otherwise defined have the meanings given to them in the Indenture.

Issuer	TH International Limited.
Legal Entity Identifier	83680076T3V63VAU4I14
Issue	US$89,922,201 aggregate principal amount of variable rate convertible senior secured notes due 2029 (the "Notes"), convertible into fully-paid, validly issued and non-assessable ordinary shares of the Issuer (the "Shares").
Interest Rate	SOFR + 8% per annum
Security	The obligations of the Company under this Note will be secured by (i) a share pledge granted by the Issuer over 100% of the shares of capital stock of TH Hong Kong International Limited, and (ii) an all-asset debenture granted by the Issuer over all of its assets.
Form and Denomination	The Notes will be issued in registered form in the denomination of US$1,000,000 or integral multiples of US$1 in excess thereof, without coupons attached.
Interest	The Notes bear interest at from December 2, 2025, at the rates set forth under the Indenture. Interest on the Notes will be payable semi-annually in arrears on June 2 and December 2 in each year, commencing on June 2, 2026. For any interest payment period, the Issuer may, at its option, elect to pay interest on the Notes entirely in cash or entirely by PIK Interest. Solely for the purpose of SGX listing application, the maximum amount of PIK Notes that may be issued is US$55,000,000.
Issue Date	December 2, 2025.
Maturity Date	September 30, 2029.
Conversion	At any time from the Issue Date, each Holder may, in its sole discretion, convert all or part of its Notes into Shares at a price of US$2.7822 per share, subject to customary adjustments including: • share dividends, subdivisions and consolidations,

- grant of rights, options and warrants,
- shares, rights, options, warrants or other equity securities issued below conversion price,
- spin-offs and other distributed property,
- cash dividends or distributions,
- tender offers or exchange offers, or
- other events which has the direct or indirect effect of adversely affecting a Holder's proportionate interest in the equity of the Issuer,

in each case as provided in Section 5.05 of the Indenture.

Final Redemption ..... Unless previously redeemed, converted, or purchased and cancelled, the Issuer will redeem each Note at 100% of its principal amount together with accrued and unpaid interest thereon on the Maturity Date.

Repurchase at the Option of Noteholders ..... Each Holder will have the right, at its election, (i) on or after August 1, 2027 to require the Issuer to repurchase all of such holder's Notes on the date falling no less than two months after the date the Holder send the related repurchase notice or (ii) upon the occurrence of a Fundamental Change to require the Issuer to repurchase all of such holder's Notes on the date falling no less than 30 days after the date the Holder send the related repurchase notice, in each case for a repurchase price equal to an amount in cash of 100% of the principal amount of such Note plus accrued and unpaid interest on such Note to, but excluding, the repurchase date.

Redemption for Tax Reasons ..... The Notes may be redeemed at the option of the Issuer in connection with certain changes in tax laws, at a redemption price equal to 102% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the date fixed by the Company for redemption.

Redemption at the Option of the Issuer ..... The Notes may be redeemed by the Issuer in whole, but not in part, at any time on or after June 2, 2028 and prior to the seventh (7^{th}) business day immediately before the maturity date, for a cash purchase price equal to the Redemption Price.

Covenants..... Section 3 of the Indenture contains covenants that restrict the ability of the Issuer and its Subsidiaries to, among other things: (i) incur Indebtedness, (ii)

	make Restricted Payments, (iii) incur Liens, (iv) sell assets, (v) amend their memorandum and articles of association, and (vi) materially change the scope of their principal business. Such covenants are subject to important limitations, exceptions and qualifications.
Taxation	All payments by the Issuer in respect of the Notes shall be made without deduction or withholding for or on account of any Taxes, unless deduction or withholding of such Taxes is required by law. In such event, the Issuer will pay such additional amounts as will result in the receipt by Holders of such amounts as would have been received by them had no such deduction or withholding been required, except in circumstances specified in the Indenture.
CUSIP	87251C AD8
ISIN	US87251CAD83
Global Note	The Notes will initially be represented by one or more Global Notes registered in the name of DTC or Cede & Co., as its nominee. Beneficial interests in the Global Notes will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its direct and indirect participants. Beneficial interests in the Global Notes may not be exchanged for Notes in definitive form except in limited circumstances.
Listing of the Notes.....	The Issuer has received approval-in-principle for the listing and quotation of the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Information Memorandum. Approval-in-principle for the listing and quotation of the Notes and admission of the Notes to the Official List of the SGX-ST and quotation of the Notes are not to be taken as an indication of the merits of the Issuer, its subsidiaries, any of its associated companies or the Notes. The Notes will trade on the SGX-ST in a minimum board lot size of US$1,000,000, so long as any of the Notes remain listed on the SGX-ST. For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, if any Notes are issued in definitive form, the Issuer shall appoint and maintain a paying agent in Singapore,

	where the Notes may be presented or surrendered for payment or redemption. In addition, in the event that any Global Note is exchanged for Notes in definitive form, announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST, and such announcement will include all material information with respect to the delivery of the Notes in definitive form, including details of the paying agent in Singapore.
Trustee, Paying Agent, Registrar, Conversion Agent, Security Agent and Transfer Agent.....	Wilmington Savings Fund Society, FSB.
Transfer Restrictions	The Notes and the Shares have not been registered under the Securities Act, or the securities laws of any other jurisdiction, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There are restrictions on the offer, sale and transfer of the Notes in certain jurisdictions, including the United States. See "*Transfer Restrictions*."
Security to be granted.....	The Notes will be secured by a share mortgage (the "Share Charge") between the Issuer and the Security Agent over the issued shares of TH Hong Kong International Limited and a debenture (the "Debenture") between the Issuer and the Security Agent, pursuant to which the holders of the Notes will share equal priority in and to the collateral securing, or purposing to be securing, directly or indirectly, the Notes pursuant to the Share Charge and the Debenture.
Use of Proceeds.....	Proceeds are to be used for repayment of certain existing debt and general corporate purpose. See "*Use of Proceeds*."
Risk Factors	For a discussion of certain factors that should be considered before investing in the Notes, see "*Risk Factors*."
Rating	The Notes are not, and are not expected to be, rated by any rating agency.
Governing Law	The Indenture and the Notes will be governed by New York law. The Share Charge will be governed by Hong Kong law and the Debenture will be governed by the Cayman Islands law.

RISK FACTORS

An investment in the Notes involves risks. You should consider carefully the following risk factors, together with all of the other information included in, or incorporated by reference into, this Information Memorandum when evaluating an investment in the Notes.

Risks Related to Our 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, 2025, we had grown to 1,015 stores in 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, and the emergence of alternative business models. We plan to continue 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. We may also actively adjust our store network expansion plans, including the closure of stores that do not achieve expected sales, which may negatively affect our results of operations. In addition, under our Amended and Restated Master Development Agreement with THRI, a subsidiary of RBI, dated August 13, 2021 (the "A&R MDA"), the monthly royalty rate for stores owned and operated by our PRC Subsidiaries (the "company owned and operated stores") and franchise stores opened from January 1, 2021 to August 30, 2021 are 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. From August 2025 onwards, the royalty rate would be in a fix rate. 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 dropped from 8.1% in 2021 to 3.0% in 2022, and then recovered to 5.2%, 5.0% and 5.3% in 2023, 2024 and as of June 30, 2025, respectively. 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 geopolitical tensions.

The U.S. and global markets are experiencing volatility and disruption following the

escalation of geopolitical tensions and the ongoing military conflict between Russia and Ukraine and the Hamas-Israel conflict in the Middle East. Although we do not have any operations outside of mainland China nor any business relationships, connections to, or assets in, Russia, Belarus, Ukraine, or the Middle East, our business, financial condition and results of operations have been, and could continue to be, indirectly and adversely affected by these geopolitical tensions. 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 Information Memorandum.

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.

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 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. In addition, on June 28, 2024 and October 31, 2025, we and our subsidiaries in Hong Kong and China entered into the Second Amendment and Third Amendment to the A&R MDA (the "second A&R MDA"), the HK Amended and Restated Company Franchise Agreement and the PRC Amended and Restated Company Franchise Agreement with THRI to amend the Development Schedule and certain requirements relating to sub-franchising and the development of Tims Express and Tims Go. 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 second A&R MDA after the current term expires or that THRI will not unilaterally terminate the second A&R MDA pursuant to their 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, PLK 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 had 449 franchise stores as of June 30, 2025, all of which are operated by independent operators with whom we entered into franchise agreements. Under these franchise agreements, we will receive monthly payments from the sub-franchisees, which are a percentage of the sub-franchised restaurant's gross sales, in addition to the revenue we generate from other franchise support activities. In 2023 and 2024, revenue attributable to such sub-franchisees accounted for approximately 5.3% and 12.4%. 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 we have 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 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, China's largest convenience store chain with more than 28,000 convenience stores, and for groceries and fresh goods, 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, rising inflation and geopolitical tensions, including the Russia-Ukraine conflict and the Hamas-Israel conflict, 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. If the cost of raw materials and pre-made products continues to increases 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 Information Memorandum titled "Business Overview-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 Agreements with DataCo, we 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; 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.

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 addition, there can be no assurance that price increases will be able to offset increased costs and expenses resulting from rising inflation, geopolitical tensions, outbreaks of health epidemics 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.

Heightened tension in international trade and rising international political tensions, particularly between U.S. and China, may adversely impact our business, financial condition, and results of operations. In recent years there have been heightened tensions

in international relations, particularly between the United States and China. The U.S. government has implemented policies restricting international trade and investment, such as tariffs, export controls, economic or trade sanctions, and foreign investment filing and approval requirements. These tensions have affected both diplomatic and economic ties between the two countries. For example, on October 28, 2024, the U.S. Department of the Treasury issued a final rule on outbound investment to implement the executive order of August 9, 2023. The final rule became effective on January 2, 2025. The final rule imposes investment prohibition and notification requirements on U.S. persons for a wide range of investments in entities associated with China (including Hong Kong and Macau) that are engaged in activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems, collectively defined as Covered Foreign Persons. U.S. persons subject to the final rule are prohibited from making, or required to report, certain investments in Covered Foreign Persons, which are defined as Covered Transactions. We do not believe we are a Covered Foreign Person as defined under the final rule. If we were to be deemed a Covered Foreign Person due to changes in our business operations or amendments to relevant laws and regulations, our ability to raise capital would be significantly and negatively affected. In such case, the trading price of our shares and/or the ADSs may be materially and adversely affected. In addition, the U.S. has imposed or proposed the imposition of new tariffs on products imported into the U.S. from a number of countries, such as China and Canada and could propose additional tariffs or increases to those already in place. Escalating U.S.-China tariff tensions have triggered a chain reaction of economic and political repercussions, potentially worsening bilateral relations. U.S. legislative and policy initiatives may impose stricter measures on China-based companies listed on U.S. exchanges.

If any new tariffs, legislation, or regulations are implemented, or, in particular, if the U.S. government takes further retaliatory trade actions due to the recent U.S.-China trade tension, such changes could adversely affect our business, financial condition, and results of operations. Heightened tensions could also reduce levels of trade, investments, technological exchanges, and other economic activities between the two major economies. The existing tensions and any further deterioration in the relationship between the United States and China may have a negative impact on the general, economic, political, and social conditions and consumer confidence in both countries and, given our reliance on the Chinese market, adversely impact 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 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 our 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 our products, 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 due to natural disasters, health epidemics or other calamities.

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 daily 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. For example, the COVID-19 pandemic had resulted in disruptions to the global economy since the beginning of 2020. While the COVID-19 pandemic in China has come under control since early 2023, the extent to which the pandemic affects our results of operations going forward will depend on future developments which are highly uncertain and unpredictable, including the resurgence of COVID-19 and its variants, the actions taken by government authorities to mitigate the spread of these diseases, the effectiveness of those efforts and the availability and effectiveness of vaccines, which are highly uncertain and cannot be accurately predicted. To the extent such events may adversely affect our business and financial results, it may also have the effect of heightening many of the other risks described in this section.

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 courses 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 Agreements entered into by Tim Hortons China with 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 the 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 RMB500,000 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, beverage and packaged products, raw materials and equipment and impose fines based on a multiple of the value of the food, beverage and packaged 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. 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, six 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, terminated or renewed 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 and has fulfilled its annual and ongoing reporting obligations as of the date of this Information Memorandum.

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 our 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 our daily operations. 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, 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 existing 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 22-Share-based Compensation" of our consolidated financial statements that are incorporated by reference in this Information Memorandum 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. 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, we transferred control and possession of the personal data of our customers to DataCo, pursuant to the respective Business Cooperation Agreement with Dataco. For a more detailed description, see the section of this Information Memorandum titled "Business Overview-Digital Technology and Information Systems."

We or our service providers, including DataCo, may experience or be affected by 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 Cyber Security 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 Cyberspace Administration of China (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 regulatory bodies in China, 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 Information Memorandum, 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 September 24, 2024, the State Council of China published the Regulations on Network Data Security Administration, which took effect on January 1, 2025. The Regulations on Network Data Security Administration provides that network data processing operators engaging in network data processing activities that affect or may affect national security must be subject to security review in accordance with the relevant PRC regulations. "Network data processing activities" refers to the collection, retention, use, processing, transmission, provision, disclosure, deletion, and other activities of network data.

As of the date of this Information Memorandum, 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 any 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 Regulations on Network

Data Security Administration 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, 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. Furthermore, on March 22, 2024, the CAC published the Provisions on Promoting and Regulating Cross-border Data Flow, which became effective on the date of publication. Compared with the Measures on Data Export Security Assessment, the Provisions on Promoting and Regulating Cross-border Data Flow (i) provide several exemption scenarios for security assessment, such as contract fulfillment, human resources management, emergency situations, etc.; and (ii) make adjustments to calculation time windows and the trigger thresholds for security assessments, i.e. changing the annual accumulation calculation start date to January 1 of the current year rather than January 1 of the previous year and shifting the lower ceiling for the security assessment to the export of personal information (excluding sensitive personal information) of 1 million individuals from the 100,000 under the Measures on Data Export Security Assessment. 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 or the Provisions on Promoting and Regulating Cross-border Data Flow. As of the date of this Information Memorandum, the Measures on Data Export Security Assessment or the Provisions on Promoting and Regulating Cross-border Data Flow has not materially affected our business or results of operations. Since the Provisions on Promoting and Regulating Cross-border Data Flow was newly enacted, there remain substantial uncertainties about its interpretation, implementation and interaction with other data export regulations, such as the Measures on Data Export Security Assessment, 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 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 our lessor is entitled to lease the relevant real properties to us. If the lessor is not entitled to lease the real properties to us and the owner of such real properties declines to ratify the lease agreement between us and the respective lessor, our PRC Subsidiaries may not be able to enforce our rights to lease such properties under the respective lease agreement against the owner. As of the date of this Information Memorandum, 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 and shareholder contributions. 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 and food and beverage sector;*
- *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 between THIL and Wilmington Savings Fund Society, FSB, as trustee, dated December 30, 2021 (the "Indenture") with respect to the convertible notes contains events of default provisions, 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.

We had negative net cash flows from operations in the past and have not been profitable, which may continue in the future.

We incurred net losses of RMB872.9 million, RMB409.0 million (US$57.1 million) and RMB134.9 million (US$ 18.8 million) in 2023, 2024 and for the six months ended June 30, 2025, respectively, and we have not been profitable since our inception. In addition, we had negative cash flows from operating activities RMB196.1 million, RMB39.7 million (US$5.5 million) and RMB1.4 million (US$0.2 million) in 2023, 2024 and for the six months ended June 30, 2025, respectively. We have made significant up-front investments in digital technology and information system development, store network, and sales and marketing to rapidly develop and expand our business. We expect to continue to invest in these areas to establish and expand our business, and these investments may not result in an increase in revenue or positive cash flow on a timely basis, or at all.

We may not be able to generate sufficient revenues and we may incur substantial losses for a number of reasons, including lack of demand for our products and services, increasing competition, challenging macro-economic environment, as well as other risks discussed herein, and we may incur unforeseen expenses, or encounter difficulties, complications, or delays in generating revenue or achieving profitability. If we are unable to achieve profitability, we may have to reduce the scale of our operations, which may impede

our business growth and adversely affect our financial condition and results of operations. In addition, our continuous operation depends on our capability to obtain sufficient external equity or debt financing. There is substantial doubt regarding our ability to continue as a going concern if our plans to secure additional funding and optimize operational efficiencies do not materialize. If we do not succeed in doing so, we may need to curtail our operations, which could adversely affect our business, results of operations, financial position, and cash flows.

Our convertible notes or preferred shares may impact our financial results, result in the dilution of our shareholders, adversely affect our liquidity, create downward pressure on the price of our securities, and restrict our ability to raise additional capital or take advantage of future opportunities.

On December 9, 2021, we and Pangaea Two Acquisition Holdings XXIIA Limited ("XXIIA") entered into a Convertible Note Purchase Agreement with each of Sona Credit Master Fund Limited ("Sona") and Sunrise Partners Limited Partnership ("Sunrise"). On December 10, 2021, we issued $50 million in aggregate principal amount of convertible notes (the "Private Notes") to Sona and Sunrise for a purchase price of 98% of the principal amount thereof. On December 30, 2021, we issued $50 million in aggregate principal amount of convertible notes (the "2026 Convertible Notes") under the Indenture in exchange for the Private Notes, which were cancelled upon such exchange. The 2026 Convertible Notes will 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 2026 Convertible Note has the right, after June 10, 2025, to require us to repurchase all of such holder's 2026 Convertible Notes at a repurchase price equal to the principal amount of such 2026 Convertible Note plus accrued and unpaid interest thereon to, but excluding, the repurchase date. We also have the right to redeem the 2026 Convertible Notes in whole, but not in part, (i) at a redemption price equal to 102% of the principal amount of the 2026 Convertible 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 2026 Convertible Notes plus accrued and unpaid interest thereon to, but excluding, the redemption date. The payment of such cash interest, repurchase price or redemption price will lower the amount of cash we have on hand and could restrict our ability to satisfy our liquidity requirements and operate and expand our business, which may in turn have a material adverse impact on the trading volatility and price of our securities. The Indenture also 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. These restrictions could restrict our ability to raise additional capital or take advantage of

future opportunities. Concurrently with the issuance of the Notes, we will enter into a convertible notes repurchase agreement with holders of the 2026 Convertible Notes" to repurchase all outstanding 2026 Convertible Notes and will subsequently cancel and discharge them in full. See "Recent Developments."Furthermore, on June 28, 2024, we entered into a securities purchase agreement with THRI, Pangaea Three Acquisition Holdings IV Limited ("P3AHIV") and Pangaea Two Acquisition Holdings XXIIA Limited ("PTAHXXIIA" and together with P3AHIV, the "Cartesian Investors") pursuant to which we issued: (A) US$40.0 million of Series A Convertible Subordinated Notes due 2027 (the "Series A Convertible Notes"), consisting of US$20.0 million to THRI and US$10.0 million to each of P3AHIV and PTAHXXIIA. The Series A Convertible Notes are convertible into Series A-2 Convertible Preferred Shares (the "Series A-2 Convertible Preferred Shares") (1) at the option of the holder at any time after January 16, 2025 and (2) mandatorily upon maturity or on the occurrence of certain change of control events, provided that the conversion requirements have been met. The Series A Convertible Notes were issued (i) to THRI in exchange for cash and the settlement of overdue accounts payables and (ii) to the Cartesian Investors in exchange for outstanding promissory notes issued in March 2024 with an outstanding principal amount of US$20 million (the "Cartesian Existing Notes"); (B) One (1) Series A-2 Convertible Preferred Share to THRI for US$99.99. Series A-2 Convertible Preferred Shares, which will also be issued upon conversion of the Series A Convertible Notes, are convertible into ordinary shares of the Company with par value of US$0.0000469793497033866 per share (as adjusted for share splits and combinations) (i) at the option of the holder at any time and (ii) automatically upon the earlier of certain change of control events or June 28, 2028, provided that the conversion requirements have been met; (C) One (1) Class A-1 Special Voting Share, in the name of THRI for the benefit of all holders of Series A Convertible Notes. The Class A-1 Special Voting Share is a non-economic share that has certain voting rights; and (D) US$15.7 million of Series A-1 Convertible Subordinated Notes (the "Series A-1 Convertible Notes") which are convertible into ordinary shares (1) at the option of the holder at any time after January 16, 2025 and (2) mandatorily upon maturity or on the occurrence of certain change of control events, provided that the conversion requirements have been met. The Series A-1 Convertible Notes were issued to P3AHIV (i) in full satisfaction of all deferred contingent consideration due to P3AHIV under the share purchase agreement, dated as of March 30, 2023, among the Company, PLK APAC Pte. Ltd., Popeyes China and P3AHIV and (ii) in satisfaction of the interest due under the Cartesian Existing Notes. Additionally, subject to the satisfaction of certain operational and financial conditions set forth in the securities purchase agreement, we agreed to issue, and THRI agreed to purchase, (i) US$5.0 million of Series A Convertible Notes on each of August 15, 2024 and January 15, 2025, and (ii) at the option of THRI additional Series A Convertible Notes as described in the securities purchase agreement. Each of the convertible notes will have a tenor of three (3) years from the initial closing date and bear interest at a per annum rate equal to the secured overnight financing rate as administered by the SOFR Administrator plus eight percent (8.00%) compounding continuously, which will be due and payable at the earlier of conversion or maturity, and shall be paid in kind in the form of additional convertible notes to their respective outstanding principal amount. The convertible notes also contain restrictions on payment of dividends or other distributions on, or repurchases or redemptions of, any shares of any class or series of equity securities which are ranked junior to the convertible notes and certain customary events of default. Concurrently with the issuance of the Notes, THIL will enter into an amendment letter to the

outstanding Series A Convertible Notes and Series A-1 Convertible Notes and an amended and restated certificate of designation of Series A-2 Convertible Preferred Shares and Class A-1 Special Voting Share, pursuant to which the maturity dates of the Series A Convertible Notes and Series A-1 Convertible Notes will be extended to September 30, 2029, the conversion rate will be adjusted to 35.94 Ordinary Shares per Series A-2 Convertible Preferred Share, based on the same conversion price as the Notes, and certain mandatory conversion provisions will be deleted. See "Recent Developments."

In addition, the conversion of the notes or preferred shares will cause dilution to our shareholders and the market price of our securities may decrease due to the additional selling pressure in the market. Any downward pressure on the price of our securities by the sale, or potential sale, of ordinary shares issuable upon conversion of the notes or preferred shares could also encourage short sales by third parties, creating additional selling pressure on our share price.

We may acquire other businesses, which could require significant management attention, disrupt our business, dilute shareholder value and harm our business, revenue and financial results.

As part of our business strategy, we intend to make acquisitions to add complementary companies, products or technologies. Our past and future acquisitions may not achieve our goals, and we may not realize benefits from acquisitions. Any integration process will require significant time and resources, and we may not be able to manage the process successfully. If we fail to successfully integrate acquisitions, or the personnel or technologies associated with those acquisitions, the business, revenue and financial results of the combined company could be harmed. We may not successfully evaluate or utilize the acquired assets and accurately forecast the financial impact of an acquisition, including accounting charges. We may also incur unanticipated liabilities that we assume as a result of acquiring companies. We may have to pay cash, incur debt or issue equity securities to pay for any such acquisition, each of which could affect our financial condition or the value of our securities. We would expect to finance any future acquisitions through a combination of additional issuances of equity, corporate indebtedness or cash from operations. The sale of equity to finance any such acquisitions could result in dilution to our shareholders. The incurrence of indebtedness would result in increased fixed obligations and could also include covenants or other restrictions that would impede our ability to manage our operations. In the future, we may not be able to find other suitable acquisition candidates, and we may not be able to complete acquisitions on favorable terms, if at all. Our acquisition strategy could require significant management attention, disrupt our business and harm our business, revenue and financial results.

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 Information Memorandum 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 Information Memorandum reflects 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.

Multiple factors have negatively impacted our business during the year ended December 31, 2024 and it is possible these factors may continue during 2025. We have not updated the long-term financial projections that we previously published in connection with our Business Combination with Silver Crest and, as a result of these factors, certain of the assumptions underlying our prior forecasts are no longer correct and investors should not place any reliance on those projections.

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 our 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 our future issuance of securities to foreign investors under PRC laws, regulations or policies.

As all of our operations are based in 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 company 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 our future issuance of securities to foreign investors will be subject to the filing requirements with the CSRC in accordance with the Trial Measures for Administration of the Overseas Securities Offerings and Listings by Domestic Enterprises and several supporting rules, or collectively the New Filing Rules, promulgated by the CSRC on February 17, 2023. 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 required, 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 or complete certain filing procedures 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 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 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.

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. On February 17, 2023, the CSRC promulgated the Trial Measures and several related rules, collectively the New Filing Rules, which became effective on March 31, 2023. Under the New Filing Rules, issuers that intend to list or offer securities on foreign stock exchanges or overseas-listed issuers that intend to list for its secondary listing or primary listing in any other overseas market 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 both of 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) the issuer's business operations are mainly conducted or located in mainland China, or a majority of the issuer's senior executives in charge of its business operations are PRC citizens or habitually reside in mainland China) shall make a filing with the CSRC within three (3) business days upon the issuer's initial filing of its listing application documents with the foreign stock exchange. In addition, under the New Filing Rules, an overseas-listed issuer will be subject to the following obligations of filing or report: (i) if the issuer issues securities in the future (excluding the securities issued for the purpose of implementing equity incentive, distribution of stock dividends, share split, etc.) in the same overseas stock exchange, or such issuer issues convertible bonds, exchangeable bonds or preferred shares after its overseas issuance and listing, it shall make a filing with the CSRC within three (3) business days upon the completion of such issuance; (ii) if the issuer seeks for the secondary listing or primary listing in any other overseas stock exchange after its overseas issuance and listing, it shall make a filing with the CSRC within three (3) business days after submitting the application documents for issuance and listing overseas; (iii) if the issuer issues the securities in installments within the scope of authorization after its overseas issuance and listing, it shall make a filing with the CSRC within three (3) business days after the completion of its first issuance and state the total amount of the securities to be issued. After the completion of each remaining issuance, it shall submit a consolidated report on the issuance to CSRC; (iv) an overseas listed issuer shall report detailed information to the CSRC within three (3) business

days from the occurrence and announcement of the following major events, including the change of such issuer's control right, investigation and punishment imposed by the overseas regulatory security authority or the relevant competent authority, change of its listing status or listed sector, and the termination of listing voluntarily or compulsorily; and (v) where there is any material change in the major business and operation activities of an overseas listed issuer and such change does not fall within the scope of filing requirement, such issuer shall, within three (3) business days from the occurrence of such change, submit a special report and a legal opinion issued by a PRC law firm to the CSRC to explain the relevant information. 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. Based on a set of Q&A published on the CSRC's official website in connection with the release of the Trial Measures, under the New Filing Rules, the domestic companies that have completed overseas public offering and listing prior to the enactment of the New Filing Rules shall be regarded as existing issuers, or the Existing Issuers. As an Existing Issuer, we are subject to the requirements imposed by the New Filing Rules in connection with future securities offerings. 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 are required to do so. However, we cannot assure you that we will be able to complete such filing or comply with any other requirements that may be imposed on us under the New Filing Rules on a timely basis, or at all. Failure to comply with the filing requirements or any other requirements under the New Filing Rules could result in rectifications, warnings, and fine ranging from RMB1 million to RMB10 million, and any person who is directly in charge and other directly liable persons could also be subject to administrative penalties, such as warnings and fines. The controlling shareholders, actual controllers and any person who is directly in charge and other directly liable persons thereof of our PRC Subsidiary may be subject to fines if our noncompliance with the filing requirements are organized or instigated by such controlling shareholders and actual controllers.

On February 24, 2023, the CSRC, together with other PRC government authorities, released the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises (the "Confidentiality and Archives Provisions"), which replaced the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Offering and Listing issued on October 20, 2009 and came into effect on March 31, 2023. According to the Confidentiality and Archives Provisions, for indirect overseas offering and listing, the domestic operating entity: (i) shall establish confidentiality and archival protocols and take necessary measures to fulfil such responsibilities; (ii) shall not leak any state secrets or the work secrets of state authorities or harm national or public interests; (iii) shall obtain approval from competent authorities and make a filing with the appropriate government agency if it, or the offshore listing vehicle, publicly discloses documents or materials involving state secrets or the work secrets of state authorities or provides such information to securities companies, securities service providers or overseas regulators; and (iv) shall strictly comply with the procedural requirements of applicable regulations (a) if it, or the offshore listing vehicle, publicly discloses other documents or materials that, if leaked, will be detrimental to national security or public interest or provides such information to securities companies, securities service providers or overseas regulators, or (b) if it provides accounting records or

a copy of such records to securities companies, securities service providers or overseas regulators.

If we fail to receive or maintain any requisite permission or approval from the CSRC for 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 offerings of our listed securities 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.

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. On September 24, 2024, the State Council of China published the Regulations on Network Data Security Administration, which took effect on January 1, 2025. The Regulations on Network Data Security Administration provides that network data processing operators engaging in network data processing activities that affect or may affect national security must be subject to security review in accordance with the relevant PRC regulations. "Network data processing activities" refers to the collection, retention, use, processing, transmission, provision, disclosure, deletion, and other activities of network data. As of the date of this Information Memorandum, 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 any offering of our securities 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 Regulations on Network Data Security Administration 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, 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 operation 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 our 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 the 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 changes in the consumer price index for the years ended December 31, 2022, 2023 and 2024 were increases of 2.0%, 0.2% and 0.2%, 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, or divulges any state secret, (iii) involves designs of the PRC national flag, national emblem, national anthem or the music of the national anthem, the military flag, military song or military emblem, (iv) contains any obscene, pornographic, gambling, superstitious, horrible, or violent contents, or contains ethnic, racial, religious or sexual discrimination contents, (v) endangers personal or property safety or divulges individual privacy, or (vi) disparages products or services of other manufacturers or business operators, etc. 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 ofoperations 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) toregister 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 and replaced the Administrative Measures for the Approval and Filing of Overseas Investment Projects. 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 foreign exchange or 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 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 (the "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 making 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/or the NDRC (with respect to foreign debts with a maturity of more than 1 year), 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 offerings of our listed securities 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 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 Information Memorandum, the majority of our PRC subsidiaries have negative or very limited net assets, which prevents us from providing loans to them using the Net Assets Limit. Pursuant to the Administrative Measures for Examination and Registration of Medium and Long-term Foreign Debts of Enterprises enacted by NDRC on January 5, 2023 and effective on February 1, 2023, 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 issued the Circular of the State Administration of Foreign Exchange on Further Promoting the Facilitation of Cross-Border Trade and Investment (the "2019 Circular 28"), which took effect on the same day. On December 24, 2023, SAFE further issued the Circular on Further Deepening the Reform to Facilitate Cross-border Trade and Investment (the "2023 Circular 28"), which took effect on the same day. These circulars allow 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, the 2019 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. The 2023 Circular 28 relaxed the restrictions on the scale of preliminary expenses for overseas direct investment. The restriction that the cumulative remittance amount of preliminary expenses for overseas direct investment by a domestic enterprise shall not exceed the equivalent of US $3 million shall be abolished, provided that the cumulative remittance amount shall not exceed 15% of the total amount proposed to be invested by the PRC party. In addition, where a domestic equity transferor (including institutions and individuals) receives funds from equity transfer consideration paid by a domestic entity in a foreign currency and foreign exchange funds raised from overseas listing of a domestic enterprise, such funds may be directly remitted to the settlement account under the capital account. Funds in the settlement account under the capital account may be settled and used on its own. The funds from equity transfer consideration paid by a foreign-invested enterprise with Renminbi funds from income from foreign exchange settlement (sourced from income from direct foreign exchange settlement or Renminbi funds in the foreign exchange settlement account pending for payment) received by a domestic equity transferor may be directly transferred to the Renminbi account of the domestic equity transferor.

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 from the offerings of our listed securities 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 offerings of our listed securities 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 February 15, 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.

Risks Related to the Notes, the Shares and the Collateral

We may not be able to comply with the covenants in the Indenture and the Notes, which could result in an Event of Default and in turn acceleration of the Notes. We might not have sufficient funds at that time to pay principal, interest and any other amounts due under the Notes, in which case Holders might lose all of their investment.

If we fail to comply with the covenants and other terms of the Indenture and the Notes, an Event of Default could occur. An Event of Default could also occur if we enter into bankruptcy or similar proceedings or other specified events occur. The occurrence of an Event of Default could in turn lead to an acceleration of the Notes, whereby all amounts due under the Notes would become immediately due and payable. In such a situation, we might not have sufficient funds or other assets to satisfy our payment obligations under the Notes, including our obligations to pay principal and interest on the Notes. Accordingly, Holders could lose all or a significant portion of their investment in the Notes.

An active trading market for the Notes may not develop.

The Notes are a new issue of securities for which there is currently no trading market. No assurance can be given that an active trading market for the Notes will develop or as to the liquidity or sustainability of any such market, the ability of holders to sell their Notes or the price at which holders will be able to sell their Notes.

Holders will bear the risk of fluctuations in the price of the Shares.

The market price of the Notes could be affected by fluctuations in the price of the Shares. There can be no certainty as to the effect, if any, that future issues or sales of the Shares, or the availability of such Shares for future issue or sale, will have on the price of the Shares

prevailing from time to time and therefore on the price of the Notes. Sales of substantial numbers of the Shares, or a perception that such sales could occur, could adversely affect the prevailing price of the Shares and the Notes. The results of operations, financial condition, future prospects and business strategy of the Company could affect the value of the Shares. The trading price of the Shares will be influenced by our operational results (which in turn are subject to the various risks to which its businesses and operations are subject) and by other factors such as changes in the regulatory environment that may affect the markets in which we operate and capital markets in general. Any decline in the price of the Shares could adversely affect the price of the Notes.

We may be unable to redeem the Notes.

Upon the occurrence of certain events, we may (and at maturity, will) be required to redeem all or a portion of the Notes. If such an event were to occur, we may not have sufficient cash and may not be able to arrange financing to redeem the Notes in time, or on acceptable terms, or at all. The ability to redeem the Notes in such event may also be limited by the terms of other debt instruments. Failure to repay, repurchase or redeem tendered Notes by us would constitute an event of default under the Notes.

Conversion of the Notes will dilute the ownership interest of existing shareholders and could adversely affect the price of the Shares.

The conversion of some or all of the Notes will dilute the ownership interests of existing shareholders. Any sales of the Shares issuable upon such conversion could adversely affect prices for the Shares.

Holders have limited anti-dilution protection.

The Conversion Price will be adjusted for certain events, but only in the situations and only to the extent set forth under the Indenture. There is no requirement that there should be an adjustment for every corporate or other event that may affect the value of the Shares. Events in respect of which no adjustment is made may adversely affect the value of the Shares and therefore, adversely affect the value of the Notes.

Holders have no shareholder rights before conversion.

An investor in a Note will not be a holder of the Shares. No holder of a Note will have any voting rights, any right to receive dividends or other distributions, or any other rights with respect to any Shares until such time, if any, such holder converts such Note for such Shares and (as applicable) becomes registered as the holder thereof.

Securities law restrictions on the resale and conversion of the Notes and the resale of Shares issuable upon their conversion may impact the ability of holders to sell the Notes.

The Notes and the Shares into which the Notes are convertible have not been registered under the Securities Act, any state securities laws or the securities laws of any other jurisdiction. Unless and until they are registered, the Notes and the Shares issuable upon conversion may not be offered, sold or resold except pursuant to an exemption from registration under the Securities Act and applicable state laws or in a transaction not subject to such laws.

If we are unable to comply with the restrictions and covenants in the Indenture or other debt agreements, there could be a default under the terms of the Indenture or such other agreements, which could cause repayment of our debt to be accelerated.

If we are unable to comply with the restrictions and covenants in the Indenture or other debt agreements, there could be a default under the terms of the Indenture or these other agreements. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend to us, accelerate repayment of the debt and declare all outstanding amounts due and payable or terminate the agreements, as the case may be. As a result, our default under one debt agreement may cause the acceleration of repayment of not only such debt but also other debt, including the Notes, or result in a default under our other debt agreements. If any of these events occur, we cannot assure you that our assets and cash flow would be sufficient to repay in full all of our indebtedness, or that we would be able to find alternative financing. Even if we could obtain alternative financing, we cannot assure you that it would be on terms that are favorable or acceptable to us.

Claims by holders of the Notes are structurally subordinated to creditors of our subsidiaries.

None of our subsidiaries will guarantee the Notes. Payments under the Notes are structurally subordinated to all existing and future liabilities and obligations of our subsidiaries. Claims of creditors of our subsidiaries will have priority as to the assets of such subsidiaries over us and our creditors, including the Holders.

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 the Notes. 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 or our shareholders, 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 and food and beverage sector 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 number 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 are unable to continue to meet the listing requirements of Nasdaq, our Class A Ordinary Shares will be delisted

On July 19, 2024, we received a notice from the Nasdaq Stock Market LLC, stating that our ordinary shares fail to comply with the Minimum Bid Price Requirement for continued listing on Nasdaq in accordance with Nasdaq Listing Rule 5550(a)(2) based upon the closing bid price of the ordinary shares for the 30 consecutive business days prior to the date of the notice, and we were given an initial compliance period of 180 calendar days, or until January 15, 2025, to regain compliance. On January 7, 2025, we announced a 1-for-5 share consolidation of our ordinary shares effective December 31, 2024 at 5:00pm Eastern Time (the "Reverse Stock Split"). Despite the aforementioned Reverse Stock Split, the bid price for our ordinary shares did not close at $1.00 or above for the requisite minimum

consecutive number of trading days prior to January 15, 2025. As a result, we received a customary formal notice from Nasdaq on January 21, 2025, indicating that our ordinary shares were subject to delisting due to non-compliance. On January 28, 2025, we received another notification letter from Nasdaq confirming that we had regained compliance. For the last 10 consecutive business days, from January 13 through January 27, 2025, the closing bid price of our ordinary shares had been above $1.00 per share. Accordingly, we have regained compliance and our ordinary shares are no longer subject to delisting.

In the event of a delisting from the Nasdaq Capital Market, our ordinary shares would likely be traded in the over-the-counter inter-dealer quotation system, more commonly known as the OTC. OTC transactions involve risks in addition to those associated with transactions in securities traded on the securities exchanges, such as the Nasdaq Capital Market, or other exchange-listed stocks. Many OTC stocks trade less frequently and in smaller volumes than exchange-listed stocks. Accordingly, our ordinary shares would be less liquid than it would be otherwise. Also, the prices of OTC stocks are often more volatile than exchange-listed stocks. Additionally, many institutional investors are prohibited from investing in OTC stocks, and it might be more challenging to raise capital when needed.

If we do not meet the expectations of 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.

Our issuance of additional share capital in connection with financings, acquisitions, investments, our equity incentive plans or otherwise will dilute all other shareholders.

We expect to issue additional share capital in the future that will result in dilution to all other shareholders. We expect to grant equity awards to key employees under our equity incentive plans. We may also raise capital through equity financings in the future. As part of our business strategy, we may acquire or make investments in companies, solutions or technologies and issue equity securities to pay for any such acquisition or investment. Any such issuances of additional share capital may cause shareholders to experience significant dilution of their ownership interests and the per share value of Shares to decline.

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 financial statements as of and for the year ended December 31, 2023 and 2024, 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 lacks of sufficient competent financial reporting and accounting personnel with appropriate understanding of U.S. GAAP and financial reporting requirements set forth by the SEC to formalize, design, implement and operate key controls over financial reporting process to address complex U.S. GAAP accounting issues and related disclosures, in accordance with U.S. GAAP and SEC financial reporting requirements; (ii) our company has inadequate period end financial closing policies and procedures to implement and effectively operate key controls over period end financial closing process for preparation of consolidated financial statements, including disclosures, in accordance with U.S. GAAP and relevant SEC financial reporting requirements; and (iii) Lack of design, implementation and operating effectiveness of certain general information technology controls in SAP system, including identification and authentication, logical access de-provisioning, privilege access management, program change, segregation of duties in IT program change, monitoring on system job and system recovery.

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 weaknesses, we 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, especially on complex U.S. GAAP accounting issues and related disclosures, (iii) enhancing U.S. GAAP accounting policies, procedures manual and management functions, which will be maintained, reviewed and updated, on a regular basis, to the latest U.S. GAAP accounting standards, (iv) improving period end financial closing policies and procedures for preparation of consolidated financial statements, (v) engaging extend specialists and consultants to improve processes and system designs and monitoring controls over period-end financial closing procedures, (vi) formalize policies and procedures on account authorization, access management, program change validation and acceptance, data backup and system recovery; (vii) add personnel and allocate resources as necessary to support the increasing complexity of our SAP system; and (viii) reassess and select more qualified SAP service providers to improve the segregation of duties in SAP system management and to enhance our ability to assess the effectiveness of the SAP system control environment. 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.

Future resales and/or issuances of ordinary shares may cause the market price of our shares to drop significantly.

To the extent that we sell ordinary shares under the Facility, substantial amounts of ordinary shares will be issued and available for resale by Cantor, which would cause dilution and represent a significant portion of our public float and may result in substantial decreases in our stock price. After Cantor has acquired shares under the Facility, Cantor may resell all, some or none of such ordinary shares at any time or from time to time in its discretion and at different prices. The per share purchase price of the ordinary shares that we elect to sell to Cantor in a VWAP Purchase, if any, will be equal to 97% of the VWAP of the ordinary shares during the applicable VWAP Purchase Period for such VWAP Purchase; accordingly, the purchase price per share that Cantor will pay for the ordinary shares purchased from us under the Facility, if any, will fluctuate based on the market price of our ordinary shares. In addition, because Cantor paid no cash consideration for the Commitment Fee Shares (as defined below), any proceeds received by Cantor upon its sale of the Commitment Fee Shares would be profit. As such, because Cantor may experience a potential profit compared to other public investors, it may be incentivized to sell its ordinary shares when our public shareholders are not, which could cause the market price of our ordinary shares to drop significantly. For more details, see "Management's discussion and analysis of financial condition and results of operations - Liquidity and Capital Resources."

In addition, we have filed the Resale Registration Statement with the SEC, registering up to 9,949,865 ordinary shares (excluding ordinary shares previously issuable upon the exercise of warrants) held by certain selling securityholders. The sales of these 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 compared to other public investors and may be incentivized to sell their securities when others are not. The public securityholders may not experience a similar rate of return on the securities they purchase or have previously purchased due to differences in the purchase prices and the current trading price.

The issuance and resale of a substantial number of our ordinary shares, or the perception of such sales, could result in an increase in the volatility of the market price of our ordinary shares and a significant decline in the public trading price of our ordinary shares. Such decline in market price could be substantial.

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. 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 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 financial statements as of and for the year ended December 31, 2024, 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 lacks of sufficient competent financial reporting and accounting personnel with appropriate understanding of U.S. GAAP and financial reporting requirements set forth by the SEC to formalize, design, implement and operate key controls over financial reporting process to address complex U.S. GAAP accounting issues and related disclosures, in accordance with U.S. GAAP and SEC financial reporting requirements; (ii) our company has inadequate period end financial closing policies and procedures to implement and effectively operate key controls over period end financial closing process for preparation of consolidated financial statements, including disclosures, in accordance with U.S. GAAP and relevant SEC financial reporting requirements; and (iii) Lack of design, implementation and operating effectiveness of certain general information technology controls in SAP system, including identification and authentication, logical access de-provisioning, privilege access management, program change, segregation of duties in IT program change, monitoring on system job and system recovery.

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 weaknesses, we 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, especially on complex U.S. GAAP accounting issues and related disclosures, (iii) enhancing U.S. GAAP accounting policies, procedures manual and management functions, which will be maintained, reviewed and updated, on a regular basis, to the latest U.S. GAAP accounting standards, (iv) improving period end financial closing policies and procedures for preparation of consolidated financial statements, (v) engaging extend specialists and consultants to improve processes and system designs and monitoring controls over period-end financial closing procedures, (vi) formalize policies and procedures on account authorization, access management, program change validation and acceptance, data backup and system recovery; (vii) add personnel and allocate resources as necessary to support the increasing complexity of our SAP system; and (viii) reassess and select more qualified SAP service providers to improve the segregation of duties in SAP system management and to enhance our ability to assess the effectiveness of the SAP system control environment. 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 (as defined below) 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 Shares should consult their own 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 securities 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.

We cannot assure that the Trustee or holders of the Notes will be able to enforce the security interest under the Collateral

The ability of the collateral agent, on behalf of the holders of the Notes, to foreclose on the Collateral upon the occurrence of an Event of Default or otherwise, will be subject in certain instances to perfection and priority issues. Although procedures will be undertaken to support the validity and enforceability of the security interests, we cannot assure you that the Trustee or holders of the Notes will be able to enforce the security interest.

The value of the Collateral in the event of a liquidation will depend upon market and economic conditions, the availability of buyers and similar factors. No independent appraisals of any of the Collateral have been prepared by or on behalf of us in connection with this offering of the Notes. Accordingly, we cannot assure you that the proceeds of any sale of the Collateral following an acceleration of the Notes would be sufficient to satisfy, or would not be substantially less than, amounts due and payable on the Notes. By their nature, some or all of the Collateral, may be illiquid and may have no readily ascertainable market value. Likewise, we cannot assure you that the Collateral will be saleable or, if saleable, that there will not be substantial delays in its liquidation.

In addition, the Collateral are subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit their validity and enforceability. For example, the rights of the collateral agent and holders of the Notes to realize on the Collateral may be impaired, delayed, or reduced by a variety of legal, practical, and procedural limitations. Among other things, enforcement may be stayed or limited by insolvency, restructuring, moratorium, or similar laws. Any failure, defect, delay, or subsequent change in law may render security unperfected or subordinate to competing claims. Assets located in multiple jurisdictions may require parallel proceedings and recognition of foreign judgments, adding cost and uncertainty. As a result, there can be no assurance that the Collateral will be sufficient to satisfy amounts due on the Notes, that enforcement will occur on a timely basis, or that the collateral agent will be able to realize the expected value, in whole or in part.

The insolvency laws of Cayman and Hong Kong may not be as favorable to you as the U.S. bankruptcy laws or the insolvency laws of other jurisdictions with which you are familiar and may preclude holders of the Notes from recovering payments due on the Notes.

If we become subject to insolvency, restructuring, or similar proceedings in the Cayman Islands or Hong Kong, the rights and remedies of holders of the Notes could be materially more limited than under U.S. bankruptcy law or other regimes with which investors may be

familiar. For example, Cayman Islands and Hong Kong courts may impose moratoria or stays, recognize restructuring processes (including the appointment of restructuring or provisional liquidators/supervisors), and permit schemes or compromises that bind dissenting creditors. Enforcement of foreign judgments and judgments obtained outside the forum of the insolvency may be delayed or require additional proceedings. As a result, recoveries by holders of the Notes, the timing of distributions, and the overall outcome could be uncertain and materially less favorable than under U.S. bankruptcy law.

USE OF PROCEEDS

Proceeds are to be used for repayment of certain existing debt and general corporate purpose.

BUSINESS

In this section, "we," "us" and "our" refer to TH International Limited.

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, 2025, we had 1,015 stores in 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. As of June 30, 2025, we had registered members of approximately 26.2 million, representing an increase of 22.4% from 21.4 million as of June 30, 2024.

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 revenues decreased slightly from RMB1,560.0 million in 2023 to RMB1,391.2 million in 2024. In 2025, we made a strategic adjustment to prune certain underperforming company owned and operated stores and to focus more on the franchised business, our revenue for the six months ended June 30, 2025 decreased by 7.0% compared to the same period of 2024. In the meantime, we maintained positive adjusted company owned and operated store contribution for our company owned and operated stores for the third quarter of 2023 and 2024. The fully-burdened gross profit of our company owned and operated stores, the most comparable GAAP measure to adjusted company owned and operated store contribution, for 2024 and for the six months ended June 30, 2025 was negative RMB42.0 million (US$5.9 million) and RMB10.8 million (US$ 1.5 million), respectively. During the same periods, our adjusted company owned and operated store contribution was RMB87.6 million (US$12.2 million) and RMB44.3 million (US$6.2 million), respectively. For more details regarding adjusted company owned and operated store contribution, a non-GAAP financial measure, which is a key measure used by our management and Board 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 decreased slightly from RMB1,560.0 million in 2023 to RMB1,391.2 million (US$194.2 million) in 2024. Our total costs and expenses decreased from RMB2,227.9 million in 2023 to RMB1,740.2 million (US$242.9 million) in 2024. Our net loss decreased from RMB872.9 million in 2023 to RMB409.0 million (US57.1 million) in 2024. Our revenue for the six months ended June 30, 2025, decreased slightly compared to the same period in 2024 from RMB699.0 million to RMB649.7 million (US$90.7 million). Our total costs and expenses decreased from RMB875.0 million for the six months ended June 30, 2024, to RMB782.8 million (US$109.3 million) for the same period in 2025. Our net loss decreased from RMB189.2 million for the six months ended June 30, 2024, to RMB134.9 million (US$18.8 million) for the same period in 2025.

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 2022/23, domestic consumption (measured in 60-kilogram bags) in China was only 5.0 million bags, compared to 24.6 million bags in the United States and 6.9 million in Japan.

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 attractively priced, high-quality coffee, we also offer other quality, freshly prepared and locally relevant beverages and food at compelling price points, such as RMB9.9 breakfast bagels, RMB24.0 coffee plus bagel sandwich lunchbox combos, and multiple RMB6.0 snacks. We believe that our food offerings are a key differentiator and one reason customers choose to come to our stores throughout the day and deliver strong value-for-money to our customers.

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 our 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. 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.

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, 253 stores in 2021, 227 stores in 2022, 285 stores in 2023 and 120 stores in 2024. 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 shareholders, including Cartesian, THRI, Tencent and HongShan (formerly known as 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 four 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. Additionally, our "Tims Express" stores offer a compact and efficient footprint that integrates easily into the stores of our franchise partners with whom we collaborate, exhibiting our signature welcoming design. 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.



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. In September 2022, we launched two co-branded ready-to-drink coffee products in partnership with Easy Joy. On November 18, 2022, we announced a two-year partnership with Freshippo, pursuant which we and Freshippo will introduce co-branded coffee products for sale exclusively through Freshippo's online channels and over 300 brick-and-mortar stores located in 27 cities across China. We and Freshippo will also work together on research and development of the co-branded products, collaborating on product design, positioning, promotion, and pricing. In September 2023, we celebrated the Bagel Festival with celebrity guest Muchi Chen, contributing to the brand's emergence as one of the most favored bagel and coffee shops in China. In December 2023, we partnered with SpongeBob SquarePants, achieving over 10 million exposures on social platforms and significantly enhancing brand awareness among the younger demographic. The collaborative product, Strawberry Flavored Latte, saw sales of 286 thousand cups within three months, with a re-purchase rate of 19% among our membership base. Later in 2023, we partnered with ride-hailing company DiDi Chuxing ("DiDi") in a strategic brand-building initiative. This partnership focuses on cross-brand and cross-channel marketing, leveraging Didi's extensive customer base to elevate Tims China's brand visibility. As a result, we acquired approximately 20,000 new loyalty club members and generated around RMB1.7 million in incremental sales. Notably, the initiative garnered significant attention on Xiaohongshu (also known as Red), a prominent social media platform in China, accumulating over 11 million views. In September 2024, Tims China partnered with Meng Lan, the beloved panda superstar, to celebrate the second annual Bagel Festival, with a theme as "Healthy and Delicious: Bagel Maverick." This collaboration with Meng Lan, the "Chief Bagel Recommendation Officer", introduces four new seasonal products, crafted with low-calorie ingredients, offering a delicious and also health-conscious way to enjoy our celebrated bagels. To further celebrate the Bagel Festival, Tims China is offering special promotions, including the "Multi-Grain Bagel Six-Pass," "Smile Bagel Three-Pass," and an exclusive deal for new members to enjoy popular Multi-Grain Bagel for just 8.8 RMB.

