



## FRANCHISE DISCLOSURE DOCUMENT

Lilian USA LLC  
A Delaware Limited Liability Company  
One Commerce Center  
1201 Orange Street #600  
Wilmington, DE 19899  
800-246-2677  
[angus@1992sharetea.com](mailto:angus@1992sharetea.com)

The franchise offered is to operate a Sharetea food service establishment offering gourmet coffees and teas, coffee or tea-based beverages, bubble tea, compatible food products, coffee and tea makers and related supplies, accessories and gifts. The total investment necessary to begin operation of a Sharetea tea shop is US\$295,900.00 ~ US\$502,300.00, depending on the size of the tea shop. This includes US\$101,000.00 ~ US\$110,000.00 that must be paid to the franchisor or its affiliate(s), as applicable.

This franchise disclosure document (the “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) calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental 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 Po-Yu Lai, General Manager, at 18F.-7, No. 95, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City 221416, Taiwan (R.O.C.), 886-2-2654-8585, [angus@1992sharetea.com](mailto:angus@1992sharetea.com). The term of your contract will govern your franchise relationship. Don’t rely on the Disclosure Document alone to understand your contract. Read all of your contracts carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this 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 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](http://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.

The Issuance Date: ~~February 28, 2023~~ February 22, 2024

## How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

<b>QUESTION</b>	<b>WHERE TO FIND INFORMATION</b>
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit E.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit A includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Sharetea Tea Shop in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Sharetea Tea Shop franchisee?	Item 20 or Exhibit E lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this Disclosure Document to better understand this franchise opportunity. See the table of contents.

## **What You Need To Know About Franchising *Generally***

**Continuing responsibility to pay fees.** You may have to pay royalties and other fees even if you are losing money.

**Business model can change.** The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

**Supplier restrictions.** You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

**Operating restrictions.** The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

**Competition from franchisor.** Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

**Renewal.** Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

**When your franchise ends.** The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

### **Some States Require Registration**

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in **Exhibit C**.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda, **Exhibit D**. See the Table of Contents for the location of the State Specific Addenda.

## 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 Taiwan. 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 Taiwan than in your own state.
2. **Mandatory Minimum Payments.** You must make minimum royalty and advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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.



## TABLE OF CONTENTS

Item 1:	The Franchisor, and any Parents, Predecessors and Affiliates .....	1
Item 2:	Business Experience .....	4
Item 3:	Litigation.....	5
Item 4:	Bankruptcy .....	6
Item 5:	Initial Fees.....	6
Item 6:	Other Fees .....	9
Item 7:	Estimated Initial Investment .....	13
Item 8:	Restrictions on Sources of Products and Services .....	19
Item 9:	Franchisee's Obligations.....	22
Item 10:	Financing .....	23
Item 11:	Franchisor's Assistance, Advertising, Computer Systems, and Training.....	23
Item 12:	Territory .....	30
Item 13:	Trademarks .....	33
Item 14:	Patents, Copyrights and Proprietary Information .....	35
Item 15:	Obligation to Participate in the Actual Operation of the Franchise Business .....	36
Item 16:	Restrictions on What the Franchisee May Sell.....	37
Item 17:	Renewal, Termination, Transfer, and Dispute Resolution.....	37
Item 18:	Public Figures .....	42
Item 19:	Financial Performance Representations.....	42
Item 20:	Outlets and Franchisee Information.....	43
Item 21:	Financial Statement.....	51
Item 22:	Contract.....	51
Item 23:	Receipt .....	51

## EXHIBITS

Exhibit A	Financial Statements
Exhibit B	Franchise Agreement
Exhibit C	Directory of Administrative Agencies
Exhibit D	Additional Disclosure Required by the State
Exhibit E	Contact Information of Former and Current Franchisees
<u>Exhibit F</u>	<u>State Effective Dates</u>
Exhibit G	Receipt

## ITEM 1: THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES








The Franchisor is Lilian USA LLC, which will be referred to as “Sharetea”, “we”, or “us”. The term “you”, or “Franchisee” means the person, corporation, limited liability company, partnership or other legal entity that is granted the franchise (as well as the direct and indirect owners of any corporation, limited liability company, partnership, or other legal entity that becomes a franchisee). We do not conduct any business activity other than franchising tea shops. Our affiliates operate company-owned tea shops under the Sharetea System (as described below) in the U.S. and internationally and franchised tea shops under the Sharetea System internationally.

### Franchisor, Parent, Affiliates

We are a Delaware limited liability company, formed on March 20, 2015. Our principal place of business is 18F.-7, No. 95, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City 221416, Taiwan (R.O.C.). We currently do business in the organizational name “Sharetea” and under the marks

“ SHARE TEA®”, “ Sharetea®”, “ Sharetea®”, “ Sharetea®”, “ Sharetea®”, “ Sharetea®”, and “ Sharetea®”.

We do not do business or intend to do business under any other names. We currently have no predecessor, affiliates or parents required to be included in this Item (except as provided below). We currently do not operate any company owned Sharetea tea shop. Our parent company, Lian Fa International Dining Business Corporation (“Lian Fa”), is a corporation formed under the laws of Taiwan in 1992 and continued as a corporation under the laws of Taiwan. Lian Fa offers franchises for business offering gourmet coffees and teas, coffee or tea-based beverages, compatible food products, Taiwanese desserts, coffee and tea makers and related supplies, accessories and gifts outside of the United States. Since May, 2015, Lian Fa and Us have opened more than 400 Tea

Shops worldwide. Lian Fa licenses us the right to use and sublicense the use of “ SHARE TEA®”, “ Sharetea®”, “ Sharetea®”, “ Sharetea®”, “ Sharetea®”, “ Sharetea®”, and “ Sharetea®”. names and related marks in the United States. We do not have a physical office or operations in Delaware. Our business address is One Commerce Center, 1201 Orange Street #600, Wilmington, DE 19899. All communication and activities will be through our office in Taiwan.

### Agent for Service of Process

Our own agent for service of process in Minnesota is Minnesota Department of Commerce, 85 7<sup>th</sup> Place East, Suite 280, St. Paul, Minnesota 55101, (651) 296-6328.

### The Business We Offer

We possess advanced technology, management system, continuous and innovative product development, and knowledge in relation to a unique and distinctive system relating to the development and operation of “Sharetea” tea shop (the “Tea Shop”) establishment with unique

product lines, distinctive fixtures, equipment, interior and exterior accessories, color scheme, inventory and accounting system, of which may be changed, improved, and further developed by us or our affiliates from time to time (the “Sharetea System”). The distinguishing characteristics of the Sharetea System include, for example, distinctive exterior and interior design, decor, color and identification schemes and furnishings; special menu items; standards, specifications and procedures for operations, manufacturing, distribution and delivery; quality of products and services offered; management programs; training and assistance; and marketing, advertising and promotional programs, all of which we may change, supplement, and further develop.

We may periodically make changes to the systems, menu, standards, and facility, signage, equipment and fixture requirements. You may have to make additional investments in the franchised business periodically during the term of the franchise if those kinds of changes are made or if your tea shop’s equipment or facilities wear out or become obsolete, or for other reasons (for example, as may be needed to comply with a change in the system standards or code changes). All tea shops under the Sharetea System must be developed and operated to our specifications and standards. Uniformity of products sold in Tea Shop is important, and you have no discretion in the products that you sell. The franchise agreement may be limited to a single, specific location and we reserve the right to operate or franchise or license others who may compete with you for the same customers.

We offer a franchise to qualified individuals to own and operate a single Tea Shop at a location we approve, under the terms of our standard franchise agreement, attached as Exhibit B (the “Franchise Agreement”). Under our Franchise Agreement, we grant our franchisees the right (and they accept the obligation) to operate one Tea Shop, selling gourmet teas-based beverages, coffee-based beverages, compatible food products, coffee and tea makers and related supplies, accessories and gifts we approve under the Sharetea System. There may be instances where we have or will vary the terms to suit the circumstances of a particular transaction.

Your Tea Shop(s) will offer products and services to the general public throughout the year and compete with other beverage and food product service business. The Tea Shop is not seasonal. The market for your type of products and services generally is developed and very competitive in the United States. You can expect to compete in your market with locally-owned businesses as well as national and regional chains that sell similar products. The market for coffee and coffee drinks and baked goods, as well as related products, is well-established and highly competitive. Tea Shops compete on the basis of factors such as price, service, location, convenience and food quality. Additionally, you may find that there is competition for suitable locations. Principal factors that will vary but that will impact our brand’s competitive position are name recognition (which is stronger in some regions than in others), product quality, variety, presentation, location, and advertising. A Tea Shop’s business may also be affected by other factors, such as changes in consumer taste, economic conditions, population, and travel patterns.

You may also compete with other existing Tea Shops and with new Tea Shops that we may operate, franchise, or license in the future. Your competition may also include other outlets selling coffee, tea, and food items, grocery stores, convenience stores, and specialty coffee shops. We may grant selected franchisees unique rights or franchises to operate or distribute authorized products through special distribution channels, such as airports, service plazas, universities and grocery stores. These special arrangements may involve special agreements or modifications to our standard franchise and other agreements.

### **Applicable Regulations**

We are not aware of any laws or regulations specific to the industry in which the Tea Shop operates. However, you must comply with all local, state, and federal laws and regulations that apply to any business. We urge you to inquiries about these laws and regulations, including health (nutrition, menu labeling), sanitation, no smoking, EEOC, OSHA, discrimination, employment, data security and privacy, tax, and sexual harassment laws. The Americans with Disabilities Act of 1990 requires readily accessible accommodations for individuals with disability and that may affect your building construction, site design, entrance ramps, doors, seating, bathrooms, drinking facilities, etc. You must also obtain real estate permits, licenses, and operational licenses. Federal, state and local laws and regulations also regulate businesses handling food and food products, in particular refrigerated and frozen food items, and these laws and regulations will apply to your business. Please also note that your local county health departments reserve the right to inspect Tea Shops to ensure compliance with safe food handling practices and adequacy of kitchen facilities.

