

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration, and/or litigation only in New York. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in New York than in your own state.
2. **Spousal Liability.** Your spouse may be required to sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.
4. **Financial Condition.** [The Franchisor's financial condition as reflected in its financial statements \(see Item 21\) calls into question the Franchisor's financial ability to provide services and support to you.](#)
5. **Unopened Franchises.** [The Franchisor has signed a significant number of Franchise Agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you may also experience delays in opening your own outlet.](#)

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

~~associated operating technology stack from an approved supplier.~~ We will provide you with a list of our approved suppliers in writing as part of the Operations Manual or otherwise in writing, and we may update or modify this list as we deem appropriate.

You are required to purchase our then designated point of sale, computer system and associated operating technology stack (jointly “technology stack”) from an approved supplier. Components of our technology stack currently include:

- Revel point of sale system,
- Customer facing self-serve kiosk,
- Digital menu board and supporting software,
- Olo delivery aggregator middleware,
- Como Chatime digital application (app) and CRM for customer ordering and communication, and
- Deputy time and attendance and rostering software.

We currently require that you maintain the following insurance coverages: A) general liability coverage with minimums of \$1 million per occurrence, \$2 million general and products/completed operations aggregate, \$1 million personal/advertising injury, \$50,000 rented premises damage, and \$5,000 medical expenses; B) franchisee commercial auto insurance with a \$1 million combined single limit; C) workers compensation insurance with coverage limits of \$1 million for bodily injury by disease per accident, \$1 million policy limit, and \$1 million per employee, regardless of state laws and cannot exclude owner-operators; D) property/business interruption coverage business personal property, tenant improvements, equipment, business interruption, and franchisor royalties, for a minimum of 12 months’ actual loss sustained; E) cyber liability insurance with minimum coverage limits of \$250,000 per occurrence and \$250,000 aggregate; F) employment practices liability insurance with minimum coverage limits of \$500,000 per occurrence and \$500,000 aggregate, which includes third party liability and wage & hour coverage of at least \$25,000, with a maximum deductible that does not exceed \$25,000; and G) crime insurance with a minimum coverage of \$100,000 for each claim.

We have the right to require you to purchase any items or services necessary to operate your Chatime Store. Currently, we have approved suppliers for the following items: (i) food products and ingredients; (ii) real estate and construction management services; (iii) construction due diligence (unless proposed site does not require such due diligence); (iv) architectural, engineering and design services related to the establishment of your Chatime Store; (v) construction site visits; (vi) signage; (vii) furniture and equipment that must be used in connection with the operation of the Chatime Store; (viii) technology set-up and ongoing services; (ix) branded and proprietary ingredients, inventory and supplies; (x) payroll and rostering services; (xi) human resource services; and (xi) initial local marketing and location launch events. Certain food products that easily spoil (e.g., fresh fruits and milk) may be purchased by you locally with our prior approval.

Our current approved supplier for construction services is Build’M, our approved suppliers for real estate services are Morrow Hill, RE Image, Franreel and Great Earth Realty, and our approved supplier for initial marketing activities is Slique Media.

Except for La Kaffa and Chatime Wholesale LLC, there are no approved suppliers in which any of our officers own an interest.

We estimate that ~~your~~ [the proportion of](#) required purchases [and leases](#) from approved suppliers [in relation to all purchases and leases to be made by you](#) will represent approximately 85% of the total purchases for [a\) establishing your Chatime Store,](#) and [b\) operating your Chatime Store.](#) We did not have any revenue in 2024 from required purchases and leases of products and services by franchisees. Our affiliates had revenue of \$396,652.37 from required purchases and leases of products and services by franchisees in 2024.

Item 9: Franchisee’s Obligations

This table lists your principal obligations under the Franchise Agreement and other agreements. It will help you find more detailed information about your obligations in these agreements and in other Items of this FDD.