Tims China has built a diverse "Bagel Universe," featuring the nutritious "Multi-Grain Bagel" series, the light and tasty "Smile Bagel" series, and the energizing "Bagel Sandwich" line:

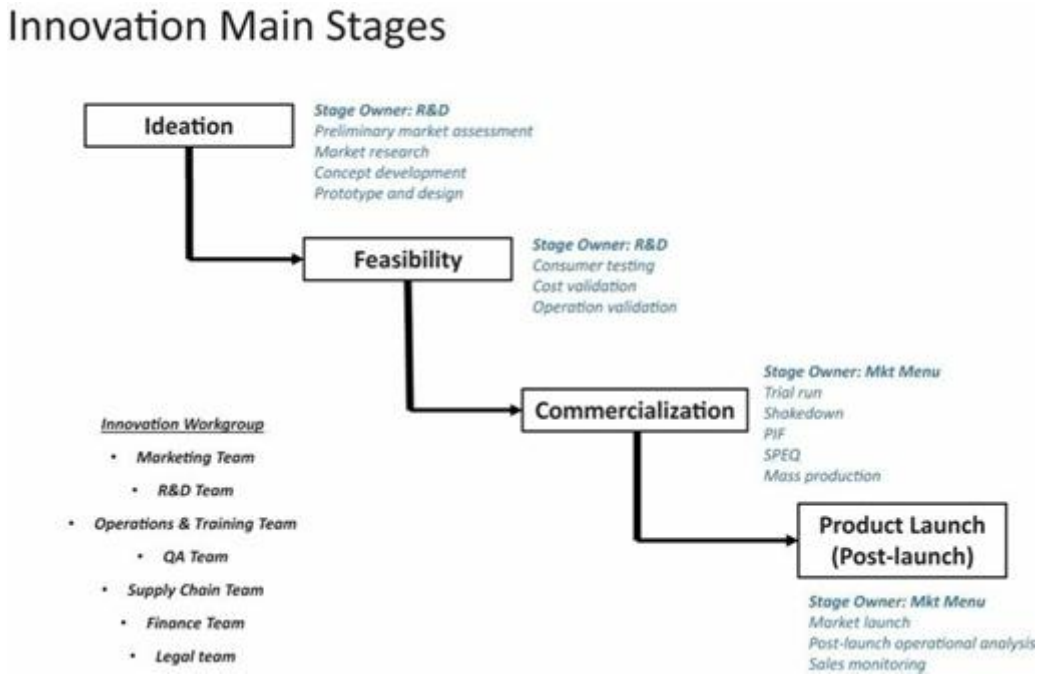
- "Multi-Grain Bagel" series: The highly nutritious Multi-Grain Bagel is made with whole wheat flour or rye flour and contains an assortment of flax seeds, oats, sunflower seeds, and a variety of grains and other seeds. It gives customers a fiber-rich breakfast or lunch option. The latest additions to the "Multi-Grain Bagel" series—Five-Red Bagel and Five-Black Bagel—combine the freshness of the grains with the power of superfoods, providing a satisfying and nutritious meal or snack. All under 300 calories and available with cream cheese.

- "Smile Bagel" series: Stuffed with a delicious cream cheese filling, bursting with flavors and all under 300 calories, Smile Bagel is perfect match for morning coffee or an afternoon treat.

- "Bagel Sandwich" line: The ultimate breakfast or lunch bagel, made fresh on the spot. A toasted bagel with meat, egg, cheese, and veggies, the energy-boosting and protein-

rich Bagel Sandwich can bolster the day in a jiffy.

The chart below outlines the process flow for new project launch.



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 18.5 million, 24.0 million and 26.2 million as of December 31 2023, 2024, and June 30, 2025, respectively.

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, we transferred control and possession of the personal data of their customers to DataCo, a PRC-incorporated company, pursuant to their respective Business Cooperation Agreement with DataCo.

Our Store Network

As of June 30, 2025, we had 1,015 stores in mainland China, of which 449 are franchised and 566 are owned and operated by us, as shown in the map below. As of the date of this Information Memorandum, 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 four complementary store formats, namely flagship stores, classic stores, "Tims Go" stores and "Tim Express" 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 will open several Tims Go stores in METRO China outlets, and enjoy preferred site selection, as well as delivery services and complimentary marketing initiatives.

- Innovative "Tims Express" Stores (~20 square meters) are located within Easy Joy convenience stores, as part of our collaboration with Easy Joy, and the

storefronts of certain other brick and mortar businesses that we collaborate with.



Site Selection and Expansion

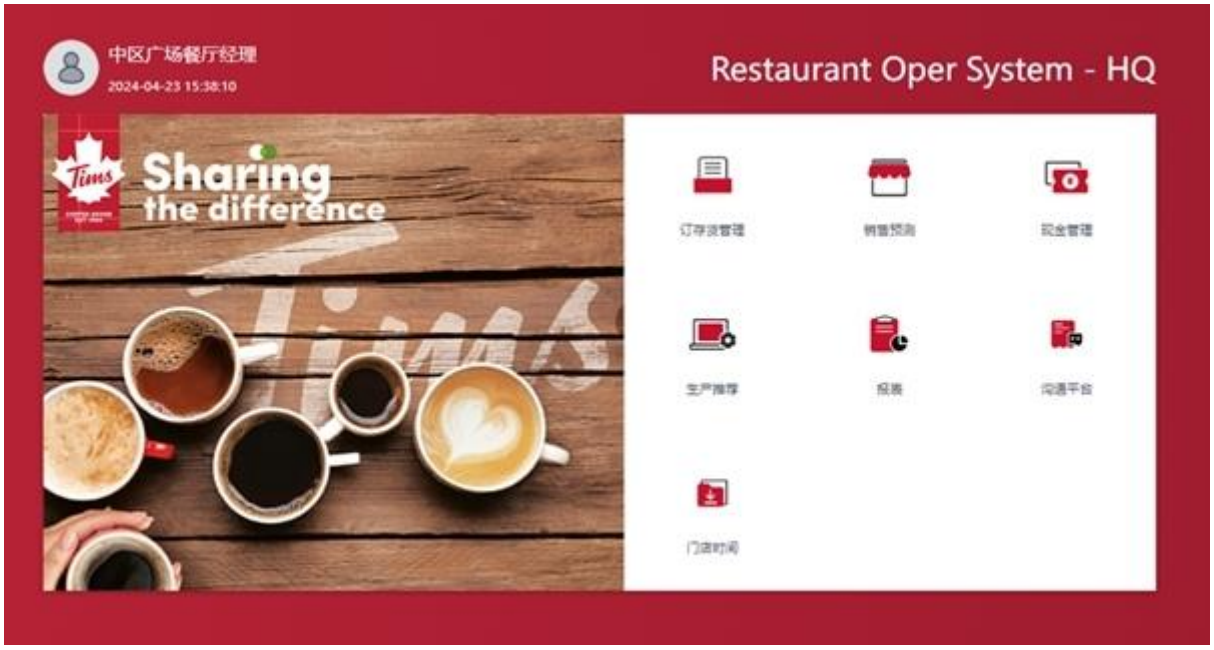
For store development, we utilize a clustering strategy, whereby we focus our store development efforts on a geographically proximate group of cities and trade areas, centered on a large tier-one city. This allows us to build store density quickly, thereby increasing brand awareness, driving convenience, 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. In 2024, we made a strategic adjustment to prune certain underperforming company owned and operated stores and to focus more on the franchised business. We work closely with well-selected, qualified franchisees and remain disciplined to open high-quality franchised stores in those cities that we operate or into new lower-tier cities, or in exceptional locations to which the franchise has unique access.

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, protein and packing materials. We believe that we have built a robust, local supply chain. Pursuant to the second 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.

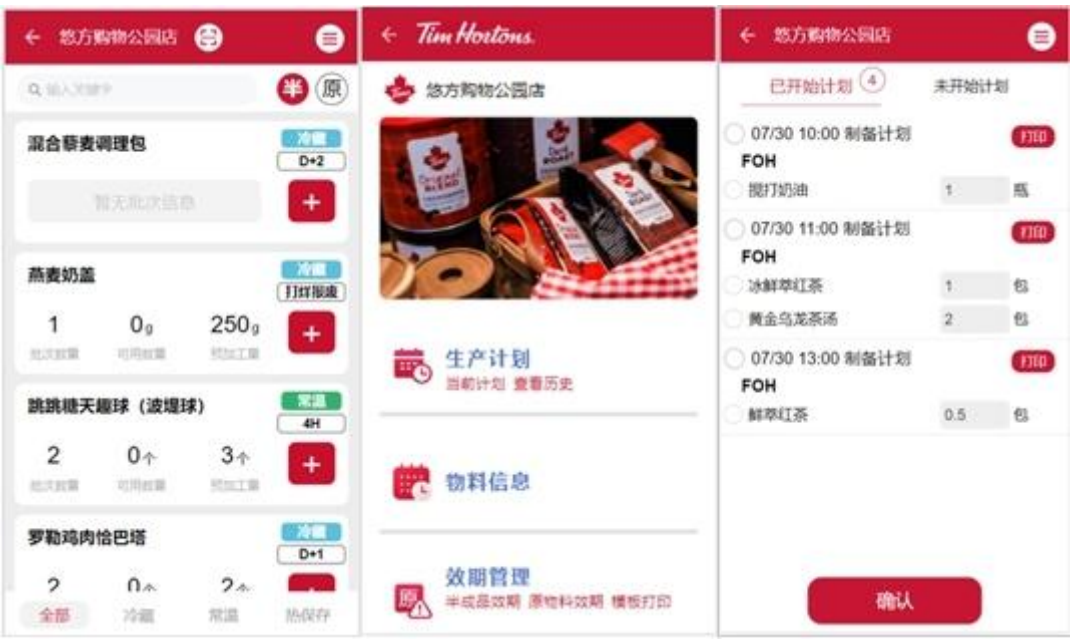
We import roasted coffee beans from THRI's world-class roasteries. All other inputs are sourced in China, with fresh produce and dairy sourced regionally. To mitigate risks associated with reliance on a single supplier, with the exception of coffee beans, we have developed both primary and secondary 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, usually1 – 2 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 implement 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 Information Memorandum, 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, pursuant to which:

- Tim Hortons China assigned, conveyed and transferred, and caused 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 Agreements and all intellectual property therein (collectively, "TH China and PPE China Data");

- DataCo provides 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 pays 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 granted to each of 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 and PPE 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. We have also established strategic collaboration with Easy Joy and Freshippo to promote in-store sales through their sales networks.

In addition to in-store sales, we also utilize mobile ordering to streamline customer experience and delivery to increase reach and efficiency. In 2023, in-store sales, mobile ordering for self pick-up and delivery accounted for approximately 17.9%, 33.4% and 48.7% of our revenues from company owned and operated stores, respectively. In 2024, in-store sales, mobile ordering for self pick-up and delivery accounted for approximately 13.1%, 31.9% and 55.0% 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.

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 second 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, 2024, we had 1,568 full-time employees and 9 part-time employees. The following table sets forth the number of our full-time employees categorized by function.

	As of December 31, 2024	
	Number	Percentage (%)
Operations	1,370	87.4
Sales and marketing	24	1.5
Research and innovation	8	0.5
Store development	60	3.8
Management and administration	106	6.8
Total	**1,568**	**100.0**

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 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 in the coffee shop industry include both new and well-established quick service restaurants and coffee chains, independent local coffee shop operators, as well as convenience stores and grocery stores, with key competitors including Luckin Coffee, Starbucks,

COTTI Coffee, and Manner.

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 Peets, Starbucks, Costa Coffee, Pacific Coffee, Manner Coffee and above the list price of Luckin and COTTI Coffee. As consumers continue to seek higher quality offerings, especially given an increasing consumer focus on responsible sourcing, ingredients and preparation, we believe there is significant demand and opportunity in our market space and that we are well-positioned to compete effectively with existing and new competitors on the basis of these factors. In addition, we place a focus on innovation and localization to ensure our menu offerings stand out from our competitors.

However, the restaurant industry is intensely competitive and we compete with many well-established food service companies on the basis of product choice, quality, affordability, service and location. The restaurant business is often affected by changes in consumer tastes, national, regional or local economic conditions, demographic trends, traffic patterns, the type, number and location of competing restaurants, and disposable income. Our competitors may also 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 Our 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.

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 CSRC, the CAC and their enforcement agencies, to require THIL to obtain permission or approval or complete certain filing

procedures 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 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. 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 February 17, 2023, the CSRC promulgated the New Filing Rules, which became effective on March 31, 2023. Under the New Filing Rules, an overseas-listed issuer may be subject to filing or report obligations. Failure to comply with the filing requirements or any other requirements under the New Filing Rules could result in warnings, a fine ranging from RMB1 million to RMB10 million, and our controlling shareholders, actual controllers, any person who is directly in charge and other directly liable persons could also be subject to administrative penalties, such as warnings and fines. If THIL fails to receive or maintain any requisite permission or approval from or complete the required filing procedure with the CSRC for any future offerings, or the waiver for such permission, approval or filing requirement, in a timely manner, or at all, or inadvertently concludes that such permission, approval or filing 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 THIL's offerings of its listed securities 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 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 any offering of its securities 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.

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, six of THIL's 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 RMB500,000 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, beverage and packaged products, raw materials and equipment and impose fines based on a multiple of the value of the food, beverage and packaged 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. Except for the outstanding licenses and permits mentioned above, none of THIL's PRC Subsidiaries have been denied or are missing 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 as of the date of this Information Memorandum. 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.

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."

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. 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 offerings of its listed securities to fund the operations or liquidity needs of its PRC 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 Information Memorandum, 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 (save that, under Cayman Islands law, dividends may only be declared out of profits or share premium and immediately following the payment of dividends, THIL must be able to pay its debts as they fall due in the ordinary course of business) and currently intends to distribute cash dividends after it becomes profitable.

Subject to the passive foreign investment company rules, the gross amount of any distribution that we make to investors with respect to our ordinary shares (including any amounts withheld to reflect PRC or other withholding taxes) will be taxable as a dividend, to the extent paid out of our current or accumulated earnings and profits, as determined under United States federal income tax principles. Furthermore, if we are considered a PRC tax resident enterprise for tax purposes, any dividends we pay to our overseas shareholders may be regarded as China-sourced income and as a result may be subject to PRC withholding tax.

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 Information Memorandum, there has been no transfer of capital expenses among THIL and its subsidiaries.

Shareholder loans and capital contributions. THIL's subsidiaries may only access THIL's proceeds from the offerings of its listed securities 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/or the NDRC (with respect to foreign debts with a maturity of more than 1 year), 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 Information Memorandum, THIL has transferred an aggregate of US$329.9 million in cash to TH Hong Kong International Limited ("THHK") as capital injections and shareholder loans, and THHK has transferred an aggregate of US$268.8 million in cash to Tim Hortons China and US$19.3 million in cash to Tim Hortons (Shanghai) Food and Beverage Management Co., Ltd. as capital injections and shareholder loans.

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.

PRINCIPAL SHAREHOLDERS

The following table shows the beneficial ownership of our ordinary shares as of May 15, 2025[1] by:

- each person known by THIL to beneficially own more than 5% of the outstanding ordinary shares;
- each of THIL's directors and executive officers; and
- all of THIL's 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 through the exercise of any option, warrant or any other right. We have based percentage ownership in the table below on 33,243,582 ordinary shares outstanding as of May 15, 2025.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Outstanding Shares
5% or Greater Shareholders:		
Pangaea Two Acquisition Holdings XXIIA Limited	11,440,401(1)	34.4%
Tencent Mobility Limited	3,975,802(2)	12.0%
HSG Growth VI Holdco D, Ltd.	2,900,606(3)	8.7%
Pangaea Three Acquisition Holdings IV, Limited	2,063,983(4)	6.2%
Directors and Executive Officers†:		
Peter Yu	16,153,044 (5)	48.6%
Yongchen Lu^	*(6)	*
Dong Li^	-	-
Gregory Armstrong	-	-
Paul Hong	-	-
Thiago Santelmo		
Eric Haibing Wu	-	-
Rafael Odorizzi De Oliveira	-	-
Derek Cheung	*(7)	*
All executive officers and directors as a group (ten persons)	16,556,394	49.8%

[1] The date corresponds to the "date of this Annual Report" as referred to in our 2024 Form 20-F, representing the filing date of that Annual Report.

† 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 11,440,401 ordinary shares held by XXIIA, a company incorporated under the laws of the United Kingdom, not including the Option Shares acquirable by Sona. 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 business address of XXIIA is at 505 Fifth Avenue, 15th Floor, New York, NY 10017, USA.

(2) Represents 3,975,802 ordinary shares held by Tencent Mobility Limited, a company limited by shares incorporated in Hong Kong and a wholly-owned subsidiary of Tencent Holdings Limited, as reported on Schedule 13G/A filed by Tencent Mobility Limited on February 1, 2024. Tencent Holdings Limited is a company listed on the Hong Kong Stock Exchange. The principal business office of Tencent Mobility Limited and Tencent Holdings Limited is at 29/F, Three Pacific Place No. 1, Queen's Road East, Wanchai, Hong Kong.

(3) Represents 2,900,606 ordinary shares held by HSG Growth VI Holdco D, Ltd., an exempted company incorporated under the laws of the Cayman Islands, as reported on Schedule 13G/A filed by HSG Growth VI Holdco D, Ltd on February 1, 2024. The sole shareholder of HSG Growth VI Holdco D, Ltd. is HongShan Capital Grwoth Fund VI, LP. whose general partner is HSG Growth VI Management, L.P,, who general partner is HSG Holding Limited. HSG Holding Limited is wholly owned by SNP China Enterprises Limited, which is wholly owned by Mr. Neil Nanpeng Shen. The principal business office of HSG Growth VI Holdco D, Ltd. is at Suite 3613, 36/F, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong.

(4) Represents 2,063,983 ordinary shares held by Holdings IV, an exempted company incorporated under the laws of the Cayman Islands. Holdings IV is controlled by Pangaea Three-B, LP. Pangaea Three GP, LP is the general partner of Pangaea Three-B, LP. Pangaea Three Global GP, LLC is the general partner of Pangaea Three GP, LP. Cartesian is the sole and managing member of Pangaea Three Global GP, LLC. Peter Yu is a managing member of Cartesian. The business address of Holdings IV is 505 Fifth Avenue, 15th Floor, New York, NY 10017, USA.

(5) Represents (i) 11,440,401 ordinary shares held by XXIIA (not including the Option Shares acquirable by Sona), (ii) 2,063,983 ordinary shares held by Holdings IV, (iii) 1,238,204 ordinary shares held by Pangaea Two Acquisition Holdings XXIII, Ltd., (iv) 968,078 ordinary shares held by Pangaea Two, LP, (v) 420,310 ordinary shares held by Pangaea Two Parallel, LP, (vi) 10,745 ordinary shares held by Pangaea Two Management, LP, (vii) 4,177 ordinary shares held by Pangaea Two GP, LP, and (viii) 7,146 ordinary shares held by Pangaea Two Parallel LP. XXIIA and Pangaea Two Acquisition Holdings XXIII, Ltd are controlled by Pangaea Two, LP. The general partner of Pangaea Two, LP and Pangaea Two Parallel, LP is Pangaea Two GP, LP. The general partner of Pangaea Two GP, LP and Pangaea Two Management, LP is Pangaea Two Admin GP, LLC. Holdings IV is controlled by Pangaea Three-B, LP. Pangaea Three GP, LP is the general partner of Pangaea Three-B, LP. Pangaea Three Global GP, LLC is the general partner of Pangaea Three GP, LP. Cartesian Capital Group, LLC is the sole and managing member of Pangaea Two Admin GP, LLC and Pangaea Three Global GP, LLC, and Pangaea Two Parallel LP. The business address of the aforementioned entities is 505 Fifth Avenue, 15th Floor, New York, NY 10017, USA.

(6) 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.

(7) Represents ordinary shares held directly by Derek Cheung.

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

In this section, "we," "us" and "our" refer to TH International Limited. The following discussion and analysis provides information that THIL's management believes is relevant to an assessment and understanding of THIL's results of operations and financial condition. This discussion and analysis should be read together with "Summary Consolidated Financial Information" and the financial statements and related notes that are incorporated by reference in this Information Memorandum. 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 Information Memorandum entitled "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 Information Memorandum entitled "Risk Factors" or elsewhere in this Information Memorandum.

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 that are incorporated by reference in this Information Memorandum.

Overview

We are an emerging coffee champion in mainland China. We are the master franchisee and operator 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, 2025, we had 1,015 stores in China. For more details, see "*Business*."

Our revenues decreased slightly from RMB1,560.0 million in 2023 to RMB1,391.2 million (US$194.2 million) in 2024. Our total costs and expenses decreased from RMB2,227.9 million in 2023 to RMB1,740.2 million (US$242.9 million) in 2024. Our net loss decreased from RMB872.9 million in 2023 to RMB409.0 million (US$57.1 million) in 2024. Our revenue for the six months ended June 30, 2025, decreased slightly compared to the same period in 2024 from RMB699.0 million to RMB649.7 million (US$90.7 million). Our total costs and expenses decreased from RMB875.0 million for the six months ended June 30, 2024, to RMB782.8 million (US$109.3 million) for the same period in 2025. Our net loss decreased from RMB189.2 million for the six months ended June 30, 2024, to RMB134.9 million (US$18.8 million) for the same period in 2025. For more details, see "*— Results of Operations*."

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;
- 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 shown in the table below.

Year/Period	Company owned and operated Stores	Franchise Stores	Total
2019	31	3	34
2020	128	9	137
2021	373	17	390
2022	547	70	617
2023	619	283	902
2024	576	446	1,022

As we continue to grow our store network in China while maintaining high 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 believe that 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 work to 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.

Inflation and Supply Chain Impacts

Rising inflation, geopolitical conflicts, including the war in Ukraine and the Middle East, 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 coffee beans has been fluctuant since our inception. 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 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" 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, Ukraine, our business, financial condition and results of operations have been, and could continue to be, indirectly and adversely affected by these geopolitical tensions. 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. 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. 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.

Our profit margins for beverage products have also remained relatively stable in 2023 and 2024, despite having slightly increased the rate of promotional discounts without raising the average list price of our beverage products, including coffees. If the costs and expenses described above continue to increase, we may raise the list price of our beverage products in the future. However, there can be no assurance that any such increase would be sufficient 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.

The Business Combination

On September 28, 2022 (the "Closing Date"), we consummated the Business Combination with Silver Crest. Following the consummation of the Business Combination, our ordinary shares and warrants began trading on Nasdaq, and we are required to develop the functions and resources necessary to operate as a public company, including employee-related costs and equity compensation,

which may result in increased operating expenses.

Share Purchase Agreement and Popeyes MDA

On March 30, 2023, we entered into a share purchase agreement (the "Share Purchase Agreement") with Pangaea Three Acquisition Holdings IV, Limited ("Holdings IV"), a Cayman Islands exempted company, PLKC International Limited, a Cayman Islands exempted company ("Popeyes China"), and PLK APAC Pte. Ltd., a company organized and existing under the laws of Singapore. The transaction values Popeyes China at an up-front equity value of $35.1 million. Up-front transaction consideration comprises our newly issued ordinary shares, priced at 85% of the trailing 40-trading-day VWAP (as defined in the Share Purchase Agreement) from the date of announcement of the transaction (February 8, 2023). In addition to the up-front transaction consideration, shareholders of Popeyes China will receive deferred contingent consideration ("DCC") equal to 3% of the revenue of the Popeyes China business going forward, with a buy-out right exercisable at any time by us for $35 million. The DCC (including the buy-out payment, if any) will be paid in our newly issued ordinary shares, priced at 85% of the trailing 40-trading-day VWAP from the end of the trailing fiscal year, or in case of a buy-out, from the date of our buy-out election. The transaction was approved by the independent directors of our audit committee and a fairness opinion was obtained from Kroll, LLC, independent financial advisor to the audit committee, that the consideration paid by us in the transaction is fair from a financial point of view to us. The foregoing summary of the Share Purchase Agreement does not purport to be complete and is qualified in its entirety by reference to the Share Purchase Agreement, a copy of which is filed as Exhibit 4.30 and is incorporated by reference in this Information Memorandum.

Also on March 30, 2023, we entered into an Amended and Restated Master Development Agreement with PLK APAC Pte. Ltd., PLKC HK International Limited and PLKC International Limited (the "Popeyes MDA"), which set forth the procedures, requirements or standards for the operations of Popeyes stores, including food safety, sanitation and workplace safety standards, and other contractual obligations of our company. Pursuant to the Popeyes MDA, we are required to pay an upfront franchise fee for each company owned and operated Popeyes store and franchise Popeyes store, and a continuing franchise fee for each company owned and operated Popeyes store, calculated as certain percentage of the store's monthly gross sales, depending on when the store is opened. As of December 31, 2023, we have operated ten Popeyes store in mainland China.

On June 28, 2024, we sold 100% of our equity interest in Popeyes China pursuant to a share purchase agreement dated June 28, 2024 with PLK APAC Pte. Ltd., for a purchase price on a cash free, debt free basis, subject to certain post-closing adjustments of cash consideration US$10,979,203 (equivalent to RMB78,284,821), net of Popeyes China's liabilities of RMB17,764,115 assumed by the Company as well as settlement of the Deferred Contingent Consideration due to RBI ("RBI DCC") which is measured at the fair value on the transaction date in the amount of US$1,568,361 (equivalent to RMB11,174,350). The share purchase agreement contains customary representations, warranties, covenants and undertakings as well as an indemnity by us in favor of the PLK APAC Pte. Ltd. for certain specified matters. Concurrently with the sale of Popeyes China, we also entered a transition services agreement to provide PLK APAC Pte. Ltd. and Popeyes China (and its subsidiaries) certain services for a period of up to 180 days following the closing date (which period may be extended by a further period of 180 days at the election of PLK APAC Pte. Ltd.). The foregoing summary of our sale of Popeyes China does not purport to be complete and is qualified in its entirety by reference to the share purchase agreement, a copy of which is filed as Exhibit 4.32 and is incorporated by reference in this Information Memorandum.

Completion of Warrant Exchange Offer

As previously disclosed, we completed an exchange offer relating to our outstanding warrants (the "Offer") on June 14, 2023. Each warrant that was outstanding upon the closing of the Offer was

exchanged for 0.216 ordinary shares of the Company per warrant on June 27, 2023 (the "Post-Offer Exchange"). Pursuant to the Offer and the Post-Offer Exchange, we issued an aggregate of 1,083,949 ordinary shares in exchange for all of our outstanding warrants, increasing the number of ordinary shares outstanding from 32,069,622 to 33,153,571. As a result of the completion of the Offer and the Post-Offer Exchange, no warrants remain outstanding. The Public Warrants have been delisted upon completion of the Post-Offer Exchange. The purpose of the Offer was to simplify our capital structure and reduce the potential dilutive impact of the warrants.

Components of Results of Operations

Revenues

Revenue includes sales of food, beverage and packaged 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 years indicated:

	For the year ended December 31,				
	2023		2024		
	(in thousands, except for %)				
	RMB	%	RMB	US$	%
Revenues:					
Sales of food and beverage products by company owned and operated stores	1,389,641	89.1%	1,188,293	165,879	85.4%
Franchise fees	15,443	1.0%	24,215	3,380	1.7%
Revenues from other franchise support activities	66,878	4.3%	149,458	20,864	10.7%
Revenues from wholesale activities	27,204	1.7%	20,585	2,874	1.5%
Revenues from e-commerce sales	59,067	3.8%	809	113	0.1%
Revenues from other activities	1,773	0.1%	7,798	1,089	0.6%
Total Revenues	**1,560,006**	**100.0%**	**1,391,158**	**194,198**	**100.0%**

- ***Sales of food and beverage products by company operated stores.*** We generate the vast majority of our revenue from sales of food, beverage and packaged 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 consist of sales of kitchen equipment, raw materials for food, beverage and packaged products and provision of pre-opening and training services to sub- franchisees.

- ***Revenues from e-commerce sales and wholesale products.*** We began generating revenue from sales of packaged coffee, tea beverages and single-serve coffee and tea products to customers through third-party e-commerce platforms in 2021 and revenue from wholesale of canned coffee beverage and packaged coffee extract in 2022

Costs and Expenses, Net

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

	For the year ended December 31,					For the six months ended June 30,				
	2023		2024			2024		2025		
	(in thousands, except for %)									
	RMB	%	RMB	US$	%	RMB	%	RMB	US$	%
Costs and Expenses, Net										
Company owned and operated stores										
Food and packaging	486,359	21.8%	374,086	52,220	21.5%	202,434	23.1%	162,279	22,653	20.7%
Store rental expenses	289,556	13.0%	241,425	33,702	13.9%	126,772	14.5%	113,119	15,791	14.5%
Payroll and employee benefits	304,545	13.7%	231,542	32,322	13.3%	125,979	14.4%	100,247	13,994	12.8%
Delivery costs	116,449	5.2%	119,171	16,636	6.8%	59,782	6.8%	60,379	8,429	7.7%
Other operating expenses	118,634	5.3%	95,036	13,267	5.5%	48,613	5.6%	38,442	5,366	4.9%
Store depreciation and amortization	138,735	6.2%	129,614	18,093	7.4%	63,748	7.3%	55,147	7,698	7.0%
Company owned and operated store costs and expenses	**1,454,278**	**65.3%**	**1,190,874**	**166,240**	**68.4%**	**627,328**	**71.7%**	**529,613**	**73,931**	**67.7%**
Costs of other revenues	149,692	6.7%	153,612	21,443	8.8%	59,750	6.8%	78,028	10,892	10.0%
Marketing expenses	96,679	4.3%	64,849	9,053	3.7%	32,589	3.7%	31,335	4,374	4.0%
General and administrative expenses	325,259	14.6%	210,323	29,360	12.1%	94,250	10.8%	89,508	12,496	11.4%
Franchise and royalty expenses	57,063	2.6%	57,761	8,063	3.3%	28,177	3.2%	30,985	4,325	4.0%
Other operating costs and expenses	28,872	1.3%	10,794	1,507	0.6%	9,696	1.1%	1,213	169	0.2%
Loss on disposal of property and Equipment	16,404	0.7%	4,147	579	0.2%	2,618	0.3%	2,980	416	0.4%
Impairment losses of long-lived assets	111,427	5.0%	56,287	7,857	3.2%	24,801	2.8%	21,103	2,946	2.7%
Other income	(11,743)	(0.5)%	(8,408)	(1,174)	(0.5)%	(4,255)	(0.5)%	(1,965)	(274)	(0.3)%
Total costs and expenses, net	**2,227,931**	**100.0%**	**1,740,239**	**242,928**	**100.0%**	**874,954**	**100.0%**	782,800	109,275	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, other operating expenses, and store depreciation and amortization.

- ***Costs of other revenues.*** Costs of other revenues primarily consist of costs related to the costs of raw materials for food, beverage and packaged products and kitchen equipment that we sell to sub-franchisees and costs of product and kitchen equipment sales related to our e-commerce business.

- ***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 pertaining to franchised stores and monthly royalties that we pay to THRI, and the amortization of franchise rights.

- ***Other operating costs and expenses.*** Other operating costs and expenses primarily consist of the disposal of certain limited-time-offer products.

- ***Loss on disposal of property and equipment.*** When assets are disposed of, whether through retirement or sale, the net gain or loss is recognized in net loss. Long-lived assets to be disposed of are reported at the lower of their carrying amount or fair value less estimated costs to sell.

- ***Impairment losses of long-lived assets.*** The Company reviews long-lived assets (including property and equipment and intangible assets with definite useful lives and operating lease right-of-use ("ROU") assets for impairment whenever events or changes in circumstances indicate the carrying value of the asset may not be recoverable.

- ***Other income.*** Other income primarily consists of government grants and additional input VAT deductions.

Non-operating Expenses

- ***Interest Income.*** Interest income primarily consists of interest received on cash deposited in bank accounts and received from short-term investment.

- ***Interest expenses.*** Interest expenses primarily consists of interests in relation to our bank borrowings and promissory notes.

- ***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, corporation 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 and PLKC HK International Limited are 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, 2023 and 2024 and for the six months ended June 30, 2024 and 2025.

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.

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 with PRC law.

Results of Operations

Comparison of the Six Months ended June 30, 2024 and 2025

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

	For the six months ended June 30,				
	2024		2025		
	(in thousands, except for %)				
	RMB	%	RMB	US$	%
Revenues:					
Company owned and operated stores	618,686	88.5%	536,631	74,911	82.6%
Other revenues	80,293	11.5%	113,087	15,786	17.4%
Total revenues	**698,979**	**100.0%**	**649,718**	**90,697**	**100.0%**

	For the six months ended June 30,				
	2024		2025		
	(in thousands, except for %)				
	RMB	%	RMB	US$	%
Costs and Expenses, Net					
Company owned and operated stores					
Food and packaging	202,434	29.0%	162,279	22,653	25.0%
Store rental expenses	126,772	18.1%	113,119	15,791	17.4%
Payroll and employee benefits	125,979	18.0%	100,247	13,994	15.4%
Delivery costs	59,782	8.6%	60,379	8,429	9.3%
Other operating expenses	48,613	7.0%	38,442	5,366	5.9%
Store depreciation and amortization	63,748	9.1%	55,147	7,698	8.5%
Company owned and operated store costs and expenses	**627,328**	**89.7%**	**529,613**	**73,931**	**81.5%**
Costs of other revenues	59,750	8.5%	78,028	10,892	12.0%
Marketing expenses	32,589	4.7%	31,335	4,374	4.8%
General and administrative expenses	94,250	13.5%	89,508	12,496	13.8%
Franchise and royalty expenses	28,177	4.0%	30,985	4,325	4.8%
Other operating costs and expenses	9,696	1.4%	1,213	169	0.2%
Loss on disposal of property and equipment	2,618	0.4%	2,980	416	0.5%
Impairment losses of long-lived assets	24,801	3.5%	21,103	2,946	3.2%
Other income	(4,255)	(0.6)%	(1,965)	(274)	(0.3)%
Total costs and expenses, net	**874,954**	**125.2%**	**782,800**	**109,275**	**120.5%**
Operating loss from continuing operations	**(175,975)**	**(25.2)%**	**(133,082)**	**(18,578)**	**(20.5)%**
Interest income	1,241	0.2%	1,083	151	0.2%
Interest expenses	(14,664)	(2.1)%	(8,407)	(1,174)	(1.3)%
Foreign currency transaction gain / (loss)	4,454	0.6%	(51)	(6)	0.0%
Loss of the debt extinguishment	(10,657)	(1.5)%	-	-	-
Changes in fair value of Deferred Contingent consideration	(16,941)	(2.4)%	-	-	-
Changes in fair value of convertible notes	(20,540)	(2.9)%	6,075	848	0.9%
Changes in fair value of warrant liabilities	-	-	-	-	-
Changes in fair value of ESA derivative liabilities	-	-	-	-	-
Loss from continuing operations before income taxes	**(233,082)**	**(33.3)%**	**(134,382)**	**(18,759)**	**(20.7)%**
Income tax expenses	(1,089)	(0.2)%	(484)	(68)	(0.1)%
Net loss from continuing operations	**(234,171)**	**(33.5%)**	**(134,866)**	**(18,827)**	**(20.8)%**
Net income (loss) from discontinued operations (including gain on disposal of Popeyes business RMB70,664,684 for the year ended December 31, 2024)	44,959	6.4%	-	-	-
Net loss	**(189,212)**	**(27.1)%**	**(134,866)**	**(18,827)**	**(20.8)%**

Revenues

Our revenues increased from RMB699.0 million for the six months ended June 30, 2024 to RMB649.7 million (US$90.7 million) for the six months ended June 30,2025, 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 RMB536.6 million (US$74.9 million) for the six months ended June 30, 2025, representing 82.6% of our total revenues, compared to RMB618.7 million for the six months ended June 30, 2024, or 88.5% of our total revenues.

- ***Other Revenues.*** Our other revenue increased by 40.8% from RMB80.3 million for the six months ended June 30, 2024 to RMB113.1 million (US$15.8 million) for the six months ended June 30, 2025.

Company-Operated Store Costs and Expenses

Our company owned and operated store costs and expenses were RMB529.6 million (US$73.9 million) for the six months ended June 30, 2025, compared to RMB627.3 million for the six months ended June 30, 2024.

Cost of Other Revenues

Our cost of other revenues increased by 30.4% from RMB59.8 million for the six months ended June 30, 2024 to RMB78.0 million (US$10.9 million) for the six months ended June 30, 2025.

Marketing Expenses

Our marketing expenses decreased slightly from RMB32.6 million for the six months ended June 30, 2024 to RMB31.3 million (US$4.4 million) for the six months ended June 30, 2025.

General and Administrative Expenses

Our general and administrative expenses decreased by 5.1% from RMB94.3 million for the six months ended June 30, 2024 to RMB89.5 million (US$12.5 million) for the six months ended June 30, 2025.

Franchise and Royalty Expenses

Our franchise and royalty expenses increased by 9.9% from RMB28.2 million for the six months ended June 30, 2024 to RMB31.0 million (US$4.3 million) for the six months ended June 30, 2025.

Other Operating Costs and Expenses

Our other operating costs and expenses were RMB1.2 million (US$0.2 million) for the six months ended June 30, 2025, compared to RMB9.7 million for the six months ended June 30, 2024.

Interest Income

Our interest income decreased by 8.3% from RMB1.2 million for the six months ended June 30, 2024 to RMB1.1 million (US$0.2 million) for the six months ended June 30, 2025.

Foreign Currency Transaction gain/(loss)

We recorded net foreign exchange loss of RMB0.05 million (US$6.0 thousand) for the six months ended June 30, 2025, compared to a gain of RMB4.5 million for the six months ended June 30, 2024.

Net Loss

As a result of the foregoing, our net loss was RMB189.2 million for the six months ended June 30, 2024 and RMB134.9 million (US$18.8 million) for the six months ended June 30, 2025.

Comparison of the Years Ended December 31, 2023 and 2024

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

	Year ended December 31				
	2023		2024		
	(in thousands, except for %)				
	RMB	%	RMB	US$	%
Revenues					
Company owned and operated stores	1,389,641	89.1%	1,188,293	165,879	85.4%
Other revenues	170,365	10.9%	202,865	28,319	14.6%
Total revenues	**1,560,006**	**100%**	**1,391,158**	**194,198**	**100%**
Costs and expenses, net					
Company owned and operated stores					
Food and packaging	486,359	31.2%	374,086	52,220	26.9%
Store rental expenses	289,556	18.6%	241,425	33,702	17.4%
Payroll and employee benefits	304,545	19.5%	231,542	32,322	16.6%
Delivery costs	116,449	7.5%	119,171	16,636	8.6%
Other operating expenses	118,634	7.6%	95,036	13,267	6.8%
Store depreciation and amortization	138,735	8.9%	129,614	18,093	9.3%
Company owned and operated store costs and expenses	**1,454,278**	**93.2%**	**1,190,874**	**166,240**	**85.6%**
Costs of other revenues	149,692	9.6%	153,612	21,443	11.0%
Marketing expenses	96,679	6.2%	64,849	9,053	4.7%
General and administrative expenses	325,259	20.8%	210,323	29,360	15.1%
Franchise and royalty expenses	57,063	3.7%	57,761	8,063	4.2%
Other operating costs and expenses	28,872	1.9%	10,794	1,507	0.8%
Loss on disposal of property and equipment	16,404	1.1%	4,147	579	0.3%
Impairment losses of long-lived assets	111,427	7.1%	56,287	7,857	4.0%
Other income	(11,743)	(0.8)%	(8,408)	(1,174)	(0.6)%
Total costs and expenses, net	**2,227,931**	**142.8%**	**1,740,239**	**242,928**	**125.1%**
Operating loss from continuing operations	**(667,925)**	**(42.8)%**	**(349,081)**	**(48,730)**	**(25.1)%**
Interest income	14,183	0.9%	3,203	447	0.2%
Interest expenses	(20,420)	(1.3)%	(22,448)	(3,134)	(1.6)%
Foreign currency transaction gain / (loss)	(16,772)	(1.1)%	3,484	486	0.3%
Loss of the debt extinguishment	-	-	(10,657)	(1,488)	(0.8)%
Changes in fair value of Deferred Contingent consideration	(26,106)	(1.7)%	(16,941)	(2,365)	(1.2)%
Changes in fair value of convertible notes	(58,281)	(3.7)%	(65,874)	(9,196)	(4.7)%
Changes in fair value of warrant liabilities	(83,966)	(5.4)%	0	0	0.0%
Changes in fair value of ESA derivative liabilities	19,654	1.3%	0	0	0.0%

	Year ended December 31				
	2023		2024		
	(in thousands, except for %)				
	RMB	%	RMB	US$	%
Loss from continuing operations before income taxes	**(839,633)**	**(53.8)%**	**(458,314)**	**(63,978)**	**(32.9)%**
Income tax expenses	(97)	(0.0)%	(2,115)	(295)	(0.2)%
Net loss from continuing operations	**(839,730)**	**(53.8)%**	**(460,429)**	**(64,273)**	**(33.1)%**
Discontinued operation:					
Net income (loss) from discontinued operations	(33,196)	(2.1)%	51,444	7,181.3	3.7%
Net loss	**(872,926)**	**(56.0)%**	**(408,985)**	**(57,092)**	**(29.4)%**

Revenues

Our revenues decreased by 10.8% from RMB1,560.0 million in 2023 to RMB1,391.2 million (US$194.2 million) in 2024, primarily as a result of closures of certain underperforming company owned and operated stores.

- ***Company owned and operated stores.*** Revenue from company owned and operated stores represents revenue from sales of food, beverage and packaged products to customers by company owned and operated stores, inclusive of delivery-generated revenue. Our revenues from company owned and operated stores were RMB1,188.3 million (US$165.9 million) in 2024, representing 85.4% of our total revenues, compared to RMB1,389.6 million in 2023, or 89.1% of our total revenues. The decrease of our revenues from company owned and operated stores was primarily driven by a decrease in the number of company owned and operated stores from 619 as of December 31, 2023 to 576 as of December 31, 2024, and a decrease in same-store sales for company owned and operated stores of 14.6% in 2024.

  The decrease was also attributable to an 11.0% decrease in number of orders from 47.3 million in 2023 to 42.1 million in 2024, and a 3.9% decrease in average ticket size from RMB29.36 in 2023 to RMB28.22 in 2024.

- ***Other Revenues.*** Our other revenue increased by 19.1% from RMB170.4 million in 2023 to RMB202.9 million (US$28.3 million) in 2024, primarily due to the expansion of our franchise business as the number of our franchised stores increased from 283 as of December 31, 2023 to 446 as of December 31, 2024.

Company-Operated Store Costs and Expenses

Our company owned and operated store costs and expenses were RMB1,190.9 million (US$166.2 million) in 2024, compared to RMB1,454.3 million in 2023. The decrease was primarily due to: (i) a decrease in costs and expenses related to food and packaging from RMB486.4 million in 2023 to RMB374.1 million in 2024, in line with our revenue growth and store network reduction; (ii) a decrease in rental expenses from RMB289.6 million in 2023 to RMB241.4 million in 2024, in line with closure of our stores; (iii) an increase in delivery costs from RMB116.4 million in 2023 to RMB119.2 million in 2024, in line with the significant increase in delivery orders; (iv) a decrease in payroll and employee benefits from RMB304.5 million in 2023 to RMB231.5 million in 2024, primarily due to decreased headcount of our store operations; (v) a decrease in other operating expenses from RMB118.6 million in 2023 to RMB95.0 million in 2024, as a result of the net decreased in the number of company owned and operated stores in

2024; and (vi) a decrease in store depreciation and amortization expenses from RMB138.7 million in 2023 to RMB129.6 million in 2024, in line with our store network closure. Our company owned and operated store costs and expenses as a percentage of our revenue generated from company owned and operated stores decreased from 104.7% in 2023 to 100.2% in 2024, primarily due to our continuous efforts to optimize our cost structure and drive operating leverage through revenue growth and store network expansion.

The following tables set forth the breakdowns of the line items included in our company-operated store costs and expenses.

Food and packaging:

	Year Ended December 31,			
	2024	2023	2024 vs 2023	
	(in thousands of RMB, except for percentages and bps)			
Food and packaging	374,086	486,359	(112,273)	(23.1)%
As a percentage of company-owned store revenues	31.5%	35.0%	N/A	(352)bps[(1)]

The food and packaging costs impacts for the year-over-year comparison, in thousands of RMB and basis points (as a percentage of current year company-owned store revenues), were driven by the following:

	in thousands of RMB
Ingredient costs	(99,620)
Freight	(12,653)
Total Change	(112,273)

Store rental expenses:

	Year Ended December 31,			
	2024	2023	2024 vs 2023	
	(in thousands of RMB, except for percentages and bps)			
Store rental expenses	241,425	289,556	(48,131)	(16.6)%
As a percentage of company-owned store revenues	20.3%	20.8%	N/A	(52)bps[(1)]

The store rental expenses impacts for the year-over-year comparison, in thousands of RMB and basis points (as a percentage of current year company-owned store revenues), were driven by the following:

	in thousands of RMB
Store days[(2)]	6,437
Pricing impacts[(3)]	(54,568)
Total Change	(48,131)

Payroll and employee benefits:

	Year Ended December 31,			
	2024	2023	2024 vs 2023	
	(in thousands of RMB, except for percentages and bps)			
Payroll and employee benefits	231,542	304,545	(73,003)	(24.0)%
As a percentage of company-owned store revenues	19.5%	21.9%	N/A	(243)bps[(1)]

The payroll and employee benefits impacts for the year-over-year comparison, in thousands of RMB and basis points (as a percentage of current year company-owned store revenues), were driven by the following:

	in thousands of RMB
Full-time store employees	(64,595)
Part-time store employees	(8,408)
Total Change	(73,003)

Delivery costs:

	Year Ended December 31,			
	2024	2023	2024 vs 2023	
	(in thousands of RMB, except for percentages and bps)			
Delivery costs	119,171	116,449	2,722	(2.3)%
As a percentage of company-owned store revenues	10.0%	8.4%	N/A	165bps[(1)]

The delivery costs impacts for the year-over-year comparison, in thousands of RMB and basis points (as a percentage of current year company-owned store revenues), were driven by the following:

	in thousands of RMB
Number of delivery orders	33,982
Pricing impacts	(31,260)
Total Change	2,722

Other operating expenses:

	Year Ended December 31,			
	2024	2023	2024 vs 2023	
	(in thousands of RMB, except for percentages and bps)			
Other operating expenses	95,036	118,634	(23,598)	(19.9)%
As a percentage of company-owned store revenues	8.0%	8.5%	N/A	(54)bps[(1)]

The other operating expenses impacts for the year-over-year comparison, in thousands of RMB and basis points (as a percentage of current year company-owned store revenues), were driven by the following:

	in thousands of RMB
Utilities	(6,420)
Operating material	(11,892)
Maintenance costs	(3,358)
Others	(1,928)
Total Change	(23,598)

Store depreciation and amortization:

	Year Ended December 31,			
	2024	2023	2024 vs 2023	
	(in thousands of RMB, except for percentages and bps)			
Store depreciation and amortization	129,614	138,735	(9,121)	(6.6)%
As a percentage of company-owned store revenues	10.9%	10.0%	N/A	(92)bps[(1)]

The decrease in store depreciation and amortization was primarily driven by the net closure of 43 company owned and operated stores and less depreciation due to impairment recognized during 2024.

Notes

(1) Basis points which are used to express differences in rates. One basis point is the equivalent of 1/100 of one percent.

(2) Store days represent cumulative store operating days during the specific period.

(3) Pricing impacts were mostly because of decreased rental rate as a result of market price changes and certain rent concessions that we received during 2024.

Cost of Other Revenues

Our cost of other revenues increased by 2.6% from RMB149.7 million in 2023 to RMB153.6 million (US$21.4 million) in 2024, as a result of an increase in the number of franchised stores from 283 as of December 31, 2023 to 446 as of December 31, 2024.

Marketing Expenses

Our marketing expenses decreased from RMB96.7 million in 2023 to RMB64.8 million (US$9.1 million) in 2024, as a result of the slowdown in the pace of company owned and operated store openings. Our marketing expenses as a percentage of our total revenues decreased from 6.2% in 2023 to 4.7% in 2024, driven by cost optimization measures and higher brand influence.

General and Administrative Expenses

Our general and administrative expenses decreased by 35.3% from RMB325.3 million in 2023 to RMB210.3 million (US$29.4 million) in 2024, primarily due to: (i) decreased payroll and employee benefits as a result of cutting down headcount annually and (ii) a decrease of Share-based Compensation related to Restricted Share Units granted on June 5, 2023. Our general and administrative expenses as a percentage of our total revenues decreased from 20.8% in 2023 to 15.1% in 2024 as a result of improved efficiency of our administrative staff and achieved economies of scale as our business grew.

	Year Ended December 31,			
	2024	2023	2024 vs 2023	
	(in thousands of RMB, except for percentages and bps)			
General and administrative expenses	210,323	325,259	(114,936)	(35.3)%
As a percentage of total revenues	15.1%	20.8%	N/A	(583)bps[(1)]

Our general and administrative expenses decreased by 35.3% from RMB325.3 million in 2023 to RMB210.3 million (US$28.8 million) in 2024, primarily due to:

- RMB25.7 million decrease in payroll and employee benefits as a result of declining headquarter headcount from 483 at end of December 2023 to 356 at end of December 2024;
- RMB65.0 million decrease in share-based compensation expenses;
- RMB26.3 million decrease of professional fees related to our financing programs; offset by
- RMB10.7 million increase in depreciation and amortization expenses, and
- RMB6.1 million increase in credit loss of account receivables.

Notes

(1) Basis points which are used to express differences in rates. One basis point is the equivalent of 1/100 of one percent.

Franchise and Royalty Expenses

Our franchise and royalty expenses increased by 1.2% from RMB57.1 million in 2023 to RMB57.8 million (US$8.1 million) in 2024, primarily due to the increase number of franchise store partially off-set by the closure of the company owned store.

Other Operating Costs and Expenses

Our other operating costs and expenses were RMB10.8 million (US$1.5 million) in 2024, compared to RMB28.9 million in 2023. The decrease was primarily due to the closure of unprofitable stores.

Loss on Disposal of Property and Equipment

We incurred loss on disposal of property and equipment of RMB4.1 million (US$0.6 million) in 2024 primarily due to disposal of certain scraped kitchen equipment, store leasehold improvements and furniture in 2024.

Impairment Losses of Long-lived Assets

We incurred impairment losses of long-lived assets of RMB56.3 million (US$7.9 million) in 2024 as a result of the closure of certain company owned and operated stores in 2024 and closure plan in 2025 or whenever events or changes in circumstances indicate the carrying value of the assets may not be recoverable.

Other Income

We received other income of RMB8.4 million (US$1.2 million) in 2024 which primary consisted of RMB6.7 million resulted from unconditional government grant.