Government contractor laws may also apply if your Tea Shop is located (or if, subject to your franchise agreement, you sell products) at military bases or other government facilities. For example, you may be required to comply with regulations such as government contractors' wage and hour restrictions, preparation and maintenance of written affirmative action plans, retention and access of records, special procedures for resolving contractual disputes, listing employment openings with state employment services, and termination of the contract for default or for the convenience of the government. You should carefully review these requirements with your attorney before entering into any government contracts.

Please note that the data included in this Disclosure Document is based on the information available when we prepared this document. In the last few years, we have all experienced significant changes in the country's economy that had impacted everyone. Among these changes are things like the price of oil and its impact on not just energy costs, but also the costs relating to delivery of goods and services to our businesses. Other commodity costs have also fluctuated. We have also seen wide swings in the cost and availability of credit, labor, goods, and other materials. Although we are not able to predict how these economic factors will impact business costs in the

coming year, these variations may affect the costs that a new franchisee will actually experience in operating a franchised business.

United States' current economic conditions are unusually volatile both in terms of consumer spending as well as the costs of doing business, such as for example, energy, commodities, credit, etc. As a result, historical performance results may not be as useful in your financial planning as they may have been in less volatile times. If you choose to use the historical financial information appearing in this Disclosure Document, you must carefully consider the potential impact of the current economic volatility.

## **ITEM 2: BUSINESS EXPERIENCE**

### **Chairman, President:** Kai-Lung Cheng (~~aka 鄭凱隆~~)

Mr. Cheng serves as the Chairman of Lian Fa International Dining Business Corporation located at 18F.-7, No. 95, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City 221416, Taiwan (R.O.C.) since May 1992 to present and Chairman of Lilian USA LLC since March 2015 to present; the Chairman of Lian Li Food Company in Taiwan since August 1977 to present; the President of Sharetea Tea Shops of Hong Kong and Macau since January 2010 to present; the President of Taipei Station Business Development Association in Taiwan since September 2012 to present; the Vice President of Chinese Cross-Strait Chain Enterprise Association in Taiwan from February 2013 to February 2014; and the Supervisor of Taiwan Chain and Franchise Association in Taiwan since April 2013 to present.

### **General Manager:** Po-Yu Lai (~~aka 賴柏宇~~)

Mr. Lai serves as the General Manager of Lian Fa International Dining Business Corporation located at 18F.-7, No. 95, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City 221416, Taiwan (R.O.C.) since November 2007 to present and General Manager of Lilian USA LLC since March 2015 to present; the General Manager of Sharetea Tea Shops of Hong Kong and Macau since January 2010 to present; the Vice President of Taipei Station Business Development Association in Taiwan since September 2012 to present.

### **Director of Sharetea Oversea Brand Licensing Development and Secretary:** Ning-Juan Liao (~~aka 廖寧娟~~)

Ms. Liao serves as the Director in charge of Sharetea Brand Licensing Department of Lian Fa International Dining Business Corporation located at 18F.-7, No. 95, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City 221416, Taiwan (R.O.C.) since 2019 to present and the Secretary of Lilian USA LLC since March 2015 to present. Prior to being the Director of Sharetea Brand Licensing Development, Ms. Liao was the special assistant in the Sharetea Brand Licensing Department from

2015 to 2019, and special assistant to the General Manager from 2012 to 2015. Ms. Liao has more than 9 years' experience on overseas franchise development of Sharetea System.

**Account Supervisor of Sharetea Officer of Oversea Brand Licensing Development:** Wei-Chun, Lin (aka 林煒珪)

Ms. Lin joined Lian Fa International Dining Business Corporation located at 18F.-7, No. 95, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City 221416, Taiwan (R.O.C.) since 2016. Now Ms. Lin serves as ~~an account supervisor of Sharetea~~ **Officer of Oversea Brand Licensing Department** of Lian Fa International Dining Business Corporation. Ms. Lin has more than 7 years' experience on overseas franchise development of Sharetea System.

**Senior Specialist of Sharetea Brand Licensing Development:** Yu-Ting, Chang (aka 張昱婷)

~~Ms. Chang joined Lian Fa International Dining Business Corporation located at 18F.-7, No. 95, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City 221416, Taiwan (R.O.C.) since 2018. Now Ms. Chang serves as a senior specialist of Sharetea Brand Licensing Department of Lian Fa International Dining Business Corporation. Ms. Chang has more than 5 years' experience on overseas franchise development of Sharetea System.~~

### ITEM 3: LITIGATION

#### Pending Cases

##### *Litigation by Lian Fa in the Commonwealth of Australia*

Lian Fa International Dining Business Corporation v Teng (Anthony) Mu & Anor – Federal Court Proceeding NSD1124/2021. On October 26, 2021, Lilian USA, LLC's parent company, Lian Fa International Dining Business Corporation, filed a civil claims of trademark infringement and misleading and deception conduct in the Commonwealth of Australia against its Australian master franchisee, Sharetea Australia Pty Ltd and Mr. Teng (Anthony) Mu in Federal Court of Australia. The litigation is still ongoing, and Lian Fa is actively protecting its trademarks and goodwill in the Commonwealth of Australia.

#### Concluded Cases

##### *Alleged Protected Territory Violation and Trademark Infringement:*

Tenmei Group, LLC vs. Lilian USA, LLC, Case No. 18-2-11761-5 SEA, King County, Washington. On August 8, 2019, Tenmei Group, LLC, one of our franchisees in the State of Washington, filed a civil lawsuit against Tealicious, LLC and us in the State of Washington in the Superior Court of the State of Washington, County of King. Plaintiff alleged that we and Tealicious, LLC have violated plaintiff's protected territory and seek damages in excess of \$100,000 from us and Tealicious, LLC. The parties have reached a settlement agreement.

*Alleged Violation and Trademark Infringement:*

Lilian USA, LLC vs Yucheng Liu and Coolblue International, Inc. Case No. 2:21-at-00940, California. On October 01, 2021, we filed a civil lawsuit against Yucheng Liu and Coolblue International, Inc. in the United States District Court of Eastern District of California, Sacramento Division. We alleged that Yucheng Liu and Coolblue International, Inc. have infringed on our Sharetea Trademarks and trade dress. The parties have reached a settlement agreement.

*Alleged Personal Injury:*

Diana Huynh v. Selin Degirmenci, Queensberry Investments, LLC, Simon Lee, Sofi Hsu, and Lilian USA, LLC. Case No. 21-DCV-289442. On December 7, 2021, Diana Huynh filed a civil claim against damage resulted from Degirmenci pouring hot water on the plaintiff in the District Court of Fort Bend County, Texas. The plaintiff named us as a co-defendant for the civil lawsuit. The parties have reached a settlement agreement.

**Government Action**

*State of Minnesota, Department of Commerce:*

On August 16, 2022, we self-reported one unregistered offer/sale of a franchise in the state of Minnesota to the Department of Commerce, State of Minnesota. We cooperated fully with the investigation, and has entered into a consent order on September 16, 2022. As of the issuance date, we are in full compliance with the consent order.

*State of Hawaii Investigation, Department of Commerce and Consumer Affairs, Office of the Securities Commissioner Investigation, Case Number SEB20210009:*

On March 2, 2021, the Securities Enforcement Branch of the Department of Commerce and Consumer Affairs for the State of Hawaii began to inquire into the activities of Lilian USA, LLC pursuant to the Hawaii Franchise Investment Law. The inquiries were made in connection with the issues of whether Lilian USA, LLC sold Sharetea franchises in the State of Hawaii without proper registration. We are cooperating fully with the State of Hawaii in the investigation and await the State of Hawaii's finding.

No other litigation is required to be disclosed in this Item 3.

**ITEM 4: BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

**ITEM 5: INITIAL FEES**

### Non-refundable and Fixed Fees

The total fees for franchising a Tea Shop range from US\$91,000 to US\$100,000 The Fees are as listed in the table below:

<b>Concept Type</b>	<b>Sharetea Regular</b>	<b>Sharetea Plus</b>
<i>Store Size</i>	1000~1200 Sq	1200+ sq
<i>Franchise Fee</i>	\$12,000	\$13,500
<i>Technology Transfer Fee</i>	\$19,200 (10 training days)	\$21,600 (15 training days)
<i>Opening Support Fee</i>	\$7,200 (3 opening support days)	\$8,100 (5 opening support days)
<i>Design and Floor Plan Fee</i>	\$9,600	\$10,800
<i>Initial Inventory</i>	\$43,000	\$46,000
<b>Total Initial Franchise Fees</b>	<b>\$91,000</b>	<b>\$100,000</b>

(Collectively, the “Non-Refundable and Fixed Fees”). 30% of the Non-Refundable and Fixed Fees is payable within seven (7) calendar days following the signing date of an initial memorandum of understanding, substantially in the form as shown in Exhibit A of Franchise Agreement. The remaining 70% of the Non-Refundable and Fixed Fees is payable within fourteen (14) calendar days following the signing of the Franchise Agreement. The Non-Refundable and Fixed Fees are not refundable and must be paid in full without reduction or offset.

### Refundable Security Deposit

You are also responsible for a refundable security deposit of US\$10,000 (the “Refundable Security Deposit”), payable within fourteen (14) calendar days following the signing of the Franchise Agreement. Refundable Security Deposit will be returned to the Franchisee at upon the expiration or termination of the Franchise Agreement if the Franchisee has not materially breached the Franchise Agreement.

### Monthly Fees (Royalty)

You will pay a royalty of 6% of your gross monthly sales of the Tea Shop, with a minimum royalty fee of US\$1,200 per month. Gross monthly sales means the aggregate amount of all sales of our products, food, beverages and other merchandise and products approved by us and sold and services rendered at Tea Shop per month but excluding: (a) value-added, sales or service taxes



collected from customers and paid to the appropriate governmental taxing authority; and (b) all customer refunds and adjustments and promotional discounts, including senior citizens discount. The Royalty for the previous month is also payable before the 10th of the next month, along with the previous month's financial statements and related records.