Obligation	Article in Franchise Agreement (FA) or Multi-Unit Development Agreement (MDA)	FDD Item
a. Site selection and acquisition/lease	FA: Articles 2 and 4 MDA: Articles 3 and 4	Items 1, 11, and 12
b. Pre-opening purchase/lease	FA: Articles 4 and 6 MDA: Articles 3 and 4	Items 1, 6, 7, 8, and 11
c. Site development and other pre-opening requirements	FA: Articles 2, 3, 4, and 6 MDA: Articles 3 and 4	Items 1, 6, 7, and 11
d. Initial and ongoing training	FA: Articles 3 and 4 MDA: Not applicable	Items 5 and 11
e. Opening	FA: Articles 2, 3, 4, and 5 MDA: Not applicable	Item 11
f. Fees	FA: Article 6 MDA: Article 5	Items 5 and 6
g. Compliance with standards and policies/Operations Manual	FA: Articles 3, 5, 6, 7, 17, and 25 MDA: Article 4	Item 11
h. Trademarks and Proprietary information	FA: Articles 4, 8, and 11 MDA: Article 9	Items 13 and 14
i. Restrictions products/services offered	FA: Articles 2, 3, 4, and 5 MDA: Article 4	Item 16
j. Warranty and customer service requirement	FA: Article 4 MDA: Article 4	Item 11
k. Territorial development and sales quotas	FA: Article 2 MDA: Article 2 and Schedule 1	Items 1 and 12
l. Ongoing product/service purchases	FA: Articles 4 and 5 MDA: Not applicable	Item 8

Obligation	Article in Franchise Agreement (FA) or Multi-Unit Development Agreement (MDA)	FDD Item
q. Owner's participation/management/staffing	FA: Articles 5, 8, and 9 MDA: Articles 3 and 4	Items 11 and 15
r. Records and reports	FA: Article 5 MDA: Article 4	Item 6
s. Inspections and audits	FA: Article 5 MDA: Article 4	Items 6 and 11
t. Transfer	FA: Articles 12 and 13 MDA: Articles 10 and 11	Item 17
u. Renewal	FA: Articles 2 and 6 MDA: Article 2	Item 17
v. Post-termination obligations	FA: Article 17 MDA: Articles 6, 7 and 15	Item 17
w. Non-competition covenants	FA: Article 9 MDA: Articles 7 and 15	Item 17
x. Dispute resolution	FA: Article 16 MDA: Article 14	Item 17
y. Other	FA: Article 25 MDA: Article 23	None

Item 10: Financing

We do not offer direct or indirect financing. We do not guarantee your note, lease, or obligation.

Item 11: Franchisor's Assistance, Advertising, Computer Systems, and Training

Except as listed below, we are not required to provide you with any assistance.

Pre-Opening Obligations

The following are our obligations before the opening of your franchised Chatime Store:

1.2. Training

We will provide to you, your senior managers designated by us, and any guarantors with a minimum of two weeks continuous training in English ("Initial Training"), described in more detail below.

The Initial Training will be conducted at any place we designate, for a fee of \$5,000 per Franchise Agreement. You will ensure that the Initial Training is commenced by the designated persons no earlier than two months prior to your Chatime Store's opening and completed no later than your Chatime Store's opening. (Clause 3.1(1) of the Franchise Agreement).

If you fail the Initial Training program, you will be required to complete an additional training following the Initial Training at a place and time we determine. We may charge you a prorated fee

We estimate the monthly license fees payable for the technology stack to range from \$700 to \$950. The specific fee can vary further if you elect to utilize certain additional optional extras, features or touchpoints.

Post-Opening Obligations

The following are our obligations during the operation of your franchised Chatime Store:

(1) We will provide you with a required series of ongoing competency based training, for you, your senior managers, and any guarantors throughout the term of your agreement. Training will be conducted either in person, digitally or a combination of blended learning. All such training will be conducted in English. If you fail to meet the approved training programs in a timely manner, we will provide additional training at your cost at a location within your Territory or at such other location we determine. You will pay us reasonable compensation and reimburse us for all associated costs and expenses including, without limitation, costs for compensation, travel, accommodations, and meals, upon your receipt of our invoice. (Clause 3.3 of the Franchise Agreement).

