

FRANCHISE DISCLOSURE DOCUMENT



Chatime Franchise, LLC

a Delaware limited liability company

8 The Green, Suite A

Dover, Delaware 19901

Tel. +1 (516) 672-8763

Email: steven.rothenstein@chatime.com

Website: www.chatime.com

We offer franchises to operate a Chatime beverage service establishment (a “Chatime Store”) offering gourmet teas, smoothies, iced beverages, other coffee and tea-based beverages, bubble tea, compatible food products, and related supplies, accessories, and gifts at a specified location within a designated geographic territory.

The total investment necessary to begin operation of your Chatime Store is between \$293,100 to \$479,900. This includes \$69,900 to \$91,400 that must be paid to us or our affiliates.

We also offer multi-unit development agreements under which you agree to open and operate an agreed number of Chatime Stores within a specific geographic area according to an agreed development schedule. If you sign a multi-unit development agreement, you will pay us a multi-unit development fee when you sign the multi-unit development agreement, which will serve as a full credit toward the initial franchise fee for each unit to be developed. The number of locations in a multi-unit development agreement will normally range from three to ten locations. The estimated initial investment when signing a multi-unit development agreement for three to ten locations is \$373,100 to \$699,900, which includes the multi-unit development fee and the estimated initial investment for the first location. This includes \$149,900 to \$311,400 that must be paid to us or our affiliates.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least fourteen (14) days before you sign a binding agreement with, or making any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different format, contact Chatime Franchise, LLC, at 8 The Green, Suite A, Dover, Delaware 19901, tel. +1 (516) 672-8763, steven.rothenstein@chatime.com.

The terms of your contract will govern your franchise relationship. Don’t rely on the Franchise Disclosure Document alone to understand your contract. Read all of your contracts carefully. Show your contract and this Franchise Disclosure Document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this Franchise Disclosure Document can help you make up your mind. More information on franchising, such as “A Consumer’s Guide to Buying a Franchise,” which can help you understand how to use this Franchise Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

ISSUANCE DATE: April 21, 2025 *(as amended October 6, 2025)*

Item 2: Business Experience

Director: Yao-Hui (Henry) Wang (also known as 王耀輝)

Mr. Wang has been a director in us and our parent Chatime Global LLC since our inception in July 2022 until the present. Mr. Wang founded La Kaffa and has been La Kaffa's Chairman and President since February 2004 until the present. Mr. Wang has been the chairman of Chatime USA since January 2014 until the present, ~~and was the President of Chatime USA from January 2014 to December 2019.~~ All of these positions are or were located in Zhubei City, Taiwan.

Director: Li-Yu (Teresa) Wang (also known as 王麗玉)

Ms. Wang has been a director in us and our parent Chatime Global LLC since our inception in July 2022 until the present. Ms. Wang has been a founder and director in La Kaffa since February 2004 until the present. Ms. Wang has been a director of Chatime USA since January 2022 until the present. All of these positions are or were located in Zhubei City, Taiwan.

Director and Chairperson: Chen (Charlley) Zhao

Mr. Zhao has been a director and the chair of the board for us and our parent Chatime Global LLC since our inception in July 2022 until the present. Mr. Zhao has been the Managing Director of Chatime Group Pty Ltd. since April 2009 until the present. All of these positions are or were located in Sydney, Australia.

Head of US Development: Steven Rothenstein

Mr. Rothenstein has served as the Head of US Development for Chatime Franchise LLC since September 2025 out of Paducah, Kentucky. Prior to that Mr. Rothenstein served as Account Manager for Hissho Sushi from July 2024 to September 2025 out of Paducah, Kentucky. Mr. Rothenstein had served as the Vice President of Franchise Operations for Hissho Sushi from July 2022 until January 2024 out of Paducah, Kentucky. Mr. Rothenstein had served as the Associate Vice President – Franchising for Dippin' Dots Franchising and Doc Popcorn Franchising from October 2021 until July 2022, out of Spring Hill, Tennessee. Prior to that Mr. Rothenstein served as the Senior Director of Franchising for Dippin' Dots Franchising from October 2012 to October 2021 and Doc Popcorn Franchising from July 2014 – October 2021 out of Spring Hill, Tennessee.