Interest Income

Our interest income decreased significantly from RMB14.2 million in 2023 to RMB3.2 million (US$0.4 million) in 2024, which primarily reflected a decrease in the interest generated from the collateral account of the ESA program in 2023 and a decrease of USD denominated deposits compared to 2023.

Interest Expenses

Our interest expenses increased from RMB20.4 million in 2023 to RMB22.4 million (US$3.1 million) in 2024, which was primarily due to interests incurred in relation to the promissory notes issued in March 2024.

Foreign Currency Transaction loss

We recorded a net foreign exchange gain of RMB3.5 million (US$0.5 million) in 2024, compared to a loss of RMB16.8 million in 2023. The improvement in net foreign exchange loss was primarily due to the reduction of the depreciation of RMB to USD with respect to the purchase of coffee beans.

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

We recorded an increase in fair value of convertible notes of RMB65.9 million (US$9.2 million) in 2024, excluding the impact of instrument-specific credit risks.

Loss of the debt extinguishment

We recorded loss of the debt extinguishment of RMB10.7 million (US$1.5 million) in 2024, as we settled the deferred contingent consideration through the Popeyes Disposal transaction in June 2024 and settlement of outstanding principal and interest of Promissory Notes by issuance of the convertible notes.

Changes in fair value of deferred contingent consideration

We recorded an increase in fair value of deferred contingent consideration of RMB16.9 million (US$2.4 million) in 2024.

Net income (loss) from discontinued operations

We recognized disposal of Popeyes business RMB70.7 million (US$9.9 million) in 2024 due to Popeyes Disposal on June 28, 2024 transactions and operation losses on Popeyes business.

Net Loss

As a result of the foregoing, our net loss was RMB872.9 million for the year ended December 31, 2023 and RMB409.0 million (US$57.1 million) for the year ended December 31, 2024.

Non-GAAP Financial Measure

We use non-GAAP financial measures, namely adjusted company owned and operated store contribution, adjusted company owned and operated store contribution margin, adjusted

general and administrative expenses, adjusted corporate EBITDA, adjusted corporate EBITDA margin, adjusted net loss, adjusted net loss margin, and adjusted basic and diluted net loss per ordinary share in evaluating our operating results and for financial and operational decision-making purposes. We define (i) adjusted company owned and operated store contribution as fully-burdened gross profit of company owned and operated stores excluding depreciation and amortization, and store pre-opening expenses; (ii) adjusted company owned and operated store contribution margin as adjusted company owned and operated store contribution as a percentage of revenues from company owned and operated stores; (iii) adjusted general and administrative expenses as general and administrative expenses excluding share-based compensation expenses (including equity settlement and cash settlement), professional fees related to warrant exchange and other financing programs, impairment losses of rental deposits, commission fee for Cantor shares, option granted by controlling shareholder to CB holder and offering costs for ESA transactions; (iv) adjusted corporate EBITDA as operating loss excluding depreciation and amortization, share-based compensation expenses, commission fee for Cantor shares, impairment losses of rental deposits, one-off expense of store closure, professional fees related to warrant exchange and other financing programs, option granted by controlling shareholder to CB holder, offering costs for ESA transactions, impairment losses of long-lived assets and loss on disposal of property and equipment; (v) adjusted corporate EBITDA margin as adjusted corporate EBITDA as a percentage of total revenues; (vi) adjusted net loss as net loss excluding share-based compensation expenses, professional fees relating to warrant exchange and other financing programs, commission fee for Cantor shares, option granted by controlling shareholder to CB holder, offering costs for ESA transactions, impairment losses of long-lived assets, impairment losses of rental deposits, one-off expense of store closure, loss on disposal of property and equipment, changes in fair value of deferred contingent consideration, changes in fair value of convertible bonds, changes in fair value of warrant. liabilities, changes in fair value of ESA derivatives liabilities; (vii) adjusted net loss margin as adjusted net loss as a percentage of total revenues; (viii) adjusted basic and diluted net loss per ordinary share as adjusted net loss from continuing operations attributable to shareholders of us divided by weighted average number of basic and diluted ordinary share. We believe adjusted company owned and operated store contribution, adjusted company owned and operated store contribution margin, adjusted general and administrative expenses, adjusted corporate EBITDA, adjusted corporate EBITDA margin, adjusted net loss, adjusted net loss margin, and adjusted basic and diluted net loss per ordinary share enhance investors' overall understanding of our financial performance and allow for greater visibility with respect to key metrics used by the management in our financial and operational decision-making.

These non-GAAP financial measures are not defined under U.S. GAAP and are not presented in accordance with U.S. GAAP. As these non-GAAP financial measures have limitations as analytical tools and may not be calculated in the same manner by all companies, they may not be comparable to other similarly titled measures used by other companies. We compensate for these limitations by reconciling the non-GAAP financial measures to the nearest U.S. GAAP performance measures, which should be considered when evaluating our performance. For reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures, please see the tables set out below. We encourage investors and others to review our financial information in the entirety and not rely on any single financial measure.

A. Adjusted company owned and operated store contribution and adjusted company owned and operated store contribution margin

	Year ended December 31, 2024		Six months ended June 30, 2025	
	RMB	US$	RMB	US$
	(in thousands)			
Revenues - company owned and operated stores	1,188,293	165,879	536,631	74,911
Food and packaging costs - company owned and operated stores	(374,086)	(52,220)	(162,279)	(22,653)
Store rental expenses - company owned and operated stores	(241,425)	(33,702)	(113,119)	(15,791)
Payroll and employee benefits - company owned and operated stores	(231,542)	(32,322)	(100,247)	(13,994)
Delivery costs - company owned and operated stores	(119,171)	(16,636)	(60,379)	(8,429)
Other operating expenses - company owned and operated stores	(95,036)	(13,267)	(38,442)	(5,366)
Store depreciation and amortization	(129,614)	(18,093)	(55,147)	(7,698)
Franchise and royalty expenses - company owned and operated stores	(39,420)	(5,503)	(17,835)	(2,490)
Fully-burdened gross loss - company owned and operated stores	**(42,001)**	**(5,863)**	**(10,817)**	**(1,510)**
Store depreciation and amortization [(1)]	129,614	18,093	55,147	7,698
Company owned and operated store contribution	**87,613**	**12,230**	**44,330**	**6,188**
Company owned and operated store contribution margin	**7.4%**	**7.4%**	**8.3%**	**8.3%**

B. Adjusted general and administrative expenses

	Year ended December 31, 2024		Six months ended June 30, 2025	
	RMB	US$	RMB	US$
	(in thousands)			
General and administrative expenses…	**(210,323)**	**(29,360)**	**(89,508)**	**(12,496)**
Adjusted for:				
Share-based compensation expenses (including equity settlement and cash settlement)	519	72	1,825	255
Professional fees related to warrant exchange and other financing programs	10,464	1,461	1,007	141
Impairment losses of rental deposits …	2,457	343	4,896	683
Adjusted General and administrative expenses…….	**(196,883)**	**(27,484)**	**(81,780)**	**(11,417)**

C. Adjusted corporate EBITDA and adjusted corporate EBITDA margin

	Year ended December 31, 2024		Six months ended June 30, 2025	
	RMB	US$	RMB	US$
	(in thousands)			
Operating loss from continuing operations	**(349,081)**	**(48,730)**	**(133,092)**	**(18,578)**
Adjusted for:				
Depreciation and amortization [(2)]……..	167,721	23,413	74,171	10,354
Share-based compensation expenses…..	519	72	1,825	255
Impairment losses of rental deposits…..	2,457	343	4,896	683
One-off expense of store closure……..	11,090	1,548	-	-
Professional fees related to warrant exchange and other financing programs…….	10,464	1,461	1,007	141
Impairment losses of long-lived assets…	56,287	7,857	21,103	2,946
Loss on disposal of property and equipment	4,147	579	2,980	416
Adjusted Corporate EBITDA…….	**(96,396)**	**(13,456)**	**(27,100)**	**(3,783)**
Adjusted Corporate EBITDA Margin…	**(6.9)%**	**(6.9)%**	**(4.2)%**	**(4.2)%**

D. Adjusted net loss and adjusted net loss margin

	Year ended December 31, 2024		Six months ended June 30, 2025	
	RMB	US$	RMB	US$
	(in thousands)			
Net loss from continuing operations	**(460,429)**	**(64,273)**	**(134,866)**	**(18,827)**
Adjusted for:				
Share-based compensation expenses …	519	72	1,825	255
Professional fees relating to warrant exchange and other financing programs……	10,464	1,461	1,007	141
Impairment losses of long-lived assets…	56,287	7,857	21,103	2,946
Impairment losses of rental deposits……	2,457	343	4,896	683
One-off expense of store closure…….	11,090	1,548	-	-
Loss on disposal of property and equipment….	4,147	579	2,980	416
Loss of the debt extinguishment……	10,657	1,488	-	-
Changes in fair value of deferred contingent consideration…….	16,941	2,365	-	-
Changes in fair value of convertible notes…	65,874	9,196	(6,075)	(848)
Adjusted Net loss……..	**(281,993)**	**(39,365)**	**(109,130)**	**(15,234)**
Adjusted Net loss Margin……...	**(20.3)%**	**(20.3)%**	**(16.8)%**	**(16.8)%**

E. Adjusted basic and diluted net loss per Ordinary Share

	Year ended December 31, 2024		Six months ended June 30, 2025	
	RMB	US$	RMB	US$
	(in thousands)			
Net loss from continuing operations attributable to shareholders of the Company	**(463,525)**	**(64,706)**	**(133,476)**	**(18,633)**
Adjusted for:				
Share-based compensation expenses…	519	72	1,825	255
Professional fees relating to warrant exchange and other financing programs……	10,464	1,461	1,007	141
Impairment losses of long-lived assets…….	56,287	7,857	21,103	2,946
Impairment losses of rental deposits…….	2,457	343	4,896	683
One-off expense of store closure……	11,090	1,548	-	-
Loss on disposal of property and equipment……	4,147	579	2,980	416
Loss of the debt extinguishment…….	10,657	1,488	-	-
Changes in fair value of deferred contingent consideration……	16,941	2,365	-	-
Changes in fair value of convertible notes……..	65,874	9,196	(6,075)	(848)
Adjusted Net loss attributable to shareholders of the Company…….	**(285,089)**	**(39,797)**	**(107,740)**	**(15,040)**
Weighted average shares outstanding used in calculating basic and diluted loss per share….	32,444,772	4,529,116	32,540,993	4,542,547
Adjusted basic and diluted net loss per ordinary Share……	**(8.79)**	**(1)**	**(3.31)**	**(0.46)**

Notes:

(1) consists of company owned and operated store depreciation related to property, equipment and store renovations and amortization of the franchise right to use the Tim Hortons brand..

(2) consists of store depreciation and amortization(1) and headquarter depreciation and amortization related to property, equipment and store renovations and amortization of the franchise right to use the Tim Hortons brand.

Liquidity and Capital Resources

Cash Flows and Working Capital

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, proceeds from bank borrowings and proceeds from equity or equity-linked financing. As of December 31, 2023, 2024 and as of June 30, 2025, our cash was RMB203.6 million, RMB184.2 million (US$25.7 million) and RMB178.8 million (US$25.0 million), respectively, consisting of bank deposits. Our cash requirements may fluctuate based on the timing and extent of many factors such as those discussed above.

We have incurred loss since our inception. We incurred net losses of RMB134.9 million (US$18.8 million), RMB409.0 million (US$57.1 million) and RMB872.9 million for the six months ended June 30, 2025 and for the years ended December 31, 2024 and 2023, respectively. In addition, for the six months ended June 30, 2025, we recorded net cash used in operating activities in the amount of RMB1.4 million (US$0.2 million).

Historically, we had relied principally on proceeds from the issuance of ordinary shares, long-term convertible notes and bank borrowings to finance our operations and business expansion. We have evaluated plans to continue as a going concern which include, but are not limited to, (i) reducing discretionary capital and operating expenses (ii) obtaining additional facilities from banks and renewal of existing bank borrowings (iii) obtaining financial support from controlling shareholder and related parties (iv) exploring opportunities for further equity or equity-linked financing. Notwithstanding this, feasibility of some of these plans is contingent upon factors

outside of our control and, as such, we concluded that substantial doubt about our ability to continue as a going concern has not been alleviated as of the reporting date. 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. There remains substantial doubt about our ability to continue as a going concern for the next twelve months from the date the consolidated financial statements were issued. See "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" and "Risk Factors-Risks Related to THIL's Business and Industry- We had negative net cash flows from operations in the past and have not been profitable, which may continue in the future."

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 Information Memorandum, our PRC Subsidiaries have been in accumulated loss and did not pay dividends to us. Further, if any of our PRC Subsidiaries incurs debt 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 "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 offerings of our listed securities and adversely affect the value of your investment."

Convertible Notes

On December 9, 2021, we and XXIIA entered into a Convertible Note Purchase Agreement with each of Sona and Sunrise. On December 10, 2021, we issued $50 million in aggregate principal amount of Private Notes to Sona and Sunrise for a purchase price of 98% of the principal amount thereof. On December 30, 2021, we issued $50 million in aggregate principal amount of Notes under the Indenture to Sona and Sunrise in exchange for the Private Notes, which were cancelled upon such exchange. The Notes will mature on December 10, 2026 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 PIK Interest. On June 10, 2022 and December 10, 2022, THIL paid PIK Interest in the amount of $2,250,000 and $2,351,250, respectively.

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. The payment of such cash interest, repurchase price or redemption price will lower the amount of cash we have on hand and could restrict our ability to satisfy our liquidity requirements and ability to operate and expand our business. For more details on the related risks, see "Risk Factors-Risks Related to THIL's Business and Industry-Our convertible notes may impact our financial results, result in the dilution of our shareholders, adversely affect our liquidity, create downward pressure on the price of our securities, and restrict our ability to raise additional capital or take advantage of future opportunities."

Until the Maturity Date, each Note is convertible into fully paid, validly issued and non-assessable ordinary shares at a conversion price of $57.50 per share (the "Initial Conversion Price"), which was subsequently adjusted to $54.25 per share in April 2023 on account of our issuance of shares pursuant to the Share Purchase Agreement. 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 registering 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 Initial 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 THIL 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.

In addition, on June 28, 2024, we entered into a securities purchase agreement with THRI, P3AHIV and PTAHXXIIA pursuant to which we issued:

- US$40.0 million of Series A Convertible Subordinated Notes due 2027 (the "Series A Convertible Notes"), consisting of US$20.0 million to THRI and US$10.0 million to each of P3AHIV and PTAHXXIIA. The Series A Convertible Notes are convertible into Series A-2 Convertible Preferred Shares (the "Series A-2 Convertible Preferred Shares") (1) at the option of the holder at any time after January 16, 2025 and (2) mandatorily upon maturity or on the occurrence of certain change of control events, provided that the conversion requirements have been met. The Series A Convertible Notes were issued (i) to THRI in exchange for cash and the settlement of overdue accounts payables and (ii) to the Cartesian Investors in exchange for outstanding promissory notes issued in March 2024

with an outstanding principal amount of US$20 million (the "Cartesian Existing Notes").

- 0.2 (1) Series A-2 Convertible Preferred Share to THRI for US$99.99. Series A-2 Convertible Preferred Shares, which will also be issued upon conversion of the Series A Convertible Notes, are convertible into ordinary shares of the Company with par value of US$0.0000469793497033866 per share (as adjusted for share splits and combinations) (i) at the option of the holder at any time and (ii) automatically upon the earlier of certain change of control events or June 28, 2028, provided that the conversion requirements have been met.

- 0.2 (1) Class A-1 Special Voting Share, in the name of THRI for the benefit of all holders of Series A Convertible Notes. The Class A-1 Special Voting Share is a non-economic share that has certain voting rights.

- US$15.7 million of Series A-1 Convertible Subordinated Notes (the "Series A-1 Convertible Notes") which are convertible into ordinary shares (1) at the option of the holder at any time after January 16, 2025 and (2) mandatorily upon maturity or on the occurrence of certain change of control events, provided that the conversion requirements have been met. The Series A-1 Convertible Notes were issued to P3AHIV (i) in full satisfaction of all deferred contingent consideration due to P3AHIV under the share purchase agreement, dated as of March 30, 2023, among the Company, PLK APAC Pte. Ltd., Popeyes China and P3AHIV and (ii) in satisfaction of the interest due under the Cartesian Existing Notes.

Furthermore, subject to the satisfaction of certain operational and financial conditions set forth in the securities purchase agreement, we agreed to issue, and THRI agreed to purchase, (i) US$5.0 million of Series A Convertible Notes on each of August 15, 2024 and January 15, 2025 and (ii) at the option of THRI additional Series A Convertible Notes as described in the securities purchase agreement. On August 15, 2024, the Company issued the 1st tranche of Series A Convertible notes and the second Series A Convertible Notes THRI agreed to purchase as of January 15, 2025 is not exercised.

The Series A Convertible Notes and the Series A-1 Convertible Notes are collectively referred to as the "Convertible Notes."

Maturity; Interest Rates and Covenants. Each of the Convertible Notes will have a tenor of three (3) years from the initial closing date and bear interest at a per annum rate equal to the secured overnight financing rate as administered by the SOFR Administrator plus eight percent (8.00%) compounding continuously, which will be due and payable at the earlier of conversion or maturity, and shall be paid in kind in the form of additional Convertible Notes to their respective outstanding principal amount. The Convertible Notes also contain restrictions on payment of dividends or other distributions on, or repurchases or redemptions of, any shares of any class or series of equity securities which are ranked junior to the Convertible Notes and certain customary events of default.

Conversion Rates. Each US$100 principal amount of Series A Convertible Notes converts into one (1) Series A-2 Preferred Share and each Series A-2 Preferred Share converts into 24.202 ordinary shares. Each US$100 of principal amount of Series A-1 Convertible Notes converts directly into 24.202 ordinary shares. The conversion rates for each Series A-2 Preferred Share and each US$100 of principal amount of Series A-1 Convertible Notes are based on 110% of the average of the volume weighted average closing price of the ordinary shares for the 5 trading days immediately prior to the initial closing date. The conversion rates are subject to adjustment for share splits and consolidations.

Voting Rights. Each holder of outstanding Series A-2 Preferred Shares will have the right to exercise those number of votes as it would be entitled to vote on an "as converted basis". The one Class A-1 Special Voting Share is entitled to that number of votes equal to the aggregate number of votes which would be exercisable by the holders of outstanding Series A Convertible Notes upon the exchange of all outstanding Series A Convertible Notes (i.e., those that have not yet converted) into Series A-2 Preferred Shares. The holder of the Class A-1 Special Voting Share will vote such shares at the direction on the holders of the Series A Convertible Notes (based upon the number of votes represented by such Convertible Notes). The Class A-1 Special Voting Share and the Series A-2 Preferred Shares voting together as a single class, will have the right to elect two directors until the aggregate voting power of the Class A-1 Special Voting Share and the Series A-2 Preferred Shares represent less than 11.1% of the total voting power of us and one director until the aggregate voting power of the Class A-1 Special Voting Share and the Series A-2 Preferred Shares represent less than 3.0% of the total voting power of us. In addition, the Class A-1 Special Voting Share and the outstanding Series A-2 Preferred Shares will vote, as a single class, with the ordinary shares on all other matters other than the election of the ordinary share directors.

The foregoing summary of the investments in us does not purport to be complete and is qualified in its entirety by reference to the securities purchase agreement along with form of Series A convertible subordinate note and form of Series A-1 convertible subordinated note, copies of which are filed as Exhibits 2.7, 4.34, 4.35 and 4.36, respectively, which are incorporated by reference in this Information Memorandum. See also "Recent Developments."

Equity Support Agreement

On March 8, 2022, we entered into an Equity Support Agreement with Shaolin Capital Management LLC, 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. On June 13, 2022, we, Shaolin Capital Management LLC, and U.S. Bank National Association entered into 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 July 28, 2022, we and the ESA Investors entered into Amendment No. 1 to Equity Support Agreement, pursuant to which we agreed not to identify any of the ESA Investors as a statutory underwriter in the Resale Registration Statement, provided, that if the SEC requests that any of the ESA Investors be identified as a statutory underwriter in the Resale Registration Statement, the ESA Investors will have the opportunity to withdraw from the Resale Registration Statement upon prompt written request to us.

On the Closing Date, we issued 1,000,000 ordinary shares to the ESA Investors at a price of $50.00 per share. In connection with such issuance and pursuant to the ESA, we paid $500,000 to the ESA Investors as an option premium and $3,166,667 into the Collateral Account as deposit, and the ESA Investors deposited $50,000,000 into the Collateral Account.

On December 27, 2022, we and the ESA Investors entered into Amendment No. 2 to Equity Support Agreement, which, among other things, amends the definitions of "First Reference Price Commencement Date" and "Reference Period" and extends the duration of the "First Reference Period" from 25 consecutive VWAP Trading Days to 27 consecutive VWAP Trading Days and the "Second Reference Period" and the "Third Reference Period" from 25 consecutive VWAP Trading Days to 30 consecutive VWAP Trading Days.

The Equity Support Agreement has expired as of September 29, 2025.

Committed Equity Facility

On March 11, 2022, THIL entered into an Ordinary Shares Purchase Agreement with CF Principal Investments LLC related to the Facility, which was amended on November 9, 2022 (the "Purchase Agreement"). Pursuant to and subject to the conditions set forth in the Purchase Agreement, beginning on the date on which the conditions to Cantor's purchase obligation thereunder have been satisfied, including that a registration statement covering the resale by Cantor of the maximum number of ordinary shares issuable under the Purchase Agreement be declared effective by the SEC, THIL has the right from time to time at its option to direct Cantor to purchase its ordinary shares up to a maximum aggregate purchase price of $100.0 million (each such purchase, a "VWAP Purchase"), subject to certain limitations and conditions set forth in the Purchase Agreement. The per share purchase price of the ordinary shares that THIL elects to sell to Cantor in a VWAP Purchase pursuant to the Purchase Agreement, if any, will be equal to 97% of the VWAP of the ordinary shares during the applicable VWAP Purchase Period for such VWAP Purchase; accordingly, the purchase price per share that Cantor will pay for the ordinary shares purchased from THIL under the Purchase Agreement will fluctuate based on the market price of the ordinary shares at the time THIL elects to sell shares to Cantor. For example, assuming that the VWAP of THIL's ordinary shares during the VWAP Purchase Period on a VWAP Purchase Date is $5.70 per share, which was the closing price of the ordinary shares on April 26, 2024, the purchase price per share that Cantor would pay for these ordinary shares would be approximately $5.55, and Cantor would profit on such shares if it were subsequently able to resell them for greater than $5.55 per share.

On November 9, 2022, THIL issued 165,289 ordinary shares to Cantor (the "Commitment Fee Shares"), as consideration for its entry into the Purchase Agreement on March 11, 2022. Cantor paid no cash consideration for the Commitment Fee Shares. Accordingly, any proceeds received by Cantor upon its sale of the Commitment Fee Shares would be profit. As of the date of this Information Memorandum, no other ordinary shares have been issued to Cantor. In addition, pursuant to the Purchase Agreement, THIL has agreed to reimburse Cantor for certain expenses incurred in connection with the Facility.

Sales of ordinary shares to Cantor under the Purchase Agreement, and the timing of any sales, will be determined by THIL from time to time in its sole discretion and will depend on a variety of factors, including, among other things, market conditions, the trading price of the ordinary shares and determinations by THIL regarding the use of proceeds from any sale of such ordinary shares. The net proceeds from any sales under the Facility will depend on the frequency with, and prices at, which the ordinary shares are sold to Cantor. To the extent THIL sells shares under the Purchase Agreement, THIL currently plans to use any proceeds therefrom for working capital and general corporate purposes.

Under the terms of the Purchase Agreement, Cantor is not obligated to buy any ordinary shares under the Purchase Agreement if such shares, when aggregated with all other ordinary shares then beneficially owned by Cantor and its affiliates (as calculated pursuant to Section 13(d) of the Exchange Act and Rule13d-3 promulgated thereunder), would result in Cantor beneficially owning ordinary shares in excess of 4.99% of THIL's outstanding ordinary shares.

The resale by Cantor of a significant amount of shares at any given time, or the perception that these sales may occur, along with other issuances and resales of other ordinary shares, could cause the market price of THIL's ordinary shares to decline and to be highly volatile. If and when THIL elects to sell ordinary shares to Cantor pursuant to the Purchase Agreement, after Cantor has acquired such shares, Cantor may resell all, some or none of such ordinary shares at any time or from time to time in its discretion and at different prices. As a result, investors who purchase

ordinary shares from Cantor at different times will likely pay different prices for those ordinary shares and may experience different levels of dilution and, in some cases, substantial dilution and different outcomes in their investment results. In addition, while the issuance of ordinary shares to Cantor pursuant to the Purchase Agreement will not affect the rights or privileges of THIL's existing shareholders, the economic and voting interests of each of THIL's existing shareholders will be diluted as a result of such issuance.

The Purchase Agreement and the Registration Rights Agreement between THIL and Cantor, dated March 11, 2022 (the "Cantor Registration Rights Agreement") contain customary registration rights, representations, warranties, conditions and indemnification obligations by each party. The representations, warranties and covenants contained in the Purchase Agreement were made only for purposes of the Purchase Agreement and as of specific dates, were solely for the benefit of the parties to such agreements and are subject to certain important limitations.

Cantor's obligation to purchase ordinary shares under the Purchase Agreement are subject to various conditions precedent thereto set forth in the Purchase Agreement, which conditions include, among others, the following:

- the accuracy in all material respects of the representations and warranties of THIL included in the Purchase Agreement;
- THIL having performed, satisfied and complied in all material respects with all covenants, agreements and conditions required by the Purchase Agreement to be performed, satisfied or complied with by THIL;
- a registration statement on Form F-1 (or any successor form) covering the resale by Cantor of the maximum number of ordinary shares issuable under the Purchase Agreement as shall be permitted to be included thereon in accordance with applicable SEC rules, regulations and interpretations so as to permit the resale of such shares by Cantor under Rule 415 under the Securities Act at the then prevailing market prices having been declared effective under the Securities Act by the SEC and not being subject to any stop order or suspension by the SEC, FINRA or Nasdaq, and Cantor being able to utilize the prospectus included therein to resell all of the ordinary shares registered thereon;
- THIL having complied with all applicable federal, state and local governmental laws, rules, regulations and ordinances in connection with the execution, delivery and performance of the Purchase Agreement;
- customary bankruptcy-related conditions; and
- the satisfactory completion of due diligence by Cantor and receipt by Cantor of customary legal opinions, auditor comfort letters and bring-down legal opinions and auditor comfort letters as required under the Purchase Agreement.

Unless earlier terminated as provided in the Purchase Agreement, the Purchase Agreement will terminate automatically on the earliest to occur of:

- the first day of the month next following the 36-month anniversary of the date of the prospectus included in the registration statement on Form F-1 (or any successor form) covering the resale by Cantor of the maximum number of ordinary shares issuable under the Purchase Agreement;
- the date on which Cantor shall have purchased ordinary shares under the Purchase

Agreement for an aggregate gross purchase price equal to $100.0 million;

- the date on which the ordinary shares shall have failed to be listed or quoted on the Nasdaq Capital Market, New York Stock Exchange, the NYSE American, the Nasdaq Global Select Market or the Nasdaq Global Market; and

- the date on which, pursuant to or within the meaning of Title 11, U.S. Code, or any similar U.S. federal or state law or foreign law for the relief of debtors, (a) THIL commences a voluntary case, (b) a custodian is appointed for THIL or for all or substantially all of its property, (c) THIL makes a general assignment for the benefit of its creditors, or (d) a court of competent jurisdiction enters an order or decree for relief against THIL in an involuntary case or the liquidation of THIL or any of its subsidiaries.

THIL has the right to terminate the Purchase Agreement at any time after Commencement, at no cost or penalty, upon three trading days' prior written notice to Cantor. Cantor also has the right to terminate the Purchase Agreement upon three trading days' prior written notice to us, but only upon the occurrence of certain customary events, including the following: (a) the existence of any condition, occurrence, state or event constituting a "material adverse effect" has occurred and is continuing, (b) a change of control or other fundamental transaction has occurred, (c) THIL is in material breach or default under the Cantor Registration Rights Agreement, which is not cured within 15 trading days, (d) while a registration statement, or any post-effective amendment thereto, is required to be maintained effective pursuant to the terms of the Cantor Registration Rights Agreement and Cantor holds any securities registrable under the Cantor Registration Rights Agreement, the effectiveness of such registration statement, or any post-effective amendment thereto, lapses for any reason (including, without limitation, the issuance of a stop order by the SEC) or such registration statement or any post-effective amendment thereto, the prospectus contained therein or any prospectus supplement thereto otherwise becomes unavailable to Cantor for the resale of all of the registerable securities included therein in accordance with the terms of the Cantor Registration Rights Agreement, and such lapse or unavailability continues for a period of 45 consecutive trading days or for more than an aggregate of 90 trading days in any 365-day period, other than due to acts of Cantor; (e) trading in THIL's ordinary shares on Nasdaq shall have been suspended and such suspension continues for a period of five consecutive trading days; or (f) THIL is in material breach or default of any of its covenants and agreements contained in the Purchase Agreement, and, if such breach or default is capable of being cured, such breach or default is not cured within 15 trading days after notice of such breach or default is delivered to THIL pursuant to the terms of the Purchase Agreement. THIL and Cantor may also terminate the Purchase Agreement at any time by mutual written consent.

No termination of the Purchase Agreement by THIL or by Cantor will (i) become effective prior to the second trading day immediately following the date on which the purchase of ordinary shares by Cantor pursuant to any pending VWAP Purchase has been fully settled in accordance with the terms and conditions of the Purchase Agreement, (ii) limit, alter, modify, change or otherwise affect THIL's or Cantor's rights or obligations under the Cantor Registration Rights Agreement, all of which will survive any such termination, or (iii) affect the Commitment Fee Shares.

Subject to specified exceptions included in the Purchase Agreement, during the term of the Purchase Agreement, THIL shall not effect or enter into an agreement to effect an "equity line of credit," "at-the-market offering," "equity distribution program" or any similar transaction whereby it may issue or sell ordinary shares or any securities of THIL or its subsidiaries which entitle the holder thereof to acquire at any time ordinary shares, including, without limitation, any debt, preferred stock or shares, rights, options, warrants or other instrument that is at any time

convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, ordinary shares, at a future determined price.

Cash Flows

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,		
	2023	2024		2024	2025	
	RMB	RMB	US$	RMB	RMB	US$
	(in thousands)					
Net cash (used in)/provided by operating activities	(196,130)	(39,667)	(5,537)	4,961	(1,394)	(195)
Net cash (used in)/provided by investing activities	59,999	(8,037)	(1,122)	(28,685)	(53,373)	(7,451)
Net cash (used in)/provided by financing activities	80,833	26,004	3,630	(11,776)	50,113	6,996
Effect of foreign currency exchange rate changes on cash	19,807	2,350	328	780	(825)	(114)
Net decrease in cash	(35,491)	(19,350)	(2,701)	(34,720)	(5,479)	(764)
Cash at beginning of year/period	239,077	203,587	28,420	203,587	184,237	25,718
Cash at end of year/period	203,587	184,237	25,719	168,867	178,758	24,954

Operating Activities

Net cash used in operating activities decreased by 72.0% from RMB5.0 million for the six months ended June 30, 2024 to RMB1.4 million (US$0.2 million) for the six months ended June 30, 2025.

Net cash used in operating activities for the year ended December 31, 2024 was RMB39.7 million (US$5.5 million). The difference between our net loss of RMB460.4 million (US$64.3 million) and net cash used in operating activities for the year ended December 31, 2024 was primarily due to (i) the difference between net loss and net cash inflows in operating activities from discontinued operations of RMB44.7 million; (ii) an adjustment of RMB340.8 million in non-cash items, which primarily consisted of (a) depreciation and amortization expense of RMB169.7 million, (b) changes in fair value of convertible notes of RMB65.9 million, (c) impairment losses of long-lived assets of RMB56.3 million, (d) changes in fair value of Deferred Contingent consideration of RMB16.9 million, (e) loss of debt distinguishment of RMB10.7 million, (f) allowance for doubtful accounts of RMB8.7 million, (g) accrued interests of promissory notes of RMB5.3 million, (h) other adjustment of RMB7.5 million due to loss on disposal of property and equipment and of intangible assets, provision for inventories write-down, share-based payment expenses, and unrealized foreign currency transaction loss (gain), (i) Transaction cost for issuance of convertible notes of RMB3.8 million and (iii) net changes in operating assets and liabilities of RMB69.4 million, which primarily consisted of (a) an increase in accounts payable of RMB4.1 million due to the extension of payment terms, (b) a decrease in other current liabilities of RMB76.7 million due to decreased accrued payroll and employee-related costs, payable for other operating expenditures, and (c) increase of RMB130.4 million in amounts due to related parties due to settlement of payables to related parties.

Net cash used in operating activities for the year ended December 31, 2023 was RMB196.1

million. The difference between our net loss of RMB872.9 million and net cash used in operating activities for the year ended December 31, 2023 was primarily due to (i) the difference between net loss and net cash inflows in operating activities from discontinued operations of RMB35.2 million; (ii) an adjustment of RMB526.7 million in non-cash items, which primarily consisted of (a) depreciation and amortization expense of RMB163.1 million, (b) impairment losses of long-lived assets of RMB111.4 million,(c) changes in fair value of warrant liabilities of RMB84.0 million, (d) share-based payment expenses of RMB64.5 million, (e) changes in fair value of convertible notes of RMB58.3 million, (f) changes in fair value of Deferred Contingent consideration of RMB26.1 million (g) loss on disposal of property and equipment of RMB16.4 million, (h) other adjustment of RMB0.5 million due to provision for inventories write-down, unrealized foreign currency transaction loss, allowance for doubtful accounts and net off the changes in fair value of ESA derivative liabilities ; and (iii) net changes in operating assets and liabilities of RMB150.0 million, which primarily consisted of (a) an increase in accounts payable of RMB109.1 million due to the extension of payment terms, (b) an increase in other current liabilities of RMB1.1 million due to increased accrued payroll and employee-related costs, payable for other operating expenditures, and (c) other increase of RMB9.6 million in accounts receivable, inventories, prepaid expenses and other current assets, other non-current assets, amounts due to related parties, contract liabilities, other non-current liabilities, right-of-use asset and lease liabilities.

Investing Activities

Net cash used in investing activities increased by 86.1% from RMB28.7 million for the six months ended June 30, 2024 to RMB53.4 million (US$7.5 million) for the six months ended June 30, 2025.

Net cash used in investing activities for the year ended December 31, 2024 was RMB8.0 million (US$1.1 million), compared to net cash provided in investing activities of RMB60.0 million for the year ended December 31, 2023, which was primarily because the Company retrieved short-term investment due to ESA program back in 2023 of RMB369.3 million, and was partially offset by the net cash effect of reduce of purchase property and equipment and intangible assets RMB 188.8 million due to slowing down the expansion of company-owned store and disposal of Popeyes in 2024 of RMB 67.8 million and was partially offset by the net cash effect of reduce of purchase property and equipment and intangible assets RMB 188.8 million due to slowing down the expansion of company-owned store and disposal of Popeyes in 2024 of RMB 67.8 million.

Net cash provided in investing activities for the year ended December 31, 2023 was RMB60.0 million, compared to net cash used in investing activities of RMB705.2 million for the year ended December 31, 2022, which primarily resulted from the Company purchased short-term investment due to ESA program in 2022 of RMB370.2 million and retrieved the short-term investment back in 2023 of RMB369.3 million.

Financing Activities

Net cash provided by financing activities for the six months ended June 30, 2025 was RMB50.1 million (US$7.0 million), primarily attributable to.

Net cash provided by financing activities for the year ended December 31, 2024 was RMB26.0 million (US$3.6 million), primarily attributable to proceeds from issuance of promissory notes of RMB142.5 million, proceeds from convertible notes of RMB41.1 million and proceed from exercise of employee share option of RMB8.4 million, while offset by net repayment of bank borrowings of RMB162.2 million.

Net cash provided by financing activities for the year ended December 31, 2023 was RMB80.8 million, primarily attributable to proceeds from employee share option program of RMB1.4 million, net borrowing from bank of RMB126.9 million and proceeds from Popeyes acquisition of RMB206.7 million, while offset by payment to Shaolin for ESA transaction of RMB249.5 million and payment for warrant exchange offering cost RMB4.7 million.

Off-Balance Sheet Commitments and Arrangements

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

Critical Accounting Estimates

We prepare our consolidated financial statements in accordance with U.S. GAAP. In doing so, we have to make estimates and assumptions. Our critical accounting estimates are those estimates that involve a significant level of uncertainty at the time the estimate was made, and changes in them have had or are reasonably likely to have a material effect on our financial condition or results of operations. Accordingly, actual results could differ materially from our estimates. We base our estimates on past experience and other assumptions that we believe are reasonable under the circumstances, and we evaluate these estimates on an ongoing basis.

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 the Closing Date 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:

	2023	2024
Expected volatility.....	24.00%	24.00%
Risk-free interest rate (per annum)	2.50% - 2.80%	5.02%
Exercise multiple	2.50-2.80	2.80
Expected dividend yield.....	0.00%	0.00%
Expected term (in years)	10	10
Fair value of the underlying ordinary share	US$2.15-US$4.15	US$3.45

The estimated fair value of the underlying unit at the grant date was estimated by management with the assistance of an independent valuation firm.

Prior to completion of IPO, Options granted to Grantees were measured at fair value using the Binomial Option pricing Model and a combination of discounted cashflow model respective on grant dates.

After completion of IPO, Options granted to Grantees were measured at fair value using the

Binomial Option Pricing Model as of the respective grant dates.

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 before the completion of IPO granted to Grantees were measured at fair value as of the grant date using the income approach. 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.

For more details, see Note 22 to THIL's historical consolidated financial statements that are incorporated by reference in this Information Memorandum.

Convertible notes, at fair value

On December 9, 2021, the Company issued $50 million in aggregate principal amount of convertible notes to Sona and Sunrise for a purchase price of 98% of the principal amount thereof, which are measured at fair value. Subsequently, the component of fair value changes relating to the instrument specific credit risk of the Notes is recognized in other comprehensive (loss)/income. Fair value changes, other than the impact of instrument specific credit risk, are recognized in changes in fair value of financial instruments in our consolidated statement of operations.

On June 28, 2024 and August 15, 2024, the Company issued convertible notes due June 28, 2027 in an aggregate principal amount of US$60,741,340 ("Convertible Junior Note"). The details of the transaction are set out in Note 3 to the Company's consolidated financial statements.

The Notes were measured at fair value using the Binomial Option Pricing Model.

As of December 31, 2024, the assumptions were as follow:

	Convertible Senior Note	Convertible Junior Note
Expected volatility.....	82%	22%
Risk-free interest rate (per annum)	4.25%	4.27%
Expected dividend yield.....	0.00%	0.00%
Fair value of the underlying ordinary share	US$3.55	US$3.55
Bond yield.....	10.52%	10.33%

The fair value of the Notes as of December 31, 2024 was estimated by management with the assistance of an independent valuation firm.

The expected volatility was estimated based on the historical volatility of the Company or comparable peer public companies with a time horizon close to the expected term of the Convertible Senior Note.

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 Convertible Junior Note.

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 Notes' 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 bond yield was based on the market yield of comparable bonds with similar credit rating.

For more details, see Note 24 to THIL's historical consolidated financial statements that are incorporated by reference in this Information Memorandum.

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 that are incorporated by reference in this Information Memorandum.

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 RMB24.4 million and RMB41.5 million (US$5.7 million) for the years ended December 31, 2023 and 2024, 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 HKD800,000, respectively. Total bank deposits are insured by the government authority with amounts up to RMB16.7 million and RMB12.3 million (US$1.7 million) as of December 31, 2023 and 2024.

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 from the offerings of our listed securities 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.

TRANSFER RESTRICTIONS

Because of the following restrictions, you are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Notes.

The notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act of 1933, as amended (the "Securities Act") and applicable securities laws of any other jurisdiction pursuant to registration or exemption therefrom. Holders and prospective purchasers of the Notes should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. You must comply with all laws that apply to you in any place in which you buy, offer or sell any Notes. You must also obtain any consents or approvals that you need in order to purchase or sell any Notes. We are not responsible for your compliance with these legal requirements.

None of the Notes have been, and will not be, registered under the Securities Act or any state or foreign securities law and they may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state and foreign securities laws.

Each acquirer of the Notes acknowledges that each Note will contain a legend substantially to the following effect (unless the Company determines otherwise in compliance with applicable law), and by its acquisition thereof, acknowledges that it is deemed to have made the representations and agreements therein, and represents and warrants that it will not offer, sell, pledge or otherwise transfer the Notes except in accordance therewith:

THIS NOTE AND THE SHARES OF STOCK ISSUABLE UPON THE CONVERSION THEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE ACQUIRER:

(1) REPRESENTS THAT IT AND ANY ACCOUNT FOR WHICH IT IS ACTING IS (I) AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF SUBPARAGRAPH (A)(1), (2), (3) OR (7) OF RULE 501 UNDER THE SECURITIES ACT, OR (II) A "QUALIFIED INSTITUTIONAL BUYER" (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) AND THAT IT EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO EACH SUCH ACCOUNT, AND

(2) AGREES FOR THE BENEFIT OF THE COMPANY THAT IT WILL NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS NOTE OR THE SHARES OF STOCK ISSUABLE UPON CONVERSION THEREOF, OR ANY BENEFICIAL INTEREST HEREIN OR THEREIN, PRIOR TO THE EXPIRATION OF THE APPLICABLE HOLDING PERIOD WITH RESPECT TO RESTRICTED SECURITIES SET FORTH IN RULE 144 UNDER THE SECURITIES ACT UNLESS SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS MADE:

(A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, OR

(B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BECOME EFFECTIVE UNDER THE SECURITIES ACT, OR

(C) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT; OR

(D) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF SUBPARAGRAPH (A)(1), (2), (3) OR (7) OF RULE 501 UNDER THE SECURITIES ACT, THAT IS ACQUIRING THE SECURITY FOR ITS OWN ACCOUNT, OR FOR THE ACCOUNT OF SUCH AN INSTITUTIONAL ACCREDITED INVESTOR, FOR

INVESTMENT PURPOSES AND NOT WITH A VIEW TO, OR FOR OFFER OR SALE IN CONNECTION WITH, ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT, OR

(E) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT OR ANY OTHER AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT,

PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH (2)(C),(D) OR (E) ABOVE, THE COMPANY AND THE TRUSTEE RESERVE THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

The Notes will be available initially only in book-entry form, and will be issued in the form of one or more global notes bearing the legends set forth above.

DESCRIPTION OF SHARE CAPITAL AND ARTICLES OF ASSOCIATION

A summary of the material provisions governing THIL's share capital is provided below. This summary is not complete and should be read together with THIL's amended and restated memorandum and articles of association ("THIL Articles").

We are an exempted company incorporated in the Cayman Islands with limited liability and our affairs will be governed by the THIL Articles, the Companies Act of the Cayman Islands (As Revised) (the "Cayman Companies Act") and the common law of the Cayman Islands. As of the date of this Information Memorandum, the authorized share capital of the Company is US$5,000 divided into 100,000,000 ordinary shares with a nominal or par value of US$0.0000469793497033866 each and 6,429,740.547038 shares with a nominal or par value of US$0.0000469793497033866 each of such class or classes (however designated) as the board of directors of the Company may determine in accordance with the Articles, of which 0.2 Series A-2 Convertible Preferred Shares, par value US$0.0000469793497033866 per share, are issued and outstanding and 0.2 Class A-1 Special Voting Shares, par value US$0.0000469793497033866 per share, are issued and outstanding. 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

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 Act 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 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 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 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 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 Act for us to hold annual or extraordinary general meetings.

Series A-1 Special Voting Share

Voting Rights

The holder of the Class A-1 Special Voting Share is entitled to that number of votes equal to the aggregate number of votes which would be exercisable by the holders of outstanding Series A Convertible Notes upon the exchange of all outstanding Series A Convertible Notes (i.e., those that have not yet converted) into Series A-2 Preferred Shares.

Dividend Rights, Liquidation Rights

The holder of the Class A-1 Special Voting Share shall not be entitled to any dividends nor to participate in any surplus assets of the Company.

Conversion Rights

The holder of the Class A-1 Special Voting Share shall have no conversion rights.

Series A-2 Convertible Preferred Share

Voting Rights

Each holder of outstanding Series A-2 Preferred Shares will have the right to exercise those number of votes as it would be entitled to vote on an "as converted basis".

Dividend Rights, Liquidation Rights

Each holder of Series A-2 Convertible Preferred Shares shall be entitled to the same dividend and liquidation rights as the holders of ordinary shares on an as converted basis.

Conversion Rights

Each holder of Series A-2 Convertible Preferred Shares shall have the right, upon the delivery of a written notice to the Company, to convert any Series A-2 Convertible Preferred Share

held by it into that number of fully paid and nonassessable Ordinary Shares based on the Ordinary Share Conversion Rate equal 24.202. The conversion rate is subject to adjustment for share splits and consolidations.

Warrants

As previously disclosed, we completed an exchange offer relating to our outstanding warrants (the "Offer") on June 14, 2023. Each warrant that was outstanding upon the closing of the Offer was exchanged for 0.216 ordinary shares of the Company per warrant on June 27, 2023 (the "Post-Offer Exchange"). Pursuant to the Offer and the Post-Offer Exchange, we issued an aggregate of 1,083,949 ordinary shares in exchange for all of our outstanding warrants, increasing the number of ordinary shares outstanding from 32,069,622 to 33,153,571. As a result of the completion of the Offer and the Post-Offer Exchange, no warrants remain outstanding. The Public Warrants have been delisted upon completion of the Post-Offer Exchange. Our ordinary shares will continue to be listed and trade on the Nasdaq under the symbol "THCH." The purpose of the Offer was to simplify our capital structure and reduce the potential dilutive impact of the warrants.

Certain Differences in Corporate Law

Cayman Islands companies are governed by their memorandum and articles of association, the Cayman Companies Act and the common law of the Cayman Islands. The Cayman Companies Act 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 Act 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 Act 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 Act. 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 Act (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 (iii) made or resolution adopted to wind up or liquidate the foreign company in any jurisdictions; (iv) 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 (v) 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.

Where the surviving company is the Cayman Islands company, the directors of the 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 Act 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 inter-dealer 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 shareholders representing three-fourths in value of each class of shareholders with whom the arrangement is to be made, or by a majority in number of each class of creditors with whom the arrangement is to be made, and who must in addition represent three-fourths in value of each such class creditors, as the case may be, that are present and voting either in person or by proxy at a 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 Act 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 Act. The Cayman Companies Act 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

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 (As Revised) 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 (As Revised) 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

We have certain duties under the Data Protection Act (As Revised) of the Cayman Islands (the "DPA") based on internationally accepted principles of data privacy.

Privacy Notice

Introduction

This privacy notice puts our 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 DPA ("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 DPA, 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 DPA, 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 DPA 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 DPA.

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 DPA 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, 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.

How to contact us

If you would like to contact us regarding this Notice please send us an email to albert.li@timschina.com. In each case, to ensure your query is dealt with as swiftly as possible, please include as the subject or heading line "Privacy Notice".

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.

TAXATION

The information provided below does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase Notes. In particular, the information does not consider any specific facts of circumstances that may apply to a particular purchaser. Neither these statements nor any other statements in this Information Memorandum are to be regarded as advice on the tax position of any Holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements do not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules.

Prospective purchasers of Notes are advised to consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of Notes, including the effect of any state or local taxes, under the tax laws applicable in Cayman Islands and each country of which they are residents or countries of purchase, holding or disposition of the Notes. Additionally, in view of the number of jurisdictions where local laws may apply, this Information Memorandum does not discuss the local tax consequences to a potential holder, purchaser and seller arising from the acquisition, holding or disposition of the Notes. Prospective investors must therefore inform themselves as to any tax, exchange control legislation or other laws and regulations in force relating to the subscription, holding or disposition of Notes at their place of ordinance, and the countries of which they are citizens or countries of purchase, holding or disposition of Notes.

Cayman Islands

The following is a discussion on certain Cayman Islands income tax consequences of an investment in the Notes. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

Payments of interest and principal on the Notes and dividends and capital in respect of the Shares will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest and principal or a dividend or capital to any Holder of the Notes or Shares, as the case may be, nor will gains derived from the disposal of the Notes or Shares be subject to Cayman Islands income or corporation tax. The Cayman Islands currently has no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax.

No stamp duty is payable in respect of the issue of the Notes. The Notes themselves will be stampable if they are executed in or brought into the Cayman Islands.

No stamp duty is payable in respect of the issue of the Notes. An instrument of transfer in respect of a Note is stampable if executed in or brought into the Cayman Islands.

No stamp duty is payable in respect of the issue of the Shares or on an instrument of transfer in respect of a Share. An instrument of transfer in respect of a Share is stampable if executed in or brought into the Cayman Islands.

The Company has been incorporated under the laws of the Cayman Islands as an exempted company with limited liability and, as such, has obtained an undertaking from the Governor in

Cabinet substantially in the form below.

The Tax Concessions Law

Undertaking as to Tax Concessions

In accordance with the Tax Concessions Law, the following undertaking is hereby given to TH International Limited ("the **Company**").

1 That no Law which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and

2 In addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:

2.1 On or in respect of the shares, debentures or other obligations of the Company; or

2.2 by way of the withholding in whole or part, of any relevant payment as defined in Section 6(3) of the Tax Concessions Law.

3 These concessions shall be for a period of twenty (20) years from the 11th day of May 2018.

SELLING RESTRICTIONS

Singapore

This information memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. The Issuer will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this information memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time including by any subsidiary legislation as may be applicable at the relevant time (together, the "SFA")) under Section 274 of the SFA, or (ii) to a an accredited investor (as defined in Section 4(A) of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018.

Investors should note that there may be restrictions on the secondary sale of the Notes under Section 276 of the SFA.

LISTING

The Issuer has received approval-in-principle for the listing and quotation of the Notes on the SGX- ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Information Memorandum. Approval-in-principle for the listing and quotation of the Notes and admission of the Notes to the Official List of the SGX-ST and quotation of the Notes are not to be taken as an indication of the merits of the Issuer, its subsidiaries, any of its associated companies or the Notes. The Notes will trade on the SGX-ST in a minimum board lot size of US$1,000,000, so long as any of the Notes remain listed on the SGX-ST.

For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, we will appoint and maintain a Paying Agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that a Global Note is exchanged for notes in definitive form. In addition, in the event that a Global Note is exchanged for definitive note, an announcement of such exchange shall be made by or on behalf of us through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive note, including details of the Paying Agent in Singapore.

LEGAL MATTERS

Certain legal matters with respect to the Notes will be passed upon for us by Han Kun Law Offices LLP as to matters relating to New York state and U.S. federal law, and by Maples and Calder (Cayman) LLP as to matters relating to Cayman Islands law.

INDEPENDENT AUDITORS

The consolidated financial statements of THIL as of December 31, 2023 and 2024, and for the years then ended, incorporated by reference herein, have been audited by KPMG Huazhen

LLP, independent registered public accounting firm.