(2) We will provide you with additional on-site advice, guidance, and support in connection with the initial operations of your Chatime Store, for a fee. You will pay us reasonable compensation and reimburse us for all associated costs and expenses including, without limitation, costs for compensation, travel, accommodations, and meals, upon your receipt of our invoice. (Clauses 3.3 and 3.4 of the Franchise Agreement).

(3) We will provide ongoing training advice and guidance to you concerning the development and operation of your Chatime Store to the extent and in the manner that we deem necessary and appropriate. (Clause 3.3 and 3.4 of the Franchise Agreement).

(4) We may develop and conduct international or regional advertising and promotional campaigns at our discretion. (Clause 7.3 of the Franchise Agreement).

(5) We will grant you a license to use our intellectual property in your Territory. (Clause 11.1 of the Franchise Agreement).

(6) In relation to the prices you charge customers, we will provide you with six different possible tiers of recommended pricing. You will decide which recommended pricing tier you wish to use, based on your assessment of your territory/market and competitor pricing, and your financial modeling, sales forecasting, costs of goods and other key inputs into your financial models.

Advertising Expenditures

We require you to spend at least 2.0% of Gross Sales on local marketing (“Local Marketing Expenditure”). You will spend the Local Marketing Expenditure on advertising for your Chatime Store in your local defined territory. The Local Marketing Expenditure is paid to third parties. You may use your own local advertising materials including, without limitation, directory advertising,

The designated territorial rights to the protected territory granted to you under the Franchise Agreement are contingent upon complying with your obligations under the Franchise Agreement. We have the right to terminate or reduce your designated territorial rights or to terminate your Franchise Agreement if you fail to comply with your obligations under the Franchise Agreement.

There is no minimum Territory. Your Territory will typically be a two-mile radius around your approved location, unless your approved location is located in a major metropolitan downtown area or similarly-situated/populated central business district (a “Central Business District”). If your approved location is located in a Central Business District, your Territory may be limited to a geographic area comprised of anywhere from a radius of two blocks to two miles around your approved location, as we deem appropriate in our discretion. The size of your Territory may vary from the territory granted to other franchisees based on the location and demographics surrounding your approved location.

The boundaries of your Territory may be described in terms of zip codes, streets, landmarks (both natural and man-made) or county lines, or otherwise delineated on a map. The sources we use to determine the population within your Territory will be publicly available population information (such as data published by the U.S. Census Bureau or other governmental agencies and commercial sources).

[Apart from your single location, you are not granted any options to open additional locations, rights of first refusal or similar rights to acquire additional franchises.](#)

You do not have the right to distribute products through alternative channels of distribution. We may use alternative channels of distribution for our products and trademarks and we may expand our sale of products on a local, regional, national, or international basis. We have the absolute right to sell, distribute or license others to distribute products identified by the Trademarks (or by any other name or trademark) anywhere and in any form (e.g., in packaged form or otherwise), regardless of the proximity to your location, through any alternative distribution methods or channels (such as grocery stores, the internet, or other alternative distribution methods or channels). These other sources of distribution may compete with you. We reserve the absolute right to distribute goods or services through the use of the Internet or other electronic communications, telephone, mail, or similar methods, under our trademarks or any other marks, regardless of the destination of the products or services. If we elect to distribute goods or services in your Territory through alternative distribution methods or channels, we are under no obligation to compensate you for conducting business, or soliciting or accepting orders, inside your Territory through such means.

There are no restrictions on your soliciting or accepting orders outside your Territory. However, we retain the sole right to use our trademarks on the Internet, including in connection with websites, domain names, directory addresses, metatags, as graphic images on webpages, linking, advertising, co-branding, and other arrangements. You may not maintain a website or social media accounts without our prior written consent. If we do ever approve of a website that you promote and develop, we have the right to condition our approval on the terms that we determine are necessary, such as requiring that your domain name and home page belong to us and be licensed to you for your use during the term of your agreement.