Item 7 provides a detail description and listing of all fees that will need to be paid or prepare to be paid before the opening or within three (3) months of opening (the "Initial Franchise Fees"). Specifically, the Initial Franchise Fees include the Non-Fundable and Fixed Fees, Refundable Security Deposit, three (3) months of minimum royalty fees initial mandatory training, and on-site opening and marketing support.

If you purchase an existing Tea Shop, you must also purchase the assets of the business from the owner of the Tea Shop, which may include furniture, fixtures, equipment, supplies, and inventory (in addition to payment of the Initial Franchise Fees), for a price to be negotiated between you and the owner, which will vary from unit to unit.

All payments made under this Franchise Agreement will be subject to reduction to reflect taxes or other charges required to be withheld by law. In the event that Franchisee is required to withhold taxes on behalf of Franchisor, Franchisee will inform Franchisor and provide documents relating to the withholding tax. The Initial Franchise Fees are not refundable under any circumstances.

We charge a late fee of 5% or the highest amount allowed by law for late payment of the Initial Franchise Fees and any other amount due. If you fail to make all required installment payments within the period provided, we may elect to terminate our relationship by proving you with a written notice. There are no refunds under any other circumstances. We reserve the right to waive or reduce the Initial Franchise Fees. Except for the Initial Franchise Fees, we realize no material or directly contemplated benefit from your initial investment. Please note each franchise sale is an independent transaction, whether you currently own a franchise or not and the cost and the terms for payment are identical to that as described above.

### **Initial Inventory**

Before opening a Tea Shop, you must purchase an initial inventory consisting of products from suppliers approved by us. The assortment and number of these items will be based upon the size and configuration of your Tea Shop. The estimated cost for the opening inventory of these products varies from location to location depending on seasons and the storage capacity of the Tea Shop. Your initial inventory of merchandise and supplies needed for the operation of the Tea Shop will include raw ingredients and products for resale, containers and other paper, plastic or similar goods, maintenance and cleaning materials, office supplies and miscellaneous materials and supplies.

### **Initial Training Fee**

The initial training fee is included in the technology transfer fee. Franchisee must attend the initial training session along with Franchisee's designated personnel, following the signing of this Franchise Agreement, you will assign at least eight (8) of your staff to receive initial mandatory trainings at your Tea Shop in the United States for a minimum of ten to fifteen (10~15) calendar days at a schedule agreed upon by both Parties. You will be solely responsible for all of your staff's incurred expenses including, but not limited to, wage, transportation, accommodations and meal expenses. You will also be responsible for the consultant's round trip airfares from Taiwan (Republic of China) and local transportation, meals, three stars or above hotel accommodation.

The initial mandatory training covers corporate overview, brand management, management and human resources, purchasing of raw materials, supplies, and necessary equipment, food safety, tea and drinks making, store operations management, and other training programs as we see fit, and will include, but not limited to, operations managements, import operations, marketing plans, tea shop management, raw material inventory and controls, and basic maintenances. We may offer special training courses such as service staff training, special promotion training, other pre-opening supports and continuous organizational supports.

#### **Pre-Opening Consultation Fee**

Upon the completion of the initial mandatory training, you are required to work with a business operation consultant assigned by us to assist you in the overall operating plan for a period of fifteen (15) calendar days prior to the opening of the Tea Shop at no cost. The business operation consultant will provide you with guidance in areas such as labor management and tea shop management. We will be responsible for the consultant's salary and airfares. You will be responsible for the expenses incurred locally including, but not limited to, the local transportation, meals, and three stars or above hotel accommodation, and other reasonable costs. If we pay the aforesaid fee in advance, you will reimburse us within seven (7) calendar days upon receiving our written reimbursement request.

#### **ITEM 6: OTHER FEES**

<b>Type of fee (note 1)</b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Royalty Fees	6% of the Gross Monthly Sales, minimum US\$1,200 per month	The royalty fee for the previous month is payable before the 10th of the next month	"Gross Monthly Sales" means the aggregate amount of all sales of our products, food, beverages and other merchandise and products approved by us and sold and

			services rendered at Tea Shop per month but excluding: (a) value-added, sales or service taxes collected from customers and paid to the applicable governmental taxing authority; and (b) all customer refunds and adjustments and promotional discounts, including senior citizens discount.
Marketing Fund Contributions (note 2)	Certain percentage of Gross Monthly Sales, not yet determined	The marketing fund contributions for the previous month is payable before the 10th of the next month	Applicable only when we have established a Marketing Fund. See Item 11 for details on Marketing Fund.
Advertising and Marketing Materials Sample/Template	None	Before opening	We will provide you with electronic copies of advertising, marketing and promotional materials for the opening period, ready for printing.
Printed Advertising and Marketing Materials	US\$1,000	As incurred	Upon your written request, we will provide the printed advertising and marketing materials for the pre-opening, and charge you the cost of production, shipping, handling,

			and storage of the material.
Pre-Opening Inspection	The inspector's local transportation, meal, three stars or above hotel accommodation expenses, and other reasonable costs.	As incurred	Prior to the grand opening of the Tea Shop, we reserve the right to assign one of our inspectors to conduct a pre-opening inspection that will take no more than one (1) week. We will be solely responsible for such inspector's salary and airfare expenses.
Post Opening Consultation Fees (note 3)	US\$300 per person per day or US\$350 per person per day for a designated consultant, round trip airfare for the business operation consultant(s); and local transportation, meals, three stars or above hotel accommodation of the business operation consultant(s), and other reasonable costs incur on behalf of you.	Before the training or consultation begins	After the opening of the Tea Shop, in the event that you request additional consultation service, you will discuss and schedule with us in advance. For all training sessions and conferences, you must pay for your trainees' and representatives' salaries and benefits, and for their travel, lodging, and meal expenses.
Opening Inventory	US\$43,000~ US\$46,000	When billed	The assortment and number of these items will be based upon the size and configuration of your Tea Shop.

Renewal Fees	US\$10,000	Prior to granting franchise renewal	The Franchise Agreement may be renewed for 2 years. The renewal fee shall be paid each time.
Supplier Testing Fee	US\$0	When billed	We do not charge any administrative supplier testing fees, but you or the supplier will be required to reimburse us for all costs that we incur in the testing and approval process whether the supplier is approved or not.
Audit Fee	Cost of audit	When billed	Payable after an audit, only if we find that you have understated any amount you owe to us by more than 3%.
Late Payment	Interest on unpaid amount at 5% per month or highest rate allowed by law	When billed	We can change these fees without notice. They apply if you fail to pay us.
Manual Replacement Fee	Currently, we do not charge a fee, but we reserve the right to do so	When billed	If you request additional or replacement copies of the Manual.
Liquidated Damages for Buying from Unauthorized Supplier	US\$20,000	Per violation	Franchisee is liable for all additional damages and losses incurred by franchisor from violation.
Liquidated Damages for All Other Violation	US\$10,000	Per violation	All gains that the Franchisee derives from the violations

			shall also be refunded to us.
Transfer Fees	US\$10,000	At the time of transfer	The transfer is subject to our Right of First Refusal.
Cost and Attorney Fees	Will vary under circumstances	On demand	If you default under the Franchise Agreement, you must reimburse us for the expenses we incur (such as attorney fees) in enforcing or terminating the applicable Franchise Agreement.
Indemnification	Will vary under circumstances	On demand	You must reimburse us for the costs and damages we incur in for any claims that arise from your Tea Shop's operation.

Notes:

1. All fees as described in Item 6 are non-refundable, imposed by and are paid to us. Except as otherwise indicated in the preceding chart, we impose all fees and expenses listed and they must be paid in full. Except as specifically stated above, fees may be adjusted based on changes in market conditions, our cost of providing services and future policy changes. At the present time we have no plans to adjust fees schedule over which we have control.
2. We reserve the right to establish and administer a marketing fund for the Sharetea System. We have not established the fund, and do not intend to establish a fund until an adequate number of Tea Shops have been established to provide national or regional marketing for the benefit of the Sharetea System. We anticipate that all Tea Shops will contribute to the marketing fund. When the advertising fund is established, we estimate that Franchisees will contribute approximately 3% of gross monthly sales. For more details, please see Item 11.
3. The fee represents our cost of providing the training, including our administrative costs of making personnel available for training purposes, and the cost of materials.