INFORMATION INCORPORATED BY REFERENCE

We incorporate in this Information Memorandum our audited consolidated financial statements as of and for the years ended December 31, 2023 and 2024 and our unaudited condensed consolidated statements as of June 30, 2025 and for the six months ended June 30, 2024 and 2025, which are included in our latest 20-F we filed with the SEC on May 15, 2025 and 6-K we furnished to the SEC on August 26, 2025. The above is publicly accessible, without charge, on the SEC's website at www.sec.gov.

APPENDIX A - FORM OF THE INDENTURE

Execution Version

TH INTERNATIONAL LIMITED

and

WILMINGTON SAVINGS FUND SOCIETY, FSB

as Trustee

INDENTURE

Dated as of December 2, 2025

Floating Rate Convertible Senior Secured Notes due 2029

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Exhibits

Exhibit A: Form of Note A-1

Exhibit B-1: Form of Restricted Note Legend B-1

Exhibit B-2: Form of Global Note Legend B-2

INDENTURE, dated as of December 2, 2025, among TH International Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands with registration number 336092, as issuer (the "**Company**") and Wilmington Savings Fund Society, FSB, as trustee (the "**Trustee**").

Each party to this Indenture (as defined below) agrees as follows for the benefit of the other party and for the equal and rateable benefit of the Holders (as defined below) of the Company's Floating Rate Convertible Senior Secured Notes due 2029 (and any Notes issued in exchange therefor or in substitution thereof, the "**Initial Notes**") and additional securities that may be issued on any later issue date subject to the conditions and in compliance with the covenants set forth herein (the "**Additional Notes**" and, together with the Initial Notes, the "**Notes**"). Unless the context otherwise requires, in this Indenture references to the "Notes" include any Additional Notes that are actually issued, including any Additional Notes that are issued as PIK Interest (as defined below). The Initial Notes and the Additional Notes shall be treated as a single class for all purposes under this Indenture.

Article 1. DEFINITIONS; RULES OF CONSTRUCTION

Section 1.01. Definitions.

"**2024 Junior CBs**" means collectively, (i) Series A Convertible Notes in principal amount of US$20,000,000 Tim Hortons Restaurants International GmbH and US$10,000,000 to each of Pangaea Three Acquisition Holdings IV Limited and Pangaea Two Acquisition Holdings XXIIA Limited, issued by the Company on June 28, 2024; (ii) one Series A Convertible Note in principal amount of US$5,000,000 to Tim Hortons Restaurants International GmbH issued by the Company on August 15, 2024, and (iii) the two Series A-1 Convertible Notes in principal amount of US$15,000,000 and US$741,340, respectively, to Pangaea Three Acquisition Holdings IV Limited issued by the Company on June 28, 2024.

"**Affiliate**" means, with respect to any Person, any other Person (1) directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person; (2) who is a director or officer of such Person or any Subsidiary of such Person or of any Person referred to in clause (1) of this definition; or (3) who is a spouse or any person cohabiting as a spouse, child or step-child, parent or step-parent, brother, sister, step-brother or step-sister, parent-in-law, grandchild, grandparent, uncle, aunt, nephew or niece of a person described in clause (1) or (2). For purposes of this definition, "**control**" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"**Alternative Stock Exchange**" means at any time, in the case of the Shares, if they are not at that time listed and traded on the Principal Market, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in.

"**Anti-Corruption Laws**" means the PRC Anti-Unfair Competition Law, the anti-bribery provisions of the PRC Criminal Law, the U.S. Foreign Corrupt Practices Act of 1977 (as amended),

the United Kingdom Bribery Act 2010 and any other applicable anti-bribery or anti-corruption laws.

"**Authorized Denomination**" means, with respect to a Note, a principal amount minimum denomination equal to $1,000,000 or any integral multiple of $1 in excess thereof; *provided* that any Additional Notes that are issued as PIK Interest may be issued with a principal amount minimum denomination equal to $1,000 or any integral multiple of $1 in excess thereof.

"**Authorized Share Failure**" shall have the meaning set forth in **Section 5.07(B)**.

"**Bank Deposit Secured Indebtedness**" means Indebtedness of the Company or any of its Subsidiary that is (i) secured by a pledge of one or more bank accounts or deposits or other assets of the Company or a Subsidiary or (ii) guaranteed by a guarantee or a letter of credit (or similar instruments) from or arranged by the Company or a Subsidiary and is used by the Company and its Subsidiaries to effect exchanges of U.S. dollars, Hong Kong dollars or other foreign currencies into Renminbi or vice versa, or to remit Renminbi or any foreign currency into or outside the PRC.

"**Bankruptcy Law**" means Title 11, United States Code, or any similar federal, state or foreign law relating to reorganization, arrangement, adjustment, restructuring, winding-up, liquidation, dissolution, composition or other debtor relief, including Part 5, sections 89 to 91J (inclusive) of the Companies Act (As Revised) of the Cayman Islands, and the Companies Winding Up Rules (As Revised) of the Cayman Islands, and any bankruptcy, insolvency, winding up, liquidation, dissolution, reorganization, restructuring or similar law enacted under the laws of the Cayman Islands or any other applicable jurisdiction.

"**Board of Directors**" means the board of directors of the Company or a committee of such board duly authorized to act on behalf of such board.

"**Business Day**" means any day other than Saturday, Sunday or other day on which commercial banks in The City of New York, Hong Kong and London or the city in which the Corporate Trust Office of the Trustee is located are authorized or required by law to remain closed.

"**Capital Lease Obligation**" means an obligation that is required to be classified and accounted for as a capitalized lease (and, for the avoidance of doubt, not a straight-line or operating lease) for financial reporting purposes in accordance with U.S. GAAP.

"**Capital Stock**" means (1) in the case of a corporation or exempted company, corporate stock or shares; (2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock; (3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and (4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"**Change of Control**" means the occurrence of one or more of the following events:

(1) at any time any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the "beneficial owner" (as such term is used in Rule 13d-3 of the Exchange Act), directly or indirectly, of voting power represented by the issued and outstanding voting shares of the Company (excluding, for the avoidance of doubt, any voting power deemed attributable on an as-converted basis to unexercised or unconverted securities) (A) greater than such total voting power beneficially owned by the Permitted Holder, or (B) greater than or equal to 35% on a fully diluted basis of total voting power of the Company; provided, however, that none of the events in this clause (1) shall be a Change of Control if, (a) such event is the result of the issuance of the Notes, any Additional Notes, the Class A-1 Special Voting Share or any 2024 Junior CBs, or the conversion of any Note into Shares or the conversion of any 2024 Junior CBs into Shares, or (b) at such time the Permitted Holder has the power, individually or together with one or more other direct or indirect shareholders of the Company as of the Issue Date (or any Affiliate of such shareholders) through a voting or similar agreement, to elect a majority of the members of the Board of Directors;

(2) the Company's consolidation with, or merger with or into, any Person (other than the Permitted Holder), or any Person (other than the Permitted Holder) consolidates with, or merges with or into, the Company, in any such event pursuant to a transaction in which any of the outstanding voting shares of the Company or such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where the voting shares of the Company outstanding immediately prior to such transaction is converted into or exchanged for (or continues as) voting stock of the surviving or transferee Person constituting a majority of the outstanding shares of voting stock of such surviving or transferee Person (immediately after giving effect to such issuance) and in substantially the same proportion as before the transaction;

(3) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and its Subsidiaries, taken as a whole, to any "person" (within the meaning of Section 13(d) of the Exchange Act) other than the Permitted Holder; or

(4) the adoption of a plan relating to the liquidation or dissolution of the Company.

"**Charter Documents**" means the memorandum and articles of association or other constitutional documents of the Company, each as amended from time to time.

"**Class A-1 Special Voting Share**" means one Class A-1 Special Voting Share issued by the Company to be held in the name of Tim Hortons Restaurants International GmbH for the benefit of all holders of Series A Convertible Notes issued by the Company in 2024.

"**Close of Business**" means 5:00 p.m., New York City time.

"**Collateral**" has the meaning ascribed to it in **Section 11.01(A)**.

"**Company**" means the Person named as such in the first paragraph of this Indenture and, subject to **Article 6**, its successors and assigns.

"**Company Order**" means a written request or order signed on behalf of the Company by one (1) of its Officers and delivered to the Trustee.

"**Conversion Date**" means, with respect to a Note, the first Business Day on which the requirements set forth in **Section 5.02(A)** to convert such Note are satisfied, subject to **Section 5.03(C)**.

"**Conversion Price**" means US$2.7822, subject to adjustment as provided herein.

"**Conversion Share**" means any Share issued or issuable upon conversion of any Note.

"**Corporate Trust Office**" means, with respect to:

(1) the Trustee, the designated corporate trust office of the Trustee at which at any particular time this Indenture shall be principally administered, which office at the date hereof is located at 300 Bellevue Parkway, Suite 300, Wilmington, DE 19809, United States, Attn: Anita Woolery – TH International Limited, or such other address as the Trustee may designate from time to time by notice to the Holders and the Company, or the designated corporate trust office of any successor trustee (or such other address as such successor trustee may designate from time to time by notice to the Holders and the Company);

(2) the Paying Agent, 300 Bellevue Parkway, Suite 300, Wilmington, DE 19809, United States, Attn: Anita Woolery – TH International Limited, or such other address as the Paying Agent may designate from time to time by notice to the Holders and the Company;

(3) the Registrar, 300 Bellevue Parkway, Suite 300, Wilmington, DE 19809, United States, Attn: Anita Woolery – TH International Limited, or such other address as the Registrar may designate from time to time by notice to the Holders and the Company;

(4) the Conversion Agent, 300 Bellevue Parkway, Suite 300, Wilmington, DE 19809, United States, Attn: Anita Woolery – TH International Limited, or such other address as the Conversion Agent may designate from time to time by notice to the Holders and the Company; and

(5) the Transfer Agent, 300 Bellevue Parkway, Suite 300, Wilmington, DE 19809, United States, Attn: Anita Woolery – TH International Limited, or such other address as the Transfer Agent may designate from time to time by notice to the Holders and the Company.

"**Default**" means any event that is (or, after notice, passage of time or both, would be) an Event of Default.

A "**Delisting**" occurs when the Shares (i) cease to be quoted, listed or admitted to trading on the Principal Market or any Alternative Stock Exchange, or (ii) are suspended from trading on the Principal Market or any Alternative Stock Exchange (as the case may be) for a period of more than 30 consecutive days on which the Principal Market or such Alternative Stock Exchange (as

the case may be) is open for business and on which no general suspension of trading on the Principal Market or such Alternative Stock Exchange (as the case may be) has occurred.

"**Depositary**" means The Depository Trust Company or its successor.

"**Depositary Participant**" means any member of, or participant in, the Depositary.

"**Depositary Procedures**" means, with respect to any conversion, transfer, exchange or transaction involving a Global Note or any beneficial interest therein, the rules and procedures of the Depositary applicable to such conversion, transfer, exchange or transaction.

"**Dollar Equivalent**" means, with respect to any monetary amount in a currency other than U.S. dollars, at any time for the determination thereof, the amount of U.S. dollars obtained by converting such foreign currency involved in such computation into U.S. dollars at the noon buying rate for U.S. dollars in New York City for cable transfers as certified for customs purposes by the Federal Reserve Bank of New York on the date of determination.

"**Equity Securities**" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock). Unless the context otherwise requires, any reference to "Equity Securities" refers to the Equity Securities of the Company.

"**Ex-Date**" means, with respect to a share or stock dividend, subdivision, consolidation, issuance, dividend (including, without limitation, any Spin-Off), distribution, capitalization, grant, offer or other entitlement ("**Entitlement**") on the Shares, the first date on which Shares trade on the applicable exchange or in the applicable market, regular way, without the right to such Entitlement (including pursuant to due bills or similar arrangements required by the relevant stock exchange).

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"**Fair Market Value**" means the price that would be paid in an arm's length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined either (i) in good faith by the Board of Directors, whose determination shall be conclusive if evidenced by a written resolution or minutes of meeting of the Board of Directors, or (ii) by an accounting, appraisal or investment banking firm of recognized international standing appointed by the Company.

"**Fundamental Change**" means the occurrence of a Change of Control or a Delisting.

"**Financial Company Investor**" means an independent third party that is a financial institution, including but not limited to a bank, insurance company, securities management company, trust company, fund management company and asset management company, or an Affiliate thereof, that invests in any Capital Stock of a Restricted Subsidiary.

"**Fundamental Change Repurchase**" means the repurchase of any Note by the Company pursuant to **Section 4.02(A)(ii)**.

"**Fundamental Change Repurchase Date**" has the meaning ascribed to it in **Section 4.02(B)(ii)**.

"**Fundamental Change Repurchase Notice**" means a notice (including a notice substantially in the form of the "Repurchase Notice" set forth in **Exhibit A**) containing the information, or otherwise complying with the requirements, as applicable, set forth in **Section 4.02(E)(i)** and **Section 4.02(E)(ii)**.

"**Fundamental Change Repurchase Price**" means the cash price payable by the Company to repurchase the Notes upon its Repurchase, calculated pursuant to **Section 4.02(C)(ii)**.

"**Fundamental Change Repurchase Right**" has the meaning ascribed to it in **Section 4.02(A)(ii)**.

"**Global Note**" means a Note that is represented by a certificate in registered form substantially in the form set forth in **Exhibit A**, registered in the name of the Depositary or Cede & Co., as its nominee, duly executed by the Company and authenticated by an authorized signatory of the Trustee, and deposited with the Trustee, as custodian for the Depositary.

"**Global Note Legend**" means a legend substantially in the form set forth in **Exhibit B-2**.

"**Government Official**" means any officer or employee of a Governmental Authority or any department, agency or instrumentality thereof, including state-owned entities, or of a public organization or any individual acting in an official capacity for or on behalf of any such Governmental Authority, department, agency, or instrumentality or on behalf of any such public organization.

"**Governmental Authority**" means any federal, state, provincial, municipal, local or foreign government, governmental authority, regulatory or administrative agency, governmental commission, department, board, bureau, agency or instrumentality, court, arbitral body (public or private) or tribunal.

"**Holder**" means a Person in whose name a Note is registered on the Registrar's books.

"**Hong Kong**" means the Hong Kong Special Administrative Region of the PRC.

"**Incur**" means, with respect to any Indebtedness to incur, create, issue, assume, guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness; *provided that* (i) any Indebtedness of a Person existing at the time such Person becomes a Subsidiary will be deemed to be incurred by such Subsidiary at the time it becomes a Subsidiary and (ii) the accrual of interest or preferred stock dividends, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms (including, for the avoidance of doubt, PIK Interest), the reclassification of preferred stock as Indebtedness due to a change in accounting principles, and the payment of dividends on preferred stock in the form of additional shares of the same class of preferred stock shall not be considered an Incurrence of Indebtedness. The terms "**Incurrence**" and "**Incurred**" have meanings correlative with the foregoing.

"**Indebtedness**" means, with respect to any specified Person, any indebtedness of such Person (excluding accrued expenses), whether or not contingent:

(1) in respect of borrowed money;

(2) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);

(3) in respect of banker's acceptances; or

(4) representing Capital Lease Obligations,

if and to the extent any of the preceding items (other than letters of credit) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with U.S. GAAP. In addition, the term "Indebtedness" includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the guarantee by the specified Person of any Indebtedness of any other Person. For the avoidance of doubt, the term "Indebtedness" shall not include any entrusted loans, any capital commitments, deferred payment obligation, pre-sale receipts in advance from customers or any contingent obligations to refund payments (including deposits) to customers (or any guarantee thereof) in connection with mandatory obligations under or pending completion of a customer contract, any accounts payable or any other indebtedness or monetary obligation to trade creditors created, assumed or guaranteed by the Company or any of its Subsidiaries in connection with the acquisition of goods or services or any deferred and unpaid purchase price of any item that is classified as "property, plant and equipment" under GAAP, in each case, entered into in the ordinary course of business or in accordance with customary market practice.

The amount of Indebtedness of any Person at any time shall be the outstanding balance at such time of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation; provided that:

(i) the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with U.S. GAAP; and

(ii) money borrowed and set aside at the time of the Incurrence of any Indebtedness in order to prefund the payment of the interest on such Indebtedness shall not be deemed to be "Indebtedness" so long as such money is held to secure the payment of such interest.

"**Indenture**" means this Indenture, as amended or supplemented from time to time.

"**Interest Payment Date**" means, with respect to a Note, each June 2 and December 2 of each year, commencing on June 2, 2026 (or commencing on such other date specified in the

certificate representing such Note). For the avoidance of doubt, the Maturity Date is an Interest Payment Date.

"**Interest Period**" means each successive period beginning on and including an Interest Payment Date to but excluding the next succeeding Interest Payment Date, *provided* that the first Interest Period shall commence on and include the Issue Date, and the final Interest Period shall continue to, but exclude, the Maturity Date or the date of early redemption or repurchase, if applicable.

"**Investment**" means:

(1) any direct or indirect advance, loan or other extension of credit to another Person;

(2) any capital contribution to another Person (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others);

(3) any purchase or acquisition of Capital Stock (or options, warrants or other rights to acquire such Capital Stock), Indebtedness, bonds, notes, debentures or other similar instruments or securities issued by another Person;

(4) any guarantee of any obligation of another Person to the extent such obligation is outstanding and to the extent guaranteed by such Person; or

(5) all other items that would be classified as investments (including purchases of assets outside the ordinary course of business) on a balance sheet of such Person prepared in accordance with U.S. GAAP.

"**Issue Date**" means December 2, 2025.

"**Last Reported Sale Price**" of the Shares for any Trading Day means the closing sale price per share (or, if no closing sale price is reported, the average of the last bid price and the last ask price per share or, if more than one in either case, the average of the average last bid prices and the average last ask prices per share) of the Shares on such Trading Day as reported in composite transactions for the Principal Market or Alternative Stock Exchange, as applicable. If the Shares are not listed on the Principal Market or an Alternative Stock Exchange on such Trading Day, then the Last Reported Sale Price will be the last quoted bid price per Share on such Trading Day in the over-the-counter market as reported by OTC Markets Group Inc. or a similar organization. If the Shares are not so quoted on such Trading Day, then the Last Reported Sale Price will be the average of the mid-point of the last bid price and the last ask price per Share on such Trading Day from each of at least three (3) nationally recognized independent investment banking firms selected by the Company. Neither the Trustee nor the Conversion Agent will have any duty to determine the Last Reported Sale Price. The Last Reported Sale Price will be determined without regard to after-hours trading or any other trading outside of regular trading session hours.

"**Lien**" means (a) any mortgage, pledge, assignment, hypothec, deed of trust, security interest, collateral assignment, charge, encumbrance or other lien or restriction of any kind

(including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, and any lease in the nature thereof) and any option, trust or other preferential arrangement having the practical effect of any of the foregoing, whether based on common law, constitutional provision, statute or contract, and shall include reservations, exceptions, encroachments, easements, rights of way, covenants, conditions, restrictions, leases and other title exceptions, and (b) in the case of securities or Capital Stock, any purchase option, call or similar right of a third party with respect to such securities or Capital Stock.

"**Market Disruption Event**" means, with respect to any date, the occurrence or existence, during the one-half hour period ending at the scheduled close of trading on such date on the Principal Market or Alternative Stock Exchange, as applicable, of any material suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the relevant exchange or otherwise) in the Shares or in any options contracts or futures contracts relating to the Shares.

"**Master Franchise Agreements**" means that (1) certain 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, (2) certain 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 and Tim Hortons (Shanghai) Food and Beverage Management Co., Ltd., Tim Hortons (China) Holdings Co. Ltd., Tim Hortons (Beijing) Food and Beverage Service Co., Ltd., Tims Coffee (Shenzen) Co., Ltd., and Tim Hortons (Shenzhen) Good and Beverage Co. Ltd (including any joinder agreements entered into from time to time pursuant to the terms and conditions thereof), and (3) certain Master Development Agreement, dated as of August 13, 2021, by and between Tim Hortons Restaurants International GmbH, TH Hong Kong International Limited and the Company, each as supplemented, amended, restated or modified in accordance with the terms and conditions thereof from time to time, including the amendments made on the date hereof.

"**Material Adverse Effect**" means any change, development, occurrence or event that would or would reasonably be expected to (a) be materially adverse to the business, continuing results of operations or financial condition of the Company and its Subsidiaries, taken as a whole or (b) prevent or materially delay the performance by the Company of its obligations under this Indenture and the Notes.

"**Material Subsidiary**" means a Subsidiary of the Company:

(1) whose gross revenue (consolidated in the case of a Subsidiary which itself has Subsidiaries) attributable to the Company, as shown by its latest income statement, are at least 10.0% of the consolidated gross revenue of the Company and its Subsidiaries as shown by the latest published audited consolidated income statement of the Company and its consolidated Subsidiaries, including, for the avoidance of doubt, the Company and its consolidated Subsidiaries' share of revenue of Subsidiaries not consolidated and of associated entities and after adjustments for minority interests; or

(2) whose gross assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) attributable to the Company, as shown by its latest audited balance sheet, are at least 10.0% of the consolidated gross assets of the Company and its Subsidiaries as shown by the latest published audited consolidated balance sheet of the Company and its consolidated Subsidiaries, including the investment of the Company and its consolidated Subsidiaries in each Subsidiary whose accounts are not consolidated with the consolidated audited accounts of the Company and of associated companies and after adjustment for minority interests; or

(3) whose net assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) attributable to the Company, as shown by its latest audited balance sheet, are at least 10.0% of the consolidated net assets of the Company and its Subsidiaries as shown by the latest published audited consolidated balance sheet of the Company and its consolidated Subsidiaries, including the investment of the Company and its consolidated Subsidiaries in each Subsidiary whose accounts are not consolidated with the consolidated audited accounts of the Company and of associated companies and after adjustment for minority interests,

provided that, in relation to paragraphs (1) and (2) above of this definition:

(A) in the case of a corporation or other business entity becoming a Subsidiary after the end of the financial period to which the latest consolidated audited accounts of the Company relate, the reference to the then latest consolidated audited accounts of the Company and its consolidated Subsidiaries for the purposes of the calculation above shall, until consolidated audited accounts of the Company for the financial period in which the relevant corporation or other business entity becomes a Subsidiary are published be deemed to be a reference to the then latest consolidated audited accounts of the Company and its Subsidiaries adjusted to consolidate the latest audited accounts (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary in such accounts;

(B) if at any relevant time in relation to the Company or any Subsidiary which itself has Subsidiaries no consolidated accounts are prepared and audited, gross revenue or gross assets of the Company and/or any such Subsidiary shall be determined on the basis of pro forma consolidated accounts prepared for this purpose by the Company; and

(C) if the accounts of any Subsidiary (not being a Subsidiary referred to in proviso (A) above to this definition) are not consolidated with those of the Company, then the determination of whether or not such Subsidiary is a Material Subsidiary shall be based on a pro forma consolidation of its accounts (consolidated, if appropriate) with the consolidated accounts (determined on the basis of the foregoing) of the Company; or

(4) to which is transferred all or substantially all of the business, undertaking and assets of another Subsidiary which immediately prior to such transfer is a Material Subsidiary, whereupon:

(A) the transferor Material Subsidiary shall immediately cease to be a Material Subsidiary; and

(B) the transferee Subsidiary shall immediately become a Material Subsidiary, provided that on or after the date on which the relevant financial statements for the financial period current at the date of such transfer are published, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Material Subsidiary shall be determined pursuant to the provisions of the paragraphs above of this definition.

An Officer's Certificate stating that in the signing Officer's opinion, a Subsidiary is or is not, or was or was not, a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties.

"**Maturity Date**" means September 30, 2029.

"**Note Agent**" means any Registrar, Paying Agent, Transfer Agent or Conversion Agent.

"**Officer**" means any member of the Board of Directors, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Controller, the Secretary or any Vice-President of the Company.

"**Officer's Certificate**" means a certificate that is signed on behalf of the Company by one (1) of its Officers and that meets the requirements of **Section 12.03**.

"**Open of Business**" means 9:00 a.m., New York City time.

"**Opinion of Counsel**" means an opinion in writing signed by legal counsel (including an employee of, or counsel to, the Company or any of its Subsidiaries) reasonably acceptable to the Trustee, that meets the requirements of **Section 12.03**, subject to customary qualifications and exclusions.

"**Order**" means any judgment, decree, verdict, order, consent order, consent decree, writ, declaration or injunction.

"**Pangaea XXIIA**" means Pangaea Two Acquisition Holdings XXIIA Ltd.

"**Pangaea XXIIB**" means Pangaea Two Acquisition Holdings XXIIB Limited.

"**Paying Agent**" has the meaning ascribed to it in **Section 2.06**.

"**Permitted Asset Sale**" means:

(1) any sale, lease, transfer or other disposal on arm's length terms of an asset or assets of the Company or its Subsidiary with a Fair Market Value not exceeding, in the aggregate, 10% of the consolidated total revenues of the Company, as shown by the latest published audited consolidated financial statements of the Company and its consolidated Subsidiaries;

(2) (subject to the Company providing no less than 15 days' prior written notice to the Trustee, together with an Officer's Certificate confirming compliance with this paragraph) any sale, lease, transfer or other disposal on arm's length terms of an asset or assets of the Company or its Subsidiary with a Fair Market Value exceeding, in the aggregate, 10% but not more than 25% of the consolidated total revenues of the Company, as shown by the latest published audited consolidated financial statements of the Company and its consolidated Subsidiaries;

(3) any sale, lease, transfer or other disposal of an asset or assets between or among the Company and its Subsidiaries; or

(4) any sale, lease, transfer or other disposal permitted by **Article 3**.

"**Permitted Holder**" means (i) Pangaea XXIIA, (ii) Pangaea XXIIB, (iii) other investment fund(s) or vehicle(s) managed or advised by Cartesian Capital Group LLC, (iv) any Affiliate of any of the Persons referred to in clauses (i), (ii) and (iii), including Pangaea Two GP, L.P, Pangaea Two Management LP, Pangaea Two Parallel L.P., Pangaea Two, L.P. and (v) any Person the Capital Stock of which (or in the case of a trust, the beneficial interests in which) are more than 50% owned by one or more of the Persons referred to in clauses (i), (ii), (iii) or (iv).

"Permitted Indebtedness" means:

(1) Indebtedness existing as of the Issue Date and any Indebtedness constituting an extension or renewal of, replacement of, or substitution for, or issued in exchange for, or the net proceeds of which are used to repay, redeem, repurchase, refinance or refund, including by way of defeasance (collectively, "**refinance**"), then outstanding Indebtedness, in an amount not to exceed the principal amount or liquidation value of the Indebtedness so refinanced, plus premiums, fees and expenses, provided that:

(A) if the Notes are refinanced in part or the Indebtedness to be refinanced is pari passu with the Notes, the new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which it is outstanding, is expressly made pari passu with, or subordinated in right of payment to, the remaining Notes;

(B) if the Indebtedness to be refinanced is contractually subordinated or secured on a junior Lien basis to the Notes (excluding any intercompany Indebtedness between or among the Company and any of its Subsidiaries), the new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which it is outstanding, is expressly made subordinate in right of payment to the Notes at least to the extent that the Indebtedness to be refinanced is subordinated to the Notes;

(C) the new Indebtedness does not have a Stated Maturity prior to the Stated Maturity of the Indebtedness to be refinanced, and the Weighted Average Life to Maturity of the new Indebtedness is at least equal to the remaining Weighted Average Life to Maturity of the Indebtedness being refinanced;

(D) if the Indebtedness being refinanced is unsecured Indebtedness, such Permitted Indebtedness is unsecured Indebtedness;

(E) in no event may Indebtedness of the Company be refinanced pursuant to this clause by means of any Indebtedness of any of its Subsidiaries.

(2) Permitted Intercompany Loans;

(3) guarantees by Company or any Subsidiary in respect of Indebtedness otherwise permitted hereunder;

(4) Indebtedness constituting letters of credit or reimbursement obligations with respect to letters of credit, in each case issued in the ordinary course of business to the extent that such letters of credit are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than the 60 days following receipt by the Company or any of its Subsidiaries, as applicable, of a demand for reimbursement;

(5) Capital Lease Obligations Incurred in the ordinary course of business;

(6) Indebtedness in respect of bankers' acceptances issued or created in the ordinary course of business;

(7) Indebtedness Incurred in the ordinary course of business under any agreement between any of the Subsidiaries of the Company incorporated in the PRC and any commercial bank or other financial institution or other lenders and any refinancings thereof relating to Treasury Management Arrangements or for the normal business developments and operations of the Company and its Subsidiaries;

(8) Indebtedness Incurred the Company or any of the Subsidiaries of the Company incorporated outside the PRC which is (i) expressly subordinated to the prior payment in full in cash of all amounts due with respect to this Indenture and the Notes and (ii) has a Stated Maturity after the Maturity Date;

(9) Bank Deposit Secured Indebtedness Incurred by the Company or any of its Subsidiaries; provided that on the date of the Incurrence of any such Indebtedness and after giving effect thereto, the aggregate principal amount outstanding of all such Indebtedness Incurred pursuant to this clause (9) (together with any refinancings thereof plus the aggregate principal amount outstanding of Indebtedness Incurred under clause (10) below and the refinancings thereof) does not exceed US$30 million (or the Dollar Equivalent thereof);

(10) Indebtedness Incurred by any Subsidiary of the Company arising from any Investment made by a Financial Company Investor in a Subsidiary; provided that on the

date of the Incurrence of any such Indebtedness and after giving effect thereto, the aggregate principal amount outstanding of all such Indebtedness Incurred pursuant to this clause (10) (together with any refinancings thereof plus the aggregate principal amount outstanding of Indebtedness Incurred under clause (9) above and the refinancings thereof) does not exceed US$30 million (or the Dollar Equivalent thereof);

(11) any Additional Notes that are issued as PIK Interest; and

(12) any Additional Notes in an aggregate principal amount (excluding the amount of any accrued and unpaid interest thereon capitalized from time to time) not to exceed US$70.0 million.

"**Permitted Intercompany Loans**" means intercompany Indebtedness between or among the Company or any of its Subsidiaries or Indebtedness Incurred by the Company from its direct or indirect shareholders by way of shareholder's loan to the Company, provided that:

(1) if the Company is the obligor on such Indebtedness, such Indebtedness must be expressly subordinated to the prior payment in full in cash of all amounts due with respect to this Indenture and the Notes; and

(2) (I) any subsequent issuance or transfer of Equity Securities that results in any such Indebtedness being held by a Person other than the Company or a Subsidiary of the Company and (II) any sale or other transfer of any such Indebtedness to a Person that is not either the Company or a Subsidiary of the Company, will be deemed, in each case, to constitute an Incurrence of such Indebtedness by the Company or such Subsidiary, as the case may be, that was not permitted by these provisions.

"**Permitted Investment**" means:

(1) any Investment in the Company's Subsidiaries;

(2) any Investment in a Person which will, upon the making of such Investment, be merged or consolidated with or into or transfer or convey all or substantially all its assets to the Company or one of its Subsidiaries;

(3) cash or Temporary Cash Investments;

(4) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses in accordance with U.S. GAAP;

(5) stock, obligations or securities received in satisfaction of judgments;

(6) any Investment pursuant to a Hedging Obligation designed solely to protect the Company or its Subsidiaries against fluctuations in

commodity prices, interest rates or foreign currency exchange rates and not for speculation;

(7) receivables, trade credits or other assets owing to the Company, if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms;

(8) any securities or other Investments received as consideration in, or retained in connection with, sales or other dispositions of property or assets, including Asset Sales made in compliance with the covenant described in **Section 3.08**;

(9) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business, or otherwise described in the definition of "Permitted Liens";

(10) advances to suppliers and contractors for the acquisition of assets or consumables or services in the ordinary course that are recorded as deposits or prepaid expenses on the Company's consolidated balance sheet and dischargeable in accordance with customary terms;

(11) deposits made in order to comply with statutory or regulatory obligations to maintain deposits for workers, compensation claims and other purposes specified by statute or regulation from time to time in the ordinary course of Company's business;

(12) Investments in securities of trade creditors, trade debtors or customers received in compromise or settlement of debts or pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of such trade creditor, trade debtor or customer;

(13) an acquisition of assets, Capital Stock or other securities by the Company or a Subsidiary for consideration to the extent such consideration consists solely of Capital Stock of the Issuer;

(14) guarantees of Indebtedness made in compliance with **Section 3.05**; or

(15) repurchases of the Notes.

"**Permitted Liens**" means:

(1) Liens securing the Notes (including Additional Notes);

(2) Liens on property and assets (other than the Collateral) granted pursuant to or securing any Permitted Indebtedness;

(3) Liens on property of a Person existing at the time such Person becomes a Subsidiary of the Company or is merged with or into or consolidated with the Company

or any Subsidiary; *provided*, that such Liens were in existence prior to the contemplation of such Person becoming a Subsidiary of the Company or such merger or consolidation and do not extend to any assets other than those of the Person that becomes a Subsidiary of the Company or is merged into or consolidated with the Company or any Subsidiary of the Company (plus improvements and accessions to such property or proceeds or distributions thereof);

(4) Liens on property (including Capital Stock) existing at the time of acquisition of the property by the Company or any Subsidiary of the Company (plus improvements and accessions to such property or proceeds or distributions thereof); *provided*, that such Liens were in existence prior to such acquisition and not incurred in contemplation of such acquisition;

(5) Liens in favor of the Company;

(6) Liens securing Capital Lease Obligations;

(7) Liens (other than Liens imposed by the Employee Retirement Income Security Act of 1974, as amended) in the ordinary course of business to secure the performance of tenders, statutory obligations (other than excise taxes), insurance, surety, bid, performance, stay, customs and appeal bonds, statutory bonds, bids, leases, government contracts, trade contracts, performance bonds and other similar obligations (in each case, exclusive of obligations for the payment of Indebtedness); *provided*, that, such Liens are for amounts not yet due and payable or delinquent or, to the extent such amounts are so due and payable, such amounts are being contested in good faith by appropriate proceedings for which adequate reserves have been established in accordance with U.S. GAAP, which proceedings (or any Order entered in connection with such proceedings) have the effect of preventing the forfeiture or sale of the property subject to any such Lien;

(8) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings; *provided*, that any reserve or other appropriate provision as is required in conformity with U.S. GAAP has been made therefor;

(9) Liens incurred or pledges or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security and employee health and disability benefits, or casualty-liability insurance or self-insurance; *provided*, that, such Liens are for amounts not yet due and payable or delinquent or, to the extent such amounts are so due and payable, such amounts are being contested in good faith by appropriate proceedings for which adequate reserves have been established in accordance with U.S. GAAP, which proceedings (or any Order entered in connection with such proceedings) have the effect of preventing the forfeiture or sale of the property subject to any such Lien;

(10) judgment and attachment Liens not giving rise to an Event of Default and notices of *lis pendens* and associated rights related to litigation being contested in good

faith by appropriate proceedings and for which adequate reserves have been made in conformity with U.S. GAAP;

(11) Liens in favor of any collecting or payor bank having a right of setoff, revocation, refund or chargeback with respect to money or instruments of the Company or any Subsidiary thereof on deposit with or in possession of such bank;

(12) Liens on any amounts held by a trustee in the funds and accounts under an indenture securing any bonds issued for the benefit of the Company or any of its Subsidiaries;

(13) any netting or set-off arrangements entered into by the Company or any of its Subsidiaries in the ordinary course of its banking arrangements (including, for the avoidance of doubt, cash pooling arrangements) for the purposes of netting debit and credit balances of the Company or any of its Subsidiaries; and

(14) Liens imposed by law, which were or are incurred in the ordinary course of business and do not secure Indebtedness for borrowed money, such as carriers', warehousemen's, materialmen's, landlords', workmen's, suppliers', repairmen's and mechanics' Liens and other similar Liens arising in the ordinary course of business (including customary contractual landlords' liens under operating leases entered into in the ordinary course of business); and (i) which do not in the aggregate materially detract from the value of the property of the Company and its Subsidiaries, taken as a whole, and do not materially impair the use thereof in the operation of the business of the Company and its Subsidiaries, taken as a whole, and (ii) which, if they secure obligations that are then due and unpaid, are being contested in good faith by appropriate proceedings timely initiated and for which adequate reserves have been established in accordance with U.S. GAAP, which proceedings (or Orders entered in connection with such proceedings) have the effect of preventing the forfeiture or sale of the property subject to any such Lien.

"**Person**" or "**person**" means an individual, a limited liability company, a partnership, a joint venture, a company, a corporation, a trust, an unincorporated organization, any other entity or any government or any department or agency thereof.

"**Physical Note**" means a certificated Note (other than a Global Note) registered in the name of the Holder thereof and issued in accordance with Article 2, substantially in the form of **Exhibit A** hereto except that such Note shall not bear the Global Note Legend and shall not have the "Schedule of Exchanges of Interests in the Global Note" attached thereto.

"**PRC**" means the People's Republic of China and for the purpose of this Indenture shall exclude Hong Kong, Taiwan and the Special Administrative Region of Macau.

"**Preferred Stock**" as applied to the Capital Stock of any Person means Capital Stock of any class or classes that by its terms is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"**Principal Market**" means, with respect to the Company, Nasdaq.

"**Recognized Accounting Firm**" means Deloitte Touche Tohmatsu, Ernst & Young, KPMG, PricewaterhouseCoopers, Grant Thornton or another internationally recognized accounting firm.

"**Redemption**" means the redemption of any Note by the Company pursuant to **Section 4.03**.

"**Redemption Date**" means the date fixed, pursuant to **Section 4.03(B)**, for the settlement of the redemption of any Notes by the Company pursuant to a Redemption.

"**Redemption Notice Date**" means, with respect to a Redemption, the date on which the Company sends the Redemption Notice for such Redemption pursuant to **Section 4.03(D)**.

"**Redemption Price**" means the cash price payable by the Company to redeem any Note upon its Redemption, calculated pursuant to **Section 4.03(C)**.

"**Registrar**" has the meaning ascribed to it in **Section 2.06**.

"**Regular Record Date**" with respect to any Interest Payment Date, means May 18 or November 17 (whether or not such day is a Business Day) immediately preceding the applicable Interest Payment Date, respectively.

"**Repurchase**" means the repurchase of any Note by the Company pursuant to **Section 4.02(A)(i)**.

"**Repurchase Date**" has the meaning ascribed to it in **Section 4.02(B)(i)**.

"**Repurchase Notice**" means a notice (including a notice substantially in the form of the "Repurchase Notice" set forth in **Exhibit A**) containing the information, or otherwise complying with the requirements, as applicable, set forth in **Section 4.02(E)(i)** and **Section 4.02(E)(ii)**.

"**Repurchase Price**" means the cash price payable by the Company to repurchase the Notes upon its Repurchase, calculated pursuant to **Section 4.02(C)(i)**.

"**Repurchase Right**" has the meaning ascribed to it in **Section 4.02(A)(i)**.

"**Responsible Officer**" means (A) any officer of the Trustee assigned by the Trustee having direct responsibility for the administration of this Indenture; and (B) with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his or her knowledge of, and familiarity with, the particular subject.

"**Resale Restriction Termination Date**" means the date which is one year after the later of the Issue Date and the last date on which the Company or any Affiliate of the Company was the owner of the Notes (or any predecessor of the Notes).

"**Restricted Note Legend**" means a legend substantially in the form set forth in **Exhibit B-1**.

"**Restricted Payment**" means:

(1) the declaration or payment of any dividend or the making of any distribution on or with respect to the Company's Capital Stock (other than dividends or distributions payable or paid solely in shares of the Company's or any of its Subsidiaries' Capital Stock (other than Preferred Stock) or in options, warrants or other rights to acquire shares of such Capital Stock) held by Persons other than the Company or any of its Subsidiaries; and

(2) the purchase, call for redemption or redemption, retirement or other acquisition for value of any Equity Securities of the Company or any direct or indirect parent of the Company held by any Persons other than the Company or any of its Subsidiaries,

but does not include:

(A) the repurchase, redemption or other acquisition or retirement for value of any Equity Securities of the Company held by any current or former officer, director or employee of the Company pursuant to any equity subscription agreement, stock option agreement, shareholders' agreement or similar agreement, provided that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Securities may not exceed $3.0 million in any twelve-month period, provided, further, that the Company may carry over and make in any subsequent twelve-month period, in addition to the amount permitted for such twelve-month period, unutilized capacity under this clause (A) attributable to the immediately preceding twelve-month period;

(B) the repurchase of Equity Securities of the Company deemed to occur upon the exercise of stock options to the extent such Equity Securities represent a portion of the exercise price of those stock options; or

(C) cash payments in lieu of the issuance of fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Capital Stock of the Company (including, for the avoidance of doubt, pursuant to **Section 5.03(B)(iii)**); *provided*, *however*, that any such cash payment shall not be for the purpose of evading the limitation hereunder.

"**Restricted Stock Legend**" means, with respect to any Conversion Share, a legend substantially to the effect that the offer and sale of such Conversion Share have not been registered under the Securities Act and that such Conversion Share cannot be sold or otherwise transferred except pursuant to a transaction that is registered under the Securities Act or that is exempt from, or not subject to, the registration requirements of the Securities Act.

"**Rule 144**" means Rule 144 under the Securities Act (or any successor rule thereto), as the same may be amended from time to time.

"**Rule 144A**" means Rule 144A under the Securities Act (or any successor rule thereto), as the same may be amended from time to time.

"**Sanctions**" means all applicable provisions of any sanctions administered, enacted or enforced from time to time by (a) the U.S. government, including those administered by Office or Foreign Assets Controls of the U.S. Department of Treasury, the U.S. Department of Commerce, the U.S. Department of State, (b) the United Nations Security Council, the European Union, any European Union member state or His Majesty's Treasury of the United Kingdom, (c) the PRC or (d) other relevant sanctions authorities.

"**SEC**" means the U.S. Securities and Exchange Commission.

"**Secured Parties**" has the meaning ascribed to it in **Section 11.01(A)**.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended.

"**Security**" means any Note or Conversion Share.

"**Security Documents**" means, collectively, the pledge or charge agreements and any other agreements or instruments that may evidence or create any security interest granted to the Trustee that secures the Notes and/or this Indenture, including, without limitation, the security documents referred to in **Section 11.01** hereof, in each case as amended, restated, modified, renewed or replaced from time to time.

"**SGX-ST**" means the Singapore Exchange Securities Trading Limited.

"**Shares**" means the ordinary shares of the Company.

"**Share Collateral**" has the meaning ascribed to it in **Section 11.01(A)**.

"**Stated Maturity**" means, (1) with respect to any Indebtedness, the date specified in such debt security as the fixed date on which the final installment of principal of such Indebtedness is due and payable as set forth in the documentation governing or evidencing such Indebtedness and (2) with respect to any scheduled installment of principal of or interest on any Indebtedness, the date specified as the fixed date on which such installment is due and payable as set forth in the documentation governing or evidencing such Indebtedness.

"**Subsidiary**" of any Person means any company, corporation, partnership, joint venture, limited liability company, trust or other form of legal entity of which (or in which) (a) more than 50% of (i) the issued and outstanding Capital Stock having ordinary voting power to elect a majority of the board of directors of such company or corporation (irrespective of whether at the time Capital Stock of any other class or classes of such company or corporation shall or might have voting power upon the occurrence of any contingency), (ii) the interest in the capital or profits of such partnership, joint venture or limited liability company or (iii) the beneficial interest in such trust is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person's other Subsidiaries, or (b) such Person has the power to direct the management or policies, whether through ownership or voting proxy of the voting power of such legal entity, through the power to appoint a majority of the members of the board of directors or similar governing body of such legal entity, through contractual arrangements or otherwise. Unless the context otherwise requires, any reference to "Subsidiary" refers to a Subsidiary of the Company.

"**Tax Redemption**" has the meaning ascribed to it in **Section 4.04(B)**.

"**Tax Redemption Date**" has the meaning ascribed to it in **Section 4.04(B)**.

"**Tax Redemption Notice**" has the meaning ascribed to it in **Section 4.04(B)**.

"**Tax Redemption Price**" has the meaning ascribed to it in **Section 4.04(A)**.

"**Temporary Cash Investments**" means any of the following:

(1) direct obligations of the United States of America, the United Kingdom, Hong Kong or Singapore or any agency thereof or obligations fully and unconditionally guaranteed by the United States of America, the United Kingdom, Hong Kong or Singapore or any agency thereof, in each case maturing within one year;

(2) demand or time deposit accounts, certificates of deposit and money market deposits maturing within 180 days of the date of acquisition thereof issued by (i) a bank or trust company which is organized under the laws of the United States of America or any state thereof, the United Kingdom, Hong Kong or Singapore, and which bank or trust company has capital, surplus and undivided profits aggregating in excess of US$100 million (or the Dollar Equivalent thereof) and has outstanding debt which is rated "A" (or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Section 3(a)(62) of the Exchange Act) or (ii) a bank or trust company that is an Affiliate (other than an Affiliate as defined in clause (2) or (3) of the definition of Affiliate) of a bank or trust company described in clause (i) above; or any money market fund sponsored by a registered broker dealer or mutual fund distributor;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) above entered into with a bank or trust company meeting the qualifications described in clause (2) above;

(4) commercial paper, maturing within 180 days of the date of acquisition thereof, issued by a corporation organized and in existence under the laws of the United States of America, any state thereof or any foreign country recognized by the United States of America with a rating at the time as of which any investment therein is made of "P-1" (or higher) according to Moody's or "A-1" (or higher) according to S&P;

(5) securities maturing within one year of the date of acquisition thereof, issued or fully and unconditionally guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and rated at least "A" by S&P or Moody's;

(6) any money market fund that has at least 95% of its assets continuously invested in investments of the types described in clauses (1) through (5) above; and

(7) demand or time deposit accounts, certificates of deposit and money market deposits with any bank or financial institutions with which the Company has business relationships.

"**THRI**" means Tim Hortons Restaurants International GmbH, a private limited liability company (*Gesellschaft mit beschränkter Haftung*) organized and existing under the laws of Switzerland and its successors.

"**Trading Day**" means any day on which (i) the Shares are traded on the Principal Market, or, as the case may be, the Alternative Stock Exchange, and (ii) there is no Market Disruption Event; provided that "Trading Day" shall not include any day on which the Shares are scheduled to trade on such exchange or market for less than four hours or any day that the Shares are suspended from trading during the final hour of trading on such exchange or market (or if such exchange or market does not designate in advance the closing time of trading on such exchange or market, then during the hour ending at 4:00 p.m., The City of New York time, or such other time as such exchange or market publicly announces shall be the closing time of trading).

"**Transfer Agent**" has the meaning ascribed to it in **Section 2.06**.

"**Transfer-Restricted Security**" means any Security that constitutes a "restricted security" (as defined in Rule 144); *provided*, *however*, that such Security will cease to be a Transfer-Restricted Security upon the earliest to occur of the following events:

(A) such Security is sold or otherwise transferred to a Person (other than the Company or an Affiliate of the Company) pursuant to a registration statement that was effective under the Securities Act at the time of such sale or transfer;

(B) such Security is sold or otherwise transferred to a Person (other than the Company or an Affiliate of the Company) pursuant to an available exemption (including Rule 144) from the registration and prospectus-delivery requirements of, or in a transaction not subject to, the Securities Act and, immediately after such sale or transfer, such Security ceases to constitute a "restricted security" (as defined in Rule 144); and

(C) such Security is eligible for resale, by a Person that is not an Affiliate of the Company and that has not been an Affiliate of the Company during the immediately preceding three (3) months, pursuant to Rule 144 without any limitations thereunder as to volume, manner of sale, availability of current public information or notice.

The Trustee is under no obligation to determine whether any Security is a Transfer-Restricted Security and may conclusively rely on an Officer's Certificate with respect thereto.

"**Trust Indenture Act**" means the U.S. Trust Indenture Act of 1939, as amended.

"**Trustee**" means the Person named as such in the first paragraph of this Indenture in its capacity as such until a successor replaces it in accordance with the provisions of this Indenture and, thereafter, means such successor.

"**U.S. GAAP**" means generally accepted accounting principles as applied in the United States.

"**Weighted Average Life to Maturity**" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying (a) the amount of each then-remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of such Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

(2) the then-outstanding principal amount of such Indebtedness.

Section 1.02. Other Definitions.

Term	Defined in Section
"**Conversion Agent**"	**2.06(A)**
"**Conversion Consideration**"	**5.03(B)**
"**Event of Default**"	**7.01(A)**
"**Expiration Date**"	**5.05(A)(vi)**
"**Expiration Time**"	**5.05(A)(vi)**
"Notice of Conversion"	**5.02(A)(ii)**
"**PIK Interest**"	**2.05(C)**
"**Redemption Notice**"	**4.03(D)**
"**Reference Property**"	**5.08(A)**
"**Reference Property Unit**"	**5.08(A)**
"**Register**"	**2.06(B)**
"**Relevant Taxing Jurisdiction**"	**3.23(A)**
"Share Change Event"	**5.08(A)**
"**Specified Courts**"	**11.07**
"**Spin-Off**"	**5.05(A)(iv)(2)**
"**Spin-Off Valuation Period**"	**5.05(A)(iv)(2)**
"**Successor Corporation**"	**6.01(A)**
"**Successor Person**"	**5.08(A)**
"**Tender/Exchange Offer Valuation Period**"	**5.05(A)(vi)**

Section 1.03. Rules of Construction.

For purposes of this Indenture:

(A) "or" is not exclusive;

(B) "including" means "including without limitation";

(C) "will" expresses a command;

(D) the "average" of a set of numerical values refers to the arithmetic average of such numerical values;

(E) a merger involving, or a transfer of assets by, a company, limited liability company, limited partnership or trust will be deemed to include any division of or by, or an allocation of assets to a series of, such company, limited liability company, limited partnership or trust, or any unwinding of any such division or allocation;

(F) words in the singular include the plural and in the plural include the singular, unless the context requires otherwise;

(G) "herein," "hereof" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision of this Indenture, unless the context requires otherwise;

(H) references to currency mean the lawful currency of the United States of America, unless the context requires otherwise; and

(I) the exhibits, schedules and other attachments to this Indenture are deemed to form part of this Indenture.

Article 2. THE NOTES

Section 2.01. Form, Dating and Denominations.

The Notes and the Trustee's certificate of authentication will be substantially in the respective form set forth in **Exhibit A**. The Notes will bear the legends required by **Section 2.09** and may bear notations, legends or endorsements required by law, stock exchange rule or usage of the Depositary. Each Note will be dated as of the date of its authentication.

The Notes will be issued initially in the form of one or more Global Notes. The Global Notes may be exchanged for Physical Notes and Physical Notes may be exchanged for Global Notes, only as provided in **Section 2.10**.

The Notes will be issuable only in registered form without interest coupons and only in Authorized Denominations.

Each certificate representing a Note will bear a unique registration number that is not affixed to any other certificate representing another outstanding Note.

The terms contained in the Notes constitute part of this Indenture, and, to the extent applicable, the Company and the Trustee, by their execution and delivery of this Indenture, agree to such terms and to be bound thereby; *provided*, *however*, that, to the extent that any provision of

any Note conflicts with the provisions of this Indenture, the provisions of this Indenture will control for purposes of this Indenture and such Note.

Section 2.02. Execution, Authentication and Delivery.

(A) *Due Execution by the Company*. At least one (1) duly authorized Officer will sign the Notes on behalf of the Company by manual, electronic (e.g., ".pdf") or facsimile signature. A Note's validity will not be affected by the failure of any Officer whose signature is on any Note to hold, at the time such Note is authenticated, the same or any other office at the Company.