You do not have the right to relocate your Chatime Store without our permission. If you request relocation, you must obtain our prior written approval for the site and meet our then-current criteria for relocation. Our approval process is substantially the same process we use in approving a new location. You must comply with all your obligations to us and sign our then-current form of Franchise Agreement with all then-current ongoing fees, for a term equal to the term remaining on your Franchise Agreement for the previous location or to align with the new lease term being no greater than 10 years on the new location, at a pro rata fee of the initial Franchise Fee entered into. The then-current Franchise Agreement may contain materially different terms and conditions than your original Franchise Agreement. There is no additional Initial Franchise Fee paid to us for relocation unless we grant you a term greater than the term remaining on the Franchise Agreement for the previous location. The new location must meet the then-current Territory Site Selection Criteria, and the Franchisee must execute a Release in the form attached as Exhibit 1. Any such relocation will be at Franchisee's sole expense. Franchisee must seek and obtain Franchisor's approval of the replacement site and development of the new outlet. No New Outlet Fee will be payable to Franchisor provided the replacement site is within a 2- mile radius of the existing site and the new Outlet at the replacement site is opened and operated by the same Franchisee within 90 days of closing the Outlet at the original location. Any relocation of the Outlet beyond a 2- miles radius of the existing Premises or beyond 90 days of closing the Outlet at the original location is deemed opening a new Outlet and subject to all applicable provisions under the Franchise Agreement, and Franchisor shall be entitled to the New Outlet Fee.

Regardless of either proximity to your Territory, or your Chatime Store, or any actual or threatened impact on sales of your franchise business, we may (i) use the Trademarks and System in connection with establishing and operating Chatime Stores at any location outside your Territory, (ii) use the Trademarks or other marks in connection with selling or distributing any goods or services anywhere in the world through alternative channels of distribution such as the Internet or other electronic communications, telephone, mail, or similar channels regardless of the destination of the products or services, and we may expand our sale of products on a local, regional, national, or international basis; you may not distribute products through alternative channels of distribution and we are under no obligation to compensate you for our soliciting or accepting orders within your Territory through alternative channels of distribution, (iii) use the Trademarks or System in connection with establishing and operating Chatime Stores in any non-traditional or special distribution channel (i.e., airports, train stations, gas/convenience stores, limited-access highway food facilities, hospitals, convention centers, hotels, casinos and resorts, stadiums, arenas, ballparks, movie theaters, entertainment and sports complexes, department stores and “big box” superstores, supermarkets, festivals, fairs and other mass gathering locations or events, offices, factories, military facilities, and any government buildings or other institutional facilities), including special distribution channels located within your Territory, (iv) without using the Trademarks, acquire, establish, or operate any business of any kind at any location anywhere in the world, or (v) use the Trademarks in connection with soliciting or directing advertising or promotional materials to customers anywhere in the world.

As part of your review of a proposed Territory, we may, but are not required to, provide you with certain information such as (i) maps indicating existing Chatime Stores' and/or competitors' locations and may highlight potential areas of interest to us, and (ii) demographic reports (including

includes transactions, whether for cash, check, or credit, and regardless of collection in the case of check or credit, less any customer refunds, staff tips and/or sales taxes collected from customers and actually transmitted to the appropriate taxing authorities.

Net Sales information included in this Item 19 and the table below is obtained from store point-of-sale (POS) reports and other materials submitted by the retail locations and franchisee. Neither we, any of our affiliates nor an independent certified public accountant has independently audited or verified the information.

	Net Sales - 2024
Location 1	\$ 793,037
Location 2	\$ 476,602
Location 3	\$ 243,569
Location 4	\$ 210,709
Location 5	\$ 125,407

Some stores have sold this amount. Your individual results may differ. There is no assurance that you'll sell as much.

