

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 10, 2021 (December 6, 2021)

Microvast Holdings, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-38826
(Commission File Number)

83-2530757
(IRS. Employer
Identification No.)

12603 Southwest Freeway, Suite 210
Stafford, Texas 77477
(Address of principal executive offices, including zip code)

281-491-9505
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.0001 per share	MVST	The Nasdaq Stock Market LLC
Redeemable warrants, exercisable for shares of common stock at an exercise price of \$11.50 per share	MVSTW	The Nasdaq Stock Market LLC

Item 4.02 Non-Reliance on Previously Issued Financial Statements or Related Audit Report or Completed Interim Review

In connection with the preparation of the financial statements for the period ended September 30, 2021 included in the Registration Statement on Form S-1 (File No. 333-258978) (as amended, the “Registration Statement”), Microvast Holdings, Inc. (the “Company”) reevaluated the application of Accounting Standards Codification (“ASC”) 480-10-S99, *Distinguishing Liabilities from Equity*, to the accounting classification of the Class A common stock subject to possible redemption (the “Public Shares”) issued as part of the units sold in the initial public offering by Tuscan Holdings Corp. (“Tuscan”). Tuscan had previously classified a portion of the Public Shares as permanent equity. Upon further evaluation, the Company determined that the Public Shares include certain redemption features not solely within Tuscan’s control that, under ASC 480-10-S99, require such shares to be classified as temporary equity in their entirety.

On December 6, 2021, the Company’s management and audit committee of the board of directors (the “Audit Committee”) concluded that the previously issued (i) audited balance sheet as of March 7, 2019 included in Tuscan’s Annual Report on Form 10-K/A filed with the U.S. Securities and Exchange Commission (the “SEC”) on June 1, 2021; (ii) audited financial statements included in Tuscan’s Annual Reports on Form 10-K/A and 10-K, respectively, as of and for the periods ended December 31, 2019 and 2020; (iii) unaudited interim financial statements included in Tuscan’s Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2019, June 30, 2019, September 30, 2019, March 31, 2020, June 30, 2020, September 30, 2020 and March 31, 2021; and (iv) unaudited interim financial statements included in the Company’s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2021 (collectively, the “Affected Periods”) should have reported all Public Shares as temporary equity. Therefore, the financial statements for the Affected Periods, as well as the other communications with respect to the financial statements covering the Affected Periods, including management’s reports on the effectiveness of internal control over financial reporting, should no longer be relied upon.

Microvast Inc. (“Legacy Microvast”) completed its business combination with Tuscan on July 23, 2021. The transaction is accounted for as a reverse recapitalization under U.S. GAAP, under which Tuscan is treated as the “acquired” company for financial reporting purposes. Accordingly, the financial statements of the Company represent a continuation of the financial statements of Legacy Microvast, with the business combination being treated as the equivalent of Legacy Microvast issuing stock for the net assets of Tuscan, accompanied by a recapitalization. The net assets of Tuscan are stated at historical costs, with no goodwill or other intangible assets recorded, and are consolidated with Legacy Microvast’s financial statements on the closing date. Operations prior to the business combination are presented as those of Legacy Microvast. The Company reflected the effect of the reverse recapitalization in its unaudited interim financial statements included in the Company’s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2021. In addition, the Company is retroactively restating Legacy Microvast’s historical financial statements for the three years ended December 31, 2020 to reflect the effect of the reverse recapitalization.

As the Public Shares classification error relates solely to Tuscan’s financial statements in periods preceding the business combination, the Company does not intend to amend or restate such financial information for the Affected Periods. The financial information presented therein should not be relied upon.

The Company’s management has concluded that, in light of the Public Shares classification error described above, a material weakness existed in Tuscan’s internal control over financial reporting and that Tuscan’s disclosure controls and procedures were not effective.

The Company’s management and the Audit Committee have discussed the matters described above with Marcum LLP, Tuscan’s independent registered public accounting firm prior to the business combination.

Item 7.01 Regulation FD Disclosure

The information set forth under 4.02 is incorporated into this Item 7.01 by reference.

On December 10, 2021, the Company issued a press release related to the matters described in Item 4.02. A copy of the press release is included as Exhibit 99.1 and incorporated herein by reference.

The information furnished pursuant to this Item 7.01 shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and will not be incorporated by reference into any filing under the Securities Act, unless specifically identified therein as being incorporated therein by reference.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated December 10, 2021
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: December 10, 2021

MICROVAST HOLDINGS, INC.

By: /s/ Yanzhuan Zheng

Name: Yanzhuan Zheng

Title: Chief Financial Officer

Microvast Statement Regarding 8-K Filing on Former SPAC Financials

HOUSTON, TX -- December 10, 2021

Microvast Holdings, Inc. (“Microvast” or the “Company”) (Nasdaq: MVST) today issued the below statement regarding its Form 8-K (the “8-K”) filed with the Securities and Exchange Commission (“SEC”) on December 10, 2021, which disclosed non-reliance on the historical financial statements of Tuscan Holdings Corp. (“Tuscan”) prior to the business combination with Microvast on July 23, 2021, as a result of an accounting classification error related to Class A common stock subject to possible redemption issued as part of the units sold in Tuscan’s initial public offering.

The matters addressed in the 8-K are unrelated to Microvast’s current operations. The “material weakness” referenced in the 8-K existed at Tuscan and does not carry over to Microvast. It is related to the interpretation and accounting for the Tuscan Class A public shares classified as permanent or temporary equity prior to the business combination with Tuscan. The underlying economics of the SPAC, the business combination proceeds, the sources and uses, and the valuation at the close of the transaction were not impacted.

In addition, the Company is retroactively restating Microvast’s historical financial statements for the three years ended December 31, 2020 to reflect the business combination.

About Microvast

Microvast is a technology innovator that designs, develops and manufactures lithium-ion battery solutions. Microvast is renowned for its cutting-edge cell technology and its vertical integration capabilities which extend from core battery chemistry (cathode, anode, electrolyte, and separator) to modules and packs. By integrating the process from raw material to system assembly, Microvast has developed a family of products covering a breadth of market applications, including electric vehicles, energy storage and battery components. Microvast was founded in 2006 and is headquartered near Houston, Texas. For more information, please visit www.microvast.com or follow us on LinkedIn or Twitter (@microvast).

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Cautionary Statement Regarding Forward-Looking Statements

This communication contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about future financial and operating results, our plans, objectives, expectations and intentions with respect to future operations, products and services; and other statements identified by words such as “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimated,” “believe,” “intend,” “plan,” “projection,” “guidance,” “outlook” or words of similar meaning. These forward-looking statements include, but are not limited to, statements regarding Microvast’s industry and market sizes, future opportunities for Microvast and Microvast’s estimated future results. Such forward-looking statements are based upon the current beliefs and expectations of our management and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and generally beyond our control. Actual results and the timing of events may differ materially from the results anticipated in these forward-looking statements.