## ITEM 7: ESTIMATED INITIAL INVESTMENT

<b>Type of Expenditure (note 1)</b>	<b>Estimated Amount or Estimated Low-High Range (US\$)</b>	<b>When Due</b>	<b>Method of Payment</b>	<b>Refundable</b>	<b>To Whom Payment is to be Made</b>
Franchise Fee (note 2)	US\$12,000~ US\$13,500	Due in full within fourteen (14) calendar days following the signing of the Franchise Agreement	As arranged	No	Us
Technology Transfer Fee	US\$19,200~ US\$21,600	Due in full within fourteen (14) calendar days following the signing of the Franchise Agreement	As arranged	No	Us
Opening Support Fee	US\$7,200~ US\$8,100	Due in full within fourteen (14) calendar days following the signing of the Franchise Agreement	As arranged	No	Us
Design and Floor Plan Fee	US\$9,600~ US\$10,800	Due in full within fourteen (14) calendar days following the signing of the Franchise Agreement	As arranged	No	Us
Refundable Security Deposit	US\$10,000	Due in full within fourteen (14)	As arranged	Yes.	Us

		calendar days following the signing of the Franchise Agreement			
Minimum Royalty Fee (note 3)	US\$3,600	Before the 10 <sup>th</sup> of the following month	As arranged	No	Us
Related Personnel Cost for initial training (note 4)	US\$6,300	Before opening	As arranged	No	Us
Additional Training (note 4)	US\$0	As incurred	As arranged	No	Us
Equipment	US\$45,000~ US\$57,000	As incurred	As arranged	No	Third party
Utensils	US\$2,500~ US\$3,300	As incurred	As arranged	No	Third party
Rent for the Tea Shop (note 5)	US\$2,000 ~ US\$10,000	As specified in lease	Before opening, as arranged	No	Third party
Rental for Warehouse (note 5)	US\$0~ US\$5,000	As specified in lease	Before opening, as arranged	No	Third party
Renovation (note 6)	US\$55,000~ US\$200,000	As incurred	Before opening, as arranged	No	Third party
Initial Inventory (note 7)	US\$43,000~ US\$46,000	As incurred	Before opening	No	Us
Licenses, Permits, Fees and Deposit	US\$12,000	Lump Sum	Before opening	No	Third party
Point of Sale System (note 8)	US\$2,100	As incurred	Before opening	No	Us or Third party



Office Equipment & Supplies	US\$1,500	As incurred	As arranged	No	Third party
Uniforms	US\$2,000	As incurred	Before Opening	No	Us or Third party
Insurance (note 9)	US\$4,500~ US\$15,000	As incurred	Before opening, as arranged	No	Third party
Advertisement (note 10)	US\$2,000	As incurred	Before Opening	No	Third party
Additional Funds – 3 Months (note 11)	US\$56,400~ US\$72,500	As incurred	As arranged	No	Third Party
<b>Total Cost</b>	<b>US\$295,900.00 ~ US\$502,300.00</b>				

Notes:

1. Your initial investment for a new Tea Shop depends primarily upon: (1) the number of Tea Shops you invest; (2) size; (3) configuration; (4) location; (5) who develops the real estate for and/or constructs them; and/or (6) the amount and terms of financing. The initial funds required must be reevaluated since most costs are not within our control and may change at frequent intervals. These figures are estimates only and we cannot and do not guarantee that your costs will fall within the stated ranges. These estimated ranges are based on our experience and information provided by non-US franchisees of our affiliated entities. Costs are constantly changing and your costs may be higher. You should perform due diligence to investigate all potential costs before proceeding.
2. All of your initial investments are non-refundable except the Refundable Security Deposit. The Refundable Security Deposit will be returned to you at upon the expiration or termination of the Franchise Agreement if you have not materially breached the Franchise Agreement. Approximately 25% of the total Initial Franchise Fees will go to the training, 15% will go to the opening support, and 10% will go to the marketing support.
3. You shall pay royalty of 6% of your Gross Monthly Sales of the Tea Shop, with a minimum royalty fees of US\$1,200 per month.
4. Following the initial mandatory training which will take place at your Tea Shop located in United States, prior to the Tea Shop Opening, we will provide the pre-opening support program that is part of the initial training program for eight (8) of your employees at no cost at the Teashop. You will be responsible for the consultant's round trip airfares from Taiwan (Republic of China) and local transportation, meal, three stars or above hotel accommodation. For Additional Training, it is our experience that none of our franchisee has requested additional training within the first quarter following the opening of the Tea

shop. Please note that the initial training usually will take approximately ten to fifteen (10~15) calendar days and you must provide at least eight (8) of your personnel. You must also pay for all of you and your employee's reasonable accommodations and related travel expense. If an additional person is required to attend the training, the costs will increase proportionately. There may also be additional training time needed to achieve required competency levels. The amount of time required to undergo training is the reflection of the individual's ability to personally demonstrate the competencies. Any wages or salaries that you may pay trainees while they attend training are not included in these estimates. You must also maintain worker's compensation insurance coverage for trainees under your employment.

5. Depending on the structure of your lease, rental costs vary considerably according to the type of Tea Shop, real estate values in your area, financing rate (leasehold or ownership), location, and size of the site, regulatory requirements and other factors such as labor. Factors that typically affect your rental costs include your cost to negotiate your lease (or buy the property), fair market lease values and lease terms in your area, how the costs to renovate or develop the land, building and other site improvements are allocated between landlord and tenant and interest costs, among others. Lease terms are individually negotiated and may vary materially from one location or transaction to another. Commercial leases are typically "triple net" leases, requiring you to pay rent, all taxes, insurance, maintenance, repairs, common area maintenance costs, merchants' association fees and all other costs associated with the property. Rent will likely exceed the lease itself of leasing or financing the purchase of the location. You may also have to pay percentage rent. You may need to rent a warehouse depending on (1) the location of the Tea Shop, (2) your method in controlling your inventories or storing your equipment, or (3) how many Tea Shop you wish to open. Factors similar to the Tea Shop rental cost also apply to warehouse rental cost.
6. Renovation costs include, among others, architectural, engineering and legal fees. These estimates do not include extraordinary costs due to extensive redesigning, permit fees, variances, environmental issues, legal obstacles, etc.
7. Before opening a Tea Shop, you must purchase an initial inventory consisting of products from suppliers approved by us. The assortment and number of these items will be based upon the size and configuration of your Tea Shop. The estimated cost for the opening inventory of these products varies from location to location depending on seasons and the storage capacity of the Tea Shop. Your initial inventory of merchandise and supplies needed for the operation of the Tea Shop will include raw ingredients and products for resale, containers and other paper, plastic or similar goods, maintenance and cleaning materials, office supplies and miscellaneous materials and supplies.
8. The price reflects equipment configurations and solution costs, site preparation and installation for one point of sale systems. We do not recommend more than one point of sale systems unless the size and configuration of the Tea Shop requires it.

9. You must provide commercial general liability coverage with minimum limits in the amount of US\$2,000,000 per occurrence in accordance with our published standards, (subject to change) and maintain other insurance in accordance with state law requirements. Some property owners may require higher levels of commercial general liability insurance or other insurance coverage under their leases. Initial premiums for commercial general liability are subject to change due to market forces beyond our control, but usually range between US\$1,000 and US\$5,000 per year. The cost of other coverage, including workers' compensation coverage and your discretionary purchases, varies widely, but may range from US\$3,500 to US\$10,000 per year. Your premium may be higher based upon your risk profile. You should discuss with your insurance carrier/agent whether or not these costs need to be paid in full before opening or whether they can be budgeted. Failure to maintain such insurance may result in loss of your franchise and additional financial obligations.
10. The advertisement in the first 3 months after your Tea Shop opening is US\$2,000.
11. Additional Funds is an estimate of the funds needed to cover business (not personal) expenses during the first three (3) months of operating the Tea Shop. It includes estimated cost of sales and operating expenses incurred during the initial three (3) months (such as payroll, utilities, taxes and other expenses), although your actual cost may be higher. The Additional Funds exclude owner's salary/draw, non-Tea Shop management expenses, and the purchase of the Tea Shop's opening inventory. Cash flow from your operations may not be adequate to cover operating and other costs during the initial phase of business. Your cost will depend on factors such as how much you follow our recommended method and procedures, your management, marketing and general business skills, local economic conditions, the local market for the products and services, competition, local cost factors and the sales level achieved by you. There is no guarantee that the amounts specified are adequate or that additional investment by you is not necessary during the three (3) months of initial operation or afterwards.

Other than what is disclosed in this Disclosure Document, we do not authorize our salespersons or any other persons or entities to furnish estimates or otherwise as to the capital or other reserve fund necessary to reach "break-even" or any other financial position nor should you rely on any such estimates. We recommend that, in addition to the expenses and additional funds shown, you have sufficient personal savings and/or income so that you are self-sufficient and need not to draw funds from the Tea Shop to support your living and other expenses during the initial start-up phase.

We do not offer financing for any of the aforementioned costs. Tea Shops may vary from one another in many respects. Please also note that the data included in this Disclosure Document is based on the information available when this document was prepared. In the last few years, we have all experienced significant changes in the country's economy that has impacted everyone including our business. Among these changes are things like hikes in energy, labor and goods and services delivery cost. Other commodity costs have also fluctuated. We have also observed wide

swings in the cost and availability of credit, labor, goods, and other materials. Although we are not able to predict how these economic factors will impact business costs in the coming year, these variations may materially affect the costs a new franchisee will actually experience in operating a franchised business.

## **ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

### **Required Purchases**

We and our affiliates have spent considerable time, effort and money to develop the Sharetea System. We have acquired experience and skill in developing the Sharetea System, which includes producing, merchandizing and selling Sharetea coffee, tea, bubble tea, compatible food products, and other products and merchandise that we approve. The distinguishing characteristics of our Sharetea System include, among others, proprietary trademarks, distinctive exterior and interior design, decor, color and identification schemes and furnishings; special menu items; standards, specifications, requirements and procedures for operations, manufacturing, distribution and delivery; quality and safety of products and services offered; management systems/programs; training and assistance; and marketing, advertising and promotional programs. You must conform to our high standards of consistency, quality, safety, cleanliness, appearance and service. We anticipate that our standards will change over time. You are expected to adhere to these changes.

### **Required and approved suppliers**

The reputation and goodwill of Sharetea System is based upon, and can be maintained only by, the sale of high-quality products. All products, including food supplies, utensils, cups, equipment and materials and services from your Tea Shop must meet our specifications, standards, and requirements. Your products must be sourced from suppliers that we approve (including manufacturers, distributors and other providers of goods and services).

We do not have exclusive suppliers of our products, cups, teas, or equipment at this point, and we will provide you with a list of suppliers that already meet our specifications. For your information, ourselves and our parent company, Lian Fa, are approved suppliers, but we are not the only approved suppliers for the products and equipment that you will need to operate the Tea Shop. You can expect that the items purchased from approved suppliers in accordance with our specifications represent over 95% of the total purchases for establishing and operating the franchised business. Suppliers are required to share shipping, distribution and all other information with us, and you will be required to cooperate.