(B) *Authentication by the Trustee and Delivery*.

(i) No Note will be valid until it is authenticated by an authorized signatory of the Trustee. A Note will be deemed to be duly authenticated only when an authorized signatory of the Trustee (or a duly appointed authenticating agent) manually or electronically signs the certificate of authentication of such Note.

(ii) The Trustee will cause an authorized signatory of the Trustee (or a duly appointed authenticating agent) to manually or electronically sign the certificate of authentication of a Note only if (1) the Company delivers such Note to the Trustee; (2) such Note is executed by the Company in accordance with **Section 2.02(A)**; and (3) the Company delivers a Company Order to the Trustee that (a) requests the Trustee to authenticate such Note; and (b) sets forth the name of the Holder of such Note and the date as of which such Note is to be authenticated. If such Company Order also requests the Trustee to deliver such Note to any Holder or to the Depositary, then the Trustee will promptly deliver such Note in accordance with such Company Order.

(iii) The Trustee may appoint an authenticating agent acceptable to the Company to authenticate Notes. A duly appointed authenticating agent may authenticate Notes whenever the Trustee may do so under this Indenture, and a Note authenticated as provided in this Indenture by such an agent will be deemed, for purposes of this Indenture, to be authenticated by the Trustee. Each duly appointed authenticating agent will have the same rights to deal with the Company as the Trustee would have if it were performing the duties that the authentication agent was validly appointed to undertake.

Section 2.03. Initial Notes and Additional Notes.

(A) *Initial Notes*. On the Issue Date, there will be originally issued US$89,922,201 aggregate principal amount of Notes, subject to the provisions of this Indenture (including **Section 2.02**).

(B) *Additional Notes*. Without the consent of any Holder, the Company may, subject to the provisions of this Indenture (including **Section 2.02**), issue Additional Notes with the same terms (including the benefit of the Collateral) as the Initial Notes (except, to the extent applicable, with respect to the date as of which interest begins to accrue on such Additional Notes and the first Interest Payment Date of such additional Notes), which Additional Notes will, subject to the foregoing, be considered to be part of the same series of, and rank equally and ratably with all other, Notes issued under this Indenture; *provided*, *however*, that if any such Additional Notes are

not fungible with other Notes issued under this Indenture for U.S. federal income tax or U.S. federal securities laws purposes, then such Additional Notes will be identified by a separate CUSIP or ISIN number or by no CUSIP or ISIN number. Unless the context otherwise requires, in this Indenture references to "Notes" include the Initial Notes and any Additional Notes that are actually issued, including any Additional Notes that are issued as PIK Interest.

Section 2.04. Method of Payment.

(A) *Global Notes*. The Company will pay, or cause the Paying Agent to pay, the principal (whether due upon maturity on the Maturity Date, Redemption on a Redemption Date, Tax Redemption on Tax Redemption Date, Repurchase on a Repurchase Date, Fundamental Change Repurchase on a Fundamental Change Repurchase Date or otherwise) of, and interest on, any Global Note to the Depositary or its nominee as the registered Holder of such Global Note, by wire transfer of immediately available funds no later than the time the same is due as provided in this Indenture.

(B) *Physical Notes*. The Company will pay, or cause the Paying Agent to pay, the principal (whether due upon maturity on the Maturity Date, Redemption on a Redemption Date, Tax Redemption on Tax Redemption Date, Repurchase on a Repurchase Date, Fundamental Change Repurchase on a Fundamental Change Repurchase Date or otherwise) of, interest on, and any cash Conversion Consideration due upon conversion of, any Physical Note no later than the time the same is due as provided in this Indenture as follows: (i) if the principal amount of such Physical Note is at least five million dollars ($5,000,000) (or such lower amount as the Company may choose in its sole and absolute discretion) and the Holder of such Physical Note entitled to such payment has delivered to the Paying Agent or the Trustee, no later than the time set forth in the immediately following sentence, a written request that the Company (or the Paying Agent) make such payment by wire transfer to an account of such Holder, by wire transfer of immediately available funds to such account; and (ii) in all other cases, by check mailed to the address of the Holder of such Physical Note entitled to such payment as set forth in the Register. To be timely, such written request must be so delivered no later than the Close of Business on the following date: (x) with respect to the payment of any interest due on an Interest Payment Date, the immediately preceding Regular Record Date; and (y) with respect to any other payment, the date that is fifteen (15) calendar days immediately before the date such payment is due.

Section 2.05. Accrual of Interest; When Payment Date Is Not a Business Day.

(A) *Accrual of Interest*. Each Note will accrue interest on the principal amount thereof for each Interest Period at the rate determined by reference to the formula below, payable in arrears on each Interest Payment Date in each year, until the principal of and premium, if any, on the Notes is paid or duly made available for payment. Interest on each Note will (i) accrue from, and including, the most recent date to which interest has been paid or duly provided for (or, if no interest has theretofore been paid or duly provided for, the date of issuance thereof) to, but excluding, the date of payment of such interest; and (ii) be, subject to **Section 4.02(C)**, **Section 4.03(C)** and **Section 5.02(E)** (but without duplication of any payment of interest), payable semi-annually in arrears on each Interest Payment Date, beginning on the first Interest Payment Date set forth in the certificate representing such Note, to the Holder of such Note as of the Close of

Business on the immediately preceding Regular Record Date. Interest on the Notes will be computed on the basis of a 360-day year comprised of twelve 30-day months.

The interest rate for each Interest Period will be calculated by the Calculation Agent and will be equal to the Compounded SOFR plus 8.0% for the relevant Interest Period. The interest rate on the Notes shall in no event be higher than the maximum rate permitted by New York law, as it may be modified by United States federal law of general application. There shall be no minimum interest rate payable on the Notes.

where:

"**Compounded SOFR**", with respect to any Interest Period, means the rate computed in accordance with the following formula:

$$\left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1\right) x \frac{360}{d_c}$$

where:

"**SOFR Index**", with respect to any U.S. Government Securities Business Day, means:

(1) the SOFR Index value as published by the SOFR Administrator as such index appears on the SOFR Administrator's Website at 3:00 p.m. (New York time) on such U.S. Government Securities Business Day (the "**SOFR Index Determination Time**"); *provided* that:

(2) if a SOFR Index value does not so appear as specified in (1) above at the SOFR Index Determination Time, unless both a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR, the SOFR Index value as published by the SOFR Administrator as such index appears on the SOFR Administrator's Website for the most recent preceding U.S. Government Securities Business Day.

"**SOFR Index$_{Start}$**" is the SOFR Index value for the day which is five U.S. Government Securities Business Days preceding the first date of the relevant Interest Period;

"**SOFR Index$_{End}$**" is the SOFR Index value for the SOFR Interest Determination Date; and

"**d_c**" is the number of calendar days from (and including) SOFR IndexStart to (but excluding) SOFR IndexEnd (the number of calendar days in the applicable Observation Period).

"**Observation Period**" means, in respect of each Interest Period, the period from, and including, the date five U.S. Government Securities Business Days preceding the first date in such Interest Period to, but excluding, the SOFR Interest Determination Date.

"**SOFR**" means the daily secured overnight financing rate as provided by the SOFR Administrator on the SOFR Administrator's Website.

The "**SOFR Interest Determination Date**" relating to a particular Interest Period will be the date falling five U.S. Government Securities Business Days prior to the Interest Payment Date in respect of such Interest Period.

"**U.S. Government Securities Business Day**" means any day, except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

If a SOFR IndexStart or SOFR IndexEnd is not published on the associated applicable date and a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to SOFR Index or SOFR, "Compounded SOFR" means, for the applicable Interest Period for which such index is not available, the rate of return on a daily compounded interest investment calculated by the Calculation Agent in accordance with the formula for SOFR Averages, and definitions required for such formula, published on the SOFR Administrator's Website at https://www.newyorkfed.org/markets/reference-rates/additional-information-about-reference-rates (or any replacement page). For the purposes of this provision, references in the SOFR Averages compounding formula and related definitions to "calculation period" shall be replaced with "Observation Period" and the words "that is, 30-, 90-, or 180- calendar days" shall be removed. If the daily SOFR ("SOFRi") does not so appear for any day "i" in the Observation Period, SOFRi for such day "i" shall be SOFR published in respect of the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator's Website.

Notwithstanding the foregoing, if for any SOFR Interest Determination Date, if the Company determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates.

In connection with the implementation of a Benchmark Replacement, the Company will have the right to make Benchmark Replacement Conforming Changes from time to time.

Any determination, decision or election that may be made by the Company, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection:

(1) will be conclusive and binding absent manifest error;
(2) will be made in the Company's sole discretion, as applicable; and
(3) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the Holders of the Notes or any other party; provided that no amendment to the Notes or the Indenture may affect the rights, protections, duties, immunities or indemnities of the Trustee or the Calculation Agent without the written consent of such Person.

"**Benchmark**" means, initially, the Compounded SOFR; *provided* that if the Company or its designee determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the Compounded SOFR

(including any daily published component used in the calculation thereof) or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement.

"**Benchmark Replacement**" means the first alternative set forth in the order below that can be determined by the Company as of the Benchmark Replacement Date.

(1) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (b) the Benchmark Replacement Adjustment;

(2) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; or

(3) the sum of: (a) the alternate rate of interest that has been selected by the Company as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (b) the Benchmark Replacement Adjustment;

provided that the Benchmark Replacement shall be administratively feasible for the Calculation Agent.

"**Benchmark Replacement Adjustment**" means the first alternative set forth in the order below that can be determined by the Company or its designee as of the Benchmark Replacement Date:

(1) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

(3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Company or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

provided that the Benchmark Replacement Adjustment shall be administratively feasible for the Calculation Agent.

"**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Company or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Company or the Calculation Agent decides that adoption

of any portion of such market practice is not administratively feasible or if the Company determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Company or its designee determine is reasonably necessary); provided that any Benchmark Replacement Conforming Changes implement changes that are administratively feasible for the Calculation Agent.

"**Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

(2) in the case of clause (3) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

"**Benchmark Transition Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(1) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(2) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative.

"**ISDA Fallback Adjustment**" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the 2021 ISDA Definitions (including the relevant matrix and any successor matrix thereto (each, a "**Matrix**"), as published by ISDA and as amended and updated as at the date hereof (the "**2021 ISDA Definitions**"), to be determined upon the occurrence of an index cessation event with respect to the Benchmark.

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the 2021 ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

"**Reference Time**" with respect to any determination of the Benchmark means the SOFR Index Determination Time.

"**Relevant Governmental Body**" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

"**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

Calculations relating to the Notes shall be made by an institution that the Company appoints as its agent for this purpose (the "**Calculation Agent**"). The Company has initially appointed Wilmington Savings Fund Society, FSB as its Calculation Agent for the Notes. The Company may appoint a different institution to serve as Calculation Agent from time to time after the date hereof.

Upon the request of a Holder of Notes, the Calculation Agent shall provide for the Notes the interest rate then in effect. The Calculation Agent's determination of any interest rate, and its calculation of the amount of interest for any Interest Period, will be final and binding in the absence of manifest or proven error, and will be made without any liability on the part of the Calculation Agent.

The Calculation Agent shall be entitled to each of the rights, protections, immunities, indemnities and reliances as afforded the Trustee under this Indenture, as if such provisions were fully set forth herein mutatis mutandis; provided that, notwithstanding the foregoing, the Calculation Agent shall not be answerable or accountable under any circumstances, except for its own willful misconduct or gross negligence, as conclusively determined by the final judgment of a court of competent jurisdiction, no longer subject to appeal or review, and such standard of care shall be unaffected by the occurrence or continuance of any Event of Default.

Notwithstanding anything contained in this Indenture or any other document to the contrary, neither the Trustee nor the Calculation Agent shall be under any obligation (i) to monitor, determine or verify the unavailability or cessation of Compounded SOFR, SOFR Index or SOFR (or other Benchmark or any other benchmark interest rate), or whether or when there has occurred, or to give notice to any other transaction party of the occurrence of, any Benchmark Replacement

Date, Benchmark Transition Date or any other date on which such rate may be required to be transitions or replaced in accordance with the terms of this Indenture, applicable law or otherwise, (ii) to select, determine or designate any Benchmark Replacement or other replacement to such rate, or other successor or replacement benchmark index, or whether any conditions to the designation of such a rate have been satisfied, (iii) to select, determine or designate any Benchmark Replacement Adjustment or any other modifier to any replacement or successor index, or (iv) to determine whether or what any Benchmark Replacement Conforming Changes or other amendments to this Agreement or the other documents are necessary or advisable, if any, in connection with any of the foregoing. Neither the Trustee nor the Calculation Agent shall be liable for any inability, failure or delay on its part to perform any of its duties set forth in this Indenture or any other document as a result of the unavailability of Compounded SOFR, SOFR Index or SOFR (or other applicable benchmark interest rate), including as a result of any inability, delay, error or inaccuracy on the part of any other party, including without limitation the any Holders or the Company, in providing any direction, instruction, notice or information required or contemplated by the terms of this Agreement and required or requested for the performance of such duties. Neither the Trustee nor the Calculation Agent shall be liable for any interest rate published by any publication that is the source for determining the interest rates of the Notes, including but not limited to Bloomberg (or any successor source) and the Bloomberg or Reuters screen (or any successor source), or for any rates compiled by the Relevant Governmental Body or any successor thereto, or for any rates published on any publicly available source, including without limitation the Federal Reserve Bank of New York's Website, or in any of the foregoing cases for any delay, error or inaccuracy.

All percentages resulting from any calculation relating to the Notes shall be rounded upward or downward, if necessary, to the nearest one hundred-thousandth of a percentage point, with five one millionths of a percentage point rounded upward. For example, 9.876541% (or 0.09876541) would be rounded down to 9.87654% (or 0.0987654) and 9.876545% (or 0.09876545) would be rounded up to 9.87655% (or 0.0987655). All amounts used in or resulting from any calculation relating to the Notes shall be rounded upward or downward, as appropriate, to the nearest cent.

(B) *Delay of Payment when Payment Date is Not a Business Day*. If the due date for a payment on a Note as provided in this Indenture is not a Business Day, then, notwithstanding anything to the contrary in this Indenture or the Notes, such payment may be made on the immediately following Business Day and no interest will accrue on such payment as a result of the related delay. Solely for purposes of the immediately preceding sentence, a day on which commercial banks in the applicable place of payment are authorized or obligated by law, regulation or executive order to close or be closed will be deemed not to be a "Business Day."

(C) *PIK Interest*. On each Interest Payment Date accrued and unpaid interest shall be paid, at the election of the Company, (i) entirely in cash or (ii) by capitalizing on the applicable Interest Payment Date any accrued and unpaid interest (all such accrued and unpaid interest capitalized from time to time is referred to herein as "**PIK Interest**") and by the issuance of PIK Notes in accordance with **Section 2.20**. For each Interest Payment Date, the Company shall be deemed to have elected to pay accrued and unpaid interest entirely as PIK Interest, unless at least five Business Days prior to the applicable Interest Payment Date, Company has provided written

notice to the Holders of its election to pay the entirety of the accrued and unpaid interest in cash (a "**Cash Pay Election**"). At the expense of the Company, the Trustee shall promptly deliver the same notice to the Holders. Following the provision of a Cash Pay Election with respect to any Interest Payment Date, accrued and unpaid interest shall be paid on such Interest Payment Date entirely in cash. On the Maturity Date, all accrued and unpaid interest shall be paid in cash. If the Company has not delivered a Cash Pay Election with respect to an Interest Payment Date on or before five Business Days immediately prior to the applicable Interest Payment Date, the Company shall issue PIK Notes in accordance with **Section 2.20**. PIK Notes issued shall bear interest in accordance with this **Section 2.05** and shall otherwise be treated as principal of such Notes for purposes of this Indenture, including being payable in cash in full on the Maturity Date and with respect to the accrual of interest on the PIK Interest amounts.

Section 2.06. Registrar, Paying Agent, Transfer Agent and Conversion Agent.

(A) *Generally*. The Company will maintain (i) an office or agency in the United States where Notes may be presented for registration of transfer or for exchange (the "**Registrar**"); (ii) an office or agency in the United States where Notes may be presented for payment (the "**Paying Agent**"); (iii) an office or agency in the United States where Notes may be presented for conversion (the "**Conversion Agent**"); and (iv) an office or agency in the United States to act as transfer agent (the "**Transfer Agent**"). If the Company fails to maintain a Registrar, Paying Agent, Conversion Agent or Transfer Agent, then the Trustee will act as such. For the avoidance of doubt, the Company or any of its Subsidiaries may act as Registrar, Paying Agent or Conversion Agent.

(B) *Duties of the Registrar*. The Registrar will keep a record (the "**Register**") of the names and addresses of the Holders, the Notes held by each Holder and the transfer, exchange, Repurchase, Fundamental Change Repurchase, Redemption, Tax Redemption and conversion of Notes. Absent manifest error, the entries in the Register will be conclusive and the Company and the Trustee may conclusively treat each Person whose name is recorded as a Holder in the Register as a Holder and the absolute owner for all purposes. The Register will be in written form or in any form capable of being converted into written form reasonably promptly.

(C) *Co-Agents; Company's Right to Appoint Successor Registrars, Paying Agents, Transfer Agents and Conversion Agents*. The Company may appoint one or more co-Registrars, co-Paying Agents, co-Transfer Agents and co-Conversion Agents, each of whom will be deemed to be a Registrar, Paying Agent, Transfer Agent or Conversion Agent, as applicable, under this Indenture. Subject to **Section 2.06(A)**, the Company may change any Registrar, Paying Agent, Transfer Agent or Conversion Agent (including appointing itself or any of its Subsidiaries to act in such capacity) without notice to any Holder. The Company will notify the Trustee (and, upon request, any Holder) of the name and address of each Note Agent, if any, not a party to this Indenture and will enter into an appropriate agency agreement with each such Note Agent, which agreement will implement the provisions of this Indenture that relate to such Note Agent.

(D) *Initial Appointments*. The Company appoints the Trustee as the initial Paying Agent, the initial Registrar, the initial Transfer Agent and the initial Conversion Agent, and the Trustee accepts such appointments. In acting in such capacities under this Indenture and in connection with the Notes, the Trustee in such capacities will act solely as an agent of the Company

and will not thereby assume any obligations towards, or relationship of agency or trust for or with, any Holder.

Section 2.07. Paying Agent and Conversion Agent to Hold Property in Trust.

The Notes may be presented or surrendered for payment and notices and demands in respect of such Notes and this Indenture may be served at the designated corporate trust office of the Paying Agent. If Physical Notes are issued, (a) the Physical Notes may be presented or surrendered for registration of transfer or for exchange, (b) the Physical Notes may be presented or surrendered for payment and (c) notices and demands in respect of the Physical Notes and this Indenture may be served at the Corporate Trust Office of the Paying Agent in the United States or the designated corporate trust office of the Registrar in the United States.

The satisfaction by the Company of any obligation or requirement hereunder to, or with respect to, the Paying Agent (including, without limitation, the obligation to deposit moneys) shall be deemed to constitute satisfaction of such obligation or requirement with respect to all Paying Agents hereunder.

The Company will require each Paying Agent or Conversion Agent that is not the Trustee to agree in writing that such Note Agent will (A) hold in trust for the benefit of Holders or the Trustee all money and other property held by such Note Agent for payment or delivery due on the Notes; and (B) notify the Trustee in writing of any default by the Company in making any such payment or delivery. The Company, at any time, may, and the Trustee, while any Default continues, may, require a Paying Agent or Conversion Agent to pay or deliver, as applicable, all money and other property held by it to the Trustee, after which payment or delivery, as applicable, such Note Agent (if not the Company or any of its Subsidiaries) will have no further liability for such money or property. If the Company or any of its Subsidiaries acts as Paying Agent or Conversion Agent, then (A) it will segregate and hold in a separate trust fund for the benefit of the Holders or the Trustee all money and other property held by it as Paying Agent or Conversion Agent; and (B) references in this Indenture or the Notes to the Paying Agent or Conversion Agent holding cash or other property, or to the delivery of cash or other property to the Paying Agent or Conversion Agent, in each case for payment or delivery to any Holder or the Trustee or with respect to the Notes, will be deemed to refer to cash or other property so segregated and held separately, or to the segregation and separate holding of such cash or other property, respectively. Upon the occurrence of any event pursuant to **clause (xii)** or **(xiii)** of **Section 7.01(A)** with respect to the Company (or with respect to any Subsidiary of the Company acting as Paying Agent or Conversion Agent), the Trustee will serve as the Paying Agent or Conversion Agent, as applicable, for the Notes.

Section 2.08. Holder Lists.

The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of the Holders. If the Trustee is not the Registrar, the Company will furnish to the Trustee, no later than seven (7) Business Days before each Interest Payment Date and at such other times as the Trustee may request, a list, in such form and as of such date or time as the Trustee may reasonably require, of the names and addresses of the Holders.

Section 2.09. Legends.

(A) *Global Note Legend*. Each Global Note will bear the Global Note Legend (or any similar legend, not inconsistent with this Indenture, required by the Depositary for such Global Note).

(B) *Restricted Note Legend*.

(i) Each Note that is a Transfer-Restricted Security will bear the Restricted Note Legend; and

(ii) if a Note is issued in exchange for, in substitution of, another Note (such other Note being referred to as the "old Note" for purposes of this **Section 2.09(B)(ii)**), including pursuant to **Section 2.10(B)**, **Section 2.10(C)**, **Section 2.11** or **Section 2.12**, then such Note will bear the Restricted Note Legend if such old Note bore the Restricted Note Legend at the time of such exchange or substitution, as applicable; *provided*, *however*, that such Note need not bear the Restricted Note Legend if such Note does not constitute a Transfer-Restricted Security immediately after such exchange or substitution, as applicable.

(C) *Other Legends*. A Note may bear any other legend or text, not inconsistent with this Indenture, as may be required by applicable law or by any securities exchange or automated quotation system on which such Note is traded or quoted.

(D) *Acknowledgment and Agreement by the Holders*. A Holder's acceptance of any Note bearing any legend required by this **Section 2.09** will constitute such Holder's acknowledgment of, and agreement to comply with, the restrictions set forth in such legend.

Section 2.10. Transfer and Exchanges; Certain Transfer Restrictions.

(A) *Provisions Applicable to All Transfers and Exchanges*.

(i) Subject to this **Section 2.10**, Physical Notes and beneficial interests in Global Notes may be transferred or exchanged from time to time. The Registrar will record each such transfer or exchange of Physical Notes in the Register.

(ii) Each Note issued upon transfer or exchange of any other Note (such other Note being referred to as the "old Note" for purposes of this **Section 2.10(A)(ii)** or portion thereof in accordance with this Indenture will be the valid obligation of the Company, evidencing the same indebtedness, and entitled to the same benefits under this Indenture, as such old Note or portion thereof, as applicable.

(iii) The Company, the Trustee and the Note Agents will not impose any service charge on any Holder for any transfer, exchange or conversion of Notes, but the Company, the Trustee, the Registrar and the Conversion Agent may require payment of a sum sufficient to cover any transfer tax or similar governmental charge that may be imposed in connection with any transfer, exchange or conversion of Notes, other than exchanges pursuant to **Section 2.11**, **Section 4.05** or **Section 8.05** not involving any transfer.

(iv) Notwithstanding anything to the contrary in this Indenture or the Notes, a Note may not be transferred or exchanged in part unless the portion to be so transferred or exchanged is in an Authorized Denomination.

(v) The Trustee will have no obligation or duty to monitor, determine or inquire as to compliance with any transfer restrictions imposed under this Indenture or applicable law with respect to any Security, other than to require the delivery of such certificates or other documentation or evidence as expressly required by this Indenture and to examine the same to determine substantial compliance as to form with the requirements of this Indenture.

(vi) The Trustee will have no responsibility or obligation to any beneficial owner of a Global Note, a member of, or a participant in, the Depositary or other Person with respect to the accuracy of the records of the Depositary or its nominee or of any participant or member thereof, with respect to any ownership interest in the Notes or with respect to the delivery to any participant, member, beneficial owner or other Person (other than the Depositary) of any notice (including any notice of Redemption, Tax Redemption, Repurchase or Fundamental Change Repurchase) or the payment of any amount or delivery of any Notes (or other security or property) under or with respect to such Notes. All payments to be made to Holders in respect of the Notes will be given or made only to or upon the order of the registered Holders (which is the Depositary or its nominee in the case of a Global Note). The rights of beneficial owners in any Global Note will be exercised only through the Depositary subject to the applicable Depositary Procedures. The Trustee may rely and will be fully protected in relying upon information furnished by the Depositary with respect to its members, participants and any beneficial owners.

(vii) Each Note issued upon transfer of, or in exchange for, another Note will bear each legend, if any, required by **Section 2.09**.

(viii) Upon satisfaction of the requirements of this Indenture to effect a transfer or exchange of any Note, the Company will cause such transfer or exchange to be effected as soon as reasonably practicable but in no event later than the second (2nd) Business Day after the date of such satisfaction.

(ix) For the avoidance of doubt, and subject to the terms of this Indenture, as used in this **Section 2.10**, an "exchange" of a Global Note or a Physical Note includes (x) an exchange effected for the sole purpose of removing any Restricted Note Legend affixed to such Global Note or Physical Note; and (y) if such Global Note or Physical Note is identified by a "restricted" CUSIP number, an exchange effected for the sole purpose of causing such Global Note or Physical Note to be identified by an "unrestricted" CUSIP number.

(B) *Transfer and Exchange of Global Notes*.

(i) Subject to the immediately following sentence, no Global Note may be transferred or exchanged in whole except (x) by the Depositary to a nominee of the Depositary; (y) by a nominee of the Depositary to the Depositary or to another nominee of

the Depositary; or (z) by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary.

No Global Note (or any portion thereof) may be transferred to, or exchanged for, a Physical Note; *provided*, *however*, that a Global Note will be exchanged, pursuant to customary procedures, for one or more Physical Notes if:

(1) (x) the Depositary notifies the Company or the Trustee that the Depositary is unwilling or unable to continue as depositary for such Global Note or (y) the Depositary ceases to be a "clearing agency" registered under Section 17A of the Exchange Act and, in each case, the Company fails to appoint a successor Depositary within ninety (90) days of such notice or cessation;

(2) an Event of Default has occurred and is continuing and the Company, the Trustee or the Registrar has received a written request from the Depositary, or from a holder of a beneficial interest in such Global Note, to exchange such Global Note or beneficial interest, as applicable, for one or more Physical Notes; or

(3) the Company, in its sole discretion, permits the exchange of any beneficial interest in such Global Note for one or more Physical Notes at the request of the owner of such beneficial interest.

(ii) Upon satisfaction of the requirements of this Indenture to effect a transfer or exchange of any Global Note (or any portion thereof):

(1) the Trustee will reflect any resulting decrease of the principal amount of such Global Note by notation on the "Schedule of Exchanges of Interests in the Global Note" forming part of such Global Note (and, if such notation results in such Global Note having a principal amount of zero, the Company may (but is not required to) instruct the Trustee in writing to cancel such Global Note pursuant to **Section 2.14**);

(2) if required to effect such transfer or exchange, then the Trustee will reflect any resulting increase of the principal amount of any other Global Note by notation on the "Schedule of Exchanges of Interests in the Global Note" forming part of such other Global Note;

(3) if required to effect such transfer or exchange, then the Company will issue, execute and deliver, and the Trustee will authenticate, in each case in accordance with **Section 2.02**, a new Global Note bearing each legend, if any, required by **Section 2.09**; and

(4) if such Global Note (or such portion thereof), or any beneficial interest therein, is to be exchanged for one or more Physical Notes, then the Company will issue, execute and deliver, and the Trustee will authenticate, in each case in accordance with **Section 2.02**, one or more Physical Notes that (x) are in Authorized Denominations and have an aggregate principal amount equal to the principal amount of such Global Note to be so exchanged; (y) are registered in such

name(s) as the Depositary specifies (or as otherwise determined pursuant to customary procedures); and (z) bear each legend, if any, required by **Section 2.09**.

(iii) Each transfer or exchange of a beneficial interest in any Global Note will be made in accordance with the Depositary Procedures. Any owner of a beneficial interest in any Global Note that (x) has the right to request Physical Notes under this **Section 2.10(B)(i)(1) and Section 2.10(B)(i)(2)** and (y) complies with the terms to request the Physical Notes as set out herein, but not does receive Physical Notes from the Company, shall be deemed to have been issued with the Physical Notes under this **Section 2.10(B)** and shall be recognized as a creditor of the Company for all purposes.

(C) *Transfers and Exchanges of Physical Notes*

(i) Subject to this **Section 2.10**, a Holder of a Physical Note may (x) transfer such Physical Note (or any portion thereof in an Authorized Denomination) to one or more other Person(s); (y) exchange such Physical Note (or any portion thereof in an Authorized Denomination) for one or more other Physical Notes in Authorized Denominations having an aggregate principal amount equal to the aggregate principal amount of the Physical Note (or portion thereof) to be so exchanged; and (z) if then permitted by the Depositary Procedures, transfer such Physical Note (or any portion thereof in an Authorized Denomination) in exchange for a beneficial interest in one or more Global Notes; provided, however, that, to effect any such transfer or exchange, such Holder must:

(1) surrender such Physical Note to be transferred or exchanged to the office of the Registrar, together with any endorsements or transfer instruments reasonably required by the Company, the Trustee or the Registrar; and

(2) deliver such certificates, documentation or evidence as may be required pursuant to **Section 2.10(D)**.

(ii) Upon the satisfaction of the requirements of this Indenture to effect a transfer or exchange of any Physical Note (such Physical Note being referred to as the "old Physical Note" for purposes of this **Section 2.10(C)(ii)**) of a Holder (or any portion of such old Physical Note in an Authorized Denomination):

(1) such old Physical Note will be promptly cancelled pursuant to **Section 2.14**;

(2) if such old Physical Note is to be so transferred or exchanged only in part, then the Company will issue, execute and deliver, and the Trustee will authenticate, in each case in accordance with **Section 2.02**, one or more Physical Notes that (x) are in Authorized Denominations and have an aggregate principal amount equal to the principal amount of such old Physical Note not to be so transferred or exchanged; (y) are registered in the name of such Holder; and (z) bear each legend, if any, required by **Section 2.09**;

(3) in the case of a transfer:

(a) to the Depositary or a nominee thereof that will hold its interest in such old Physical Note (or such portion thereof) to be so transferred in the form of one or more Global Notes, the Trustee will reflect an increase of the principal amount of one or more existing Global Notes by notation on the "Schedule of Exchanges of Interests in the Global Note" forming part of such Global Note(s), which increase(s) are in Authorized Denominations and aggregate to the principal amount to be so transferred, and which Global Note(s) bear each legend, if any, required by **Section 2.09**; *provided*, *however*, that if such transfer cannot be so effected by notation on one or more existing Global Notes (whether because no Global Notes bearing each legend, if any, required by **Section 2.09** then exist, because any such increase will result in any Global Note having an aggregate principal amount exceeding the maximum aggregate principal amount permitted by the Depositary or otherwise), then the Company will issue, execute and deliver, and the Trustee will authenticate, in each case in accordance with **Section 2.02**, one or more Global Notes that (x) are in Authorized Denominations and have an aggregate principal amount equal to the principal amount to be so transferred; and (y) bear each legend, if any, required by **Section 2.09**; and

(b) to a transferee that will hold its interest in such old Physical Note (or such portion thereof) to be so transferred in the form of one or more Physical Notes, the Company will issue, execute and deliver, and the Trustee will authenticate, in each case in accordance with **Section 2.02**, one or more Physical Notes that (x) are in Authorized Denominations and have an aggregate principal amount equal to the principal amount to be so transferred; (y) are registered in the name of such transferee; and (z) bear each legend, if any, required by **Section 2.09**; and

(4) in the case of an exchange, the Company will issue, execute and deliver, and the Trustee will authenticate, in each case in accordance with **Section 2.02**, one or more Physical Notes that (x) are in Authorized Denominations and have an aggregate principal amount equal to the principal amount to be so exchanged; (y) are registered in the name of the Person to whom such old Physical Note was registered; and (z) bear each legend, if any, required by **Section 2.09**.

(D) *Requirement to Deliver Documentation and Other Evidence.* If a Holder of any Note that is identified by a "restricted" CUSIP number or that bears a Restricted Note Legend or is a Transfer-Restricted Security requests to:

(i) cause such Note to be identified by an "unrestricted" CUSIP number;

(ii) remove such Restricted Note Legend; or

(iii) register the transfer of such Note to the name of another Person, then the Company, the Trustee and the Registrar may refuse to effect such identification, removal or transfer, as applicable, unless there is delivered to the Company, the Trustee and the

Registrar such certificates or other documentation or evidence as the Company, the Trustee and the Registrar may reasonably require to determine that such identification, removal or transfer, as applicable, complies with the Securities Act and other applicable securities laws.

(E) *Transfers of Notes Subject to Redemption, Repurchase, Fundamental Change Repurchase or Conversion.* Notwithstanding anything to the contrary in this Indenture or the Notes, the Company, the Trustee and the Registrar may refuse to register the transfer of or exchange any Note that (i) has been surrendered for conversion, Repurchase or Fundamental Change Repurchase; or (ii) has been selected for Redemption or Tax Redemption pursuant to a Redemption Notice or Tax Redemption Notice, except to the extent that the Company fails to pay the applicable Redemption Price or Tax Redemption Price, as the case may be, when due.

Section 2.11. Exchange and Cancellation of Notes to Be Converted or to Be Repurchased Pursuant to a Repurchase or Fundamental Change Repurchase, Redemption or Tax Redemption.

(A) *Cancellation of Notes that Are Converted and Notes that Are Repurchased Pursuant to a Repurchase, Fundamental Change Repurchase, Redemption or Tax Redemption*.

(i) *Physical Notes*. If a Physical Note of a Holder is to be converted pursuant to **Article 5** or repurchased pursuant to a Repurchase, Fundamental Change Repurchase, Redemption or Tax Redemption, then, promptly after the later of the time such Physical Note is deemed to cease to be outstanding pursuant to **Section 2.17** and the time such Physical Note is surrendered for such conversion, Repurchase, Fundamental Change Repurchase, Redemption or Tax Redemption, as applicable, (1) such Physical Note will be cancelled pursuant to **Section 2.14**.

(ii) *Global Notes*. If a Global Note is to be converted pursuant to **Article 5** or repurchased pursuant to a Repurchase, Fundamental Change Repurchase, Redemption or Tax Redemption, then, promptly after the time such Note is deemed to cease to be outstanding pursuant to **Section 2.17**, the Trustee will reflect a decrease of the principal amount of such Global Note in an amount equal to the principal amount of such Global Note to be so converted or repurchased, as applicable, by notation on the "Schedule of Exchanges of Interests in the Global Note" forming part of such Global Note (and, if the principal amount of such Global Note is zero following such notation, cancel such Global Note pursuant to **Section 2.14**).

Section 2.12. Replacement Notes.

If a Holder of any Note claims that such Note has been mutilated, lost, destroyed or wrongfully taken, then the Company will issue, execute and deliver, and the Trustee will authenticate, in each case in accordance with **Section 2.02**, a replacement Note upon surrender to the Trustee of such mutilated Note, or upon delivery to the Trustee of evidence of such loss, destruction or wrongful taking reasonably satisfactory to the Trustee and the Company. In the case of a lost, destroyed or wrongfully taken Note, the Company and the Trustee may require the Holder thereof to provide such security or indemnity that is satisfactory to the Company and the Trustee

to protect the Company and the Trustee from any loss that any of them may suffer if such Note is replaced. The Company may charge for its and the Trustee's expenses in replacing a Note.

Every replacement Note issued pursuant to this **Section 2.12** will be an additional obligation of the Company and will be entitled to all of the benefits of this Indenture equally and ratably with all other Notes issued under this Indenture.

Section 2.13. Registered Holders; Certain Rights with Respect to Global Notes.

(A) Only Holder of a Note will have rights under this Indenture as the owner of such Note. Without limiting the generality of the foregoing, Depositary Participants and Persons that hold interests in Notes through Depositary Participants will have no rights as such under this Indenture with respect to any Global Note held on their behalf by the Depositary or its nominee, or by the Trustee as its custodian, and the Company, the Trustee and the Note Agents, and their respective agents, may treat the Depositary as the absolute owner of such Global Note for all purposes whatsoever; provided, however, that (A) the Holder of any Global Note may grant proxies and otherwise authorize any Person, including Depositary Participants and Persons that hold interests in Notes through Depositary Participants, to take any action that such Holder is entitled to take with respect to such Global Note under this Indenture or the Notes; and (B) the Company and the Trustee, and their respective agents, may give effect to any written certification, proxy or other authorization furnished by the Depositary.

(B) Notwithstanding anything else in this Indenture to the contrary, with respect to any Global Note held through the Depositary (or a nominee thereof), each Person holding a beneficial interest in such Global Note may be considered to be a noteholder of its portion of the notes for purposes of providing any consent or direction requested by the Trustee hereunder or providing any other consent or direction contemplated hereby (for example, such Person may consent to any waiver or amendment directly without requiring the participation of the applicable clearing system or its nominee and may attend and vote at meetings of noteholders); it being understood that the Trustee must have received from (or on behalf of) such Person evidence satisfactory to the Trustee that such Person holds the beneficial interests in such Global Note that it purports to hold, and such evidence of ownership may include a securities position or participant list or other information obtained from the applicable clearing system. The Trustee shall have no liability for acting in good faith on any such consent, waiver, direction, instruction or other vote from any such Person or for the sufficiency of the evidence deemed satisfactory to the Trustee. Each beneficial owner of an interest in a Global Note, by its acceptance of such interest, agrees to be bound by the provisions of this **Section 2.13(B)** and waives any claim arising from actions taken by the Trustee in reliance on this **Section 2.13(B)**.

Section 2.14. Cancellation.

The Company may at any time deliver Notes to the Trustee for cancellation. The Registrar, the Paying Agent, the Transfer Agent and the Conversion Agent will forward to the Trustee each Note duly surrendered to them for transfer, exchange, payment or conversion. The Trustee will promptly cancel all Notes so surrendered to it in accordance with its customary procedures. Without limiting the generality of **Section 2.03(B)**, the Company may not originally issue new

Notes to replace Notes that it has paid or that have been cancelled upon transfer, exchange, payment or conversion.

Section 2.15. Notes Held by the Company or its Affiliates.

Without limiting the generality of **Section 2.17**, in determining whether the Holders of the required aggregate principal amount of Notes have concurred in any direction, waiver or consent, Notes (if any) owned by the Company or any of its Affiliates will be deemed not to be outstanding; *provided*, *however*, that, for purposes of determining whether the Trustee is protected in relying on any such direction, waiver or consent, only Notes that a Responsible Officer of the Trustee actually knows are so owned will be so disregarded.

Section 2.16. Temporary Notes.

Until definitive Notes are ready for delivery, the Company may issue, execute and deliver, and the Trustee will authenticate, in each case in accordance with **Section 2.02**, temporary Notes. Temporary Notes will be substantially in the form of definitive Notes but may have variations that the Company considers appropriate for temporary Notes. The Company will promptly prepare, issue, execute and deliver, and the Trustee will authenticate, in each case in accordance with **Section 2.02**, definitive Notes in exchange for temporary Notes. Until so exchanged, each temporary Note will in all respects be entitled to the same benefits under this Indenture as definitive Notes.

Section 2.17. Outstanding Notes.

(A) *Generally*. The Notes that are outstanding at any time will be deemed to be those Notes that, at such time, have been duly executed and authenticated, excluding those Notes (or portions thereof) that have theretofore been (i) cancelled by the Trustee or delivered to the Trustee for cancellation in accordance with **Section 2.14**; (ii) assigned a principal amount of zero by notation on the "Schedule of Exchanges of Interests in the Global Note" forming part of any a Global Note representing such Note; (iii) paid in full (including upon conversion) in accordance with this Indenture; or (iv) deemed to cease to be outstanding to the extent provided in, and subject to, **clause (B)**, **(C)** or **(D)** of this **Section 2.17**.

(B) *Replaced Notes*. If a Note is replaced pursuant to **Section 2.12**, then such Note will cease to be outstanding at the time of its replacement, unless the Trustee and the Company receive proof reasonably satisfactory to them that such Note is held by a "*bona fide* purchaser" under applicable law.

(C) *Maturing Notes and Notes Called for Redemption or Tax Redemption or Subject to Repurchase or Fundamental Change Repurchase*. If, on a Redemption Date, a Repurchase Date, a Fundamental Change Repurchase Date, a Tax Redemption Date or the Maturity Date, the Paying Agent holds money sufficient to pay the aggregate Redemption Price, Tax Redemption Price, Repurchase Price, Fundamental Change Repurchase Price or principal amount, respectively, together, in each case, with the aggregate interest in each case due on such date, then (unless there occurs a Default in the payment of any such amount) (i) the Notes to be redeemed or repurchased, or that mature, on such date will be deemed, as of such date, to cease to be outstanding, except to the extent provided in **Section 4.02(C)**, **Section 4.03(C)** or **Section 5.02(E)**; and (ii) the rights of

the Holders of such Notes, as such, will terminate with respect to such Notes, other than the right to receive the Redemption Price, Tax Redemption Price, Repurchase Price, Fundamental Change Repurchase Price or principal amount, as applicable, of, and accrued and unpaid interest on, such Notes, in each case as provided in this Indenture.

(D) *Notes to Be Converted*. At the Close of Business on the Conversion Date for any Note to be converted, such Note will (unless there occurs a Default in the delivery of the Conversion Consideration or interest due, pursuant to **Section 5.03(C)** or **Section 5.02(E)**, upon such conversion) be deemed to cease to be outstanding, except to the extent provided in **Section 5.02(E)**.

(E) *Cessation of Accrual of Interest*. Except as provided in **Section 4.02(C)**, **Section 4.03(C)** or **Section 5.02(E)**, interest will cease to accrue on each Note from, and including, the date that such Note is deemed, pursuant to this **Section 2.17**, to cease to be outstanding, unless there occurs a default in the payment or delivery of any cash or other property due on such Note.

Section 2.18. CUSIP and ISIN Numbers.

The Company may use one or more CUSIP or ISIN numbers to identify any of the Notes, and, if so, the Company and the Trustee will use such CUSIP or ISIN number(s) in notices to Holders as applicable; *provided*, *however*, that (i) the Trustee makes no representation as to the correctness or accuracy of any such CUSIP or ISIN number; (ii) the effectiveness of any such notice will not be affected by any defect in, or omission of, any such CUSIP or ISIN number; and (iii) the Trustee shall have no liability for any defect in the CUSIP or ISIN numbers as they appear on any Note, notice or elsewhere. The Company will promptly notify the Trustee, in writing, of any change in the CUSIP or ISIN number(s) identifying any Notes.

Section 2.19. Special Transfer Provisions.

(A) *Restricted Note Legend*. Upon the transfer, exchange or replacement of Notes not bearing the Restricted Note Legend, the Registrar shall deliver Notes that do not bear the Restricted Note Legend. Upon the transfer, exchange or replacement of Notes bearing the Restricted Note Legend, the Registrar shall deliver only Notes that bear the Restricted Note Legend unless such Note does not constitute a Transfer-Restricted Security immediately after such transfer, exchange or replacement, including to the extent the requested transfer is after the Resale Restriction Termination Date, or if such Note has been sold pursuant to an effective registration statement under the Securities Act. The Trustee or the Company may reasonably require the delivery of an opinion of counsel reasonably satisfactory to the Company and to the Trustee and addressed to the Company and to the Trustee to the effect that neither such legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act.

(B) *General*. By its acceptance of any Note bearing the Restricted Note Legend, each Holder of such a Note acknowledges the restrictions on transfer of such Note set forth in this Indenture and in the Restricted Note Legend and agrees that it will transfer such Note only as provided in this Indenture and as permitted by applicable law.

(C) The Registrar shall retain copies of all letters, notices and other written communications received pursuant to this **Section 2.19**. The Company shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable written notice to the Registrar.

(D) *Transfers of Notes Held by Affiliates*. Any certificate (i) evidencing a Note that has been transferred to an Affiliate within two (2) years after the Issue Date, as evidenced by a notation on the assignment form for such transfer or in the representation letter delivered in respect thereof or (ii) evidencing a Note that has been acquired from an Affiliate (other than by an Affiliate) in a transaction or a chain of transactions not involving any public offering, shall, until two (2) years after the last date on which the Company or any Affiliate was an owner of such Note (or such longer period of time as may be required under the Securities Act or applicable state securities laws), in each case, bear the Restricted Note Legend, unless otherwise agreed by the Company (with written notice thereof to the Trustee).

Section 2.20. Issuance of PIK Interest; PIK Payments.

In connection with the payment of PIK Interest on the Notes, the Company is entitled, without the consent of the Holders, to issue Additional Notes having the same terms and conditions as the Notes (the "**PIK Notes**"). PIK Interest on the Global Notes will be payable by the Company delivering an order to issue additional PIK Notes by increasing the principal amount of any such Global Note by the relevant amount (rounded up to the nearest whole dollar) or, if necessary, by issuing a new Global Note executed by the Company and an order to the Trustee (or its authenticating agent) to authenticate such new Global Note and in accordance with **Section 2.02** of this Indenture. PIK Interest on any Physical Notes will be payable by the Company delivering to the Trustee and Paying Agent such PIK Notes in the relevant amount (rounded up to the nearest whole dollar) as Physical Notes and an order to the Trustee (or its authenticating agent) to authenticate, in accordance with **Section 2.02,** and deliver such PIK Notes to the Holders on the relevant record date. Following an increase in the principal amount of the outstanding Global Notes as a result of a payment as PIK Interest, the Notes will bear interest on such increased principal amount from and after the date of such payment. Any PIK Notes issued as Physical Notes will be dated as of the applicable Interest Payment Date and will bear interest from and after such date.

Article 3. COVENANTS

Section 3.01. Payment on Notes.

(A) *Generally*. The Company will pay or cause to be paid all the principal of, the Repurchase Price, Fundamental Change Repurchase Price, Redemption Price and/or Tax Redemption Price (as the case may be) for, interest on, and other amounts due with respect to, the Notes on the dates and in the manner set forth in this Indenture.

(B) *Deposit of Funds*. Before 10:00 A.M., New York City time, on each Redemption Date, Tax Redemption Date, Repurchase Date, Fundamental Change Repurchase Date or Interest Payment Date, and on the Maturity Date or any other date on which any cash amount is due on the Notes, the Company will deposit, or will cause there to be deposited, with the Paying Agent cash, in funds immediately available on such date, sufficient to pay the cash amount due on the

applicable Notes on such date. The Paying Agent will return to the Company, as soon as practicable, any money not required for such purpose.

Section 3.02. Compliance and Default Certificates.

(A) *Annual Compliance Certificate*. Within ninety (90) days after December 31, 2025 and each fiscal year of the Company ending thereafter, the Company will deliver an Officer's Certificate to the Trustee stating (i) that the signatory thereto has supervised a review of the activities of the Company and its Subsidiaries during such fiscal year with a view towards determining whether any Default or Event of Default has occurred; and (ii) whether, to such signatory's knowledge, a Default or Event of Default has occurred and is continuing (and, if so, describing all such Defaults or Events of Default and what action the Company is taking or proposes to take with respect thereto).

(B) *Default Certificate*. If a Default or Event of Default occurs, then the Company will promptly deliver an Officer's Certificate to the Trustee describing the same and what action the Company is taking or proposes to take with respect thereto; *provided, however*, that the Company will not be required to deliver such notice if such Default or Event of Default, as applicable, has been cured within the applicable grace period, if any, provided herein.

Section 3.03. Stay, Extension and Usury Laws.

To the extent that it may lawfully do so, the Company (A) agrees that it will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law (wherever or whenever enacted or in force) that may affect the covenants or the performance of this Indenture; and (B) expressly waives all benefits or advantages of any such law and agrees that it will not, by resort to any such law, hinder, delay or impede the execution of any power granted to the Trustee by this Indenture, but will suffer and permit the execution of every such power as though no such law has been enacted.

Section 3.04. Acquisition of Notes by the Company and its Affiliates.

Without limiting the generality of **Section 2.17**, Notes that the Company or any of its Subsidiaries have purchased or otherwise acquired will be deemed to remain outstanding (except to the extent provided in **Section 2.15**) until such time as such Notes are delivered to the Trustee for cancellation.

Section 3.05. Indebtedness and Preferred Stock.

(A) The Company shall not, and shall not permit any of its Subsidiaries to, Incur any Indebtedness, other than the Incurrence by the Company of Indebtedness represented by the Notes, and the Company shall not permit any of its Subsidiaries to issue Preferred Stock.

(B) Notwithstanding the foregoing, the Company may Incur Permitted Indebtedness under clauses (1), (2), (3), (8), (9), (10), (11) and (12) of the definition thereof, *provided* that in the case of Permitted Indebtedness under clauses (1), (2) and (3) of the definition thereof, such Permitted Indebtedness is unsecured, and any Subsidiary of the Company may Incur any Permitted Indebtedness (other than Permitted Indebtedness under clause (11) or (12) of the definition thereof).

Section 3.06. Restricted Payments and Investments.

(A) The Company shall not, directly or indirectly, make any Restricted Payment.

(B) The Company shall not, directly or indirectly, make any Investment, other than a Permitted Investment.

Section 3.07. Negative Pledge.

The Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, incur, assume or permit to exist any Lien on the Collateral (other than Permitted Liens).

The Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, incur, assume or permit to exist any Lien securing Indebtedness, except Permitted Liens, unless the Notes are secured equally and ratably with (or, if the Indebtedness to be secured by such Lien is subordinated in right of payment to the Notes, prior to) the Indebtedness secured by such Lien, for so long as such Indebtedness is secured by such Lien.

Section 3.08. Asset Sales.

The Company shall not, and shall not permit any of its Subsidiaries to, sell, lease, transfer or otherwise dispose of any asset, in a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary, other than a Permitted Asset Sale.

Section 3.09. Listing of the Notes.

The Company shall procure and maintain the listing and quotation of the Notes on the SGX-ST or other internationally recognized stock exchange.

Section 3.10. SEC Filings; Disclosures; Financial Statements and Reports.

(A) To the extent that the Company is subject to any SEC reporting requirements, the Company shall (i) timely file with the SEC, within the time periods specified in the SEC's rules and regulations (after giving effect to applicable grace periods provided thereunder), all financial information and other reports required to be filed with the SEC, and any other information required to be filed with the SEC, (ii) deliver to the Holders (I) copies of all such filings with the SEC within two (2) Business Days after the filing thereof with the SEC and (II) electronic copies of all press releases issued by the Company or any of its Subsidiaries on the same day as the release thereof, in each case, unless the foregoing are filed with the SEC through EDGAR or posted on the Company's website and are immediately available to the public through EDGAR or on the Company's website.

(B) To the extent that the Company is subject to any reporting requirements of the Alternative Stock Exchange, the Company (i) shall timely file with or disclose to the Alternative Stock Exchange, within the time periods specified in the relevant rules and regulations (after giving effect to applicable grace periods provided thereunder), all financial information, other reports and other information required to be filed or disclosed, and (ii) deliver to the Holder (I) copies of all such filings or disclosures within two (2) Business Days after the filing or disclosure thereof and

(II) electronic copies of all press releases issued by the Company or any of its Subsidiaries on the same day as the release thereof, in each case, unless the foregoing are posted on the Alternative Stock Exchange's website or the Company's website and are immediately available to the public on the Alternative Stock Exchange's website or the Company's website.