Other than the preceding financial performance ~~representations, we do~~ representation, Chatime Franchise LLC does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Carlos Antonius, Company Secretary, at 8 The Green, Suite A, Dover, Delaware 19901, tel. +61 292830880, email companysecretaryusa@chatime.com, the Federal Trade Commission, and the appropriate state regulatory agencies. ~~Other than the preceding financial performance representations, we do not make any financial performance representation.~~

Item 20: Outlets and Franchisee Information

The tables below list all of the outlets operated by us, our affiliates, or our affiliates' franchisees, licensees, subfranchisors, or subfranchisees.

Table 1
System-wide Outlet Summary for Years 2022 to 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	12	12	0
	2023	12	10	-2
	2024	10	16	+6
Company- Owned	2022	0	0	0
	2023	0	3	+3
	2024	3	3	0

State	Year	Outlets at Start or the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
AL	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
CA	2022	3	0	0	0	0	2	1
	2023	1	0	0	0	0	1	0
	2024	0	0	0	0	0	0	0
FL	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
GA*	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	1	0	0	0
GU**	2022	5	0	0	0	0	1	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
KS	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
MD	2022	3	3	0	0	0	0	6
	2023	6	0	0	0	0	2	4
	2024	4	0	0	0	0	0	4
- State-	- Year-	Outlets at Start or the Year-	Outlets Opened-	Terminations-	Non-Renewals-	Reacquired by Franchisor-	Ceased Operations – Other Reasons-	Outlets at End of the Year-
MI	2022	1	0	0	0	0	1	0

CALIFORNIA ADDENDUM TO THE CHATIME FRANCHISE, LLC
FRANCHISE DISCLOSURE DOCUMENT

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

In recognition of the requirements of the California Franchise Investment Law, Cal. Corporations Code §31000 *et seq.* the Chatime Franchise, LLC Franchise Disclosure Document for use in the State of California will be amended as follows:

1. Neither Chatime Franchise, LLC (“we” or “us”) nor any person identified in Item 2 of the Disclosure Document is currently subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C. 78a *et seq.*, suspending or expelling such persons from membership in such association or exchange.

2. Item 17 of the Disclosure Document will be supplemented with the following:

California Business and Professions Code §§20000 through 20043 provide rights to you concerning termination, transfer, or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

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

The Franchise Agreement requires application of the laws of the state of Delaware. This provision may not be enforceable under California law.

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the Franchise Agreement. This provision may not be enforceable under California law.

The Franchise Agreement contains a forum selection clause that requires you to litigate any dispute with us in New York, and you must pay all expenses, including attorneys’ fees and costs, incurred by us (a) to remedy any defaults of, or enforce any rights under, the Franchise Agreement; (b) to effect termination of the Franchise Agreement; and (c) to collect any amounts due under the Franchise Agreement. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code §20040.5 and Code of Civil Procedure §1281) to any provisions of the Franchise Agreement restricting venue to a forum outside the State of California.

~~3. §31125 of the~~ **You must sign a general release if you renew or transfer your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).**

~~3.4.~~ **California Corporation Code 31125** requires us to give you a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, prior to a

solicitation of a proposed material modification of an existing franchise.

California

5. California Corporation Code 31512.1 provides that any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following, shall be deemed contrary to public policy and shall be void and unenforceable:

- (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee;
- (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
- (c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.
- (d) Violations of any provision of this division.

4.6. The Franchise Agreement requires that any action that is brought by you against us be commenced in New York and that you must irrevocably submit to the jurisdiction of such court. This provision may not be enforceable under California law.

5.7. 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.

6.8. 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.

7.9. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE ~~BE DELIVERED~~ TOGETHER WITH THE DISCLOSURE DOCUMENT, BE DELIVERED TO A PROSPECTIVE FRANCHISEE AT LEAST 14 DAYS PRIOR TO EXECUTION OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 14 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, WHICHEVER OCCURS FIRST..