### **Approval of alternative suppliers**

You may also suggest suppliers, but please note that every supplier must demonstrate, based on our judgment, that it meets all specifications, standards, and requirements and has adequate capacity to supply our franchisees' quantity and delivery needs, which may mean, among other

things, the ability to supply all franchisees in the Sharetea System. Before approving any supplier, we may take into consideration: a) consistency of products and/or name brands in (and between) our Sharetea Systems, b) economies of scale achieved by larger volumes, and c) certain other benefits that a particular supplier may offer, such as new product development capability. When approving a supplier, we take into consideration the Sharetea System as a whole, which means that certain franchisees may pay higher prices than they could receive from another supplier that is not approved. We reserve the right to withhold approval of a supplier at our discretion. A list of approved suppliers is available on request.

Our criteria for approving alternative suppliers are not available to you or your proposed suppliers. You and/or the supplier may request approval by submitting the request to us in writing. We may require that samples from the supplier be delivered to us or to a designated independent testing laboratory for testing prior to approval and use. All requests will be reviewed in accordance with our then-current procedures, and we will take into consideration our available resources, which may affect the timing of our response. The supplier must meet our then-current specifications, standards and requirements, which may include signing a non-disclosure agreement and a guarantee of performance. We may change our specifications, standards and requirements at any time. There is no limit on our right to do so. If the supplier that you propose is initially approved or rejected, we will notify you and the supplier within thirty (30) to sixty (60) calendar days depending on the nature of the products or services. We may withdraw our approval at any time if the supplier's performance does not meet our criteria, we change our specifications, standards or requirements or other reasons. There is not administrative supplier testing fees. You or the supplier will be required to reimburse us for all costs that we incur in the testing and approval process whether the supplier is approved or not.

We may limit the number of potential suppliers that we consider for approval and for some categories of products we will designate a third party or ourselves as an exclusive supplier. We may designate exclusive suppliers for some categories of products or services including purchasing, distribution, fountain and packaged beverage products, point of sale equipment, integrated point of sale back office, help desk support, and high-speed internet access. Currently, you will have to purchase beverage syrup and tea proprietary teas from our designated suppliers. We and our affiliate are also approved suppliers, but we are not the only approved supplier of any product or service.

### **Revenue from franchisee purchases**

~~We and our affiliate may derive revenue from required purchases, but not from leases by franchisees, as we do not lease any products or equipment to our franchisees. We are not the only suppliers of products for the Tea Shop. The franchisor's total revenue in 2022 from the United States was US\$4,722,758. The franchisor's revenue from all required purchase and lease is US\$0 in 2022 from the United States and there was zero (0%) percentage of the franchisor's total~~

~~revenues from required purchases and leases. Lian Fa, our parent company, is our only affiliate; and its total revenue in 2022 from required purchases made by the franchisees located in the United States was approximately US\$10.8 million.~~

Our organization and its affiliates may generate revenue from purchases mandated for franchise operation. However, it is pertinent to note that we are not the sole authorized provider of any products or services required. The collective revenue accrued by our parent company, Lian Fa, from all compulsory purchases by franchisees within the United States during the fiscal year of 2023 amounted to approximately US\$9,394,060. In contrast, our total revenue for the same period was US\$4,749,822. It is important to clarify that none of the revenue derived by our company in 2023 was attributable to these mandatory franchisee purchases. Additionally, our company and its affiliates do not engage in the leasing of products.

Except as described above, neither we nor our affiliates currently derive revenue or other material consideration on account of our or their actual or prospective dealing with you and other franchisees. However, we and our affiliates reserve the right to do so and to use all amounts that we and our affiliates receive without restriction (unless we and our affiliate agree otherwise with the supplier) for any purposes we and our affiliates deem appropriate.

To our knowledge, except for Sharetea, there are no approved suppliers in which any of our officers or directors own an interest.

### **Other Requirement**

You must obtain and maintain, at your own expense, the insurance coverage that we periodically require and satisfy other insurance-related obligations as provided in the Franchise Agreement. Premium depends on the insurance carrier's charges, terms of payment, and your history. All insurance policies must name us as an additional insured party.

Before you use advertising materials, you must send us for review samples of all advertising, promotional, and marketing materials that we have not prepared or previously approved. If you do not receive written disapproval within thirty (30) calendar days after we receive the materials, they are deemed to be rejected. You may not use any advertising, promotional, or marketing materials that we have not approved.

We must approve your proposed location. We must receive and review a proposed lease or purchase agreement in form for execution. We will use commercially reasonable effort to inform you of our approval or disapproval within a reasonable time after our receipt of the proposed lease or purchase agreement.

### **Cooperatives**

There are currently no purchasing or distribution cooperatives. We may negotiate purchase arrangements with supplier (including price terms), for the benefit of the Sharetea System. We do not provide material benefits to you (for example, renewal or granting additional franchises) based on your purchase of particular products or services or use of particular supplier.

### **Negotiated prices**

We do not negotiate purchase arrangements with suppliers, including price terms, for the benefit of the franchisees.

### **Material benefits**

We do not provide any material benefits to you if you buy from sources we approve.

## **ITEM 9: FRANCHISEE’S OBLIGATIONS**

### **FRANCHISEE’S OBLIGATIONS**

**This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this Disclosure Document.**

### **FRANCHISEE’S OBLIGATIONS**

<b>Obligation</b>	<b>Article in Franchise Agreement</b>	<b>Disclosure Document Item</b>
a. Site selection and acquisition/lease	Article 2	Items 1, 11 & 12
b. Pre-opening purchase/lease	Articles 2, 6, 10	Items 1, 6, 7, & 11
c. Site development and other pre-opening requirements	Articles 1, 2, 5, 6, 9, & 10	Items 1, 6, 7, & 11
d. Initial and ongoing training	Article 5	Items 5 & 11
e. Opening	Articles 1, 5 & 6	Item 11
f. Fees	Articles 3, 4 & 5	Items 5 & 6
g. Compliance with standards and policies/Operations Manual	Articles 1 & 6	Item 11
h. Trademarks and Proprietary information	Articles 1, 7 & 8	Items 13 & 14
i. Restrictions products/services offered	Articles 1, 6 & 8	Item 16
j. Warranty and customer service requirement	Article 6	Item 11
k. Territorial development and sales quotas	Articles 1 & 2	Items 1 & 12
l. Ongoing product/service purchases	Articles 6 & 8	Item 8

m. Maintenance, appearance and remodeling requirements	Articles 1 & 6	Item 11
n. Insurance	Article 10	Items 7 & 8
o. Advertising	Articles 1 & 4	Items 6 & 11
p. Indemnification	Article 11	Item 6
q. Owner's participation/management/staffing	Articles 1 & 6	Items 11 & 15
r. Records and reports	Article 9	Item 6
s. Inspections and audits	Articles 6 & 9	Items 6 & 11
t. Transfer	Articles 14	Item 17
u. Renewal	Article 13	Item 17
v. Post-termination obligations	Articles 3, 7, 15, 16, & 17	Item 17
w. Non-competition covenants	Article 15	Item 17
x. Dispute resolution	Articles 18	Item 17
y. Other	Not applicable	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**

1. We do not find location for you. You will need to find your own location(s) and negotiate your own real estate interest. If you are developing a new Tea Shop, we will approve the location if it meets our standards. It is important to know that our written approval of a location is not and should not be a guarantee of success at that location. Many factors, some known and some unknown, may impact the success of a particular location. We will provide you with a copy of our standard plans and specifications for the Tea Shop. If you fail to identify and propose the Site for our review and approval within sixty (60) calendar days from the execution of the Franchise Agreement, we reserve the right to terminate the Franchise Agreement immediately without further notice, and the Fees will be forfeited. You must conform the premises to all codes and ordinances and obtain all required permits. You must construct or remodel the location to our standards and subject to our written approval. (See Articles 1 & 2 of the Franchise Agreement).



2. We will provide you the standards for designing, constructing and equipping your Tea Shop. (See Articles 1, 2, & 6 of the Franchise Agreement).
3. If you are opening a new Tea Shop, we will make an initial training program available to you and/or your designated representative. If you are purchasing an existing Tea Shop or need to have additional individuals attend training, you will pay an additional fee. You (and/or your designated representative) must successfully and timely complete the training program in order to become (or remain) a franchisee. (See Article 5 of the Franchise Agreement).
4. On-site pre-opening assistance at the Tea Shop. (See Articles 1, 5, & 6 of the Franchise Agreement).
5. Advertising and promotional materials for use in the pre-opening promotion of the Tea Shop. (See Articles 1 & 4 of the Franchise Agreement).
6. We will provide you with a copy of our operations manual concerning techniques of managing and operating the Tea Shop. (See Articles 1, 6 & 12 of the Franchise Agreement).
7. We will provide advice regarding authorized suppliers of equipment and materials used, and inventory offered for sale, in connection with the Tea Shop. (See Articles 1, 6, 8 & 12 of the Franchise Agreement).
8. We will make available for purchase by you, directly from us or through authorized suppliers, the equipment, products, materials and inventory required by you to establish and operate the Tea Shop in accordance with the Franchise Agreement. (See Article 8 of the Franchise Agreement).
9. We may offer special training courses such as service staff training, special promotion training, other pre-opening supports and continuous organizational supports (See Article 5 of the Franchise Agreement).
10. Please note that it usually takes two to three months between (i) the earlier of the (a) signing of the Franchise Agreement or (b) first payment of Fees; and (ii) the opening of the Tea Shop.

### **Post-Opening Obligations**

The following are our obligations during the operation of the franchise business:

1. We will maintain a continuing advisory relationship with you, providing such assistance as we deem appropriate regarding the development and operation of the Tea Shops. (See Article 12 of the Franchise Agreement).
2. We will provide you with standards for the location, physical characteristics and operating systems of Tea Shops and other concepts; the products that are sold; the qualifications of suppliers; the qualifications, organization and training of franchisees and their personnel; the marketing of products and our brand; and all other things affecting the experience of consumers who patronize our Sharetea System. We make those standards available to you in our manuals and in other forms of communication, which we may update from time to time. (See Article 1, 6 & 12 of the Franchise Agreement).
3. We shall continue our efforts to maintain high and uniform standards of quality, cleanliness, appearance and service at all Tea Shops. (See Article 12 of the Franchise Agreement).