(C) Unless the Company has filed with (or furnished to) the SEC or the Principal Market or the Alternative Stock Exchange the financial information listed below and complied with paragraph (A) above, the Company will provide to the Holders:

(i) as soon as practicable, but in any event within 120 calendar days after the end of the fiscal year of the Company, copies of its financial statements (on a consolidated basis and in the English language) in respect of such financial year (including a statement of income, balance sheet and cash flow statement) prepared in accordance with U.S. GAAP and audited by a Recognized Accounting Firm; and

(ii) as soon as practicable, but in any event within 60 calendar days after the end of each of the first, second and third fiscal quarters of the Company, copies of its unaudited financial statements (on a consolidated basis and in the English language), including a statement of income, balance sheet and cash flow statement prepared in accordance with U.S. GAAP, and prepared on a basis consistent with the audited financial statements of the Company together with a certificate signed by the Person then authorized to sign financial statements on behalf of the Company to the effect that such financial statements are true in all material respects and present fairly in all material respects the financial position of the Company as at the end of, and the results of its operations for, the relevant quarterly period,

provided, that the foregoing obligations in this **Section 3.10(C)** shall not apply if the Company is subject to or voluntarily complying with the periodic reporting requirements of Section 13(a) of the Exchange Act and also continues to publicly release condensed consolidated financial statements prepared in accordance with U.S. GAAP.

Section 3.11. Corporate Existence.

The Company shall, and shall cause each of its Subsidiaries (other than Subsidiaries that do not have any material assets or operations) to, maintain its corporate existence, excluding in connection with mergers and consolidations between the Company and its Subsidiaries and transactions permitted by Article 6.

Section 3.12. Compliance with Laws.

(A) The Company shall, and shall cause each of its Subsidiaries to, (i) comply with all applicable laws, ordinances, rules, regulations and requirements of any Governmental Authorities, including, without limitation, the requirements of all Sanctions, and (ii) obtain, possess and maintain in full force and effect all certificates, consents, rights, authorizations, licenses and permits issued by each Governmental Authority necessary to conduct its business and preserve and maintain good and valid title to its properties and assets (including, without limitation, land-use rights) free and clear of any Liens (other than Permitted Liens), in each case except to the

extent the failure to so comply, obtain, possess, maintain and preserve would not reasonably be expected to have a Material Adverse Effect.

(B) Neither the Company nor any of its Subsidiaries shall violate applicable Anti-Corruption Laws, including corruptly offering, receiving, paying, promising to pay or authoring the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value (1) to or for the use of any Government Official, (2) to any other Person either for an advance or reimbursement, if it knows or has reason to know that any part of such payment will be directly or indirectly given or paid by such other Person, or will reimburse such other Person for payments previously made, to any Government Official; or (3) to any other Person or entity, to obtain or keep business or to secure some other improper advantage in relation to the Company, the payment of which would violate applicable Anti-Corruption Laws.

(C) The Company shall maintain a Company-wide anti-bribery and anti-corruption policy and training program. The Company shall also maintain effective disclosure controls and procedures and an internal accounting controls system that is sufficient to provide reasonable assurances that violations of Anti-Corruption Laws will be prevented, detected, and deterred.

Section 3.13. Master Franchise Agreements.

(A) Except as permitted under clause (B) below, the Company shall, and shall cause each of its Subsidiaries to, maintain in full force and effect the Master Franchise Agreements and comply in all material respects with the terms of the Master Franchise Agreements.

(B) The Company shall not, and shall cause each of its Subsidiaries not to, amend, fail to renew, provide any consent under, assign, novate, terminate or allow to let lapse the Master Franchise Agreements, except (i) as required by the terms of such Master Franchise Agreement, (ii) in the ordinary course of business, if such amendment, non-renewal, consent, assignment, novation, termination or lapse would not have a Material Adverse Effect or (iii) with the Trustee's prior written consent (acting on the instructions of, or with the consent of, the Holders of a majority in aggregate principal amount of the Notes then outstanding).

Section 3.14. Maintenance of Assets; Insurance.

The Company shall, and shall cause each of its Subsidiaries to, (i) maintain its assets in good working order and condition, ordinary wear and tear excepted; and (ii) have insurance policies of the type, and that provide coverage, that is in compliance with applicable law in all material respects and is reasonable and appropriate considering the business of the Company and its Subsidiaries, and the Company and its Subsidiaries are in compliance in all respects thereunder, including with respect to the payment of premiums.

Section 3.15. Payment of Taxes.

The Company shall, and shall cause each of its Subsidiaries to, pay and discharge, before the same shall become delinquent, all material taxes, assessments and other material governmental charges or levies imposed upon them or any of their properties or assets or in respect of their businesses or incomes except for those being contested in good faith by proper proceedings

diligently conducted and against which adequate reserves, in accordance with U.S. GAAP, have been established.

Section 3.16. Conversion Shares.

The Company shall ensure that all Shares issued upon conversion of the Notes shall represent newly issued shares or shares held in treasury by the Company, shall have been duly authorized and validly issued and shall be fully paid and non-assessable, and shall be free from preemptive rights and free of any Lien or adverse claim (except to the extent of any Lien or adverse claim created by the action or inaction of the Holder of the relevant Note or the Person to whom such Share will be delivered). The Company shall make all filings and reports relating to the offer and sale of the Conversion Shares by the Company required under applicable foreign or U.S. securities or "blue sky" laws (or to obtain an exemption from such requirements), provided, however, that the Company shall not be required to (i) qualify generally to do business as a foreign entity in any jurisdiction where it would not otherwise be required to qualify but for this **Article 3**, or (ii) consent to general service of process in any such jurisdiction.

Section 3.17. Books, Records and Internal Controls

(A) The Company shall, and shall cause each of its Subsidiaries to, make and keep books, records and accounts which, in reasonable detail, accurately and fairly reflect their transactions and dispositions of assets.

(B) The Company shall, and shall cause each of its Subsidiaries to, devise and maintain a system of internal accounting controls sufficient to provide reasonable assurance that:

(i) transactions are executed and access to assets is permitted only in accordance with management's general or specific authorization;

(ii) transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP or any other criteria applicable to such statements and to maintain accountability for assets; and

(iii) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

Section 3.18. Engage Qualified Auditing Firm.

The Company shall maintain the appointment of a Recognized Accounting Firm as auditor of the Company to audit the Company's consolidated annual financial statement in accordance with Regulation S-X, the Public Company Accounting Oversight Board ("**PCAOB**") standards, and any other applicable SEC rules or generally accepted auditing standards.

To the extent that the Company is required to do so under applicable law, the Company shall also engage its auditor to perform quarterly procedures on its unaudited interim financial information using standards consistent with those established by the PCAOB.

Section 3.19. Charter Documents.

Except as is reasonably necessary to implement any consolidation or merger not prohibited by this Indenture and the Notes, the Company shall not, and shall use commercially reasonable efforts to cause its shareholders not to amend, alter, waiver or repeal any provision of its Charter Documents, and shall cause its Subsidiaries not to, amend, alter, waive or repeal any provision of their certificates of incorporation, memorandum and articles of association or any other of their organizational or constitutional documents, in each case, in a way that is materially adverse to the interests of the Holders without the prior written consent of the Trustee (acting on the instructions of, or with the consent of, the Holders of a majority in aggregate principal amount of the Notes then outstanding).

Section 3.20. Scope of Business.

The Company shall not, and shall cause its Subsidiaries not to, materially change the scope of the principal business of the Company and its Subsidiaries from that carried on as at the date of this Indenture or any business reasonably related, ancillary or complementary thereto; or enter into any business other than such principal business or any business that is reasonably related, ancillary or complementary thereto that will materially and adversely affect the ability of the Company to carry out its obligations under this Indenture and the Notes.

Section 3.21. Removal of Restrictive Legends.

The Company agrees to cause the Transfer Agent or the transfer agent for the Shares, as applicable, to remove the restrictive legends on the Notes and/or the Conversion Shares, as applicable, when such securities are sold pursuant to Rule 144 under the Securities Act or an effective registration statement or may be sold without restriction under Rule 144. In connection therewith, if required by the Transfer Agent, the Company will promptly cause an opinion of counsel to be delivered to and maintained with the Transfer Agent, together with any other authorizations, certificates and directions required by the Transfer Agent that authorize and direct the Transfer Agent to transfer such securities without any such legends.

Section 3.22. Additional Amounts.

(A) All payments and deliveries made by or on behalf of the Company or any successor to the Company under or with respect to this Indenture and the Notes shall be made free and clear of and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments, or governmental charges of whatever nature imposed or levied (including any interest and penalties related thereto ("**Taxes**") unless such withholding or deduction of such Taxes is then required by law. If any such withholding or deduction is so required by or within any jurisdiction in which the Company or any successor to the Company is, for tax purposes, organized or resident for tax purposes or through which payment is made or deemed made (each, a "**Relevant Taxing Jurisdiction**", and in each case, any political subdivision or taxing authority thereof or therein), the Company or any successor to the Company shall pay or deliver to each Holder such additional amounts ("**Additional Amounts**") as may be necessary to ensure that the net amount received by the beneficial owners of the Notes after such withholding or deduction (and after deducting any taxes on the Additional Amounts) shall equal the amounts that would have been

received by such beneficial owners had no such withholding or deduction been required; provided that no Additional Amounts shall be payable for or on account of:

(i) any Taxes, to the extent such Taxes would not have been so imposed but for the existence of any present or former connection between the relevant Holder (or beneficial owner) and the Relevant Taxing Jurisdiction (including, without limitation, being resident for tax purposes, or being a citizen or resident or national of, or carrying on a business or maintaining a permanent establishment in, or being physically present in, the Relevant Taxing Jurisdiction) but excluding, in each case, any connection arising solely from the acquisition, ownership or holding of such Note, the receipt of any Conversion Shares or the exercise or enforcement of rights under such Note or this Indenture;

(ii) any Taxes, to the extent such Taxes are imposed or withheld by reason of the failure by the Holder or the beneficial owner of the Note to comply with a reasonable written request of the Company or any successor to the Company addressed to the Holder or beneficial owner, after reasonable notice (at least 30 days before any such withholding or deduction would be payable), to provide certification, information, documents or other evidence concerning the nationality, residence or identity of the Holder or such beneficial owner or to make any declaration or similar claim or satisfy any other reporting requirement relating to such matters, which is required by a statute, treaty, regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from all or part of such Taxes, but, only to the extent the Holder or beneficial owner is legally entitled to provide such certification, information, documentation or other evidence;

(iii) any Taxes, to the extent that such Taxes are imposed as a result of the presentation of the Note (where presentation is required) more than 30 days after the later of the applicable payment date, the date on which the relevant payment is first made available for payment to the Holder or the date of the delivery of Conversion Shares (except to the extent that the Holder would have been entitled to Additional Amounts had the Notes been presented on the last day of such 30 day period);

(iv) any Taxes that are payable otherwise than by deduction or withholding from a payment on the Notes;

(v) any estate, inheritance, gift, excise, sales, transfer, personal property or similar Taxes;

(vi) any Taxes imposed in connection with a Note presented for payment by or on behalf of a Holder or beneficial owner who would have been able to avoid such Taxes by presenting the relevant Note to, or otherwise accepting payment from, another Paying Agent in a different jurisdiction;

(vii) any applicable withholding Tax or deduction required by Section 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended ("FATCA"), any current or future treasury regulations or rulings promulgated thereunder, any law, regulation or other official guidance enacted in any jurisdiction implementing FATCA, any intergovernmental agreement between the United States and any other jurisdiction to

implement FATCA or any law enacted by such other jurisdiction to give effect to such agreement, or any agreement with the U.S. Internal Revenue Service under FATCA; or

(viii) any combination of the applicable Taxes referred to in the preceding clauses (i) through (vii).

(B) In addition, no Additional Amounts shall be paid with respect to a Holder who is a fiduciary or a partnership or any Person other than the beneficial owner of the Notes, to the extent that the beneficiary or settlor with respect to such fiduciary, the member of such partnership or the beneficial owner would not have been entitled to Additional Amounts had such beneficiary, settlor, member or beneficial owner held such Notes directly.

(C) The Company and any successor to the Company will (i) make any required withholding or deduction and (ii) remit the full amount deducted or withheld to the Relevant Taxing Jurisdiction in accordance with applicable law. The Company and any successor to the Company will provide certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such Taxes, or if such tax receipts are not available, certified copies or other reasonable evidence of such payments as soon as reasonably practicable to the Trustee. Such copies shall be made available to the Holders upon reasonable request and will be made available during office hours at the offices of the Paying Agent.

(D) Notwithstanding anything to the contrary herein, the Company shall pay any and all transfer, documentary, stamp, registration and other similar Taxes and fees incurred in connection with the issuance of the Notes.

(E) Any reference in this Indenture or the Notes in any context to the payment of principal or interest on any Note and/or the delivery of Conversion Shares upon conversion of any Note or any other amount payable on or with respect to the Notes shall be deemed to include payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable with respect to that amount pursuant to this **Section 3.22**.

Section 3.23. Creation, Perfection and Maintenance of Security Interest.

The Company shall at its expense, prepare, give, execute, deliver, file and/or record any notice, financing statement, continuation statement, public deed, instrument or agreement necessary to create, maintain, preserve, continue, perfect or validate a first priority security interest (subject to Permitted Liens) granted under the Security Documents or pursuant to the Security Documents for the benefit of the Holders and to protect the Collateral as set forth in the Security Documents.

Section 3.24. Transactions with Affiliates.

The Company shall not, and shall not permit any of its Subsidiaries, to, directly or indirectly, enter into, renew or extend any transaction (including, without limitation, the purchase, sale, lease or exchange of property or assets, or the rendering of any service) with any Affiliate of the Company (each an "**Affiliate Transaction**"), unless the Affiliate Transaction is on terms that are no less favorable to the Company or such Subsidiary, as the case may be, than those that could

be obtained, at the time of such transaction or, if such transaction is pursuant to a binding agreement, at the time such agreement was made, in a comparable arm's-length transaction by the Company or such Subsidiary, as the case may be, with a Person that is not an Affiliate of Company, in each case as determined in good faith by the Board of Directors consisted solely of disinterested members of the Board of Directors, whose determination shall be conclusive if evidenced by a Board Resolution.

Article 4. REPURCHASE AND REDEMPTION

Section 4.01. No Sinking Fund.

No sinking fund is required to be provided for the Notes.

Section 4.02. Right of Holders to Require the Company to Repurchase Notes.

(A) *Right of Holders to Require the Company to Repurchase Notes*. Each Holder will have the right, at its election:

(i) on or after August 1, 2027, to require the Company to repurchase (a "**Repurchase**") all of such Holder's Notes on the Repurchase Date for a Repurchase Price set out in **Section 4.02(C)(i)** (the "**Repurchase Right**"); or

(ii) upon the occurrence of a Fundamental Change, to require the Company to repurchase (a "**Fundamental Change Repurchase**") all of such Holder's Notes on the Fundamental Change Repurchase Date for a Fundamental Change Repurchase Price set out in **Section 4.02(C)(ii)** (the "**Fundamental Change Repurchase Right**").

(B) *Repurchase Date or Fundamental Change Repurchase Date*.

(i) The "**Repurchase Date**" will be a Business Day of the Holder's choosing that is no earlier than October 1, 2027, nor less than two (2) months after the date the Holder sends the related Repurchase Notice pursuant to **Section 4.02(D)(i)**.

(ii) The "**Fundamental Change Repurchase Date**" will be a Business Day of the Holder's choosing that is no less than 30 days after the date the Holder sends the related Fundamental Change Repurchase Notice pursuant to **Section 4.02(D)(ii)**.

(iii) On or before the 5th Business Day after the occurrence of a Fundamental Change, the Company shall provide to all Holders, the Trustee, the Paying Agent and the Conversion Agent (if other than the Trustee) a written notice (the "**Fundamental Change Company Notice**") of the occurrence of the Fundamental Change and of the Fundamental Change Repurchase Right arising as a result thereof. No failure of the Company to give the Fundamental Change Company Notice and no defect therein shall limit the Holders' repurchase rights or affect the validity of the proceedings for the repurchase of the Notes pursuant to this **Section 4.02**.

(C) *Repurchase Price or Fundamental Change Repurchase Price*. The repurchase price for any Note to be repurchased (i) upon a Repurchase, is an amount in cash equal to the principal amount of such Note plus accrued and unpaid interest on such Note to, but excluding, the Repurchase Date or (ii) upon a Fundamental Change Repurchase, is an amount in cash equal to 100% of the principal amount of such Note plus accrued and unpaid interest on such Note to, but excluding, the Fundamental Change Repurchase Date; *provided*, *however*, in each case, that if such Repurchase Date or the Fundamental Change Repurchase Date, as the case may be, is after a Regular Record Date and on or before the next Interest Payment Date, then (1) the Holder of record of such Note at the Close of Business on such Regular Record Date will be entitled, notwithstanding such Repurchase or Fundamental Change Repurchase, as the case may be,, to receive, on or, at the Company's election, before such Interest Payment Date, the unpaid interest that would have accrued on such Note to, but excluding, such Interest Payment Date (assuming, solely for these purposes, that such Note remained outstanding through such Interest Payment Date, if such Repurchase Date or such Fundamental Change Repurchase Date, as the case may be, is before such Interest Payment Date); and (ii) the Repurchase Price or the Fundamental Change Repurchase Price, as the case may be, will not include accrued and unpaid interest on such Note to, but excluding, such Repurchase Date or such Fundamental Change Repurchase Date, as the case may be. For the avoidance of doubt, if an Interest Payment Date is not a Business Day within the meaning of **Section 2.05(B)** and such Repurchase Date or Fundamental Change Repurchase Date, as the case may be, occurs on the Business Day immediately after such Interest Payment Date, then (x) accrued and unpaid interest on Notes to, but excluding, such Interest Payment Date will be paid, in accordance with **Section 2.05(B)**, on the next Business Day to Holders as of the Close of Business on the immediately preceding Regular Record Date; and (y) the Repurchase Price or the Fundamental Change Repurchase Price, as the case may be, will include interest on Notes to be repurchased from, and including, such Interest Payment Date to, but excluding, the Repurchase Date or the Fundamental Change Repurchase Date, as the case may be.

(D) *Repurchase Notice or Fundamental Change Repurchase Notice*. To require the Company to repurchase the Notes pursuant to (i) **Section 4.02(A)(i)**, a Holder must, at any time after August 1, 2027, but at least two months before the Repurchase Date, send to the Company, the Trustee, the Conversion Agent and the Paying Agent a Repurchase Notice; or (ii) **Section 4.02(A)(ii)**, a Holder must, at any time but at least 30 days before the Fundamental Change Repurchase Date, send to the Company, the Trustee, the Conversion Agent and the Paying Agent a Fundamental Change Repurchase Notice.

No defect in a Repurchase Notice or Fundamental Change Repurchase Notice will limit the Repurchase Right or the Fundamental Change Repurchase Right of any Holder or otherwise affect the validity of any proceedings relating to any such repurchase.

(E) *Procedures to Exercise the Repurchase Right or the Fundamental Change Repurchase Right*.

(i) *Delivery of Notice and Notes to Be Repurchased*. To exercise its Repurchase Right or Fundamental Change Repurchase Right, as the case may be, for a Note, the Holder thereof must deliver to the Paying Agent:

(1) in the case of the exercise of a Repurchase Right, at any time after August 1, 2027 and at least two months before the proposed Repurchase Date, a duly completed, written Repurchase Notice with respect to such Note;

(2) in the case of the exercise of a Fundamental Change Repurchase Right, at least 30 days before the proposed Fundamental Change Repurchase Date, a duly completed, written Fundamental Change Repurchase Notice with respect to such Note; and

(3) such Note, duly endorsed for transfer (if such Note is a Physical Note) or by book-entry transfer (if such Note is a Global Note).

The Paying Agent will promptly deliver to the Company a copy of each Repurchase Notice or Fundamental Change Repurchase Notice that it receives.

(ii) *Contents of Repurchase Notices or Fundamental Change Repurchase Notices*. Each Repurchase Notice or Fundamental Change Repurchase Notice, as the case may be, with respect to a Note must state:

(1) that the Company is required to repurchase the Notes, briefly describing the right of the relevant Holder to require repurchase under this Indenture;

(2) the Repurchase Date or the Fundamental Change Repurchase Date, as the case may be;

(3) the Repurchase Price or the Fundamental Change Repurchase Price, as the case may be (and, if such Repurchase Date or Fundamental Change Repurchase Date is after a Regular Record Date and on or before the next Interest Payment Date, the amount, manner and timing of the interest payment payable pursuant to the proviso to **Section 4.02(C)**);

(4) the name and address of the Paying Agent and the Conversion Agent;

(5) that such Note must be delivered to the Paying Agent for the Holder thereof to be entitled to receive the Repurchase Price or the Fundamental Change Repurchase Price, as the case may be;

(6) that immediately upon being called for repurchase, such Note may not be converted at any time after the date of the Repurchase Notice or Fundamental Change Repurchase Notice, as the case may be;

(7) the CUSIP or ISIN numbers, if any, of such Note;

(8) if such Note is a Physical Note, the certificate number of such Note;

(9) the principal amount of such Note, which must be an Authorized Denomination; and

(10) that such Holder is exercising its Repurchase Right or Fundamental Change Repurchase Right with respect to all of the principal amount of such Note,

provided, *however*, that if such Note is a Global Note, then such Repurchase Notice or Fundamental Change Repurchase Notice, as the case may be, must comply with the Depositary Procedures (and any such Repurchase Notice or Fundamental Change Repurchase Notice, as the case may be, delivered in compliance with the Depositary Procedures will be deemed to satisfy the requirements of this **Section 4.02(E)** as applicable).

(iii) *No Withdrawal of Repurchase Notice or Fundamental Change Repurchase Notice*. Once delivered, a Repurchase Notice or Fundamental Change Repurchase Notice with respect to a Note is irrevocable and unless agreed by the Company in writing, the relevant Holder may not withdraw such Repurchase Notice or Fundamental Change Repurchase Notice, as the case may be.

(F) *Payment of the Repurchase Price or Fundamental Change Repurchase Price*. Without limiting the Company's obligation to deposit the Repurchase Price or Fundamental Change Repurchase Price, as the case may be, within the time proscribed by **Section 3.01(B)**, the Company will cause the Repurchase Price or Fundamental Change Repurchase Price, as the case may be, for a Note (or portion thereof) to be repurchased pursuant to a Repurchase or a Fundamental Change Repurchase to be paid to the Holder thereof on or before the later of (i) the Repurchase Date or Fundamental Change Repurchase Date, the case may be; and (ii) the date (x) such Note is delivered to the Paying Agent (in the case of a Physical Note) or (y) the Depositary Procedures relating to the repurchase, and the delivery to the Paying Agent, of such Holder's beneficial interest in such Note to be repurchased are complied with (in the case of a Global Note). For the avoidance of doubt, interest payable pursuant to the proviso to **Section 4.02(C)** on any Note to be repurchased pursuant to a Repurchase or a Fundamental Change Repurchase, as the case may be, must be paid pursuant to such proviso regardless of whether such Note is delivered or such Depositary Procedures are complied with pursuant to the first sentence of this **Section 4.02(F)**.

(G) *Compliance with Applicable Securities Laws*. To the extent applicable, the Company will comply in all material respects with all federal and state securities laws in connection with a Repurchase or Fundamental Change Repurchase so as to permit effecting such Repurchase or Fundamental Change Repurchase, as the case may be, in the manner set forth in this Indenture; *provided*, however, that, to the extent that the Company's obligations to offer to repurchase and to repurchase Notes pursuant to this **Section 4.02** conflict with any federal and/or state securities law or regulation that is applicable to the Company, the Company's compliance with such law or regulation will not be considered to be a Default of those obligations.

(H) *No Repurchase in Part*. Subject to the terms of this **Section 4.02**, Notes may not be repurchased pursuant to a Repurchase or Fundamental Change Repurchase in part.

Section 4.03. Right of the Company to Redeem the Notes.

(A) *Right of the Company to Redeem the Notes*. Subject to the terms of this **Section 4.03**, the Company has the right, at its election, to redeem all of the Notes (except in respect of Holders that elect otherwise as described below), in whole but not in part, together with all accrued and unpaid interest, on a Redemption Date that is on or after June 2, 2028 and prior to the seventh (7th) Business Day immediately before the Maturity Date, for a cash purchase price equal to the Redemption Price.

(B) *Redemption Date*. The Redemption Date for any Redemption will be a Business Day of the Company's choosing that is on or after June 2, 2028 and prior to the seventh (7th) Business Day immediately before the Maturity Date and no less than one (1) month after the Redemption Notice Date for such Redemption.

(C) *Redemption Price*. The Redemption Price is an amount in cash equal to 100.0% of the aggregate principal amount of the Notes then outstanding plus accrued and unpaid interest on such Notes to, but excluding, the Redemption Date for such Redemption; *provided*, *however*, that if the Redemption Date is after a Regular Record Date and on or before the next Interest Payment Date, then (i) the Redemption Price will be calculated by reference to the unpaid interest that would have accrued on such Note to, but excluding, such Interest Payment Date; and (ii) the Redemption Price will not include accrued and unpaid interest on such Note to, but excluding, such Redemption Date. For the avoidance of doubt, if an Interest Payment Date is not a Business Day within the meaning of **Section 2.05(B)** and such Redemption Date occurs on the Business Day immediately after such Interest Payment Date, then (x) accrued and unpaid interest on Notes to, but excluding, such Interest Payment Date will be included in the calculation of the Redemption Price; and (y) the Redemption Price will include interest on Notes to be redeemed from, and including, such Interest Payment Date to, but excluding, such Redemption Date.

(D) *Redemption Notice*. To call any Notes for Redemption, the Company must send to each Holder of such Notes, the Trustee and the Paying Agent a written notice of such Redemption (a "**Redemption Notice**").

Such Redemption Notice must state:

(i) that such Notes have been called for Redemption, briefly describing the Company's Redemption right under this Indenture;

(ii) the Redemption Date for such Redemption;

(iii) the applicable Redemption Price;

(iv) the name and address of the Paying Agent and the Conversion Agent;

(v) that upon being called for Redemption, such Notes may be converted in whole, but not in part, at any time before the Close of Business on the Business Day immediately before the Redemption Date (or, if the Company fails to pay the Redemption Price due on such Redemption Date in full, at any time until such time as the Company pays such Redemption Price in full), into Shares pursuant to Article 5; and

(vi) the CUSIP or ISIN numbers, if any, of such Notes.

On or before the Redemption Notice Date, the Company will send a copy of such Redemption Notice to the Trustee and the Paying Agent.

(E) *Payment of the Redemption Price*. Without limiting the Company's obligation to deposit the Redemption Price by the time proscribed by **Section 3.01(B)**, the Company will cause the Redemption Price for a Note subject to Redemption to be paid to the Holder thereof on or before the applicable Redemption Date. For the avoidance of doubt, any interest payable pursuant to the proviso to **Section 4.02(C)** on any Note subject to Redemption must be paid pursuant to such proviso.

(F) *Right to Convert after Issuance of Redemption Notice*. After the issuance of the Redemption Notice by the Company, each Holder shall, at any time before the Close of Business on the Business Day immediately before the Redemption Date (or, if the Company fails to pay the Redemption Price due on such Redemption Date in full, before the Close of Business on the fifth (5th) Business Day after the Redemption Date), have the option to convert its Notes into Conversion Consideration in accordance with Article 5.

Section 4.04. Optional Redemption for Changes in the Tax Laws.

(A) *Right of the Company to Redeem the Note for Taxation Reasons.* The Company may redeem the Notes, in whole but not in part (except in respect of Holders that elect otherwise as described below), at the Company's option (a "**Tax Redemption**") at a redemption price equal to 102% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the date fixed by the Company for redemption ("**Tax Redemption Price**") if, on the next date on which any amount would be payable or delivery owed in respect of the Notes (or, in the case of any Additional Amounts with respect to Conversion Consideration, the next date on which a Holder may exercise its conversion rights), the Company would be required to pay any Additional Amounts, and the Company cannot avoid any such payment obligation by taking reasonable measures available to the Company (provided that changing the Company's jurisdiction is not, a reasonable measure for purposes of this **Section 4.04(A)**), as a result of:

(i) any amendment to, or change in, the laws or any regulations or rulings promulgated thereunder of a Relevant Taxing Jurisdiction that is not announced before and becomes effective after the October 31, 2025 (or, if the applicable Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction on a date after October 31, 2025, such later date); or

(ii) any amendment to, or change in, an official interpretation or application regarding such laws, regulations or rulings, including by virtue of a holding, judgment or order by a court of competent jurisdiction or a change in administrative practice that is not announced before, and becomes effective after October 31, 2025 (or, if the applicable Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction on a date after October 31, 2025, such later date); or

(iii) any amendment to, or change in the laws or any regulations or rulings promulgated thereunder, or any amendment to, or change in, an official interpretation or

application regarding such laws, regulations or rulings, including by virtue of a holding, judgment or order by a court of competent jurisdiction or a change in administrative practice, in each case, of the PRC, which is not announced before and becomes effective after October 31, 2025 (any such amendment or change described in clauses (i), (ii), or (iii), a "**Change in Tax Law**").

(B) *Notices of Tax Redemption*. If the Company exercises its Tax Redemption right pursuant to **Section 4.04(A)**, it shall fix a date for Tax Redemption (each, a "**Tax Redemption Date**") and it shall provide notice of the Tax Redemption in accordance with the procedures described in **Section 4.03(D)** (such notice, a "**Tax Redemption Notice**"). Notwithstanding the foregoing, no such Tax Redemption Notice will be given more than sixty (60) days prior to the Tax Redemption Date to the Trustee, the Paying Agent, the Conversion Agent and each Holder of Notes (the date such notice is delivered, the "**Tax Redemption Notice Date**"). The Tax Redemption Date must be a Business Day.

(C) *Payments of Notes Called for Tax Redemption.* If any Tax Redemption Notice has been given in respect of the Notes in accordance with **Section 4.04(B)**, the Notes shall become due and payable on the Tax Redemption Date at the place or places stated in the Tax Redemption Notice and at the applicable Tax Redemption Price. On presentation and surrender of the Notes at the place or places stated in the Tax Redemption Notice, the Notes shall be paid and redeemed by the Company at the applicable Tax Redemption Price.

(D) *Right to Convert after Issuance of Tax Redemption Notice*. After the issuance of the Tax Redemption Notice by the Company, each Holder shall, at any time before the Close of Business on the Business Day immediately before the Tax Redemption Date (or, if the Company fails to pay the Tax Redemption Price due on such Tax Redemption Date in full, before the Close of Business on the fifth (5th) Business Day after the Tax Redemption Date), have the option to convert its Notes into Conversion Consideration in accordance with Article 5.

Section 4.05. Repurchases at the Option of the Company

The Company or any of its Subsidiaries may at any time and from time to time, directly or indirectly repurchase Notes without notice to, or consent of, the Trustee, any Note Agent or any Holder, *provided* that (A) unless waived in writing by the relevant Holder, any such repurchase must be made through an offer to all Holders on identical terms and if the aggregate principal amount of Notes tendered in such offer to repurchase exceeds the amount offered to be repurchased by the Company or any of its Subsidiaries, the Notes will be repurchased on a pro rata basis based on the principal amount of the Notes tendered and (B) the Company or any of its Subsidiaries shall surrender to the Trustee for cancellation in accordance with **Section 2.14** any Notes that the Company or any of its Subsidiaries repurchases. In connection with any such repurchase, the Company may appoint a tender agent, in which case such tender agent shall be the Paying Agent in connection with such repurchase.

Article 5. CONVERSION

Section 5.01. Right to Convert.

(A) *Holder's Right to Convert*. Subject to the provisions of this **Article 5**, at any time from the Issue Date, each Holder may, in its sole discretion, convert all or part of such Holder's Notes into Conversion Consideration in accordance with this **Article 5**.

(B) *[Reserved]*.

(C) *Conversions in Whole or in Part*. Notes may be converted in whole or in part, *provided* that the principal amount of the Notes that a Holder elects to be partially converted shall be at least US$5 million for each conversion.

(D) *Limitations and Closed Periods.* Notwithstanding anything to the contrary in this Indenture or the Notes:

(i) Notes may be surrendered for conversion only after the Open of Business and before the Close of Business on a day that is a Business Day;

(ii) in no event may any Note be converted after the Close of Business on the second (2nd) Business Day immediately before the Maturity Date;

(iii) if the Company calls any Note for Redemption pursuant to **Section 4.03** or Tax Redemption pursuant to **Section 4.04**, then the Holder of such Note may not convert such Note after the Close of Business on the Business Day immediately before the applicable Redemption Date or Tax Redemption Date, as the case may be, except to the extent the Company fails to pay the Redemption Price or Tax Redemption Price, as the case may be, for such Note in accordance with this Indenture; and

(iv) if a Repurchase Notice or Fundamental Change Repurchase Notice, as the case may be, is validly delivered pursuant to **Section 4.02(D)** with respect to any Note, then such Note may not be converted, except to the extent the Company fails to pay the Repurchase Price or Fundamental Change Repurchase Price, as the case may be, for such Note in accordance with this Indenture.

Section 5.02. Conversion Procedures.

(A) *Conversion at the Holder's Option*.

(i) *Global Notes*. To convert a beneficial interest in a Global Note that is convertible at the option of the Holder thereof pursuant to **Section 5.01**, the owner of such beneficial interest must (1) comply with the Depositary Procedures for converting such beneficial interest (at which time such conversion will become irrevocable); and (2) pay any amounts due pursuant to **Section 5.02(F)**.

(ii) *Physical Notes*. To convert a Physical Note that is convertible at the option of the Holder thereof pursuant to **Section 5.01**, the Holder of such Note must (1) complete,

manually sign and deliver to the Conversion Agent the notice of conversion attached to such Physical Note (a notice of conversion attached to a Physical Note as set forth in this **Section 5.02(A)**, a "**Notice of Conversion**"); (2) deliver such Physical Note to the Conversion Agent (at which time such conversion will become irrevocable); (3) furnish any endorsements and transfer documents that the Company or the Conversion Agent may require; and (4) pay any amounts due pursuant to **Section 5.02(F)**.

(B) *[Reserved]*

(C) *Effect of Converting a Note*. At the Close of Business on the Conversion Date, such Note will (unless there occurs a Default in the delivery of the Conversion Consideration and cash in lieu of fractional Shares due, pursuant to **Section 5.03(C)** or **Section 5.02(E)**, upon such conversion) be deemed to cease to be outstanding (and, for the avoidance of doubt, no Person will be deemed to be a Holder of such Note as of the Close of Business on such Conversion Date), except to the extent provided in **Section 5.02(E)**.

(D) *Holder of Record of Conversion Shares*. The Person in whose name any Share is issuable upon conversion of any Note will be deemed to become the holder of record of such share as of the Close of Business on the Conversion Date for such conversion.

(E) *Interest Payable upon Conversion in Certain Circumstances*. If the Conversion Date of a Note is after a Regular Record Date and before the next Interest Payment Date, then (i) the Holder of such Note at the Close of Business on such Regular Record Date will be entitled, notwithstanding such conversion (and, for the avoidance of doubt, notwithstanding anything set forth in the proviso to this sentence), to receive, on or, at the Company's election, before such Interest Payment Date, the unpaid interest that would have accrued on such Note to, but excluding, such Interest Payment Date (assuming, solely for these purposes, that such Note remained outstanding through such Interest Payment Date); and (ii) the Holder surrendering such Note for conversion must deliver to the Conversion Agent, at the time of such surrender, an amount of cash equal to the amount of such interest referred to in clause (i) above; *provided*, *however*, that the Holder surrendering such Note for conversion need not deliver such cash (w) if the Company has specified a Redemption Date that is after such Regular Record Date and on or before the Business Day immediately after such Interest Payment Date; (x) if such Conversion Date occurs after the Regular Record Date immediately before the Maturity Date; (y) if the Company has specified a Repurchase Date or Fundamental Change Repurchase Date that is after such Regular Record Date and on or before the Business Day immediately after such Interest Payment Date; or (z) to the extent of any overdue interest or interest that has accrued on any overdue interest. For the avoidance of doubt, as a result of, and without limiting the generality of, the foregoing, if a Note is converted with a Conversion Date that is after the Regular Record Date immediately before the Maturity Date, any Redemption Date described in clause (w) above and any Repurchase Date or Fundamental Change Repurchase Date described in clause (y) above, then the Company will pay, as provided above, the interest that would have accrued on such Note to, but excluding, the Maturity Date or other applicable Interest Payment Date to Holders as of the Close of Business on the Regular Record Date immediately before the Maturity Date. For the avoidance of doubt, if the Conversion Date of a Note to be converted is on an Interest Payment Date, then the Holder of such Note at the Close of Business on the Regular Record Date immediately before such Interest Payment Date will be entitled to receive, on such Interest Payment Date, the unpaid interest that

has accrued on such Note to, but excluding, such Interest Payment Date, and such Note, when surrendered for conversion, need not be accompanied by any cash amount pursuant to the first sentence of this **Section 5.02(E)**.

(F) *Taxes and Duties*. If a Holder converts a Note, the Company will pay any documentary, stamp or similar issue or transfer tax or duty due on the issue of any Share upon such conversion; *provided*, *however*, that if any tax or duty is due because such Holder requested such shares to be registered in a name other than such Holder's name, then such Holder will pay such tax or duty.

(G) *Conversion Agent to Notify Company of Conversions*. If any Note is submitted for conversion to the Conversion Agent or the Conversion Agent receives any written notice of conversion with respect to a Note, then the Conversion Agent will promptly (and, in any event, no later than the Business Day following the date the Conversion Agent receives such Note or notice) notify the Company and the Trustee of such occurrence, together with any other information reasonably requested by the Company or the Trustee, and will cooperate with the Company to determine the Conversion Date for such Note.

Section 5.03. Settlement upon Conversion.

(A) *Settlement Method*. Upon the conversion of any Note, the Company will settle such conversion by issuing Shares.

(B) *Conversion Consideration*.

(i) *Generally*. Subject to **Section 5.03(B)(iii)** and **Section 5.03(B)(iv)**, the type and amount of consideration (the "**Conversion Consideration**") due in respect of a Note to be converted will be:

(1) a number of fully paid, validly issued and non-assessable Shares determined by dividing (x) the principal of such Note then outstanding (including capitalized PIK Interest) and all accrued and unpaid interest by (y) the applicable Conversion Price;

(2) if the Company calls any Note for Redemption pursuant to **Section 4.03** or Tax Redemption pursuant to **Section 4.04** and the Holder thereof elects to convert all of such Note into Shares at any time before the Close of Business on the Business Day immediately before the Redemption Date or Tax Redemption Date (or, if the Company fails to pay the Redemption Price or Tax Redemption Price due on such Redemption Date or Tax Redemption Date in full, on the Redemption Date or Tax Redemption Date, as the case may be), a number of fully paid, validly issued and non-assessable Shares determined by dividing the Redemption Price or Tax Redemption Price, as the case may be, by the applicable Conversion Price.

(ii) *Partial Conversions*. In case any Note shall be surrendered for partial conversion, the Company shall execute and upon receipt of a Company Order, the Trustee shall authenticate and deliver to the Holder of the Note so surrendered a new Note or Notes in authorized denominations in an aggregate principal amount equal to the unconverted

portion of the surrendered Note, without payment of any service charge by the converting Holder.

(iii) *Cash in Lieu of Fractional Shares*. The Company shall not issue any fraction of a Share upon any conversion. If the number of Shares deliverable upon any conversion is not a whole number, then such number will be rounded down to the nearest whole number and the Company will deliver, in addition to the other consideration due upon such conversion, cash in lieu of the related fractional share in an amount equal to the product of (1) such fraction and (2) the Last Reported Sale Price on the Conversion Date for such conversion (or, if such Conversion Date is not a Trading Day, the immediately preceding Trading Day).

(iv) *Conversion of Multiple Notes by a Single Holder*. If a Holder converts more than one (1) Note on a single Conversion Date, then the Conversion Consideration due in respect of such conversion will (in the case of any Global Note, to the extent permitted by, and practicable under, the Depositary Procedures) be computed based on the total principal amount of Notes converted on such Conversion Date by such Holder.

(C) *Delivery of the Conversion Consideration*. Except as set forth in **Section 5.05** and **Section 5.08**, the Company will deliver the Conversion Consideration due upon the conversion of any Note to the Holder thereof: on the second (2nd) Business Day immediately after the Conversion Date for such conversion; *provided*, *however*, that if the Conversion Date in respect of the conversion of any Note is after the Regular Record Date immediately before the Maturity Date, then, solely for purposes of such conversion, (x) the Company will deliver the Conversion Consideration due upon such conversion on the Maturity Date (or, if the Maturity Date is not a Business Day, the next Business Day); and (y) the Conversion Date will instead be deemed to be the second (2nd) Business Day immediately before the Maturity Date.

Section 5.04. Shares to Be Fully Paid.

Each Conversion Share, if any, issued upon conversion of any Note will be duly and validly issued, fully paid, non-assessable and free of any pre-emptive rights, Lien or adverse claim (except to the extent of any Lien or adverse claim created by the action or inaction of the Holder of such Note or the Person to whom such Conversion Share will be delivered). If the Shares are then listed on any securities exchange, or quoted on any inter-dealer quotation system, then the Company will cause each Conversion Share, when issued upon conversion of any Note, to be admitted for listing on such exchange or quotation on such system.

Section 5.05. Adjustments to the Conversion Price.

(A) *Events Requiring an Adjustment to the Conversion Price*. The Conversion Price will be adjusted from time to time as follows:

(i) *Share Dividends, Subdivisions and Consolidations*. If the Company issues solely Shares as a dividend or distribution on all or substantially all Shares, or if the Company effects a share subdivision or share consolidation of the Shares (in each case excluding an issuance solely pursuant to a Share Change Event, as to which **Section 5.08** will apply), then the Conversion Price will be adjusted based on the following formula:

$$CP_1 = CP_0 \times \frac{OS_0}{OS_1}$$

where:

CP₀ = the Conversion Price in effect immediately before the Open of Business on the Ex-Date for such dividend or distribution, or immediately before the Open of Business on the effective date of such share subdivision or share consolidation, as applicable;

CP₁ = the Conversion Price in effect immediately after the Open of Business on such Ex-Date or effective date, as applicable;

OS₀ = the aggregate number of Shares outstanding immediately before the Open of Business on such Ex-Date or effective date, as applicable, without giving effect to such dividend, distribution, share subdivision or share consolidation; and

OS₁ = the aggregate number of Shares outstanding immediately after giving effect to such dividend, distribution, share subdivision or share consolidation.

If any dividend, distribution, share subdivision or share consolidation of the type described in this **Section 5.05(A)(i)** is declared or announced, but not so paid or made, then the Conversion Price will be readjusted, effective as of the date the Board of Directors determines not to pay such dividend or distribution or to effect such share subdivision or share consolidation, to the Conversion Price that would then be in effect had such dividend, distribution, share subdivision or share consolidation not been declared or announced.

(ii) *Rights, Options and Warrants*. If the Company (A) distributes, to all or substantially all holders of Shares, or (B) grants, to certain Persons who may or may not be existing holders of Shares, rights, options or warrants (other than rights issued or otherwise distributed pursuant to a shareholder rights plan, as to which **Section 5.05(A)(iv)(1)** and **Section 5.05(E)** will apply) entitling such holders, for a period of not more than sixty (60) calendar days after the record date of such distribution, to subscribe for or purchase Shares at a price per share that is less than the average of the Last Reported Sale Prices per Share for the ten (10) consecutive Trading Days ending on, and including, the Trading Day immediately before the date such distribution is announced, then the Conversion Price will be reduced based on the following formula:

$$CP_1 = CP_0 \times \frac{OS + Y}{OS + X}$$

where:

CP₀ = the Conversion Price in effect immediately before the Open of Business on the Ex-Date for such distribution;

CP_1 = the Conversion Price in effect immediately after the Open of Business on such Ex-Date;

OS = the number of Shares outstanding immediately before the Open of Business on such Ex-Date;

X = the total maximum number of Shares issuable pursuant to such rights, options or warrants; and

Y = a number of Shares obtained by dividing (x) the aggregate price payable to exercise such rights, options or warrants by (y) the average of the Last Reported Sale Prices per Share for the ten (10) consecutive Trading Days ending on, and including, the Trading Day immediately before the date such distribution is announced.

To the extent such rights, options or warrants are not so distributed, the Conversion Price will be readjusted to the Conversion Price that would then be in effect had the reduction in the Conversion Price for such distribution been made on the basis of only the rights, options or warrants, if any, actually distributed. In addition, to the extent that Shares are not issued after the expiration of such rights, options or warrants (including as a result of such rights, options or warrants not being exercised), the Conversion Price will be readjusted to the Conversion Price that would then be in effect had the reduction in the Conversion Price for such distribution been made on the basis of delivery of only the number of Shares actually issued upon exercise of such rights, option or warrants.

For purposes of this **Section 5.05(A)(ii)**, in determining whether any rights, options or warrants entitle holders of Shares to subscribe for or purchase Shares at a price per share that is less than the average of the Last Reported Sale Prices per Share for the ten (10) consecutive Trading Days ending on, and including, the Trading Day immediately before the date the distribution of such rights, options or warrants is announced, and in determining the aggregate price payable to exercise such rights, options or warrants, there will be taken into account any consideration the Company receives for such rights, options or warrants and any amount payable on exercise thereof, with the value of such consideration, if not cash, to be determined by the Board of Directors.

(iii) *Shares, rights, options, warrants or other Equity Securities Issued below Conversion Price*. If the Company sells, issues, grants or distributes any Shares, rights, options, warrants or other Equity Securities entitling such holders to subscribe for, purchase or acquire Shares, at a price per share that is less than the Conversion Price, then the Conversion Price will be reduced based on the following formula:

$$CP_1 = CP_0 \times \frac{OS + Y}{OS + X}$$

where:

CP_0 = the Conversion Price in effect immediately before the Open of Business on the Ex-Date for such distribution;

CP_1 = the Conversion Price in effect immediately after the Open of Business on such Ex-Date;

OS = the number of Shares outstanding immediately before the Open of Business on such Ex-Date;

X = the total number of Shares issuable pursuant to such issuance; and

Y = a number of Shares obtained by dividing (x) the aggregate price payable to such issuance or to exercise such rights, options or warrants or other Equity Securities by (y) the Conversion Price.

To the extent such Shares or Equity Securities are not so sold, issued, granted or distributed, the Conversion Price will be readjusted to the Conversion Price that would then be in effect had the reduction in the Conversion Price for such sale, issuance, grant or distribution been made on the basis of only the shares, rights, options, warrants or other Equity Securities, if any, actually distributed. In addition, to the extent that Shares are not delivered after the expiration of such rights, options, warrants or other Equity Securities (including as a result of such rights, options, warrants or Equity Securities not being exercised), the Conversion Price will be readjusted to the Conversion Price that would then be in effect had the reduction in the Conversion Price for such sale, issuance, grant or distribution been made on the basis of delivery of only the number of Shares actually issued upon exercise of such rights, option or warrants.

For purposes of this **Section 5.05(A)(iii)**, in determining whether any rights, options, warrants or Equity Securities entitle holders of Shares to subscribe for or purchase Shares at a price per share that is less than the Conversion Price, and in determining the aggregate price payable to exercise such rights, options, warrants or Equity Securities, there will be taken into account any consideration the Company receives for such rights, options or warrants and any amount payable on exercise thereof, with the value of such consideration, if not cash, to be determined by the Board of Directors.

(iv) *Spin-Offs and Other Distributed Property*.

(1) *Distributions Other than Spin-Offs*. If the Company distributes shares, evidences of its Indebtedness or other assets or property of the Company, or rights, options or warrants to acquire shares of the Company or other securities, to all or substantially all holders of the Shares, excluding:

(a) dividends, distributions, rights, options or warrants for which an adjustment to the Conversion Price is required pursuant to **Section 5.05(A)(i)** or **Section 5.05(A)(ii)**;

(b) dividends or distributions paid exclusively in cash for which an adjustment to the Conversion Price is required pursuant to **Section 5.05(A)(iv)**;

(c) rights issued or otherwise distributed pursuant to a shareholder rights plan, except to the extent provided in **Section 5.05(E)**;

(d) Spin-Offs for which an adjustment to the Conversion Price is required pursuant to **Section 5.05(A)(iii)(2)**;

(e) a distribution solely pursuant to a tender offer or exchange offer for Shares, as to which **Section 5.05(A)(vi)** will apply; and

(f) a distribution solely pursuant to a Share Change Event, as to which **Section 5.08** will apply,

then the Conversion Price will be reduced based on the following formula:

$$CP_1 = CP_0 \times \frac{SP - FMV}{SP}$$

where:

CP₀ = the Conversion Price in effect immediately before the Open of Business on the Ex-Date for such distribution;

CP₁ = the Conversion Price in effect immediately after the Open of Business on such Ex-Date;

SP = the average of the Last Reported Sale Prices per Share for the ten (10) consecutive Trading Days ending on, and including, the Trading Day immediately before such Ex-Date; and

FMV = the Fair Market Value, as of such Ex-Date, of the shares, evidences of Indebtedness, assets, property, rights, options or warrants distributed per Share pursuant to such distribution;

provided, *however*, that if *FMV* is equal to or greater than *SP*, then, in lieu of the foregoing adjustment to the Conversion Price, each Holder will receive, for the principal amount of Notes held by such Holder on the record date for such distribution, at the same time and on the same terms as holders of Shares, the amount and kind of shares, evidences of Indebtedness, assets, property, rights, options or warrants that such Holder would have received if such Holder had owned, on such record date, a number of Shares equal to the Conversion Consideration calculated with the Conversion Price in effect on such record date.

To the extent such distribution is not so paid or made, the Conversion Price will be readjusted to the Conversion Price that would then be in effect had the adjustment been made on the basis of only the distribution, if any, actually made or paid.

(2) *Spin-Offs*. If the Company distributes or dividends shares of any class or series, or similar equity interests, of or relating to an Affiliate, a Subsidiary or other business unit of the Company to all or substantially all holders of the Shares

(other than solely pursuant to (x) a Share Change Event, as to which **Section 5.08** will apply; or (y) a tender offer or exchange offer for Shares, as to which **Section 5.05(A)(vi)** will apply), and such shares or equity interests are listed or quoted (or will be listed or quoted upon the consummation of the transaction) on a U.S. national securities exchange (a "**Spin-Off**"), then the Conversion Price will be reduced based on the following formula:

$$CP_1 = CP_0 \times \frac{SP}{FMV + SP}$$

where:

CP_0 = the Conversion Price in effect immediately before the Close of Business on the last Trading Day of the Spin-Off Valuation Period for such Spin-Off;

CP_1 = the Conversion Price in effect immediately after the Close of Business on the last Trading Day of the Spin-Off Valuation Period;

FMV = the product of (x) the average of the Last Reported Sale Prices per share or unit of the shares or equity interests distributed in such Spin-Off over the ten (10) consecutive Trading Day period (the "**Spin-Off Valuation Period**") beginning on, and including, the Ex-Date for such Spin-Off (such average to be determined as if references to Shares in the definitions of Last Reported Sale Price, Trading Day and Market Disruption Event were instead references to such shares or equity interests); and (y) the number of shares or equity interests distributed per Share in such Spin-Off; and

SP = the average of the Last Reported Sale Prices per Share for each Trading Day in the Spin-Off Valuation Period.