10. The Franchisor's website URL address is www.Chatime.com.

OUR WEBSITE, www.Chatime.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

ILLINOIS ADDENDUM TO THE CHATIME FRANCHISE, LLC
FRANCHISE DISCLOSURE DOCUMENT

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, the Chatime Franchise, LLC Franchise Disclosure Document for use in the State of Illinois will be amended as follows:

1. Item 5 is amended to add the following:

“Payment of the initial franchise fees and initial development fees is deferred until franchisor has satisfied its pre-opening obligations to franchisee and franchisee has commenced business operations for its first outlet. The Illinois Attorney General’s Office imposed this deferral requirement due to franchisor’s financial condition.”

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

“Illinois law governs the Franchise Agreement.”

~~1.3.~~ 3. In conformance with §4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction or venue in a forum outside the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

~~2.4.~~ 4. Your rights upon Termination and Non-Renewal are set forth in §§19 and 20 of the Illinois Franchise Disclosure Act.

~~3.5.~~ 5. In conformance with §41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

~~4.6.~~ 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.

~~5.7.~~ 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.

~~Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act of 1987 are met independently without reference to this Addendum.~~

ILLINOIS AMENDMENT TO THE CHATIME FRANCHISE, LLC
FRANCHISE AGREEMENT

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, the parties to the Chatime Franchise, LLC Franchise Agreement (the "Franchise Agreement") agree as follows:

1. Clause 6 of the Franchise Agreement is amended to add the following:

"Notwithstanding the foregoing, payment of the initial franchise fees owed by franchisee to franchisor is deferred until franchisor has satisfied its pre-opening obligations to franchisee and the franchisee has commenced business operations."

~~1.2.~~ 2. Illinois law governs the Franchise Agreement.

~~2.3.~~ 3. In conformance with §4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction or venue in a forum outside the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

~~3.4.~~ 4. Your rights upon Termination and Non-Renewal are set forth in §§19 and 20 of the Illinois Franchise Disclosure Act.

~~4.5.~~ 5. In conformance with §41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

~~5.6.~~ 6. 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.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

CHATIME FRANCHISE, LLC

FRANCHISEE

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

ILLINOIS AMENDMENT TO THE CHATIME FRANCHISE, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, the parties to the Chatime Franchise, LLC Multi-Unit Development Agreement (the “Multi-Unit Development Agreement”) agree as follows:

1. [Clause 5.1 of the Multi-Unit Development Agreement is amended to add the following:](#)

[“Notwithstanding the foregoing, payment of the development fees owed by franchisees to franchisor shall be deferred until the franchisor has satisfied its pre-opening obligations to franchisee and franchisee has commenced business operation for the first outlet under the multi-unit development agreement.”](#)

~~1.2.~~ Illinois law governs the Multi-Unit Development Agreement.

~~2.3.~~ In conformance with §4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction or venue in a forum outside the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

~~3.4.~~ Your rights upon Termination and Non-Renewal are set forth in §§19 and 20 of the Illinois Franchise Disclosure Act.

~~4.5.~~ In conformance with §41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

~~5.6.~~ 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.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Amendment to the Multi-Unit Development Agreement on the same date as that on which the Franchise Agreement was executed.

CHATIME FRANCHISE, LLC

DEVELOPER

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

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. 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 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.

~~2.2.~~ 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.

~~2.3.~~ 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.*).

~~3.4.~~ 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.

~~4.5.~~ 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.

~~5.6.~~ 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.

MARYLAND AMENDMENT TO THE CHATIME FRANCHISE, LLC
FRANCHISE AGREEMENT

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Bus. Reg. Code Ann. §14-201 *et seq.*, the parties to the attached Chatime Franchise, LLC Franchise Agreement (the “Franchise Agreement”) agree as follows:

1. Clause 6 of the Franchise Agreement is amended to add the following:

Notwithstanding the foregoing, 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 multi-unit developers shall be deferred until the first franchise under the multi-unit development agreement opens.