4. We will review advertising and promotional materials that you propose to use locally. (See Article 4 of the Franchise Agreement).
5. We will update the operations manual, including new developments and improvements in equipment, food products, packaging and preparation. (See Article 12 of the Franchise Agreement).
6. On-site post opening assistance at the Tea Shop as we find appropriate. (See Article 5 of the Franchise Agreement).
7. Administration of the advertising fund, when and if it is created. (See Article 4 of the Franchise Agreement).

Please note that it usually takes two to three months between (i) the earlier of the (a) signing of the Franchise Agreement or (b) first payment of Fees; and (ii) the opening of the Tea Shop. The reason may be due to factors such as the availability of a site, financing, building permits, zoning and local ordinances. We typically do not experience shortages or delayed installation of equipment, fixtures, and signs.

### **Advertising Expenditures**

You must spend reasonable amount on advertising for the Tea Shop in local advertising at your expense, and we estimate that an approximately 3% of the Gross Monthly Sales of the Tea Shop would be reasonable. The amount is not paid to us, but rather is spent by you. You may use your own local advertising, including directory advertising, newspaper ads, flyers, brochures, coupons, direct mail pieces, specialty and novelty items and radio and television advertising. All advertising must comply with our brand guidelines and obtain our prior written approval of all your local advertising and promotional plans and all materials you would like to use and it will be at your expense.

We do not currently have a marketing fund, though we reserve the right to establish and administer such a marketing fund in the future on a regional or national basis and which will be contributed into only by our franchisees. We do not anticipate enacting the marketing fund during this calendar year, or until we determine that a sufficient number of Tea Shops are open and operating so that regional or national advertising provides a benefit to the Sharetea System. However, when we do establish the marketing fund, you will have to participate and will have to contribute to the marketing fund approximately 3% of the Gross Monthly Sales of the Tea Shop to be paid in the same manner as the royalty payments. When and if established, the amount to be paid to the marketing fund is certain percentage of Gross Monthly Sales to be determined by both Parties in writing. Neither marketing fund nor any funds for advertising and marketing will be used for advertisement that is principally a solicitation for the sale of franchises for Sharetea System. We do not currently have a franchisee advertising council that advises us on advertising policies, though we reserve the right to establish such a council in the future. For the calendar year ending December 31, 2022, we did not collect or spend any money from the marketing fund. We currently

do not have a local or regional advertising cooperative, and that we are not planning to set up one. If we do in the future, you are not required to participate in one.

We do not have an obligation to conduct advertising, such as advertise through our website, TV ads, radio ads, promotional events, and local flyers. If we choose to conduct advertisement on behalf of the Sharetea brand, the source of the advertising would be an in-house advertising department. Currently we do not have a minimum amount on advertising in the area or territory where you are located.

### **Computer and Electronic Cash Register Systems**

We require you to have a sufficient workstation (a computer, monitor, and printer) that meets our minimum standards that can operate Microsoft words and excel, and is capable of accessing the Internet. This workstation may also be used for any other software that you use to manage your business. We do not have any obligation for maintenance, repairs, updates and upgrades of your computerized system.

We currently do not have independent access to the data generated by your computer system, but reserve the right to have such access in the future. We may require you to upgrade or update your computer hardware or software during the term of the Franchise Agreement. There are no contractual limitations on the frequency or cost of this obligation.

We require you to process and record all of your sales on a point of sale/back office system (“POS System”) that is approved by us. The approved POS systems are (1) capable of recording sales data; (2) cannot modify or reset and they retain data in the event of power loss, and (3) have the capability to operate minimum one cash register unit. The cost of purchasing a POS System that fits our standard is estimated to be US\$1500, and there should not be any annual cost once the system is purchased.

### **Operations Manual**

We will provide to you a copy of the Tea Shop operations management manual(s) for each Sharetea System that you are franchised to operate. Each operations manual contains mandatory and suggested standards, operating procedures and rules that we prescribe for the Sharetea System. The operations manuals are confidential, copyrighted and are not to be reproduced or distributed to any unauthorized person. We can change the terms of, and add to, the operations manuals whenever we believe it is appropriate.

### **Site and Lease Approval**

For new Tea Shops, we may select the site, or we may approve a site that you select and bring to us. Factors affecting our decision generally include location, occupancy costs, proximity to major retail activity, traffic volume and speed, density of nearby population (resident or daytime),

competition and potential for encroachment on other Tea Shops of the same brand, site configuration, parking, accessibility, visibility, signage permitted by the landlord and local governmental authorities and other factors. Each site is considered individually, as no two sites are the same. Factors other than those listed above may be considered in evaluating a particular site. We do not guarantee that any site will be successful.

If you submit a site for our approval, you must provide us with all required information about the site. If you fail to identify and propose the Site for our review and approval within sixty (60) calendar days from the execution of the Franchise Agreement, we reserve the right to terminate the Franchise Agreement immediately without further notice, and the Fees will be forfeited. You must provide a copy of the lease for our record. You may not begin any construction on a site until we have approved it. We do not typically pay “finders’ fees” for sites. We also do not generally own or take a prime lease on real estate and then lease it to our franchisees. We are not required to provide you with assistance in negotiating the purchase or lease of the site, but we may do so in some cases.

All sites must be approved by us, and must be developed by you in accordance with our requirements. You cannot develop a site until we approve it. We will not reimburse you for any costs you incur with respect to any location that you submit to us for approval. While we try to promptly review nominated sites, there is no specified time period in which we must respond to your approval request. If ultimately the parties have failed to agree upon a site, then we will refund you the Refundable Security Deposit.

If you will construct your Tea Shop, we will provide you standard, generic plans and specifications for the improvements, furnishings, fixtures and decor of the type of Tea Shop approved for your site. You must then, at your expense, have specific plans and specifications for construction or conversion of the space for the Tea Shop (and conforming to local ordinances and building codes, as well as obtaining the necessary permits) prepared by a licensed architect. Before you may begin construction, these plans and specifications must be approved by us in writing. We must approve any changes made during construction in writing. All construction will be at your sole expense.

You must ensure, prior to the opening of the Tea Shop, that the Tea Shop is accessible to and usable by persons with disabilities and meets the Standards for Accessible Design for new construction, as may be amended from time to time, or any more stringent accessibility standard under federal, state or local law.

### **Hiring and Training**

We do not provide any assistance in hiring your employees. The initial mandatory training is held only once per franchisee and it includes two phases: an initial training at your Tea Shop in the United States and then on-site pre-opening training at the Tea Shop site. We only offer initial

training once, and it is scheduled in accordance with both parties' convenience and availability, as long as it is completed prior to the opening of the Tea Shop. We do not, however, have a requirement on how soon after signing or before opening the initial training must be completed.

Our training program includes but is not limited to the following: operations managements, human resources management, import operations, marketing plans, tea shop management, raw material inventory and controls, and basic maintenances. We may offer special training courses such as service staff training, special promotion training, other pre-opening supports and continuous organizational supports.

### **TRAINING PROGRAM**

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-the-Job Training</b>	<b>Location</b>
Corporate & Training Overview and Introduction	6~8		Store
Counter Operation		20~30	Store
Management and Human Resources		6~8	Store
Kitchen Operation		6~8	Store
Store Opening & Closing Procedures		6~8	Store
POS Training		2~4	Store
Inventory and Controls		6~8	Store
Food Safety		2~4	Store
Customer Service		2~4	Store
Import Operations		4~6	Store
Marketing Plans		4~6	Store
Basic Maintenances		4~6	Store

We have a dedicated team of instructors for the Sharetea training program. The lead trainer, Mr. Po-Yu Lai, has more than eleven (11) years of experience in the hospitality, training, and service industry. He has trained more than one hundred of Taiwan and oversea tea shops in over 18 countries across North America, South East Asia, Middle East, Australia, United Kingdom, and China.

The initial training to you or the person(s) designated by you to assume primary responsibility for the management of the Tea Shop(s) (the “Principal Operators”) and at least seven (7) additional employees of yours at the Tea Shop’s location. If an additional employee is required to attend the training, the costs will increase proportionately. The initial training program involves a minimum

of ten to fifteen (10~15) calendar days of instruction for a minimum of eight (8) personnel to be trained together at the same time. You will be responsible for the consultant's round trip airfares from Taiwan (Republic of China) and local transportation, meals, three stars or above hotel accommodation. We may lengthen, shorten or restructure the content of this program.

The initial training program will mainly go over the Operating Manual (please see the Operating Manual's Table of Content as provided below) and the topic as describe in the table above. The initial training program is mandatory for all franchisees. You or the Principal Operators, whichever is applicable, must complete the program to our satisfaction. The program must be completed prior to the opening of the Tea Shop. Scheduling of the program is based on your availability and the projected opening date for your Tea Shop. The initial training program is designed to cover all phases of the operation of a Tea Shop. We reserve the right to waive a portion of the initial training program or alter the training schedule if, in our sole discretion, you or the Principal Operator has sufficient prior experience or training. We will make the initial training program available to replacement or additional Principal Operators during the term of the Franchise Agreement.

If you do not successfully and timely complete all training and certification requirements, including all initial training requirements, you will not be granted a franchise (and we will have the right to terminate the Franchise Agreement if it was signed anticipating that you (or your team) would successfully and timely complete initial training). You are required to complete the initial training within a reasonable amount of time following the signing of the Franchise Agreement.

You and your Tea Shop managers must have literacy and fluency in the English language, in our good faith opinion, to satisfactorily complete our training program and to communicate with employees, customers, and suppliers.

During the period of the Tea Shop opening under the Franchise Agreement, we pay the cost of presenting the initial training program, but do not include the raw materials and packaging used when executing the initial training program. However, you must pay for you and your employees' salaries, accommodations, travel expenses and other reasonable expenses, if any. If you demand to conduct the initial training program in a location other than your Tea Shop, then you may be charged certain additional costs such as your portion of the costs for the meeting room. You must also pay for later training programs that we may conduct or require.