Notwithstanding anything to the contrary in this **Section 5.05(A)(iv)(2)**, if the Conversion Date for a Note occurs during the Spin-Off Valuation Period for such Spin-Off, then, solely for purposes of determining the Conversion Consideration for such conversion, such Spin-Off Valuation Period will be deemed to consist of the Trading Days occurring in the period from, and including, the Ex-Date for such Spin-Off to, and including, such Conversion Date.

To the extent any dividend or distribution of the type set forth in this **Section 5.05(A)(iv)(2)** is declared but not made or paid, the Conversion Price will be readjusted to the Conversion Price that would then be in effect had the adjustment been made on the basis of only the dividend or distribution, if any, actually made or paid.

(v) *Cash Dividends or Distributions*. If any cash dividend or distribution is made to all or substantially all holders of Shares, then the Conversion Price will be reduced based on the following formula:

$$CP_1 = CP_0 \times \frac{SP - D}{SP}$$

where:

CP₀ = the Conversion Price in effect immediately before the Open of Business on the Ex-Date for such dividend or distribution;

CP₁ = the Conversion Price in effect immediately after the Open of Business on such Ex-Date;

SP = the Last Reported Sale Price per Share on the Trading Day immediately before such Ex-Date; and

D = the cash amount distributed per Share in such dividend or distribution;

provided, *however*, that if *D* is equal to or greater than *SP*, then, in lieu of the foregoing adjustment to the Conversion Price, each Holder will receive, for the principal amount of Notes held by such Holder on the record date for such dividend or distribution, at the same time and on the same terms as holders of Shares, the amount of cash that such Holder would have received if such Holder had owned, on such record date, a number of Shares equal to the Conversion Consideration calculated with the Conversion Price in effect on such record date.

To the extent such dividend or distribution is declared but not made or paid, the Conversion Price will be readjusted to the Conversion Price that would then be in effect had the adjustment been made on the basis of only the dividend or distribution, if any, actually made or paid.

(vi) *Tender Offers or Exchange Offers*. If the Company or any of its Subsidiaries makes a payment in respect of a tender offer or exchange offer for Shares (other than solely pursuant to an odd-lot tender offer pursuant to Rule 13e-4(h)(5) under the Exchange Act), and the value (determined as of the Expiration Time by the Board of Directors) of the cash and other consideration paid per Share in such tender or exchange offer exceeds the Last Reported Sale Price per Share on the Trading Day immediately after the last date (the "**Expiration Date**") on which tenders or exchanges may be made pursuant to such tender or exchange offer (as it may be amended), then the Conversion Price will be reduced based on the following formula:

$$CP_1 = CP_0 \times \frac{SP \times OS_0}{AC + (SP \times OS_1)}$$

where:

CP_0 = the Conversion Price in effect immediately before the Close of Business on the last Trading Day of the Tender/Exchange Offer Valuation Period for such tender or exchange offer;

CP_1 = the Conversion Price in effect immediately after the Close of Business on the last Trading Day of the Tender/Exchange Offer Valuation Period;

AC = the aggregate value (determined as of the time (the "**Expiration Time**") such tender or exchange offer expires by the Board of Directors) of all cash and other consideration paid for Shares purchased or exchanged in such tender or exchange offer;

OS_0 = the number of Shares outstanding immediately before the Expiration Time (including all Shares accepted for purchase or exchange in such tender or exchange offer);

OS_1 = the number of Shares outstanding immediately after the Expiration Time (excluding all Shares accepted for purchase or exchange in such tender or exchange offer); and

SP = the average of the Last Reported Sale Prices per Share over the ten (10) consecutive Trading Day period (the "**Tender/Exchange Offer Valuation Period**") beginning on, and including, the Trading Day immediately after the Expiration Date;

provided, *however*, that the Conversion Price will in no event be adjusted up pursuant to this **Section 5.05(A)(vi)**, except to the extent provided in the immediately following paragraph. Notwithstanding anything to the contrary in this **Section 5.05(A)(vi)**, if the Conversion Date for a Note occurs during the Tender/Exchange Offer Valuation Period for such tender or exchange offer, then, solely for purposes of determining the Conversion Consideration for such conversion, such Tender/Exchange Offer Valuation Period will be deemed to consist of the Trading Days occurring in the period from, and including, the Trading Day immediately after the Expiration Date to, and including, such Conversion Date.

To the extent such tender or exchange offer is announced but not consummated (including as a result of the Company being precluded from consummating such tender or exchange offer under applicable law), or any purchases or exchanges of Shares in such tender or exchange offer are rescinded, the Conversion Price will be readjusted to the Conversion Price that would then be in effect had the adjustment been made on the basis of only the purchases or exchanges of Shares, if any, actually made, and not rescinded, in such tender or exchange offer.

(vii) *Other Events*. In addition to and not in substitution for any other rights hereunder, if the Company (or any of its Subsidiaries) takes any action to which the provisions hereof are not strictly applicable or if any event occurs of the type contemplated

by the provisions of this **Section 5.05** but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom share rights or other rights with equity features), which has the direct or indirect effect of adversely affecting a Holder's proportionate interest in the equity of the Company, then, to the extent that such Holder's proportionate interest in the equity of the Company is so adversely affected thereby, an appropriate adjustment in the Conversion Price shall be made so as to protect the rights of such Holder under this Indenture and the Notes.

(B) *No Adjustments in Certain Cases.*

(i) *Where Holders Participate in the Transaction or Event Without Conversion*. Notwithstanding anything to the contrary in **Section 5.05(A)**, the Company will not be obligated to adjust the Conversion Price on account of a transaction or other event otherwise requiring an adjustment pursuant to **Section 5.05(A)** (other than a share subdivision or consolidation of the type set forth in **Section 5.05(A)(i)** or a tender or exchange offer of the type set forth in **Section 5.05**(A)**(vi)**) if each Holder participates, at the same time and on the same terms as holders of Shares, and solely by virtue of being a Holder of Notes, in such transaction or event without having to convert such Holder's Notes and as if such Holder held a number of Shares equal to the quotient of (i) the aggregate principal amount of Notes held by such Holder on such date; divided by (ii) the Conversion Price in effect on the related record date.

(C) *Adjustments Not Yet Effective*. Notwithstanding anything to the contrary in this Indenture or the Notes, if:

(i) the record date, effective date or Expiration Time for any event that requires an adjustment to the Conversion Price pursuant to **Section 5.05(A)** has occurred on or before the Conversion Date for such conversion, but an adjustment to the Conversion Price for such event has not yet become effective as of such Conversion Date;

(ii) the Conversion Consideration due upon such conversion includes any whole Shares; and

(iii) such shares are not entitled to participate in such event (because they were not held on the related record date or otherwise),

then, solely for purposes of such conversion, the Company will, without duplication, give effect to such adjustment on such Conversion Date. In such case, if the date on which the Company is otherwise required to deliver the consideration due upon such conversion is before the first date on which the amount of such adjustment can be determined, then the Company will delay the settlement of such conversion until the second (2nd) Business Day after such first date.

(D) *Conversion Price Adjustments where Converting Holders Participate in the Relevant Transaction or Event*. Notwithstanding anything to the contrary in this Indenture or the Notes, if:

(i) a Conversion Price adjustment for any dividend or distribution becomes effective on any Ex-Date pursuant to **Section 5.05(A)**;

(ii) the Conversion Date for such conversion occurs on or after such Ex-Date and on or before the related record date;

(iii) the Conversion Consideration due upon such conversion includes any whole Shares, based on a Conversion Price that is adjusted for such dividend or distribution; and

(iv) such shares would be entitled to participate in such dividend or distribution (including pursuant to **Section 5.02(D)**),

then such Conversion Price adjustment will not be given effect for such conversion and the Shares issuable upon such conversion based on such unadjusted Conversion Price will not be entitled to participate in such dividend or distribution, but there will be added, to the Conversion Consideration otherwise due upon such conversion, the same kind and amount of consideration that would have been delivered in such dividend or distribution with respect to such Shares had such shares been entitled to participate in such dividend or distribution.

(E) *Shareholder Rights Plans*. If any Shares are to be issued upon conversion of any Note and, at the time of such conversion, the Company has in effect any shareholder rights plan, then the Holder of such Note will be entitled to receive, in addition to, and concurrently with the delivery of, the Conversion Consideration otherwise payable under this Indenture upon such conversion, the rights set forth in such shareholder rights plan, unless such rights have separated from the Shares at such time, in which case, and only in such case, the Conversion Price will be adjusted pursuant to **Section 5.05(A)(iv)(1)** on account of such separation as if, at the time of such separation, the Company had made a distribution of the type referred to in such Section to all holders of the Shares, subject to potential readjustment in accordance with the last paragraph of **Section 5.05(A)(iv)(1)**.

(F) *Limitation on Effecting Transactions Resulting in Certain Adjustments*. The Company will not engage in or be a party to any transaction or event that would require the Conversion Price to be adjusted pursuant to **Section 5.05(A)** to an amount that would result in the Conversion Price per Share being less than the par value per Share.

(G) *Equitable Adjustments to Prices*. Whenever any provision of this Indenture requires the Company to calculate the average of the Last Reported Sale Prices, or any function thereof, over a period of multiple days (including to calculate an adjustment to the Conversion Price), the Company will make proportionate adjustments, if any, to such calculations to account for any adjustment to the Conversion Price pursuant to **Section 5.05(A)(i)** that becomes effective, or any event requiring such an adjustment to the Conversion Price where the Ex-Date or effective date, as applicable, of such event occurs, at any time during such period.

(H) *Calculation of Number of Outstanding Shares*. For purposes of **Section 5.05(A)**, the number of Shares outstanding at any time will (i) include shares issuable in respect of scrip certificates issued in lieu of fractions of Shares; and (ii) exclude Shares held in the Company's treasury (unless the Company pays any dividend or makes any distribution on Shares held in its treasury).

(I) *Calculations*. All calculations with respect to the Conversion Price and adjustments thereto will be made to the nearest 1/10,000th of a Share (with 5/100,000ths rounded upward).

(J) *Notice of Conversion Price Adjustments*. Upon the effectiveness of any adjustment to the Conversion Price pursuant to **Section 5.05(A)**, the Company will promptly send written notice to the Holders, the Trustee and the Conversion Agent containing (i) a brief description of the transaction or other event on account of which such adjustment was made; (ii) the Conversion Price in effect immediately after such adjustment; and (iii) the effective time of such adjustment.

(K) Notwithstanding anything to the contrary in this Indenture and the Notes, the Company shall not be required to adjust the Conversion Price pursuant to **Section 5.05(A)** unless such adjustment would result in a change of at least 1% of the Conversion Price. However, the Company shall carry forward any adjustments that are less than 1% of the Conversion Price and make such carried forward adjustments with respect to the Notes (1) when the cumulative net effect of all adjustments not yet made will result in a change of 1% to the Conversion Price and (2) regardless of whether the adjustment (or such cumulative net effect) is less than 1% of the Conversion Price, on the Conversion Date.

(L) Except as stated in this Indenture and the Notes, the Company shall not adjust the Conversion Price for the issuance of Shares or any securities convertible into or exchangeable for Shares or the right to purchase Shares or such convertible or exchangeable securities.

(M) The Conversion Price shall not be adjusted:

(i) upon the issuance of any Shares pursuant to any present or future plan providing for the reinvestment of dividends or interest payable on the Company's securities and the investment of additional optional amounts in Shares under any plan;

(ii) upon the issuance of any Shares pursuant to any option, warrant, right or exercisable, exchangeable or convertible security outstanding as of the Issue Date;

(iii) upon the repurchase of any Shares pursuant to an open market share repurchase program or other buy-back transaction, including structured or derivative transactions, that is not a tender or exchange offer of the nature described in **Section 5.05(A)(vi)**;

(iv) solely for a change in the par value (or lack of par value) of the Shares; or

(v) for accrued and unpaid interest, if any.

Section 5.06. Voluntary Adjustments.

(A) *Generally*. To the extent permitted by law and applicable stock exchange rules, the Company, from time to time, may (but is not required to) reduce the Conversion Price by any amount if (i) the Board of Directors determines that such reduction is either (x) in the best interest of the Company; or (y) advisable to avoid or diminish any income tax imposed on holders of

Shares or rights to purchase Shares as a result of any dividend or distribution of Shares (or rights to acquire Shares) or any similar event; (ii) such reduction is in effect for a period of at least twenty (20) Business Days; and (iii) such reduction is irrevocable during such period.

(B) *Notice of Voluntary Reductions*. If the Board of Directors determines to reduce the Conversion Price pursuant to **Section 5.06**, then, no later than the first Business Day of the related twenty (20) Business Day period referred to in **Section 5.06(A)**, the Company will send notice to each Holder, the Trustee and the Conversion Agent of such reduction, the amount thereof and the period during which such reduction will be in effect.

Section 5.07. Reservation of Authorized Shares

(A) *Reservation*. The Company shall initially reserve out of its authorized and unissued share capital a number of Shares for each of the Notes equal to 100% of the number of Shares as shall be necessary to effect the conversion of each such Note (excluding any additional Notes to be issued to represent PIK Interest) as of the Issue Date. So long as any of the Notes are outstanding, the Company shall take all action necessary to reserve and keep available out of its authorized and unissued share capital, solely for the purpose of effecting the conversion of the Notes, 100% of the number of Shares as shall from time to time be necessary to effect the conversion of all of the Notes then outstanding, free from any Lien or pre-emptive rights; provided that at no time shall the number of Shares so reserved be less than the number of Shares required to be reserved by the previous sentence (without regard to any limitations on conversions) (the "**Required Reserve Amount**").

(B) *Insufficient Authorized Shares*. If at any time when any Note remains outstanding, the Company does not have a sufficient number of authorized and unreserved Shares to satisfy its obligation to reserve for issuance upon conversion of the Notes at least a number of Shares equal to the Required Reserve Amount (an "**Authorized Share Failure**"), then the Company shall promptly use commercially reasonable efforts (including but not limited to requesting the shareholders of the Company to pass necessary resolutions) to increase the Company's authorized share capital to an amount sufficient to allow the Company to reserve the Required Reserve Amount for the Notes then outstanding. Without limiting the generality of the foregoing sentence, if required pursuant to the Charter Documents or applicable law, as soon as practicable after the date of an Authorized Share Failure, but in no event later than forty-five (45) days after the occurrence of such Authorized Share Failure, the Company shall hold a meeting of its holders of Shares for the approval of an increase in the share capital. In connection with such meeting, the Company shall provide each holder of Shares with a proxy statement and shall use its best efforts to solicit such holders' approval of such increase in authorized share capital and to cause the Board of Directors to recommend to the holders of Shares that they approve such proposal.

Section 5.08. Effect of Share Change Event.

(A) *Generally*. If there occurs any:

(i) recapitalization, reclassification or change of the Shares (other than (x) changes solely resulting from a share subdivision or consolidation of the Shares (as to which **Section 5.05(A)(i)** will apply), (y) a change only in par value or from par value to

no par value or no par value to par value and (z) share subdivisions or consolidations that do not involve the issuance of any other series or class of securities);

(ii) consolidation, merger, combination or binding or statutory share exchange involving the Company;

(iii) sale, lease or other transfer of all or substantially all of the assets of the Company and its Subsidiaries, taken as a whole, to any Person; or

(iv) other similar event,

and, as a result of which, the Shares are converted into, or is exchanged for, or represents solely the right to receive, other securities, cash or other property, or any combination of the foregoing (such an event, a "**Share Change Event**," and such other securities, cash or property, the "**Reference Property**," and the amount and kind of Reference Property that a holder of one (1) Share would be entitled to receive on account of such Share Change Event (without giving effect to any arrangement not to issue or deliver a fractional portion of any security or other property), a "**Reference Property Unit**"), then, notwithstanding anything to the contrary in this Indenture or the Notes,

(1) from and after the effective time of such Share Change Event, (I) the Conversion Consideration due upon conversion of any Note, and the conditions to any such conversion, will be determined in the same manner as if each reference to any number of Shares in this **Article 5** (or in any related definitions) were instead a reference to the same number of Reference Property Units; and (II) for purposes of **Section 5.03**, each reference to any number of Shares in such Section (or in any related definitions) will instead be deemed to be a reference to the same number of Reference Property Units; and

(2) if such Reference Property Unit consists entirely of cash, then the Company will pay the cash due upon such conversions no later than the second (2nd) Business Day after the relevant Conversion Date.

If the Reference Property consists of more than a single type of consideration to be determined based in part upon any form of shareholder election, then the composition of the Reference Property Unit will be deemed to be the weighted average of the types and amounts of consideration actually received, per Share, by the holders of Shares. The Company will notify the Holders, the Trustee and the Conversion Agent (if other than the Trustee) of such weighted average as soon as practicable after such determination is made.

At or before the effective time of such Share Change Event, the Company and the resulting, surviving or transferee Person (if not the Company) of such Share Change Event (the "**Successor Person**") will execute and deliver to the Trustee a supplemental indenture pursuant to **Section 8.01(F)**, which supplemental indenture will (x) provide for subsequent conversions of Notes in the manner set forth in this **Section 5.08**; (y) provide for subsequent adjustments to the Conversion Price pursuant to **Section 5.05(A)** in a manner consistent with this **Section 5.08**; and (z) contain such other provisions, if any, that the Company reasonably determines are appropriate to preserve the economic interests of the Holders and to give effect to the provisions of this **Section 5.08(A)**.

If the Reference Property includes shares of stock or other securities or assets (other than cash) of a Person other than the Successor Person, then such other Person will also execute such supplemental indenture and such supplemental indenture will contain such additional provisions, if any, that the Company reasonably determines are appropriate to preserve the economic interests of the Holders.

(B) *Notice of Share Change Events*. The Company will provide notice of each Share Change Event in the manner provided in **Section 5.08**.

(C) *Compliance Covenant*. The Company will not become a party to any Share Change Event unless its terms are consistent with this **Section 5.08**.

Section 5.09. Responsibility of Trustee and Conversion Agent

The Trustee and Conversion Agent shall not at any time be under any duty or responsibility to any Holder to determine the Conversion Price (or any adjustment thereto) or whether any facts exist that may require any adjustment (including any increase) of the Conversion Price, or determine whether any conversion would cause any Holder to own Shares in excess of the Beneficial Ownership Limitation (and may conclusively rely upon the determination of the Company with respect thereto), or with respect to the nature or extent or calculation of any such adjustment when made, or with respect to the method employed, or herein or in any supplemental indenture provided to be employed, in making the same. The Trustee and Conversion Agent shall not be accountable with respect to the validity or value (or the kind or amount) of any Shares, or of any securities, property or cash that may at any time be issued or delivered upon the conversion of any Note; and the Trustee and Conversion Agent make no representations with respect thereto. Neither the Trustee nor any Conversion Agent shall be responsible, nor incur any liability, for any failure of the Company to issue, transfer or deliver any Shares or share certificates or other securities or property or cash upon the surrender of any Note for the purpose of conversion or to comply with any of the duties, responsibilities or covenants of the Company contained in this Article. Without limiting the generality of the foregoing, neither the Trustee nor any Conversion Agent shall be under any responsibility to (a) determine whether a supplemental indenture needs to be entered into or (b) determine the correctness of any provisions contained in any supplemental indenture entered into pursuant to **Section 5.08** relating either to the kind or amount of shares of stock or securities or property (including cash) receivable by Holders upon the conversion of their Notes after any event referred to in such **Section 5.08** or to any adjustment to be made with respect thereto, but, subject to the provisions of **Section 10.01**, may accept (without any independent investigation) as conclusive evidence of the correctness of any such provisions, and shall be fully protected in conclusively relying upon, the Officer's Certificate (which the Company will be obligated to deliver to the Trustee and the Conversion Agent prior to the execution of any such supplemental indenture) with respect thereto. Neither the Trustee nor the Conversion Agent shall be responsible for determining whether any event contemplated by **Section 5.01** has occurred that makes the Notes eligible for conversion or no longer eligible therefor until the Company or a Holder has delivered to the Trustee and the Conversion Agent the notices referred to in **Section 5.02** with respect to the commencement or termination of such conversion rights, on which notices the Trustee and the Conversion Agent may conclusively rely.

Section 5.10. Beneficial Ownership Limitation.

(A) Notwithstanding anything to the contrary in this Indenture or the Notes, no Holder will be entitled to receive Shares upon conversion of any Notes and no conversion of Notes shall take place to the extent (but only to the extent) that such receipt (or conversion) would cause such Holder (together with the Holder's Affiliates, and any other persons acting as a group together with the Holder or any of the Holder's Affiliates (such persons, "**Attribution Parties**")) to beneficially own Shares in excess of the Beneficial Ownership Limitation. For purposes of the foregoing sentence, the number of Shares owned by the Holder, it Affiliates and other Attribution Parties shall include the number of Shares issuable upon conversion of any Notes with respect to which such determination is being made, but shall exclude the number of Shares which are issuable upon (i) conversion of the remaining, unconverted principal amount of Notes beneficially owned by the Holder, its Affiliates and other Attribution Parties, and (ii) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder, its Affiliates and other Attribution Parties. Except as set forth in the preceding sentence, for purposes of this provision, beneficial ownership, the number of Shares outstanding, and the determination as to any group status as contemplated above each shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. Any purported delivery of Shares upon conversion of the Notes shall be void and have no effect to the extent (but only to the extent) that such delivery would result in the converting Holder violating the Beneficial Ownership Limitation. Solely for the purpose of this **Section 5.10**, "**Holder**" shall mean a person that holds a beneficial interest in the Notes other than THRI, its Affiliates or assignees, and for the avoidance of doubt, in the case of Global Notes, "**Holder**" shall not include the Depository or its nominee.

(B) Upon receipt by the Company of a written notice of conversion (the "**Conversion Notice**") by a Holder, the Company shall independently confirm whether the conversion of the Notes set forth in such notice would result in the violation by such Holder of its applicable Beneficial Ownership Limitation and, if so, shall promptly notify the Holder of such violation and shall not effectuate any conversion of any portion of any Notes nor issue Shares to the Holder that would result in the Holder together with any of its Affiliates or other Attribution Parties collectively beneficially owning Shares in excess of the Beneficial Ownership Limitation. In making such determination, the Company shall be able to rely for all purposes on the information in the Conversion Notice as to such Holder's total beneficial ownership, inclusive of Affiliates and Attribution Parties.

(C) For purposes of this **Section 5.10**, a Holder may send a written or oral request to the Company to confirm the number of Shares outstanding, and the Company shall within one (1) Trading Day of receiving the request confirm in writing to the Holder the number of Shares outstanding.

(D) The "**Beneficial Ownership Limitation**" shall be 4.9% of the number of Shares outstanding immediately after giving effect to the issuance of Shares upon conversion of any Notes held by the Holder. The Holder, upon notice to the Company, may increase or decrease the Beneficial Ownership Limitation as to such Holder (but not as to any other Holder), *provided* that any increase only in the Beneficial Ownership Limitation will not be effective until the 61st day

after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this **Section 5.10** to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph may not be waived.

(E) Any Notes surrendered for conversion for which Shares are not delivered due to the Beneficial Ownership Limitation shall not be extinguished and, such Holder may either: (i) request return of the Notes surrendered by such Holder for conversion, after which the Company shall deliver such Notes to such Holder within two (2) Trading Days after receipt of such request; or (ii) certify to the Company that the person (or persons) receiving Shares upon conversion is not, and would not, as a result of such conversion, become the beneficial owner of Shares outstanding at such time in excess of the Beneficial Ownership Limitation, after which the Company shall deliver any such Shares withheld on account of such Beneficial Ownership Limitation by the later of (x) the date such shares were otherwise due to such person (or persons) and (y) two (2) Trading Days after receipt of such certification; provided, however, until such time as the affected Holder gives such notice, no person shall be deemed to be the stockholder of record or the beneficial owner with respect to the Shares otherwise deliverable upon conversion in excess of the Beneficial Ownership Limitation. Upon delivery of such notice, the provisions under **Section 5.03** shall apply to the Shares to be delivered pursuant to such notice.

Article 6. SUCCESSORS

Section 6.01. When the Company May Merge, Etc.

Generally. The Company will not consolidate with or merge with or into, or (directly, or indirectly through one or more of its Subsidiaries) sell, lease or otherwise transfer, in one transaction or a series of transactions, all or substantially all of the assets of the Company and its Subsidiaries, taken as a whole, to another Person (a "**Business Combination Event**"), unless:

(A) the resulting, surviving or transferee Person either (x) is the Company or (y) if not the Company, is a corporation (the "**Successor Corporation**") that expressly assumes (by executing and delivering to the Trustee, at or before the effective time of such Business Combination Event, a supplemental indenture pursuant to **Section 8.01(E)**) all of the Company's obligations under this Indenture, the Notes and the Security Documents;

(B) immediately after giving effect to such Business Combination Event, no Default or Event of Default will have occurred and be continuing; and

(C) the Company or the Successor Corporation, if not the Company, shall have delivered to the Trustee an Officer's Certificate and Opinion of Counsel, each stating that (a) such Business Combination Event (and, if applicable, the execution and delivery of the related supplemental indenture) complies with **Section 6.01(A)**; (b) such supplemental indenture is the legal, valid and binding obligation of the Company or such Successor Corporation; (c) such Business Combination Event is authorized or permitted by this Indenture; and (d) all conditions

precedent relating to such Business Combination Event provided in this Indenture have been satisfied.

Section 6.02. Successor Corporation Substituted.

At the effective time of any Business Combination Event that complies with **Section 6.01**, the Successor Corporation (if not the Company) will succeed to, and may exercise every right and power of, the Company under this Indenture, the Notes and the Security Documents with the same effect as if such Successor Corporation had been named as the Company in this Indenture, the Notes and the Security Documents and, except in the case of a lease, the predecessor Company will automatically be irrevocably and unconditionally discharged from its obligations under this Indenture, the Notes and the Security Documents.

Article 7. DEFAULTS AND REMEDIES

Section 7.01. Events of Default.

(A) *Definition of Events of Default*. "**Event of Default**" means the occurrence of any of the following:

(i) a default in the payment when due (whether at maturity, upon Redemption, Tax Redemption, Repurchase or Fundamental Change Repurchase or otherwise) of the principal of, or the Redemption Price, the Tax Redemption Price, Repurchase Price or Fundamental Change Repurchase Price, as the case may be, for any Note;

(ii) a default for seven (7) consecutive days in the payment when due of interest on any Note;

(iii) a default in the Company's obligation to convert a Note in accordance with **Article 5** upon the exercise of the conversion right with respect thereto, if such default is not cured within three (3) Business Days after its occurrence;

(iv) a default in the Company's obligations under **Section 6.01**;

(v) a default in any of the Company's obligations or agreements under this Indenture or the Notes (other than a default set forth in **clause (i), (ii), (iii) or (iv)** of this **Section 7.01(A)**) where such default is not cured or waived within thirty (30) days after written notice to the Company by the Trustee, or to the Company and the Trustee by Holders of at least twenty five percent (25%) of the aggregate principal amount of Notes then outstanding, which notice must specify such default, demand that it be remedied and state that such notice is a "Notice of Default";

(vi) a default by the Company or any of the Company's Subsidiaries with respect to any one or more mortgages, agreements or other instruments under which there is outstanding, or by which there is secured or evidenced, any Indebtedness for money borrowed of at least five million dollars ($5,000,000) (or its foreign currency equivalent) in the aggregate of the Company or any of the Company's Subsidiaries, whether such Indebtedness exists as of the Issue Date or is thereafter created, where such default:

(1) constitutes a failure to pay the principal, or premium or interest on, any of such Indebtedness when due and payable at its stated maturity, upon required repurchase, upon declaration of acceleration or otherwise; or

(2) results in such Indebtedness becoming or being declared due and payable before its stated maturity,

in each case where such default is not cured or waived, within thirty (30) days after written notice to the Company by the Trustee or to the Company and the Trustee by Holders of at least twenty five percent (25%) of the aggregate principal amount of Notes then outstanding, which notice must specify such default, demand that it be remedied and state that such notice is a "Notice of Default";

(vii) the franchisor under any Master Franchise Agreement delivers to the Company or any of its Subsidiaries a formal written notice expressly entitled "Notice of Default" under such Master Franchise Agreement, expressly stating that it constitutes a notice of default for purposes of **Section 7.01(A)(vii)** of this Indenture, and such default is not cured or remedied within the applicable cure or remedy period specified in such formal written notice;

(viii) any Master Franchise Agreement ceasing to be in full force and effect, resulting in a Material Adverse Effect;

(ix) it is or becomes unlawful for a party to a Master Franchise Agreement to perform any of its obligations under that Master Franchise Agreement to which it is a party, or any Master Franchise Agreement is or becomes unenforceable in accordance with its terms, in each case resulting in a Material Adverse Effect, unless a substitute Master Franchise Agreement or similar arrangement is entered into within 30 days after the occurrence of such illegality or unenforceability;

(x) [*Reserved*];

(xi) one or more final judgments being rendered against the Company or any of the Company's Subsidiaries for the payment of at least fifteen million dollars ($15,000,000) (or its foreign currency equivalent) in the aggregate (excluding any amounts covered by insurance), where such judgment is not discharged or stayed within sixty (60) days after (i) the date on which the right to appeal the same has expired, if no such appeal has commenced; or (ii) the date on which all rights to appeal have been extinguished;

(xii) the Company or any of its Material Subsidiaries, pursuant to or within the meaning of any Bankruptcy Law, either:

(1) commences a voluntary case or proceeding;

(2) consents to the entry of an order for relief against it in an involuntary case or proceeding;

(3) consents to the appointment of a custodian of it or for any substantial part of its property;

(4) makes a general assignment for the benefit of its creditors;

(5) takes any comparable action under any foreign Bankruptcy Law; or

(6) generally is not paying its debts as they become due;

(xiii) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that either:

(1) is for relief against the Company or any of its Material Subsidiaries in an involuntary case or proceeding;

(2) appoints a custodian of the Company or any of its Material Subsidiaries, or for any substantial part of the property of the Company or any of its Material Subsidiaries;

(3) orders the winding up or liquidation of the Company or any of its Material Subsidiaries; or

(4) grants any similar relief under any foreign Bankruptcy Law,

and, in each case under this **Section 7.01(A)(xiii)**, such order or decree remains unstayed and in effect for at least sixty (60) days;

(xiv) any default by the Company in the performance of any of its obligations under the Security Documents or this Indenture, which adversely affects the enforceability, validity, perfection or priority of the applicable Lien on the Collateral or which adversely affects the condition or value of the Collateral, taken as a whole, in any material respect; or

(xv) the Company denies or disaffirms in writing its obligations under any Security Document or, other than in accordance with this Indenture and the Security Documents, any Security Document ceases to be or is not in full force and effect or the Trustee ceases to have a security interest in the Collateral (subject to Permitted Liens).

(B) *Cause Irrelevant*. Each of the events set forth in **Section 7.01(A)** will constitute an Event of Default regardless of the cause thereof or whether voluntary or involuntary or effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

Section 7.02. Acceleration.

(A) *Automatic Acceleration in Certain Circumstances*. If an Event of Default set forth in **Section 7.01(A)(xii)** or **Section 7.01(A)(xiii)** occurs with respect to the Company (and not solely with respect to a Subsidiary of the Company), then the principal amount of, and all accrued

and unpaid interest on, all of the Notes then outstanding will immediately become due and payable without any further action or notice by any Person.

(B) *Optional Acceleration*. If an Event of Default (other than an Event of Default set forth in **Section 7.01(A)(xii)** or **Section 7.01(A)(xiii)** with respect to the Company and not solely with respect to a Subsidiary of the Company) occurs and is continuing, then either (i) the Trustee (acting on the instructions of Holders of at least seventy five percent (75%) of the aggregate principal amount of Notes then outstanding), by notice to the Company, or (ii) Holders of at least seventy five percent (75%) of the aggregate principal amount of Notes then outstanding, by notice to the Company and the Trustee may declare the principal amount of, and all accrued and unpaid interest on, all of the Notes then outstanding to become due and payable immediately; *provided* that from the date that is 60 days after the Event of Default has occurred (i) the Trustee (acting on the instructions of Holders of at least twenty five percent (25%) of the aggregate principal amount of Notes then outstanding) by notice to the Company, or (ii) Holders of at least twenty five percent (25%) of the aggregate principal amount of Notes then outstanding, by notice to the Company and the Trustee, may declare the principal amount of, and all accrued and unpaid interest on, all of the Notes then outstanding to become due and payable immediately.

In addition, if the Notes have become immediately due and payable pursuant to either (A) or (B) above, the Trustee shall upon written instruction of Holders of at least twenty five percent (25%) in aggregate principal amount of outstanding Notes take such further action on behalf of the Holders of the Notes with respect to the Collateral in accordance with the terms of the Security Documents. If an Event of Default has occurred under Section 7.01(A)(i), the Trustee is hereby authorized by each Holder of the Notes to provide a notice of such occurrence of Event of Default to the Holders of Notes, and then from the date that is 60 days from the date of the occurrence of such Event of Default, the Trustee shall upon written instruction of Holders of at least twenty five percent (25%) in aggregate principal amount of outstanding Notes take such further action on behalf of the Holders of the Notes with respect to the Collateral in accordance with the terms of the Security Documents, *provided that* if an Event of Default has occurred under Section 7.01(A)(i), Holders of at least seventy five percent (75%) of the aggregate principal amount of Notes then outstanding can give immediate instruction to the Trustee to take such further action on behalf of the Holders of the Notes with respect to the Collateral in accordance with the terms of the Security Documents. In the event the Trustee receives instructions from different groups of Holders holding at least twenty five percent (25%) in aggregate principal amount of the Notes (or from any group of Holders holding a greater percentage of the aggregate principal amount of the Notes than a group that has previously instructed the Trustee), the Trustee shall act in accordance with the instruction of such group holding the greater percentage of aggregate principal amount of the Notes then outstanding and if both such groups hold the same percentage of aggregate principal amount of the Notes, the Trustee shall be entitled to refrain from taking any action until such time as it shall receive a joint instruction from such groups or an instruction from the group holding a greater percentage of the aggregate principal amount of the Notes than such groups.

(C) *Rescission of Acceleration*. Notwithstanding anything to the contrary in this Indenture or the Notes, the Holders of seventy five percent (75%) in aggregate principal amount of the Notes then outstanding, by notice to the Company and the Trustee, may, on behalf of all Holders, rescind any acceleration of the Notes and its consequences if (i) such rescission would not conflict with any judgment or decree of a court of competent jurisdiction; and (ii) all existing

Events of Default (except the non-payment of principal of, or interest on, the Notes that has become due solely because of such acceleration) have been cured or waived. No such rescission will affect any subsequent Default or impair any right consequent thereto.

Section 7.03. Other Remedies.

(A) *Trustee May Pursue All Remedies*. If an Event of Default occurs and is continuing, then the Trustee may pursue any available remedy to collect the payment of principal of and interest on the Notes or to enforce the performance of any provision of this Indenture or the Notes. The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder of a Note in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

(B) *Procedural Matters*. The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in such proceeding. A delay or omission by the Trustee or any Holder in exercising any right or remedy following an Event of Default will not impair the right or remedy or constitute a waiver of, or acquiescence in, such Event of Default. All remedies will be cumulative to the extent permitted by law.

Section 7.04. Waiver of Past Defaults.

An Event of Default pursuant to **clause (i)**, **(ii)**, **(iii), (iv)** or **(v)** of **Section 7.01(A)** (that, in the case of **clause (v)** only, results from a Default under any covenant that cannot be amended without the consent of each affected Holder), and a Default that could lead to such an Event of Default, can be waived only with the consent of each affected Holder. Each other Default or Event of Default may be waived, on behalf of all Holders, by the Holders of seventy five percent (75%) in aggregate principal amount of the Notes then outstanding. If an Event of Default is so waived, then it will cease to exist. If a Default is so waived, then it will be deemed to be cured and any Event of Default arising therefrom will be deemed not to occur. However, no such waiver will extend to any subsequent or other Default or Event of Default or impair any right arising therefrom.

Section 7.05. Control of Proceedings.

Without prejudice to **Section 7.02**, Holders of at least twenty five percent (25%) in aggregate principal amount of the Notes then outstanding may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or exercising any trust or power conferred on it; *provided* that, notwithstanding any action taken or omitted to be taken by the Trustee at the direction of any group of Holders, if the Trustee receives direction from different groups of Holders holding at least twenty five percent (25%) in aggregate principal amount of the Notes (or from any group of Holders holding a greater percentage of the aggregate principal amount of the Notes than a group that has previously directed the Trustee), the Trustee shall act in accordance with the directions of such group holding the greater percentage of aggregate principal amount of the Notes then outstanding and if both such groups hold the same percentage of aggregate principal amount of the Notes, the Trustee shall be entitled to refrain from taking any action until such time as it shall receive a joint instruction from such group or an

instruction from group holding a greater percentage of aggregate principal amount of the Notes than such groups. However, the Trustee may refuse to follow (and shall incur no liability for so forbearing) any direction that conflicts with law, this Indenture or the Notes, or that, subject to **Section 10.01**, the Trustee determines may be unduly prejudicial to the rights of other Holders (it being expressly understood that the Trustee does not have an affirmative duty to ascertain whether or not any such direction is unduly prejudicial to any Holders) or may involve the Trustee in liability, unless the Trustee is offered security and indemnity satisfactory to the Trustee against any losses, liabilities, claims, costs and expenses (including, but not limited to, attorneys' fees and expenses) to the Trustee that may result from the Trustee's following such direction.

Section 7.06. Limitation on Suits.

No Holder may pursue any remedy with respect to this Indenture or the Notes (except to enforce (x) its rights to receive the principal of, or the Redemption Price, the Tax Redemption Price, Repurchase Price or Fundamental Change Repurchase Price for, or interest on, any Notes; or (y) the Company's obligations to convert any Notes pursuant to **Article 5**), unless:

(A) such Holder has previously delivered to the Trustee notice that an Event of Default is continuing;

(B) Holders of at least twenty five percent (25%) in aggregate principal amount of the Notes then outstanding deliver a written request to the Trustee to pursue such remedy;

(C) such Holder or Holders offer and, if requested, provide to the Trustee security and indemnity satisfactory to the Trustee against any losses, liabilities, claims, costs and expenses (including, but not limited to, attorneys' fees and expenses) to the Trustee that may result from the Trustee's following such request;

(D) the Trustee does not comply with such request within sixty (60) calendar days after its receipt of such request and such offer of security or indemnity; and

(E) during such sixty (60) calendar day period, Holders of a majority in aggregate principal amount of the Notes then outstanding do not deliver to the Trustee a direction that is inconsistent with such request.

A Holder may not use this Indenture to prejudice the rights of another Holder or to obtain a preference or priority over another Holder. The Trustee will have no duty to determine whether any Holder's use of this Indenture complies with the preceding sentence.

Section 7.07. Absolute Right of Holders to Institute Suit for the Enforcement of the Right to Receive Payment and Conversion Consideration.

Notwithstanding anything to the contrary in this Indenture or the Notes (but without limiting **Section 8.01 or Section 8.02**), the contractual right of each Holder of a Note expressly set forth in this Indenture or such Note to bring suit for the enforcement of any payment or delivery, as applicable, of the principal of, or the Redemption Price, the Tax Redemption Price, the Repurchase Price or Fundamental Change Repurchase Price for, or any interest on, or the Conversion Consideration due pursuant to **Article 5** upon conversion of, such Note on or after the

respective due dates therefor provided in this Indenture and the Notes, will not be impaired or affected without the consent of such Holder.

Section 7.08. Collection Suit by Trustee.

The Trustee will have the right, upon the occurrence and continuance of an Event of Default pursuant to **clause (i)**, **(ii)** or **(iii)** of **Section 7.01(A)**, to recover judgment in its own name and as trustee of an express trust against the Company for the total unpaid or undelivered principal of, or Redemption Price, Tax Redemption Price, Repurchase Price or Fundamental Change Repurchase Price for, or interest on, or Conversion Consideration due pursuant to **Article 5** upon conversion of, the Notes, as applicable, and such further amounts sufficient to cover the costs and expenses of collection, including compensation provided for in **Section 10.06**.

Section 7.09. Trustee May File Proofs of Claim.

The Trustee has the right to (A) file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the Holders allowed in any judicial proceedings relative to the Company (or any other obligor upon the Notes) or its creditors or property and (B) collect, receive and distribute any money or other property payable or deliverable on any such claims. Each Holder authorizes any custodian in such proceeding to make such payments to the Trustee, and, if the Trustee consents to the making of such payments directly to the Holders, to pay to the Trustee any amount due to the Trustee for the reasonable compensation, expenses, disbursements and advances of the Trustee, and its agents and counsel, and any other amounts payable to the Trustee pursuant to **Section 10.06**. To the extent that the payment of any such compensation, expenses, disbursements, advances and other amounts out of the estate in such proceeding, is denied for any reason, payment of the same will be secured by a Lien (senior to the rights of Holders) on, and will be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding (whether in liquidation or under any plan of reorganization or arrangement or otherwise). Nothing in this Indenture will be deemed to authorize the Trustee to authorize, consent to, accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 7.10. Priorities.

The Trustee will pay or deliver in the following order any money or other property that it collects pursuant to this **Article 7**:

First: to the Trustee, the Calculation Agent, the Note Agents and their respective agents and attorneys for amounts due under this Indenture and the Security Documents, including payment of all fees, compensation, expenses (including, but not limited to, attorneys' fees and expenses) and liabilities incurred, and all advances made, by the Trustee and the costs and expenses of collection or distribution of such amounts held or realized;

Second: to Holders for unpaid amounts or other property due on the Notes, including the principal of, or the Redemption Price, Repurchase Price or Fundamental

Change Repurchase Price for, or any interest on, or any Conversion Consideration due upon conversion of, the Notes, ratably, and without preference or priority of any kind, according to such amounts or other property due and payable on all of the Notes; and

Third: to the Company or such other Person as a court of competent jurisdiction directs.

The Trustee may fix a record date and payment date for any payment or delivery to the Holders pursuant to this **Section 7.10**, in which case the Trustee will instruct the Company to, and the Company will deliver in writing, at least fifteen (15) calendar days before such record date, to each Holder and the Trustee a notice stating such record date, such payment date and the amount of such payment or nature of such delivery, as applicable.

Section 7.11. Undertaking for Costs.

In any suit for the enforcement of any right or remedy under this Indenture or the Notes or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court, in its discretion, may (A) require the filing by any litigant party in such suit of an undertaking to pay the costs of such suit, and (B) assess reasonable costs and expenses (including reasonable attorneys' fees and expenses) against any litigant party in such suit, having due regard to the merits and good faith of the claims or defenses made by such litigant party; *provided*, *however*, that this **Section 7.11** does not apply to any suit by the Trustee, any suit by a Holder pursuant to **Section 7.07** or any suit by one or more Holders of more than ten percent (10%) in aggregate principal amount of the Notes then outstanding.

Article 8. AMENDMENTS, SUPPLEMENTS AND WAIVERS

Section 8.01. Without the Consent of Holders.

Notwithstanding anything to the contrary in **Section 8.02**, the Company and the Trustee may amend or supplement this Indenture, the Notes or any Security Document without the consent of any Holder to:

(A) cure any ambiguity or correct any omission, defect or inconsistency in this Indenture, the Notes or any Security Document;

(B) add guarantees with respect to the Company's obligations under this Indenture or the Notes;

(C) to add additional collateral to secure the Notes;

(D) to enter into additional or supplemental Security Documents and to release Collateral in accordance with this Indenture and the Security Documents;

(E) add to the Company's covenants or Events of Default for the benefit of the Holders or surrender any right or power conferred on the Company;

(F) provide for the assumption of the Company's obligations under this Indenture, the Notes and the Security Documents pursuant to, and in compliance with, **Article 6**;

(G) enter into supplemental indentures pursuant to, and in accordance with, **Section 5.08** in connection with a Share Change Event;

(H) evidence or provide for the acceptance of the appointment, under this Indenture or the Security Documents, of a successor trustee;

(I) provide for or confirm the issuance of additional Notes pursuant to **Section 2.03(B)**;

(J) decrease the Conversion Price;

(K) comply with any requirement of the SEC in connection with any qualification of this Indenture or any supplemental indenture under the Trust Indenture Act, as then in effect;

(L) comply with the rules of the Depositary in a manner that does not adversely affect the rights of any Holder; or

(M) make any other change to this Indenture, the Notes or the Security Documents that does not, individually or in the aggregate with all other such changes, adversely affect the rights of the Holders, as such, in any material respect.

Section 8.02. With the Consent of Holders.

(A) *Generally*. Subject to **Section 8.01**, **Section 7.04** and **Section 7.07** and the immediately following sentence, the Company and the Trustee may, with the consent of the Holders of at least 75% in aggregate principal amount of the Notes then outstanding, amend or supplement this Indenture, the Notes or the Security Documents or waive compliance with any provision of this Indenture, the Notes or the Security Documents. Notwithstanding anything to the contrary in the foregoing sentence, but subject to **Section 8.01**, **Section 3.13(B)** and **Section 3.19**, without the consent of each affected Holder, no amendment or supplement to this Indenture or the Notes or waiver of any provision of this Indenture or the Notes, may:

(i) reduce the principal, or change the stated maturity, of any Note;

(ii) reduce the Redemption Price, Repurchase Price or Fundamental Change Repurchase Price for any Note or change the times at which, or the circumstances under which, the Notes may or will be redeemed or repurchased by the Company;

(iii) reduce the rate, or extend the time for the payment, of interest on any Note;

(iv) make any change that adversely affects the conversion rights of any Note;

(v) impair the absolute rights of any Holder set forth in **Section 7.07** (as such section is in effect on the Issue Date);

(vi) change the ranking of the Notes;

(vii) make any Note payable in money, or at a place of payment, other than that stated in this Indenture or the Note;

(viii) reduce the amount of Notes whose Holders must consent to any amendment, supplement, waiver or other modification; or

(ix) make any direct or indirect change to any amendment, supplement, waiver or modification provision of this Indenture or the Notes that requires the consent of each affected Holder.

For the avoidance of doubt:

(x) pursuant to **clauses (i)**, **(ii)**, **(iii)**, **(iv)** and **(v)** of this **Section 8.02(A)**, no amendment or supplement to this Indenture or the Notes, or waiver of any provision of this Indenture or the Notes, may change the amount or type of consideration due on any Note (whether on an Interest Payment Date, Redemption Date, Tax Redemption Date, Repurchase Date, Fundamental Change Repurchase Date or the Maturity Date or upon conversion, or otherwise), or the date(s) or time(s) such consideration is payable or deliverable, as applicable, without the consent of each affected Holder (except as permitted in **Section 3.13(B)** and **Section 3.19)**; and

(y) without the consent of the holders of at least 75% in principal amount of Notes then outstanding, no amendment, supplement or waiver may (i) release any Collateral from the Liens of the Security Documents (except as permitted by the terms of this Indenture and the Security Documents) or (ii) make any change in this Indenture or any other Security Document that has the effect of altering the priority of the Liens or the application of proceeds of the Collateral in a manner that would adversely affect the Holders in any material respect.

(B) *Holders Need Not Approve the Particular Form of any Amendment*. A consent of any Holder pursuant to this **Section 8.02** need to approve only the substance, and not necessarily the particular form, of the proposed amendment, supplement or waiver.

Section 8.03. Notice of Amendments, Supplements and Waivers.

As soon as reasonably practicable after any amendment, supplement or waiver pursuant to **Section 8.01** or **Section 8.02** becomes effective, the Company will send to the Holders and the Trustee notice that (A) describes the substance of such amendment, supplement or waiver in reasonable detail and (B) states the effective date thereof; *provided*, *however*, that the Company will not be required to provide such notice to the Holders if such amendment, supplement or waiver is included in a periodic report filed with (or furnished to) the SEC by the Company within four (4) Business Days of its effectiveness. The failure to send, or the existence of any defect in, such notice will not impair or affect the validity of such amendment, supplement or waiver.

Section 8.04. Revocation, Effect and Solicitation of Consents; Special Record Dates; Etc.

(A) *Revocation and Effect of Consents*. The consent of a Holder of a Note to an amendment, supplement or waiver will bind (and constitute the consent of) each subsequent

Holder of any Note to the extent the same evidences any portion of the same Indebtedness as the consenting Holder's Note, subject to the right of any Holder of a Note to revoke (if not prohibited pursuant to **Section 8.04(B)**) any such consent with respect to such Note by delivering notice of revocation to the Trustee before the time such amendment, supplement or waiver becomes effective (or before such earlier time as may be provided by the terms of any request for consent).

(B) *Special Record Dates*. The Company may, but is not required to, fix a record date for the purpose of determining the Holders entitled to consent or take any other action in connection with any amendment, supplement or waiver pursuant to this **Article 8**. If a record date is fixed, then, notwithstanding anything to the contrary in **Section 8.04(A)**, only Persons who are Holders as of such record date (or their duly designated proxies) will be entitled to give such consent, to revoke any consent previously given or to take any such action, regardless of whether such Persons continue to be Holders after such record date; *provided*, *however*, that no such consent will be valid or effective for more than one hundred and twenty (120) calendar days after such record date.

(C) *Solicitation of Consents*. For the avoidance of doubt, each reference in this Indenture or the Notes to the consent of a Holder will be deemed to include any such consent obtained in connection with a repurchase of, or tender or exchange offer for, any Notes.

(D) *Effectiveness and Binding Effect*. Each amendment, supplement or waiver pursuant to this **Article 8** will become effective in accordance with its terms and, when it becomes effective with respect to any Note (or any portion thereof), will thereafter bind every Holder of such Note (or such portion).

Section 8.05. Notations and Exchanges.

If any amendment, supplement or waiver changes the terms of a Note, then the Trustee (at the direction of the Company) or the Company may, in its discretion, require the Holder of such Note to deliver such Note to the Trustee so that the Trustee may place an appropriate notation prepared by the Company on such Note and return such Note to such Holder. Alternatively, at its discretion, the Company may, in exchange for such Note, issue, execute and deliver, and the Trustee will authenticate, in each case in accordance with **Section 2.02**, a new Note that reflects the changed terms. The failure to make any appropriate notation or issue a new Note pursuant to this **Section 8.05** will not impair or affect the validity of such amendment, supplement or waiver.

Section 8.06. Trustee to Execute Supplemental Indentures.

The Trustee will execute and deliver any amendment or supplemental indenture authorized pursuant to this **Article 8**; *provided*, *however*, that the Trustee need not (but may, in their sole and absolute discretion) execute or deliver any such amendment or supplemental indenture that the Trustee concludes affects its rights, duties, liabilities or immunities. In executing any amendment or supplemental indenture, the Trustee will receive, and (subject to **Section 10.01** and **Section 10.02**) will be fully protected in relying on, in addition to the documents required by **Section 12.02**, an Officer's Certificate and an Opinion of Counsel stating that (A) the execution and delivery of such amendment or supplemental indenture is authorized or permitted by this Indenture and if applicable, the Security Documents; (B) in the case of the Opinion of Counsel, such amendment

or supplemental indenture is valid, binding and enforceable against the Company in accordance with its terms; and (C) all conditions precedent relating to such supplemental indenture have been satisfied.

Article 9. SATISFACTION AND DISCHARGE

Section 9.01. Termination of Company's Obligations.