Franchise Launch Coordinator: Carter A. Johnson

Since July 2024, Mr. Johnson has served as Franchise Launch Coordinator with Chatime since July 2024 out of Lynchburg, Virginia. Prior to that Mr. Johnson served as an Associate Business Consultant with Alliance Franchise Brands from June 2023 to July 2024 out of Lynchburg, VA.

Director of Operations: Zach Cheng-Che Wei

Since July 2025, Mr. Wei has served as the Director of Operations for Chatime in the United States, out of Los Angeles, California. Prior to this, he served as International Business Manager at Chatime HQ in Taiwan from 2019 to July 2025, overseeing multiple markets including Canada and Australia.

MARYLAND ADDENDUM TO THE CHATIME FRANCHISE, LLC
FRANCHISE DISCLOSURE DOCUMENT

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Bus. Reg. Code Ann. §14-201 *et seq.*, the Chatime Franchise, LLC Franchise Disclosure Document for use in the State of Maryland will be amended as follows:

1. The Disclosure Document is amended to delete the Special Risk Factor number 6 (“Short Operating History”).

1.2. Items 5 and 7 of the Disclosure Document will be supplemented with the following:

Based upon the franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

2.3. Items 17(c) and 17(m), under the headings entitled “Requirements for Franchisee to Renew or Extend” and “Conditions for Franchisor Approval of Transfer,” will be amended by the addition of the following language at the end of those sections:

However, a general release required as a condition of approval will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3.4. Item 17(f), under the heading entitled “Termination by Franchisor With Cause,” will be amended by the addition of the following language at the end of the section:

The provision in the Franchise Agreement which provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. §101 *et seq.*).

4.5. Item 17(v), under the heading entitled “Choice of Forum,” will be amended by the addition of the following language at the end of those sections:

However, you may sue us in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5.6. Exhibit F to the Franchise Disclosure Document (Acknowledgement Addendum to Franchise Agreement) is deleted. Franchisee and its principals are not required to complete and sign the Acknowledgement Addendum.

6.7. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. **Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).
18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.
19. The Disclosure Document is amended to add the following risk factor:

“Use of Franchise Brokers. The franchisor uses the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Carefully evaluate any information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor’s current and former franchisees to ask them about their experience with the franchisor.”
20. Item 19 of the Disclosure Document is amended to ~~add~~delete the following risk factor sentence which reads:

~~**“Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.”~~
~~**“Only stores open longer than a year are included, since stores typically experience atypical results in the first few months due to ramp-up and opening promotions.”**~~
21. Exhibit F to the Franchise Disclosure Document (Acknowledgement Addendum to Franchise Agreement) is deleted. Franchisee and its principals are not required to complete and sign the Acknowledgement Addendum.
22. Clause 2.1(3) of the Franchise Agreement, under the heading “Grant of rights for the Initial Term,” will be supplemented by the addition of the following language:

“We agree not to compete unfairly with you within your Territory.”

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	<u>Pending</u>
Illinois	<u>October 22, 2025</u>
Indiana	<u>October 14, 2025</u>
Maryland	<u>Pending</u>
Michigan	<u>October 9, 2025</u>
Minnesota	<u>Pending</u>
New York	<u>Pending</u>
North Dakota	<u>October 9, 2025</u>
Rhode Island	<u>October 14, 2025</u>
South Dakota	<u>October 9, 2025</u>
Virginia	<u>November 3, 2025</u>
Washington	<u>October 31, 2025</u>
Wisconsin	<u>October 13, 2025</u>

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller- assisted marketing plans.

RECEIPT

This Franchise Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Franchise Disclosure Document and all agreements carefully.