~~4.2.~~ Clauses 2.6(3)(h) and 26.2 of the Franchise Agreement, entitled “Options for New Term,” and “Governing Law and Jurisdiction,” will be amended by the addition of the following at the end of the clauses:

“The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”

~~2.3.~~ Clause 16.3 of the Franchise Agreement is amended to add the following:

“This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.”

~~3.4.~~ Clause 25.12 of the Franchise Agreement, entitled “Entire Understanding,” will be amended by the addition of the following at the end of the clause:

“Nothing in this Agreement or any other agreement is intended to disclaim Franchisor’s representations in Franchisor’s Franchise Disclosure Document.”

~~4.5.~~ Clause 25.1 of the Franchise Agreement, entitled “Choice of Law,” will be amended by the addition of the following at the end of the clause:

“Notwithstanding the above, Maryland franchisees are permitted to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.”

~~5.6.~~ Clauses 20.1(1), (2), and (3), and 20.2(3) of the Franchise Agreement are deleted.

~~6.7.~~ No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in

MARYLAND AMENDMENT TO THE CHATIME FRANCHISE, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Bus. Reg. Code Ann. §14-201 *et seq.*, the parties to the attached Chatime Franchise, LLC Multi-Unit Agreement (the “Multi-Unit Development Agreement”) agree as follows:

1. Clause 5.1 of the Multi-Unit Development Agreement is amended to add the following:

Notwithstanding the foregoing, 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 multi-unit developers shall be deferred until the first franchise under the multi-unit development agreement opens.

~~1.2.~~ Clause 2.7(3)(h) of any Multi-Unit Development Agreement, will be amended by the addition of the following at the end of the clauses:

“The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”

~~2.3.~~ Clause 14.3 of the Multi-Unit Development Agreement is amended to add the following:

“This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.”

~~3.4.~~ Clauses 18.1(1), (2) and (3), and 18.2(3) of the Multi-Unit Development Agreement are deleted.

~~4.5.~~ 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.

~~5.6.~~ Each provision of this Amendment will be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, with respect to each such provision, are met independently of the Amendment. This Amendment will have no force or effect if such jurisdictional requirements are not met.

[SIGNATURE PAGE FOLLOWS]

VIRGINIA AMENDMENT TO THE CHATIME FRANCHISE, LLC
FRANCHISE AGREEMENT

In recognition of the requirements of the Virginia State Corporation Commission, the parties to the attached Chatime Franchise, LLC Franchise Agreement (the "Franchise Agreement") agree as follows:

1. Clause 6 of the Franchise Agreement is amended to add the following:

"Notwithstanding the foregoing, collection of the initial franchisee fees and other initial payments owed by the franchisee to the franchisor shall be deferred until the franchisor meets its pre-opening obligations."

~~1.2.~~ 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.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