### **Post-Opening Consultation**

You shall pay for the expenditures accrued by the said personnel. In the event we have advanced the cost of the said expenditures, you shall reimburse the same amount in cash. You will be required to make payments towards the following expenses within seven (7) calendar days upon receiving our written reimbursement request. The said personnel expenditures may include a US\$300 per person per day for each field visit to pay for the technical and orientation personnel

(US\$350 per person per day if you request a specific trainer); round trip airfare for the business operation consultant(s); the local traveling expenses, three stars or above lodging, food and beverage, and other reasonable costs incur on behalf of you. Our training programs are regularly reviewed and updated.

### **Operating Manual's Table of Content**

Below please find the table of content of our operating manual, which will be used as the instructional handbook used during our initial training.

History	P 01
Staff Code of Conduct	
Store Rules & Dress Code	P 02 ~ 03
Workstations	
Responsibilities of Each Station	P 04
Menu	
Flyer	P 05
Sweetness and Ice Level	P 06
Drink series	P 06
Toppings	P 07
Drink Features	P 08 ~ 11
Counter Workstation	
Equipment Introduction – Sealer Machine	P 12 ~ 16
Counter Service	
Can't Choose Sweetness or Ice Level Drinks	P 17
Ordering	P 18 ~ 19
Pick up	P 19
Kitchen Workstation	
Equipment Introduction – Induction Cooker	P 20
SOP of Cooking Toppings	P 21 ~ 27
Bar Workstation	
Equipment Introduction – Fructose Machine	P 28 ~ 29
Equipment Introduction – Ice Blender	P 30 ~ 31
Equipment Introduction – Tea Brewer	P 32 ~ 34
The recipe of making drinks	P 35 ~ 40
Standard Procedure for Opening	P 41
Standard Procedure for Closing	P 42 ~ 44

### **ITEM 12: TERRITORY**

You acknowledge and agree that you do not have a right to develop and open more than one Tea Shop or any options or similar rights to acquire additional Tea Shops. This franchise is for one specific location approved by us. Your right to operate a Tea Shop and the Territorial Right pursuant to the Franchise Agreement is limited solely to the location set forth in the Franchise Agreement, and there is no minimum territory granted to the franchisee. Your territorial right does not dependent upon achieving a certain sales volume, market penetration or any other contingency. Your territorial right does not dependent upon achieving a certain sales volume, market penetration or any other contingency. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. You do not have the right to distribute products through alternative channels of distribution. Specifically, you cannot solicit or accept orders from consumers outside of your Tea Shop, either through Internet, catalog sales, telemarketing, or other direct marketing, to make sales outside of the Tea Shop. We reserve the right to 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. Unless stated otherwise herein, we have the absolute right to distribute (or license others to distribute) products identified by our 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 distribution methods or channels. These other sources of distribution could compete with you. Furthermore, we do not pay any compensation for soliciting or accepting orders inside the franchisee's territory, the Protected Territory (as defined below), or near your Tea Shop location. Please note, however, that we current does not plan to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales within Tea Shop under a trademarks different the Sharetea Trademarks.

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, regardless of the destination of the products or services. We may not solicit or accept orders from consumers inside your Tea Shop, but we may direct orders to your Tea Shop through Internet, catalog sales, telemarketing, or other direct marketing, to make sales outside of the Tea Shop. Other than the Royalty Payment, we will not be compensated by you for soliciting or accepting orders from the Tea Shop.

We also retain the sole right to use our trademarks on the Internet, including in connection with web sites, domain names, directory addresses, metatags, as graphic images on web pages, linking, advertising, co-branding, and other arrangements. You may not maintain a Sharetea web site. If we do ever approve of a web site 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.

Under the terms of the Franchise Agreement, you do not have the right to relocate your Tea Shop. If you request relocation, you must obtain our prior written approval for the site and meet our then-



current criteria for relocation, which we will grant based at our sole discretion. Our decision would be based on various factors, including but not limited to, the past performance of the Tea Shop under your management, your relationship with the existing staff and their ability to relocate with you, the relocation address, population, and competition. Similarly, if you request additional franchised outlet, we would consider similar factors as stated above.

Currently, you do not have any rights to acquire additional franchises nor other options, such as rights of first refusal or similar rights to obtain additional franchises. In the event that we grant you the relocation or additional franchised outlet, you must be current with all your obligations to us and must sign our then-current Franchise Agreement, with all then-current on-going fees, for a term equal to the term remaining on your Franchise Agreement for the previous or original location.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.




**Protected Territory.** So long as you are in full compliance with this Franchise Agreement, for traditional locations, we will not grant a franchise or establish a company-owned location to be located within your “Protected Territory,” which is the smaller of (i) the area within a 3-miles radius of your Tea Shop or (ii) within in the same zip code, village, city, or county as your Tea Shop (whichever is smaller). A non-traditional location has no Protected Territory, however, we will not grant a franchise or establish a company-owned location within the same building, shopping mall or food court (as applicable) as your location. Furthermore, you may not engage in catering or delivery service.

**Exceptions.** The Protected Territory provided to traditional locations does not include any non-traditional locations. We may grant a franchise or an establish a company-owned location at a non-traditional location, even if it is located within your Protected Territory. Non-traditional locations include: airports; shopping malls (for this Franchise Agreement, a shopping mall means any retail shopping center containing two or more anchor retail department stores. Current examples of anchor retail department stores include Sears, Macy’s, JCPenny, Nordstrom, Neiman Marcus, Bloomingdales, Saks Fifth Avenue, Dillard’s, K-Mart, Kohls, Ross Stores, Best Buy, Wal-Mart, Home Depot, Office Depot, 99 Cents Only Stores, or other similarly large retail stores. We and you acknowledge that this list of examples is not complete, that some of these stores will go out of business, some will merge, and new stores will be established); college and university campuses; sports stadiums or arenas; concert or performance venues; and food courts (for this Franchise Agreement, a food court is any plaza or common area not otherwise within a shopping mall, that is contiguous, that offers at least five food & beverage vendors, and that provides a common seating area for patrons of the food & beverage vendors). All other locations are traditional locations.

We do not any affiliate that operates, franchises, or has plans to operate or franchise a business under a different trademark and that business sells or will sell goods or services similar to the Sharetea system in the United States.

As part of your review of a particular trade area or territory, we may (but are not required to) provide you with certain information such as (a) maps indicating existing Tea Shops and/or competitor locations, and may highlight potential areas of interest to us, and (b) demographic reports (including population and median household income) generated by third parties. It is important you validate the information we provide to you. We do not draw any inferences regarding Tea Shop performance from the map or demographic information we share with you, and you may not draw any inferences from them either. We also do not represent or guarantee that the existence of a certain level of demographics, maps or trade area characteristics will translate to a certain level of financial performance, and you may not draw any such inferences based upon any of the information we provide to you. The information is not provided for that purpose.








### ITEM 13: TRADEMARKS

The Agreements give you the non-exclusive right to operate a Tea Shop under the “ SHARE TEA®”, “ Sharetea®”, “ Sharetea®”, “Sharetea®”, “Sharetea express®”, and “Sharetea®” trademark. By trademark, we mean trade names, trademarks, service marks, emblems, designs, merchandising devices and logos used to identify your Tea Shop (collectively “Sharetea Trademarks”). You may also be authorized to use other current or future trademarks to operate your Tea Shop.

You must follow our rules when you use our Sharetea Trademarks. You cannot use any of our company names or Sharetea Trademarks as part of a corporate, limited liability company, other entity name, e-mail address, electronic identifier, or Internet domain name. You cannot use any of our company names or Sharetea Trademarks with modifying words, designs or symbols, except for those we license to you. For example, your business name may not include any of our company names or Sharetea Trademarks or any variation of them (like “*share tea*,” “*tea sharing*,” or “*resting tea shop*”) and you may not use your name in connection with our Sharetea Trademarks in advertising your Tea Shop (such as “John Smith’s Sharetea”). You may not use any of our company names or Sharetea Trademarks for the sale of any unauthorized product or service or in a manner we have not authorized in writing. These Sharetea Trademarks may only be used by you for the purpose of operating a Tea Shop and cannot be used for any purpose or in any manner not authorized by us. You may only use our Sharetea Trademarks on vehicles if you first obtain our written consent. We have a license from our parent, Lian Fa, to use and to sublicense the use of the Sharetea Trademarks. All rights in and goodwill from the use of the Sharetea Trademarks

accrue to us and our affiliates. No agreement limits our right to use or license the use of the Sharetea Trademarks related to the franchise.

The Sharetea Trademarks and service marks listed below are registered on the Principal Register in the United States Patent and Trademark Office on the date shown and all affidavits required to preserve and renew these Trademarks have been timely filed.

<b>Federal Registration</b>	<b>No.</b>	<b>Registration Date</b>
	6391194	June 15, 2021
Sharetea express	5881285	October 8, 2019
	5881073	October 8, 2019
	5881072	October 8, 2019
	5881049	October 8, 2019
	5881048	October 8, 2019
Sharetea	5736817	April 30, 2019
Sharetea	5736816	April 30, 2019
	6599139	December 21, 2021
	4713883	March 31, 2015
	4725126	April 21, 2015
	<u>85053208</u>	<u>November 1, 2011</u>

There are no material determinations, proceedings or litigation which would affect your right to use the Sharetea Trademarks other than as may be stated in this Disclosure Document. We do not know of any superior prior rights or any infringing use that could materially affect your use of our Sharetea Trademarks other than as may be stated in this Disclosure Document. There are no effective material determinations of the Patent and Trademark Office, Trademark Trial and Appeal Board, or any state trademark administrator or any court. There is no pending infringement, opposition or cancellation of the Sharetea Trademarks and no pending material litigation involving the principal Sharetea Trademarks other than as may be stated in this Disclosure Document.