If Chatime Franchise, LLC offers you a franchise, it must provide this Franchise Disclosure Document to you: (a) 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale or at your reasonable request, or (b) under New York and Rhode Island law, if applicable, at the earlier of (i) your first personal meeting to discuss the franchise, or (ii) ten business days before you sign a binding agreement with, or make payment to the franchisor or an affiliate in connection with the proposed franchise sale, or (c) under Michigan law, if applicable, at least ten business days before you sign any binding franchise or other agreement or pay any consideration to the franchisor or an affiliate, whichever occurs first.

If Chatime Franchise, LLC does not deliver this Franchise Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed in Exhibit C to this Franchise Disclosure Document.

The name, address and telephone number of the franchise seller offering the franchise are listed below:

This Franchise Disclosure Document was issued: April 21, 2025 (as amended October 6, 2025) (see Exhibit I for state effective dates).

Chatime Franchise, LLC, authorizes the respective state agencies identified in Exhibit D to receive service of process for it in the particular state. For all other states, the franchisor's agent for service of process is A Registered Agent, Inc., 8 The Green, Suite A, Dover, Delaware 19901.

I received a Franchise Disclosure Document issued April 21, 2025- (as amended October 6, 2026).

Included are the following : Exhibit A – Financial Statements
Exhibit B – Franchise Agreement
Exhibit C – Multi-Unit Development Agreement
Exhibit D – List of Agents for Service of Process and Regulatory Authorities
Exhibit E – Addenda Required by State(s)
Exhibit F – Acknowledgment Addendum to Chatime Franchise, LLC Franchise Agreement
Exhibit G – List of Franchisees
Exhibit H – Operations Manual Table of Contents
Exhibit I – State Effective Dates
Exhibit J – Receipt

Date: _____

By: _____

Name: _____

Please remove this page, sign and date this page, and keep it for your records.

RECEIPT

This Franchise Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Franchise Disclosure Document and all agreements carefully.

If Chatime Franchise, LLC offers you a franchise, it must provide this Franchise Disclosure Document to you: (a) 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale or at your reasonable request, or (b) under New York and Rhode Island law, if applicable, at the earlier of (i) your first personal meeting to discuss the franchise, or (ii) ten business days before you sign a binding agreement with, or make payment to the franchisor or an affiliate in connection with the proposed franchise sale, or (c) under Michigan, if applicable, at least ten business days before you sign any binding franchise or other agreement or pay any consideration to the franchisor or an affiliate, whichever occurs first.

If Chatime Franchise, LLC does not deliver this Franchise Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed in Exhibit C to this Franchise Disclosure Document.

The name, address and telephone number of the franchise seller offering the franchise are listed below:

This Franchise Disclosure Document was issued: April 21, 2025 (as amended October 6, 2025) (see Exhibit I for state effective dates).

Chatime Franchise, LLC, authorizes the respective state agencies identified in Exhibit D to receive service of process for it in the particular state. For all other states, the franchisor's agent for service of process is A Registered Agent, Inc., 8 The Green, Suite A, Dover, Delaware 19901.

I received a Franchise Disclosure Document issued April 21, 2025- (as amended October 6, 2025).

Included are the following:

- Exhibit A – Financial Statements
- Exhibit B – Franchise Agreement
- Exhibit C – Multi-Unit Development Agreement
- Exhibit D – List of Agents for Service of Process and Regulatory Authorities
- Exhibit E – Addenda Required by State(s)
- Exhibit F – Acknowledgment Addendum to Chatime Franchise, LLC Franchise Agreement
- Exhibit G – List of Franchisees
- Exhibit H – Operations Manual Table of Contents
- Exhibit I – State Effective Dates
- Exhibit J – Receipt

Date: _____

By: _____

Name: _____

Please remove this page, sign and date this page and return this page to Chatime Franchise, LLC, 8 The Green, Suite A, Dover, DE 19901 or Steven.Rothenstein@chatime.com.