CHATIME FRANCHISE, LLC

FRANCHISEE

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

**Exhibit G to the Franchise Disclosure Document
CURRENT LIST OF FRANCHISEES AS OF DECEMBER 31, 2024**

State	Name	Address	Telephone No.	Contact Person
Alabama	Ola Motors LLC ⁴	6300 Grelot Rd STE C Mobile, Alabama 36609	(251) 725 1983	Folashade Adedjouma
Florida	Free The Dream LLC ^{3,4}	23106 Fashion Dr #103 Estero, Florida 33928	(239) 427 4722	Wendy Lake
Guam	Chan Woo Corp. ³	Micronesia Mall, 1088 W. Marine Corp. Dr., Liguan, 96929, Guam	(671) 475 9595	John Lee
Guam	Chan Woo Corp. ³	Agana Shopping Center – 302, S. Rte 4 O’Brien Drive 4, Hagatna, 96910, Guam	(671) 475 9595	John Lee
Guam	Chan Woo Corp. ³	GPO Food Court – Plaza 2, 199 Chalan San Antonio #2, Apotgan, 96913, Guam	(671) 475 9595	John Lee
Guam	Chan Woo Corp. ³	Tamuning – DNA Plaza, 267 Chalan San Antonio, Apotgan, 96913, Guam	(671) 475 9595	John Lee
Kansas	Lasy Inc	0150-A West 119 th Street, Overland Park, KS 66213	(913) 318 0063	Sonny Yuen
Maryland	Q & M Milk Tea LLC	8137 Honeygo Blvd Nottingham, MD 21236	(410) 793 7288	Vivian Liu
Maryland	Tracy Nguyen	512 Baltimore Pike, Bel Air, MD 21014	(443) 819 3031	Tracy Ngyuen
Maryland	SK Tea LLC	40 W. Chesapeake Ave, Suite TN1, Towson, MD 21204	(443) 470 9838	Simran Singh
Maryland	RRBubbletea LLC ⁴	5219 Buckeystown Pike, Fredrick, MD 21704	(301) 378 2530	Radhika Yarram
New York	Wowlol Inc.	858 Lexington Avenue, NY, NY	(631) 565 1691	Steven Cui Yue
North Dakota	Boba Time Inc.	551A S. 7 th Street, Bismarck, ND 58504	(626) 278 6779	Windra Hiu
Ohio ^{**}	ETN LLC ²	4458 Brandt Pike Dayton, Ohio USA 45424	(937) 482 1909	Tony Ng

Tennessee	Westendmobile LLC	2314 Elliston Place Nashville, Tennessee 37203	(615) 891-3878	Kagna Chhum
Texas	Dallas Chatime LLC ^{3,4}	11411 Coit Rd STE 130 Frisco, Texas 75035	(469) 922 2160	Ahsan Saleem

This list includes franchises in the United States as well as its territories including Guam, operating as of December 31, 2024, who were issued franchise or license agreements by us, our affiliate La Kaffa, or our affiliate Chatime USA LLC, for the operation of a Chatime Outlet.

Former Franchisees

The chart below includes all franchisees, subfranchisees or licensees that had an outlet transferred, terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased doing business in our last fiscal year, or that had not communicated with us or our affiliates within ten weeks of the date of this Disclosure Document.

State	Name	Address	Telephone No.	Contact Person	Status
Georgia*	Mai Bakery Inc ¹	7804 Abercorn st FC-9, Savannah, GA 31406	(917) 346 5056	Xian Zi Wu	Not Renewed
Maryland**	Lucky Leaf LLC ²	Transfer - 40 W. Chesapeake Ave, Suite TN1, Towson, MD 21204	(215) 796 1128	Wai Li Lau	Transferred
Maryland**	Lucky Leaf LLC ²	Transfer - 8137 Honeygo Blvd Nottingham, MD 21236	(215) 796 1128	Wai Li Lau	Transferred

Notes to both tables:

“*”¹” means franchisees who were issued franchise or license agreements by our affiliate La Kaffa.

“**”²” means franchisees who were issued franchise or license agreements by our affiliate Chatime USA LLC

“3” means franchisees who are also area developers under a multi-unit development agreement.

“4” means franchisees that signed a franchise agreement but their outlet was not open as of the last fiscal year that ended.

All of the current and former franchisees listed in this Exhibit are or were operated by franchisees, licensees, subfranchisors, or subfranchisees pursuant to franchise agreements issued by our affiliates Chatime USA LLC or La Kaffa or the subfranchisees of Chatime USA LLC’s subfranchisors. The franchisees, licensees, and subfranchisees of our affiliates Chatime USA LLC and La Kaffa are included in these tables because they are outlets of a type substantially similar to that offered to you.

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>June 9, 2025</u>
Illinois	<u>June 10, 2025</u>
Indiana	<u>May 10, 2025</u>
Maryland	<u>Pending</u>
Michigan	<u>May 15, 2025</u>
Minnesota	<u>Pending</u>
New York	<u>Pending</u>
North Dakota	<u>April 29, 2025</u>
Rhode Island	<u>May 15, 2025</u>
South Dakota	<u>May 15, 2025</u>
Virginia	<u>May 27, 2025</u>
Washington	<u>Pending</u>
Wisconsin	<u>April 29, 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.