This Indenture will be discharged, and will cease to be of further effect as to all Notes issued under this Indenture, when:

(A) all Notes then outstanding (other than Notes replaced pursuant to **Section 2.12**) have (i) been delivered to the Trustee for cancellation; or (ii) become due and payable (whether on a Redemption Date, a Tax Redemption Date, a Repurchase Date, a Fundamental Change Repurchase Date, the Maturity Date, upon conversion or otherwise) for an amount of cash or Conversion Consideration, as applicable, that has been fixed;

(B) the Company has caused there to be irrevocably deposited with the Trustee, or with the Paying Agent (or, with respect to Conversion Consideration, the Conversion Agent), in each case for the benefit of the Holders, or has otherwise caused there to be delivered to the Holders, cash (or, with respect to Notes to be converted, Conversion Consideration) sufficient to satisfy all amounts or other property due on all Notes then outstanding (other than Notes replaced pursuant to **Section 2.12**);

(C) the Company has paid all other amounts payable by it under this Indenture; and

(D) the Company has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that the conditions precedent to the discharge of this Indenture have been satisfied;

provided, *however*, that **Article 10** and **Section 12.01** will survive such discharge and, until no Notes remain outstanding, **Section 2.14** and the obligations of the Trustee, the Paying Agent and the Conversion Agent with respect to money or other property deposited with them will survive such discharge.

At the Company's written request, the Trustee will acknowledge the satisfaction and discharge of this Indenture.

Section 9.02. Repayment to Company.

Subject to applicable unclaimed property law, the Trustee, the Paying Agent and the Conversion Agent will promptly notify the Company if there exists (and, at the Company's written request, promptly deliver to the Company) any cash, Conversion Consideration or other property held by any of them for payment or delivery on the Notes that remain unclaimed two (2) years after the date on which such payment or delivery was due. After such delivery to the Company, the Trustee, the Paying Agent and the Conversion Agent will have no further liability to any Holder with respect to such cash, Conversion Consideration or other property, and Holders entitled to the

payment or delivery of such cash, Conversion Consideration or other property must look to the Company for payment as a general creditor of the Company.

Section 9.03. Reinstatement.

If the Trustee, the Paying Agent or the Conversion Agent is unable to apply any cash or other property deposited with it pursuant to **Section 9.01** because of any legal proceeding or any order or judgment of any court or other governmental authority that enjoins, restrains or otherwise prohibits such application, then the discharge of this Indenture pursuant to **Section 9.01** will be rescinded; *provided*, *however*, that if the Company thereafter pays or delivers any cash or other property due on the Notes to the Holders thereof, then the Company will be subrogated to the rights of such Holders to receive such cash or other property from the cash or other property, if any, held by the Trustee, the Paying Agent or the Conversion Agent, as applicable.

Article 10. TRUSTEE

Section 10.01. Duties of the Trustee.

(A) The Trustee, in its individual capacity, shall not be answerable or accountable under any circumstances, except for its own willful misconduct or negligence, as conclusively determined by the final judgment of a court of competent jurisdiction, no longer subject to appeal or review, and the Trustee shall not be liable for any action or inaction of the Company or any other Person. If an Event of Default has occurred and is continuing, the Trustee will exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(B) Except during the continuance of an Event of Default:

(i) the duties of the Trustee will be determined solely by the express provisions of this Indenture, and the Trustee need perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations will be read into this Indenture against the Trustee; and

(ii) in the absence of gross negligence or wilful misconduct on its part, as determined by a court of competent jurisdiction in a final, non-appealable order, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon Officer's Certificates or Opinions of Counsel that are provided to the Trustee and conform, on their face, to the requirements of this Indenture. However, the Trustee will examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture, but shall have no affirmative duty to verify the contents thereof.

(C) The Trustee may not be relieved from liabilities for its gross negligence or wilful misconduct, as determined by a court of competent jurisdiction in a final, non-appealable order, except that:

(i) this paragraph will not limit the effect of **Section 10.01(B)**;

(ii) the Trustee will not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved by the final judgment of a court of competent jurisdiction, no longer subject to appeal or review, that the Trustee was grossly negligent in ascertaining the pertinent facts; and

(iii) the Trustee will not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it from seventy-five percent (75%) of the Holders of the aggregate principal amount of the Notes then outstanding (or such other group of Holders as may be expressly required or permitted under this Indenture).

(D) Each provision of this Indenture and any Security Document that in any way relates to the Trustee is subject to this **Section 10.01**, **Section 10.02**, **Section 10.06**, regardless of whether such provision so expressly provides.

(E) No provision of this Indenture or any Security Document will require the Trustee to expend or risk its own funds, incur any liability or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(F) The Trustee will not be liable for interest on any money received by it, except as the Trustee may agree in writing with the Company. Money held in trust by the Trustee need not be segregated from other funds, except to the extent required by law.

Section 10.02. Rights of the Trustee.

(A) The Trustee may conclusively rely on any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, judgment, bond, debenture, note, other evidence of Indebtedness or other paper or document that it believes to be genuine and signed or presented by the proper Person or Persons, and the Trustee need not investigate any fact or matter stated in such document.

(B) Before the Trustee acts or refrains from acting, it may require and, if requested, shall receive an Officer's Certificate, an Opinion of Counsel or both. The Trustee will not be liable for any action it takes or omits to take in good faith in reliance on such Officer's Certificate or Opinion of Counsel. The Trustee may consult with counsel of its selection, the costs and expenses of which shall be borne by the Company; and the advice of such counsel, or any Opinion of Counsel, will constitute full and complete authorization of the Trustee to take or omit to take any action in good faith in reliance thereon without liability.

(C) The Trustee may act through its attorneys, custodians and agents and will not be responsible for the acts, omissions, misconduct or negligence of any such attorney, custodian or agent appointed with due care.

(D) The Trustee will not be liable for any action it takes or omits to take in good faith and that it believes to be authorized or within the rights or powers vested in it by this Indenture or any Security Document.

(E) Unless otherwise specifically provided in this Indenture or any Security Document, any demand, request, direction or notice from the Company will be sufficient if signed by an Officer of the Company.

(F) The Trustee need not exercise any rights or powers vested in it by this Indenture or any Security Document at the request or direction of any Holder unless such Holder has offered the Trustee security or indemnity satisfactory to the Trustee against any losses, liabilities, costs and expenses (including, but not limited to, attorneys' fees and expenses) that it may incur in complying with such request or direction.

(G) The Trustee will not be responsible or liable for any punitive, special, indirect, incidental or consequential loss or damage (including lost profits), even if the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(H) The Trustee will not be bound to make any investigation into (i) the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, judgment, bond, debenture or other paper or document, (ii) the performance or observance by the Issuer or any other Person of any of the covenants, agreements or other terms or conditions set forth in this Indenture, any Security Document or in any related document, (iii) the occurrence of any default, or the validity, enforceability, effectiveness or genuineness of this Indenture, any Security Document, any related document or any other agreement, instrument or document, (iv) the creation, perfection or priority of any Lien purported to be created by this Indenture, any Security Document or any related document, (v) the value or the sufficiency of any Collateral or (v) the satisfaction of any condition set forth in this Indenture, any Security Document or any related document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit and will incur no liability of any kind by reason of such inquiry or investigation.

(I) The Trustee will not be required to give any bond or surety in respect of the execution of the trusts, powers, and duties under this Indenture or any Security Document.

(J) The discretionary or permissive rights of the Trustee enumerated herein or in any Security Document will not be construed as duties and the Trustee shall be entitled to receive a direction from Holders of seventy-five percent (75%) of the Holders of the aggregate principal amount of the Notes then outstanding (or such other group of Holders as may be expressly required or permitted under this Indenture) prior to taking any permissive or discretionary action under the Indenture or any Security Document. The Trustee undertakes to perform such duties and only such duties as are specifically and expressly set forth in this Indenture or any Security Document.

(K) The Trustee may request that the Company deliver an Officer's Certificate setting forth the names of individuals and titles of officers authorized at such time to take specified actions pursuant to this Indenture or any Security Document, which Officer's Certificate may be signed by any Person authorized to sign an Officer's Certificate, including any Person specified as so authorized in any such certificate previously delivered and not superseded.

(L) The Trustee will not be deemed to have notice of any Default or Event of Default (except in the case of a Default or Event of Default in payment of scheduled principal of, or the

Redemption Price, the Repurchase Price or Fundamental Change Repurchase Price for, or interest on, any Note) unless written notice of any event that is in fact such a Default or Event of Default (and stating the occurrence of a Default or Event of Default) is actually received by the a Responsible Officer of the Trustee at the Corporate Trust Office of the Trustee, and such notice references the Notes, the Company and this Indenture and states that it is a notice of Default or Event of Default. For purposes of any determination as to whether the Trustee shall be deemed to have knowledge of any of the foregoing events, the Trustee shall have no obligation to inquire into, or investigate as to, the occurrence of any such event.

(M) It shall not be the duty of the Trustee to see that any duties or obligations imposed herein, in the Security Documents or in any related documents upon the Company or other Persons are performed, and the Trustee shall not be liable or responsible for the failure of the Company or such other Persons to perform any act required of them by this Indenture or any Security Document.

(N) The Trustee may consult with counsel of its selection, and the advice or opinion of counsel with respect to legal matters relating to this Indenture, the Security Documents or any related document shall be full and complete authorization and protection from liability in respect of any action taken, omitted or suffered by it hereunder or under any related document in good faith and in accordance with the advice or opinion of such counsel.

(O) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by (i) the Trustee in each document related hereto to which it is a party and (ii) the entity serving as the Trustee in each of its capacities hereunder and in each of its capacities as under any related document whether or not specifically set forth therein and each agent, custodian and other Person employed to act hereunder and under any related document, as the case may be.

(P) The Trustee shall not have any duty or responsibility in respect of (i) any recording, filing, or depositing of this Indenture, the Security Documents or any other agreement or instrument, monitoring or filing any financing statement or continuation statement evidencing a security interest, the maintenance of any such recording, filing or depositing or to any re-recording, re-filing or re-depositing of any thereof, or otherwise monitoring the perfection, continuation of perfection or the sufficiency or validity of any security interest in or related to the Collateral, (ii) the acquisition or maintenance of any insurance or (iii) the payment or discharge of any tax, assessment, or other governmental charge or any lien or encumbrance of any kind owing with respect to, assessed or levied against, any part of the Collateral. The Trustee shall be authorized to, but shall in no event have any duty or responsibility to, file any financing or continuation statements or record any documents or instruments in any public office at any time or times or otherwise perfect or maintain any security interest in the Collateral.

(Q) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture or the Security Documents or any related document or to institute, conduct or defend any litigation hereunder or in relation hereto, at the request, order or direction of any of the Holders pursuant to the provisions of this Indenture, the Security Documents or any related document, unless such Holders shall have offered to the Trustee security, indemnity or prefunding satisfactory to the Trustee, in its sole discretion, against the losses, costs, expenses

(including attorneys' fees and expenses) and liabilities that might be incurred by the Trustee in compliance with such request, order or direction.

(R) Each Holder, by its acceptance of a Note hereunder, represents that it has, independently and without reliance upon the Trustee or any other Person, and based on such documents and information as it has deemed appropriate, made its own investment decision in respect of the Notes. Each Holder also represents that it will, independently and without reliance upon the Trustee or any other Person, and based on such documents and information as it shall deem appropriate at the time, continue to make its own decisions in taking or not taking action under this Indenture, the Security Documents or any related document and in connection with the Notes. Except for notices, reports and other documents expressly required to be furnished to the Holders by the Trustee hereunder, the Trustee shall not have any duty or responsibility to provide any Holder with any other information concerning the Company, the servicer or any other parties to any related documents which may come into the possession of the Trustee or any of its officers, directors, employees, agents, representatives or attorneys-in-fact.

(S) If the Trustee requests instructions from the Company or the Holders with respect to any action or omission in connection with this Indenture, the Security Documents or any related document, the Trustee shall be entitled (without incurring any liability therefor) to refrain from taking such action and continue to refrain from acting unless and until the Trustee shall have received written instructions from the Company or the Holders, as applicable, with respect to such request.

(T) The Trustee shall not be liable for failing to comply with its obligations under this Indenture, the Security Documents or any related document in so far as the performance of such obligations is dependent upon the timely receipt of instructions and/or other information from any other person which are not received or not received by the time required.

(U) The Trustee shall be fully justified in failing or refusing to take any action under this Indenture, the Security Documents or any other related document if such action (A) would, in the reasonable opinion of the Trustee, in good faith (which may be based on the advice or opinion of counsel), be contrary to applicable law, this Indenture, the Security Documents or any other related document, or (B) is not provided for in this Indenture, the Security Documents or any other related document.

(V) The Trustee shall not be required to take any action under this Indenture, the Security Documents or any related document if taking such action (A) would subject the Trustee to a tax in any jurisdiction where it is not then subject to a tax, or (B) would require the Trustee to qualify to do business in any jurisdiction where it is not then so qualified..

Section 10.03. Individual Rights of the Trustee.

The Trustee, in its individual or any other capacity, may become the owner or pledgee of any Note and may otherwise deal with the Company or any of its Affiliates with the same rights that it would have if it were not Trustee; *provided*, *however*, that if the Trustee acquires a "conflicting interest" (within the meaning of Section 310(b) of the Trust Indenture Act), then it must eliminate such conflict within ninety (90) days or resign as Trustee. The rights, privileges,

protections, immunities and benefits given to the Trustee, including its right to be compensated, reimbursed and indemnified, are extended to, and will be enforceable by, the Trustee in each of its capacities under this Indenture and each Note Agent, custodian and other Person retained to act under this Indenture.

Section 10.04. Trustee's Disclaimer.

The Trustee will not be (A) responsible for, and makes no representation as to, the validity or adequacy of this Indenture or the Notes; (B) accountable for the Company's use of the proceeds from the Notes or any money paid to the Company or upon the Company's direction under any provision of this Indenture; (C) responsible for the use or application of any money received by any Paying Agent other than the Trustee; and (D) responsible for any statement or recital in this Indenture, the Notes or any other document relating to the sale of the Notes or this Indenture, other than the Trustee's certificate of authentication.

Section 10.05. Notice of Defaults.

If a Default or Event of Default occurs and is continuing and is actually known to a Responsible Officer of the Trustee (in accordance with **Section 10.02(L)**), then the Trustee will send Holders a notice of such Default or Event of Default within ninety (90) days after it occurs or, if it is not actually known to a Responsible Officer of the Trustee at such time, promptly (and in any event within ten (10) Business Days) after it becomes actually known to a Responsible Officer (in accordance with **Section 10.02(L)**); *provided*, *however*, that, except in the case of a Default or Event of Default in the payment of the principal of, or interest, if any, on, any Note, the Trustee may withhold such notice if and for so long as it in good faith determines that withholding such notice is in the interests of the Holders.

Section 10.06. Compensation and Indemnity.

(A) The Company will, from time to time, pay the Trustee (acting in any capacity hereunder) reasonable compensation, as shall have been agreed to in writing, for their acceptance of this Indenture and services under this Indenture and the Security Documents. The compensation of the Trustee will not be limited by any law on compensation of a trustee of an express trust. In addition to the compensation for the Trustee's services, the Company will reimburse the Trustee promptly upon request for all reasonable disbursements, advances and expenses incurred or made by it under this Indenture and the Security Documents, including the reasonable compensation, disbursements and expenses of its agents and counsel.

(B) The Company will indemnify and hold harmless the Trustee (acting in any capacity hereunder) against any and all losses, liabilities or expenses (including, without limitation, attorneys' fees and expenses) incurred by it arising out of or in connection with the acceptance or administration of its duties under this Indenture or any Security Document, including the costs and expenses of enforcing this Indenture or any Security Document (including, without limitation, attorneys' fees and expenses) against the Company (including this **Section 10.06**) and defending itself against any claim (whether asserted by the Company, any Holder or any other Person) or liability in connection with the exercise or performance of any of its powers or duties under this Indenture or any Security Document, except to the extent any such loss, liability or expense may

be attributable to its gross negligence or wilful misconduct as determined by a court of competent jurisdiction in a final and non-appealable decision. The Trustee will promptly notify the Company of any claim for which it may seek indemnity (other than any claim brought by the Company), but the Trustee's failure to so notify the Company will not relieve the Company of its obligations under this **Section 10.06(B)**. The Company will defend such claim, and the Trustee will cooperate in such defense at the expense of the Company. If the Trustee is advised by counsel that it may have defenses available to it that are in conflict with the defenses available to the Company, or that there is an actual or potential conflict of interest, then the Trustee may retain separate counsel, and the Company will pay the reasonable fees and expenses of such counsel (including the reasonable fees and expenses of counsel to the Trustee incurred in evaluating whether such a conflict exists). The Company need not pay for any settlement of any such claim made without its consent, which consent will not be unreasonably withheld, conditioned or delayed. The indemnification provided in this **Section 10.06** will extend to the officers, directors, agents (selected with due care) and employees of the Trustee and any successor Trustee under this Indenture.

(C) The obligations of the Company under this **Section 10.06** will survive the earlier resignation or removal of the Trustee and the discharge of this Indenture.

(D) To secure the Company's payment obligations in this **Section 10.06**, the Trustee will have a Lien prior to the Notes on all money or property held or collected by the Trustee, except that held in trust to pay principal of, or interest on, particular Notes, which Lien will survive the discharge of this Indenture.

(E) If the Trustee incurs expenses or renders services after an Event of Default pursuant to **clause (xi)** or **(xiii)** of **Section 7.01(A)** occurs, then such expenses and the compensation for such services (including the fees and expenses of its agents and counsel) are intended to constitute administrative expenses for purposes of priority under any Bankruptcy Law.

(F) This Section 10.06 shall be applicable to the Calculation Agent, as if references to the "Trustee" were references to the "Calculation Agent.".

Section 10.07. Replacement of the Trustee.

(A) Notwithstanding anything to the contrary in this **Section 10.07**, a resignation or removal of the Trustee, and the appointment of a successor Trustee, will become effective only upon such successor Trustee's acceptance of appointment as provided in this **Section 10.07**.

(B) The Trustee may resign at any time and be discharged from its duties and obligations hereunder at any time by giving no less than thirty (30) calendar days' prior written notice of such resignation to the Company. The Holders of a majority in aggregate principal amount of the Notes then outstanding may remove the Trustee by providing no less than thirty (30) calendar days' prior written notice to the Trustee and the Company. The Company may remove the Trustee if:

(i) the Trustee fails to comply with **Section 10.09**;

(ii) the Trustee is adjudged to be bankrupt or insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;

(iii) a custodian or public officer takes charge of the Trustee or its property; or

(iv) the Trustee becomes incapable of acting.

(C) If the Trustee resigns or is removed, or if a vacancy exists in the office of Trustee for any reason, then (i) the Company will promptly appoint a successor Trustee; and (ii) at any time within one (1) year after the successor Trustee takes office, the Holders of a majority in aggregate principal amount of the Notes then outstanding may appoint a successor Trustee to replace such successor Trustee appointed by the Company.

(D) If a successor Trustee does not take office within sixty (60) days after the retiring Trustee resigns or is removed, then the retiring Trustee (at the Company's expense), the Company or the Holders of at least ten percent (10%) in aggregate principal amount of the Notes then outstanding may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(E) If the Trustee, after written request by a Holder of at least six (6) months, fails to comply with **Section 10.09**, then such Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(F) A successor Trustee will deliver a written acceptance of its appointment to the retiring Trustee and to the Company, upon which notice the resignation or removal of the retiring Trustee will become effective and the successor Trustee will have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee will send notice of its succession to Holders. The retiring Trustee will, upon payment of all amounts due to it under this Indenture, promptly transfer all property held by it as Trustee to the successor Trustee, which property will, for the avoidance of doubt, be subject to the Lien provided for in **Section 10.06(D).**

(G) This Section 10.07 shall be applicable to the Calculation Agent, as if references to the "Trustee" were references to the "Calculation Agent.".

Section 10.08. Successor Trustee by Merger, Etc.

If the Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another entity, then such entity will become the successor Trustee under this Indenture and will have and succeed to the rights, powers, duties, immunities and privileges of its predecessor without any further act or the execution or filing of any instrument or paper, provided that the Trustee and such other entity have provided written notice thereof to the Company and the Holders.

Section 10.09. Eligibility; Disqualification.

There will at all times be a Trustee under this Indenture that is a corporation organized and doing business under the laws of the United States of America or of any state thereof, that is authorized under such laws to exercise corporate trustee power, that is subject to supervision or examination by federal or state authorities and that has a combined capital and surplus of at least $50.0 million as set forth in its most recent published annual report of condition.

Article 11. COLLATERAL

Section 11.01. Security.

(A) On the Issue Date, in order to secure the obligations of the Company under the Notes and this Indenture, the Company shall grant a first priority security interest (subject to Permitted Liens) in favor of the Trustee pursuant to certain security documents for the benefit of the Trustee (in each of its capacities), the Calculation Agent, Note Agents and the Holders of the Notes (collectively, the "**Secured Parties**") over certain collateral consisting of the following (collectively, the "**Collateral**"):

(i) a share pledge granted by the Company over 100% of the shares of Capital Stock of TH Hong Kong International Limited (the "**Share Collateral**"); and

(ii) an all-asset debenture granted by the Company over all of its assets (the "**Company Debenture**").

(B) The Company shall take all requisite steps under applicable laws and undertake other customary procedures in connection with the granting and perfection (if relevant) of the first priority Lien on the Collateral (subject to any Permitted Liens).

(C) So long as no Event of Default has occurred and is continuing, and subject to the terms of the Security Documents and this Indenture, the Company will be entitled to exercise any and all voting rights and to receive, retain, use and invest any and all cash dividends, stock dividends, liquidating dividends, non-cash dividends, shares or stock resulting from stock splits or reclassifications, rights issues, warrants, options and other distributions (whether similar or dissimilar to the foregoing) in respect of the Capital Stock constituting the Share Collateral and entitled to receive, use and invest all cash dividends, interest and other payments made upon or with respect to the Share Collateral and to exercise any voting and other consensual rights pertaining to the Share Collateral.

(D) Upon the occurrence and during the continuance of an Event of Default:

(i) all rights of the Company to receive all or claim payment of cash dividends and other payments or to receive all or claim stock dividends, non-cash dividends, shares or stock resulting from stock splits or reclassifications, rights issues, warrants, options and other distributions (whether similar or dissimilar to the foregoing) made upon or with respect to the Share Collateral will cease and such cash dividends and other payments will be paid to the Trustee;

(ii) all voting or other consensual rights pertaining to the Share Collateral will become vested solely in the Trustee and the right of the Company to exercise any such voting and consensual rights will cease; and

(iii) the Trustee may distribute or sell the Collateral or any part of the Collateral in accordance with the terms hereof and of the Security Documents, subject to the provisions of applicable law.

(F) Each Holder of Notes, by its acceptance thereof, hereby designates and appoints the Trustee as its agent under this Indenture and the Security Documents and each Holder of the Notes, by its acceptance thereof, consents and agrees to the terms of the Security Documents as the same may be in effect or may be amended, supplemented or replaced from time to time in accordance with their terms or the terms of this Indenture and authorizes and directs the Trustee to perform its obligations and exercise its rights thereunder in accordance therewith.

(G) Each Holder of Notes, by its acceptance thereof, shall be deemed to have consented and authorized the appointment of the Trustee and to the execution of the Indenture by the Trustee and any supplements, amendments or modifications thereto. Each Holder of Notes, by its acceptance thereof, will be deemed to have authorized the Trustee to enter into the relevant Security Documents and to be bound thereby. The Trustee is hereby authorized to exercise such rights, powers and discretions as are specifically delegated to it by the terms of the Security Documents.

(H) Notwithstanding (i) anything to the contrary contained in this Indenture, the Notes, the Security Documents or any other instrument governing, evidencing or relating to any Indebtedness, (ii) the time, order or method of attachment of any Liens, (iii) the time or order of filing or recording of financing statements or other documents filed or recorded to perfect any Lien upon any Collateral, (iv) the time of taking possession or control over any Collateral or (v) the rules for determining priority under the Uniform Commercial Code or any other law of any relevant jurisdiction governing relative priorities of secured creditors, the Company shall ensure that:

(x) the Liens granted pursuant to the Security Documents will rank at least equally and ratably with all other valid, enforceable and perfected Liens, whenever granted upon any present or future Collateral, but only to the extent such other Liens are permitted under this Indenture to exist and to rank equally and ratably with the Notes; and

(y) all proceeds of the Collateral applied under the Security Documents shall be allocated and distributed as set forth in **Section 7.10** hereof.

Section 11.02. Authorization of Actions to Be Taken.

(A) The Trustee shall be the representative on behalf of the Holders of the Notes and shall act in accordance with the written direction of the Holders of the Notes pursuant to this Indenture.

(B) Subject to the terms of this Indenture and the Security Documents, the Trustee shall have the right, on behalf of the Holders of the Notes, to take all actions in order to (i) enforce any of its rights or any of the rights of the Secured Parties under the Security Documents; and (ii)

receive any and all amounts payable from the Collateral in respect of the obligations of the Company hereunder.

(C) Subject to the terms of the Security Documents, the Trustee shall have the power to institute and to maintain such suits and proceedings to prevent any impairment of the Collateral by any acts that may be unlawful or in violation of the Security Documents or this Indenture, and such suits and proceedings to preserve or protect its interest and any interests of the Trustee and the Secured Parties in the Collateral (including power to institute and maintain suits or proceedings to restrain the enforcement of or compliance with any legislative or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid if the enforcement of, or compliance with, such enactment, rule or order would impair the security interest hereunder or be prejudicial to the interests of the Secured Parties). The Trustee is hereby irrevocably authorized by each Holder of the Notes to effect, without liability, any release of Liens or Collateral contemplated by **Section 11.03** hereof or by the terms of the Security Documents.

(D) The Trustee is authorized to receive any funds for the benefit of the Secured Parties under the Security Documents, and to make further distributions of such funds to the Secured Parties according to the provisions of this Indenture.

(E) Upon the occurrence and during the continuance of an Event of Default, the Company shall provide, and the Company shall procure its Board of Directors to provide, such information and assistance as the Trustee may require in connection with any actions to protect or preserve the Collateral and the value of the Collateral, including seeking potential investors and for the appointment of any advisors that the Trustee may require in connection with the same.

Section 11.03. Release of Collateral.

(A) The security created in respect of the Collateral granted under the Security Documents may be released:

(i) upon repayment in full of the principal, accrued and unpaid interest and premium, if any, on the Notes;

(ii) upon satisfaction and discharge of this Indenture pursuant to **Article 9** hereof;

(iii) in connection with any sale, lease or transfer of the assets of the Company and its Subsidiaries in accordance with **Article 6** hereof;

(iv) in connection with an enforcement sale pursuant to the Security Documents; or

(v) with the requisite consent of the Holders in accordance with **Section 8.02** hereof.

(B) In the event that the Company seeks to release Collateral in accordance with **Section 11.03(A)(iii) or (iv)**, the Company shall deliver an Officers' Certificate and an Opinion of Counsel to the Trustee (upon which Officers' Certificate and Opinion of Counsel the Trustee may conclusively rely and be fully protected in relying) stating that the specified release (and the

execution of any documents related thereto) complies with the terms of this Indenture and the Security Documents.

(C) Subject to the terms and conditions of the relevant Security Documents, the Company and/or the Trustee (if so reasonably requested by the Company) shall execute, deliver or acknowledge any instruments of termination, satisfaction or release prepared by the Company to evidence the release of any Collateral permitted to be released pursuant to this Indenture and the Security Documents.

(D) Any release of Collateral made in compliance with this **Section 11.03** shall not be deemed to impair the Lien under the Security Documents or the Collateral thereunder in contravention of the provisions of this Indenture or the Security Documents.

Article 12. MISCELLANEOUS

Section 12.01. Notices.

Any notice or communication by the Company or the Trustee (including in its capacity as any Note Agent) to the other will be deemed to have been duly given if in writing and delivered in person or by first class mail (registered or certified, return receipt requested), facsimile transmission, electronic transmission or other similar means of electronic communication or overnight air courier guaranteeing next day delivery, or to the other's address, which initially is as follows:

If to the Company:

TH International Limited
2501 Central Plaza
227 Huangpi North Road
Shanghai
People's Republic of China 200003
Attn: Yongchen Lu; Albert Li
E-mail: yongchen.lu@timschina.com; albert.li@timschina.com

c/o Cartesian Capital Group LLC
505 5th Avenue, 15th Floor
New York, NY 10017
United States
Attn: Peter Yu; Gregory Armstrong
E-mail: peter.yu@cartesiangroup.com; gregory.armstrong@cartesiangroup.com

with a copy (which shall not constitute notice) to:

Han Kun Law Offices
Rooms 4301-10, 43/F, Gloucester Tower, The Landmark
15 Queen's Road Central, Hong Kong
Attn: Liang (Alex) Tao

E-mail: liang.tao@hankunlaw.com

If to the Trustee:

Wilmington Savings Fund Society, FSB
300 Bellevue Parkway
Suite 300
Wilmington, DE 19809
United States
Attn: Anita Woolery – TH International Limited

The Company or the Trustee, by notice to the other, may designate additional or different addresses (including facsimile numbers and electronic addresses) for subsequent notices or communications.

All notices and communications (other than those sent to Holders) will be deemed to have been duly given: (A) at the time delivered by hand, if personally delivered; (B) five (5) Business Days after being deposited in the mail, postage prepaid, if mailed; (C) when receipt acknowledged, if transmitted by facsimile, electronic transmission or other similar means of electronic communication; and (D) the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery.

All notices or communications required to be made to a Holder pursuant to this Indenture must be made in writing and will be deemed to be duly sent or given in writing if mailed by first class mail, certified or registered, return receipt requested, or by overnight air courier guaranteeing next day delivery, to its address shown on the Register; *provided*, *however*, that a notice or communication to a Holder of a Global Note may, but need not, instead be sent pursuant to the Depositary Procedures (in which case, such notice will be deemed to be duly sent or given in writing). The failure to send a notice or communication to a Holder, or any defect in such notice or communication, will not affect its sufficiency with respect to any other Holder. All notices, approvals, consents, requests and any communications hereunder must be in writing (provided that any communication sent to the Trustee hereunder must be in the form of a document that is signed manually or by way of a digital signature), in English, and signatures of the parties hereto transmitted by facsimile, PDF or other electronic transmission (including any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) will constitute effective execution and delivery of this Indenture as to the other parties hereto and will be deemed to be their original signatures for all purposes; provided, notwithstanding anything to the contrary set forth herein, in the Security Documents or in any related documents, the Trustee is under no obligation to agree to accept electronic signatures in any form or format unless expressly agreed to by the Trustee pursuant to procedures approved by the Trustee. The Company and the Holders agree to assume all risks arising out of the use of digital signatures and electronic methods to submit communications to the Trustee, including, without limitation, the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

If the Trustee is then acting as the Depositary's custodian for the Notes, then, at the reasonable request of the Company to the Trustee, the Trustee will cause any notice prepared by the Company to be sent to any Holder(s) pursuant to the Depositary Procedures, *provided* such

request is evidenced in a Company Order delivered, together with the text of such notice, to the Trustee at least two (2) Business Days before the date such notice is to be so sent. For the avoidance of doubt, such Company Order need not be accompanied by an Officer's Certificate or Opinion of Counsel. The Trustee will not have any liability relating to the contents of any notice that it sends to any Holder pursuant to any such Company Order.

If a notice or communication is mailed or sent in the manner provided above within the time prescribed, it will be deemed to have been duly given, whether or not the addressee receives it.

Notwithstanding anything to the contrary in this Indenture or the Notes, (A) whenever any provision of this Indenture requires a party to send notice to another party, no such notice need be sent if the sending party and the recipient are the same Person acting in different capacities; and (B) whenever any provision of this Indenture requires a party to send notice to more than one receiving party, and each receiving party is the same Person acting in different capacities, then only one such notice need be sent to such Person.

Section 12.02. Delivery of Officer's Certificate and Opinion of Counsel as to Conditions Precedent.

Upon any request or application by the Company to the Trustee to take any action under this Indenture, the Company will furnish to the Trustee:

(A) an Officer's Certificate in form and substance reasonably satisfactory to the Trustee that complies with **Section 12.03** and states that, in the opinion of the signatory thereto, all conditions precedent and covenants, if any, provided for in this Indenture relating to such action have been satisfied; and

(B) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee that complies with **Section 12.03** and states that, in the opinion of such counsel, all such conditions precedent and covenants, if any, have been satisfied; provided that no such Opinion of Counsel shall be required in connection with the initial authentication of Notes under this Indenture and the authentication of PIK Notes.

Section 12.03. Statements Required in Officer's Certificate and Opinion of Counsel.

Each Officer's Certificate (other than an Officer's Certificate pursuant to **Section 3.02**) or Opinion of Counsel with respect to compliance with a covenant or condition provided for in this Indenture will include:

(A) a statement that the signatory thereto has read such covenant or condition;

(B) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained therein are based;

(C) a statement that, in the opinion of such signatory, he, she or it has made such examination or investigation as is necessary to enable him, her or it to express an informed opinion as to whether or not such covenant or condition has been satisfied; and

(D) a statement as to whether, in the opinion of such signatory, such covenant or condition has been satisfied.

Section 12.04. Rules by the Trustee, the Registrar and the Paying Agent.

The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

Section 12.05. No Personal Liability of Directors, Officers, Employees and Stockholders.

No past, present or future director, officer, employee, incorporator or stockholder of the Company, as such, will have any liability for any obligations of the Company under this Indenture or the Notes or for any claim based on, in respect of, or by reason of, such obligations or their creation. By accepting any Note, each Holder waives and releases all such liability. Such waiver and release are part of the consideration for the issuance of the Notes.

Section 12.06. Governing Law; Waiver of Jury Trial.

THIS INDENTURE AND THE NOTES, AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS INDENTURE OR THE NOTES, WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. EACH OF THE COMPANY, THE TRUSTEE AND THE HOLDERS OF THE NOTES BY THEIR ACCEPTANCE THEREOF IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTES OR THE TRANSACTIONS CONTEMPLATED BY THIS INDENTURE OR THE NOTES.

Section 12.07. Submission to Jurisdiction.

Any legal suit, action or proceeding arising out of or based upon this Indenture or the transactions contemplated by this Indenture may be instituted in the federal courts of the United States of America located in The City of New York or the courts of the State of New York, in each case located in The City of New York (collectively, the "**Specified Courts**"), and each party irrevocably submits to the non-exclusive jurisdiction of such courts in any such suit, action or proceeding. Service of any process, summons, notice or document by mail (to the extent allowed under any applicable statute or rule of court) to such party's address set forth in **Section 12.01** will be effective service of process for any such suit, action or proceeding brought in any such court. Each of the Company, the Trustee, and each Holder (by its acceptance of any Note) irrevocably and unconditionally waives any objection to the laying of venue of any suit, action or other proceeding in the Specified Courts and irrevocably and unconditionally waives and agrees not to plead or claim any such suit, action or other proceeding has been brought in an inconvenient forum.

Section 12.08. No Adverse Interpretation of Other Agreements.

Neither this Indenture nor the Notes may be used to interpret any other indenture, note, loan or debt agreement of the Company or its Subsidiaries or of any other Person, and no such indenture, note, loan or debt agreement may be used to interpret this Indenture or the Notes.

Section 12.09. Successors.

All agreements of the Company in this Indenture and the Notes will bind its successors. All agreements of the Trustee in this Indenture will bind its successors.

Section 12.10. Force Majeure.

The Trustee and each Note Agent will not incur any liability for not performing or for any delay in performing any act or fulfilling any duty, obligation or responsibility under this Indenture or the Notes by reason of any occurrence beyond its control (including, without limitation, any act or provision of any present or future law or regulation or Governmental Authority, act of God, earthquakes, fires, floods, sabotage, epidemics, pandemics, recognized public emergencies, quarantine restrictions, riots, interruptions loss or malfunction of utilities, computer (hardware or software) or communications service, use or infiltration of the Trustee's or such Note Agent's technological infrastructure exceeding authorized access, accidents, acts of war, civil or military unrest, labor disputes, acts of civil or military authority or governmental actions, local or national disturbance or disaster, act of terrorism or unavailability of the Federal Reserve Bank wire or facsimile or other wire or communication facility).

Section 12.11. U.S.A. Patriot Act.

The Company acknowledges that, in accordance with Section 326 of the U.S.A. PATRIOT Act, the Trustee, like all financial institutions, in order to help fight the funding of terrorism and money laundering, is required to obtain, verify and record information that identifies each Person that establishes a relationship or opens an account with the Trustee. The Company agrees to provide the Trustee with such information as it may request to enable the Trustee to comply with the U.S.A. PATRIOT Act.

Section 12.12. Calculations.

Except as otherwise provided in this Indenture, the Company will be responsible for making all calculations called for under this Indenture or the Notes, including determinations of the Last Reported Sale Price, accrued interest on the Notes and the Conversion Price. Neither the Trustee nor any Note Agent will have any liability or responsibility for any calculation under this Indenture or in connection with the Notes, any information used in connection with such calculation or any determination made in connection with a conversion.

The Company will make all calculations in good faith, and, absent manifest error, its calculations will be final and binding on all Holders. The Company will provide a schedule of its calculations in writing to the Trustee and the Conversion Agent, and each of the Trustee and the Conversion Agent may rely conclusively on the accuracy of the Company's calculations without

independent verification. The Trustee will promptly forward a copy of each such schedule to a Holder upon its written request therefor.

Section 12.13. Severability; Entire Agreement.

If a court of competent jurisdiction declares any provision of this Indenture or the Notes is invalid, illegal or unenforceable, then the validity, legality and enforceability of the remaining provisions of this Indenture or the Notes will not in any way be affected or impaired thereby. This Indenture and the exhibits hereto set forth the entire agreement and understanding of the parties related to this transaction and supersede all prior agreements and understandings, written or oral.

Section 12.14. Counterparts.

The parties may sign any number of copies of this Indenture. Each signed copy will be an original, and all of them together represent the same agreement. Delivery of an executed counterpart of this Indenture by facsimile, electronically in portable document format or in any other format will be effective as delivery of a manually executed counterpart. The exchange of copies of this Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Indenture as to the parties hereto and may be used in lieu of the original Indenture and signature pages for all purposes.

Section 12.15. Table of Contents, Headings, Etc.

The table of contents and the headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and will in no way modify or restrict any of the terms or provisions of this Indenture.

[***The Remainder of This Page Intentionally Left Blank; Signature Page Follows***]

IN WITNESS WHEREOF, the parties to this Indenture have caused this Indenture to be duly executed as of the date first written above.

TH INTERNATIONAL LIMITED

By:_____
Name:
Title:

WILMINGTON SAVINGS FUND SOCIETY, FSB, AS TRUSTEE

By:_____
Name:
Title:

EXHIBIT A

FORM OF NOTE

[*Insert Global Note Legend, if applicable*]

[*Insert Restricted Note Legend, if applicable*]

TH INTERNATIONAL LIMITED

Floating Rate Convertible Senior Secured Note due 2029

Certificate No. [_____]

ISIN: US87251CAD83

CUSIP: 87251C AD8

TH International Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands with registration number 336092, for value received, promises to pay to [●] or its registered assigns the principal sum of [ ] dollars ($[ ]) [(as revised by the attached Schedule of Exchanges of Interests in the Global Note)]* on September 30, 2029 and to pay interest thereon, as provided in the Indenture referred to below, until the principal and all accrued and unpaid interest are paid or duly provided for.

Interest Payment Dates: [ ] and [ ] of each year, commencing on [●].

Regular Record Dates: [ ] and [ ] (whether or not a Business Day).

Additional provisions of this Note are set forth on the other side of this Note.

[***The Remainder of This Page Intentionally Left Blank; Signature Page Follows***]

* Insert bracketed language for Global Notes only.

IN WITNESS WHEREOF, TH International Limited has caused this instrument to be duly executed as of the date set forth below.

TH INTERNATIONAL LIMITED

By: _____

Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

Wilmington Savings Fund Society, FSB, as Trustee, certifies that this is one of the Notes referred to in the within-mentioned Indenture.

Date: _____ By: _____
Authorized Signatory

TH INTERNATIONAL LIMITED

Floating Rate Convertible Senior Secured Note due 2029

This Note is one of a duly authorized issue of notes of TH International Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands with registration number 336092 (the "**Company**"), designated as its Floating Rate Convertible Senior Secured Notes due 2029 (the "**Notes**"), all issued or to be issued pursuant to an indenture, dated as of December 2, 2025 (as the same may be amended from time to time, the "**Indenture**"), between the Company and Wilmington Savings Fund Society, FSB, as trustee (the "**Trustee**"). Capitalized terms used in this Note without definition have the respective meanings ascribed to them in the Indenture.

The Indenture sets forth the rights and obligations of the Company, the Trustee and the Holders and the terms of the Notes. Notwithstanding anything to the contrary in this Note, to the extent that any provision of this Note conflicts with the provisions of the Indenture, the provisions of the Indenture will control.

1. **Interest**. This Note will accrue interest at a rate and in the manner set forth in **Section 2.05** of the Indenture. Interest on this Note will begin to accrue from, and including, [●, 2025] [*For Additional Notes, please insert: the most recent date to which interest has been paid or duly provided for, or if no interest has theretofore been paid or duly provided for, the date of issuance thereof*].

2. **Maturity**. This Note will mature on September 30, 2029, unless earlier repurchased, redeemed or converted.

3. **Security**. The obligations of the Company under this Note will be secured by the Collateral (subject to any Permitted Liens) as set forth in the Indenture.

4. **Method of Payment**. Cash amounts due on this Note will be paid in the manner set forth in **Section 2.04** of the Indenture.

5. **Persons Deemed Owners**. The Holder of this Note will be treated as the owner of this Note for all purposes.

6. Denominations; Transfers and Exchanges. All Notes will be in registered form, without coupons, in principal amounts equal to any Authorized Denominations. Subject to the terms of the Indenture, the Holder of this Note may transfer or exchange this Note by presenting it to the Registrar and delivering any required documentation or other materials.

7. **Right of Holders to Require the Company to Repurchase Notes**. Each Holder will have the right, at its election, to require the Company in certain circumstances to repurchase all of such Holder's Notes for cash in the manner, and subject to the terms, set forth in **Section 4.02** of the Indenture.

8. **Right of the Company to Redeem the Notes**. The Company will have the right to redeem the Notes for cash in the manner, and subject to the terms, set forth in **Section 4.03** or **Section 4.04** of the Indenture.

9. **Conversion**. The Holder of this Note may convert this Note into Conversion Consideration in the manner, and subject to the terms, set forth in **Article 5** of the Indenture.

10. **When the Company May Merge, Etc**. **Article 6** of the Indenture places limited restrictions on the Company's ability to be a party to a Business Combination Event.

11. **Defaults and Remedies**. If an Event of Default occurs, then the principal amount of, and all accrued and unpaid interest on, all of the Notes then outstanding may (and, in certain circumstances, will automatically) become due and payable in the manner, and subject to the terms, set forth in **Article 7** of the Indenture.

12. **Amendments, Supplements and Waivers**. The Company and the Trustee may amend or supplement the Indenture, the Notes or the Security Documents or waive compliance with any provision of the Indenture, the Notes or the Security Documents in the manner, and subject to the terms, set forth in **Section 7.04** and **Article 8** of the Indenture.

13. **No Personal Liability of Directors, Officers, Employees and Shareholders**. No past, present or future director, officer, employee, incorporator or shareholder of the Company, as such, will have any liability for any obligations of the Company under the Indenture or the Notes or for any claim based on, in respect of, or by reason of, such obligations or their creation. By accepting any Note, each Holder waives and releases all such liability. Such waiver and release are part of the consideration for the issuance of the Notes.

14. **Authentication**. No Note will be valid until it is authenticated by an authorized signatory of the Trustee. A Note will be deemed to be duly authenticated only when an authorized signatory of the Trustee (or a duly appointed authenticating agent) manually or electronically signs the certificate of authentication of such Note.

15. **Abbreviations**. Customary abbreviations may be used in the name of a Holder or its assignee, such as TEN COM (tenants in common), TEN ENT (tenants by the entireties), JT TEN (joint tenants with right of survivorship and not as tenants in common), CUST (custodian), and U/G/M/A (Uniform Gift to Minors Act).

16. **Governing Law**. THIS NOTE, AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS NOTE, WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

* * *

To request a copy of the Indenture, which will be provided to any Holder at no charge, please send a written request to the Trustee at Wilmington Savings Fund Society, FSB, 300 Bellevue Parkway, Suite 300, Wilmington, DE 19809, United States, Attn: Anita Woolery – TH International Limited.

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE*

INITIAL PRINCIPAL AMOUNT OF THIS GLOBAL NOTE: $[_____]

The following exchanges, transfers or cancellations of this Global Note have been made:

Date	Amount of Increase (Decrease) in Principal Amount of this Global Note	Principal Amount of this Global Note After Such Increase (Decrease)	Signature of Authorized Signatory of Trustee

* Insert for Global Notes only.

NOTICE OF CONVERSION

TH INTERNATIONAL LIMITED

Floating Rate Convertible Senior Secured Notes due 2029

Subject to the terms of the Indenture, by executing and delivering this Notice of Conversion, the undersigned Holder of the Note identified below directs the Company to convert US$[ ] principal amount of the Note identified by

ISIN US87251CAD83

CUSIP 87251C AD8

and Certificate No. _____.

The undersigned acknowledges that if the Conversion Date of a Note to be converted is after a Regular Record Date and before the next Interest Payment Date, then such Note, when surrendered for conversion, must, in certain circumstances, be accompanied with an amount of cash equal to the interest that would have accrued on such Note to, but excluding, such Interest Payment Date.

[Number of Shares held by the undersigned: _____][*insert if applicable for purposes of Section 5.10*]

Date: _____ By: _____
(Legal Name of Holder)

By: _____
Name:
Title:

Signature Guaranteed:

_____
Participant in a Recognized Signature
Guarantee Medallion Program

By: _____
Authorized Signatory

[REPURCHASE][FUNDAMENTAL CHANGE REPURCHASE] NOTICE

TH INTERNATIONAL LIMITED

Floating Convertible Senior Secured Notes due 2029

Subject to the terms of the Indenture, by executing and delivering this [Repurchase][Fundamental Change Repurchase] Notice, the undersigned Holder of the Note identified below is exercising its [Repurchase][Fundamental Change Repurchase] Right with respect to the entire principal amount of the Note identified by

ISIN US87251CAD83

CUSIP 87251C AD8

and Certificate No. _____.

The undersigned acknowledges that this Note, duly endorsed for transfer, must be delivered to the Paying Agent before the [Repurchase Price][Fundamental Change Repurchase Price] will be paid.

Date: _____ By: _____
(Legal Name of Holder)

By: _____
Name:
Title:

Signature Guaranteed:

_____
Participant in a Recognized Signature
Guarantee Medallion Program

By: _____
Authorized Signatory

ASSIGNMENT FORM

TH INTERNATIONAL LIMITED

Floating Rate Convertible Senior Secured Notes due 2029

Subject to the terms of the Indenture, the undersigned Holder of the within Note assigns to:

Name: _____

Address: _____

Social security or tax identification number: _____

the within Note and all rights thereunder irrevocably appoints:

as agent to transfer the within Note on the books of the Company. The agent may substitute another to act for him/her.

Date: _____ By: _____
(Legal Name of Holder)

By: _____
Name:
Title:

Signature Guaranteed:

_____
Participant in a Recognized Signature Guarantee Medallion Program

By: _____
Authorized Signatory

TRANSFEROR ACKNOWLEDGMENT

If the within Note bears a Restricted Note Legend, the undersigned further certifies that (check one):

1. ☐ Such Transfer is being made to the Company or a Subsidiary of the Company.

2. ☐ Such Transfer is being made pursuant to, and in accordance with, a registration statement that is effective under the Securities Act at the time of the Transfer.

3. ☐ Such Transfer is being made pursuant to, and in accordance with, Rule 144A under the Securities Act, and, accordingly, the undersigned further certifies that the within Note is being transferred to a Person that the undersigned reasonably believes is purchasing the within Note for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act in a transaction meeting the requirements of Rule 144A. **If this item is checked, then the transferee must complete and execute the acknowledgment contained on the next page**.

4. ☐ Such Transfer is being made pursuant to, and in accordance with, any other available exemption from the registration requirements of the Securities Act (including, if available, the exemption provided by Rule 144 under the Securities Act).

Dated: _____ By: _____
(Legal Name of Holder)

By: _____
Name:
Title:

Signature Guaranteed:

_____
Participant in a Recognized Signature
Guarantee Medallion Program

By: _____
Authorized Signatory

TRANSFEREE ACKNOWLEDGMENT

The undersigned represents that it is purchasing the within Note for its own account, or for one or more accounts with respect to which the undersigned exercises sole investment discretion, and that and the undersigned and each such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act. The undersigned acknowledges that the transferor is relying, in transferring the within Note on the exemption from the registration and prospectus-delivery requirements of the Securities Act of 1933, as amended, provided by Rule 144A and that the undersigned has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A.

Dated:_____

_____
(Name of Transferee)

By:_____
Name:
Title:

EXHIBIT B-1

FORM OF RESTRICTED NOTE LEGEND

THIS NOTE AND THE SHARES OF STOCK ISSUABLE UPON THE CONVERSION THEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE ACQUIRER:

(1) REPRESENTS THAT IT AND ANY ACCOUNT FOR WHICH IT IS ACTING IS (I) AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF SUBPARAGRAPH (A)(1), (2), (3) OR (7) OF RULE 501 UNDER THE SECURITIES ACT, OR (II) A "QUALIFIED INSTITUTIONAL BUYER" (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) AND THAT IT EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO EACH SUCH ACCOUNT, AND

(2) AGREES FOR THE BENEFIT OF THE COMPANY THAT IT WILL NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS NOTE OR THE SHARES OF STOCK ISSUABLE UPON CONVERSION THEREOF, OR ANY BENEFICIAL INTEREST HEREIN OR THEREIN, PRIOR TO THE EXPIRATION OF THE APPLICABLE HOLDING PERIOD WITH RESPECT TO RESTRICTED SECURITIES SET FORTH IN RULE 144 UNDER THE SECURITIES ACT UNLESS SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS MADE:

(A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, OR

(B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BECOME EFFECTIVE UNDER THE SECURITIES ACT, OR

(C) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT; OR

(D) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF SUBPARAGRAPH (A)(1), (2), (3) OR (7) OF RULE 501 UNDER THE SECURITIES ACT, THAT IS ACQUIRING THE SECURITY FOR ITS OWN ACCOUNT, OR FOR THE ACCOUNT OF SUCH AN INSTITUTIONAL ACCREDITED INVESTOR, FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO, OR FOR OFFER OR SALE IN CONNECTION WITH, ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT, OR

(E) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT OR ANY OTHER AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT,

PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH (2)(C), (D) OR (E) ABOVE, THE COMPANY AND THE TRUSTEE RESERVE THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

EXHIBIT B-2

FORM OF GLOBAL NOTE LEGEND

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF THE DEPOSITARY OR A NOMINEE OF THE DEPOSITARY, WHICH MAY BE TREATED BY THE COMPANY, THE TRUSTEE AND ANY AGENT THEREOF AS THE OWNER AND HOLDER OF THIS NOTE FOR ALL PURPOSES.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("**DTC**") TO THE COMPANY OR ITS AGENTS FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO.) OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE WILL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC, OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE, AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE WILL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN ARTICLE 2 OF THE INDENTURE HEREINAFTER REFERRED TO.