You must notify us immediately when you learn about an infringement of or challenge to your use of our Sharetea Trademarks. We will take the action we think appropriate. We have the right to control all administrative proceedings or litigation involving our Sharetea Trademarks. In the event

we undertake the defense or prosecution of any such proceeding or litigation, you agree to execute any and all documents and do such acts and things as may be necessary, in the opinion of our counsel, to carry out such defense or prosecution.

You must modify or discontinue the use of a Sharetea Trademark if we modify or discontinue it. If this happens, we are not required to reimburse you for your tangible costs of compliance (for example, changing signs). You must not directly or indirectly contest our right to our Sharetea Trademarks, trade secrets or business techniques that are part of our business.

We or our affiliates do not operate or plan to operate or franchise business under a different trademark that will sell goods or services that are the same as or similar to those you will sell.

#### **ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

No patents or registered copyrights are material to the franchise. We do, however, claim copyright interests in our training manuals, magazines, posters, toys, pamphlets, brochures, television advertisements and all other printed and pictorial materials that we produce, although these materials have not been registered with the Copyright Office of the Library of Congress. These materials are proprietary and confidential and are considered our property. They may be used by you only as long as you are a franchisee, and only as provided in your Franchise Agreement.

You do not receive the right to use an item covered by a patent or copyright unless it is expressly incorporated as proprietary information in our operations manuals. You may use these materials, in the manner we approve, in the operation of your Tea Shop during the term of your Franchise Agreement. However, you may not use these materials in any other way for your own benefit, or communicate or disclose them to, or use them for the benefit of, any other person or entity. These materials include any trade secrets, knowledge or know-how, confidential information, advertising, marketing, designs, plans, or methods of operation. This includes information about our sources of supply, and our recommendations on pricing. You may disclose this information to your employees, but only to the extent necessary to operate the business, and then only while your Franchise Agreement is in effect. You must also promptly tell us when you learn about unauthorized uses, or challenges to our uses, of this proprietary information. We are not obligated to take any action but will respond to this information as we think appropriate. There are no infringing uses known to us, which could materially affect your use of the copyrights.

There is no effective decision, ruling or order of the United States Patent and Trademark Office, Copyright Office of the Library of Congress, or any court, which could materially affect the ownership or use of any patents or copyrighted materials. Our right to use or license these patents and copyrighted items is not materially limited by any agreement or known infringing use.

There are no agreements currently in effect, which significantly limit our rights to use, or license the use of, such patents or copyrights in any manner material to you. We may use and incorporate into any Sharetea System, changes and improvements that you or your employees or contractors develop. We do not have an obligation to you or the developer of these changes or improvements in connection with such use.

We have the right to use and incorporate into the Sharetea System for the benefit of other franchisees and us any modifications, ideas or improvements, in whole or in part, developed or discovered by you or your employees or agents, without any liability or obligation to you or the developer thereof.

#### **ITEM 15: OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS**

You must devote your best efforts to operate and manage the Tea Shop(s) in accordance with the terms and conditions of the Franchise Agreement and to promoting and enhancing the sale of the Tea Shops. If you are an individual, you must perform all obligations and conditions as stated in the Franchise Agreement, or designate and retain at all times an individual, subject to our approval, to serve as the Principal Operator under the Franchise Agreement. If you are a corporation, partnership, or limited liability company you must name an individual as the Principal Operator to assume primary responsibility for the management of your Tea Shop(s), such individual is not required to have any designated amount of equity interest in the Tea Shop. We will request you to honor the confidentiality and the non-compete clauses as stated in the Franchise Agreement, and recommend that you have your manager or staff sign a confidentiality agreement and a non-compete agreement that offer the same protection as the confidentiality and the non-compete clause as stated in the Franchise Agreement.

You or your Principal Operator must complete our training program. Furthermore, you or your Principal Operator must supervise, train and evaluate the performance of your employees so that they provide competent and efficient service to customers.

You must devote continuous best efforts to the development, management and operation of your business. This means devoting sufficient time and resources to ensure full and complete compliance with your obligations to us, to your customers and to others. The business is a challenging one. It requires and responds to personal attention. It is most important that you personally be involved in all facets of the business. You must be able to organize the business so that our standards of service, quality, and cleanliness are maintained, and you must set standards for your employees to follow. The business requires a firm, personal commitment and, at least initially, may require many long hours. In addition to production skills, you must also understand

and be able to perform all of the sales, operations, management and maintenance functions required to ensure successful operation of the business.

Because this is primarily a cash business, you must have effective, vigilant cash management procedures to avoid employee theft. You can minimize these demands on you personally by attracting, motivating and retaining capable development, supervisory, production, transportation and sales personnel. We may provide you with certain suggested basic procedures and guidelines to use in recruiting, training and motivating your personnel. However, recruiting, training and motivating employees are your responsibility.

#### **ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

We require you to confine your business to the operation of a Tea Shop. You may not conduct any other business or activity at the Tea Shop without our prior written approval. You may only offer or sell products approved by us and you must offer for sale the full menu prescribed by us. We may add, delete or change approved products that you are required to offer from time to time. There are no limits on our right to do so. In offering products for sale, you may only use products, materials, ingredients, supplies, paper goods, uniforms, fixtures, furnishings, signs, equipment approved by us and you must follow methods of product preparation and delivery that meet our requirements.

We impose no customer restrictions on the sale of products at your Tea Shop, however, your franchise is limited to one location and all sales must be made from that location. You are not permitted to sell or distribute goods or services through the use of the Internet or other electronic communications unless the goods or services are supplied or provided by your Tea Shop.

#### **ITEM 17: RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION**

##### **THE FRANCHISE RELATIONSHIP**

**This table lists certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.**

<b>Provision</b>	<b>Articles in the Franchise Agreement</b>	<b>Summary</b>
a. Length of the franchise term	§5	For the Franchise Agreement, the term is three (3) years. The Franchise Agreement shall be terminated automatically without

		further notice at the end of the Term, unless renewed in accordance with the terms of the Franchise Agreement.
b. Renewal or extension of the term	§13	Conditional Renewal. The laws in some states require a franchisor to renew a franchise agreement, unless it has good cause not to renew. If you and your Franchise Agreement qualify for renewal under these laws, we will offer renewal to you as required by law.
c. Requirements for franchisee to renew or extend	§13	The Franchise Agreement may be renewed for two (2) years. The renewal may require you to sign agreement with materially different terms.
d. Termination by franchisee	§17	The franchisee may terminate the Franchise Agreement upon any grounds available by law.
e. Termination by franchisor without cause	Not Applicable	We do not have the right to unilaterally terminate the Franchise Agreement.
f. Termination by franchisor with “cause”	§17	We may terminate the Franchise Agreement by providing a prior 180-days written notification if you commit a default that cannot be cured or fail to timely cure a default that may be cured under the Franchise Agreement or any agreements with any of our affiliates; have experienced a change of control have challenged the validity of our Trademarks, trade names, service logos, graphic configurations, emblems, apparels and designs of the Sharetea System; are convicted of or plead guilty or no contest to a felony or crime of moral turpitude; or have committed a fraud upon any of our affiliate(s) or us.
g. “Cause” defined – curable defaults	§17	Except where your state’s law may provide otherwise, except as stated in section h of this table, all defaults must be cured within thirty (30) calendar days after notice. Cure periods

		may be extended or provided if required by law.
h. “Cause” defined – non-curable defaults	§17	The following defaults cannot be cured by you: you have experienced a change of control (a change of control does not occur if you retain more than 50% of the shares after the transfer, or if all of the interests transfer to your spouse(s) or children or to your beneficiaries or heirs in the event that you die or become mentally incapacitated); you challenge the validity of the Trademarks, trade names, service logos, graphic configurations, emblems, apparels and designs of the Sharetea System; if you are convicted of or plead guilty or no contest to a felony or crime of moral turpitude; or if you commit a fraud upon any of our affiliate(s) or us.
i. Franchisee’s obligations on termination/nonrenewal	§17	Upon expiration or termination of the Franchise Agreement, you must immediately pay us all unpaid Initial Franchise Fees or any amount due, without reduction or offset, even if you did not open any or all of the Tea Shops; all rights granted pursuant to the Franchise Agreement shall cease immediately without further notice; you shall co-operate with us in the cancellation of any licenses or registrations registered with you or under your name, if any, and shall execute such documents and do all acts and things as may be necessary to effect such cancellation; you shall return to us promptly, at your sole expense, all records and copies of promotional materials or objects in its possession relating to the Sharetea System, and of any information of a confidential nature communicated to you by us or our affiliates pursuant to, in connection with, or arising from this Franchise Agreement.
j. Assignment of contract by franchisor	§14	We may assign our rights to any person or entity that agrees in writing to assume all of



		our obligations without your approval. Upon transfer, we will have no further obligation under this Franchise Agreement, except for any accrued liabilities.
k. “Transfer” by franchisee – definition	§14	A “transfer” by you is any sale, assignment, transfer, conveyance, gift, pledge, mortgage or other encumbrance of any interest in either the Franchise Agreement, the franchise itself, or any proprietorship, partnership, limited liability company (“LLC”) or corporation which owns any interest in the franchise, to any person, persons, partnership, association, LLC or corporation, whether by contract, operation of law or otherwise.
l. Franchisor approval of transfer by franchisee	§14	You may transfer a direct or indirect interest in this Franchise Agreement with our prior written consent, which will not be unreasonably withheld.
m. Conditions for franchisor approval of transfer	§14	The Site for the Tea Shop and the associated rights and obligations are a package and are not themselves divisible in any way; we have right of first refusal, and transfer fee is paid.
n. Franchisor’s right of first refusal to acquire franchisee’s business	Not Applicable	Not Applicable
o. Franchisor’s option to purchase franchisee’s business	Not Applicable	Not Applicable
p. Death or disability of franchisee	Not Applicable	Not Applicable
q. Non-competition covenants during the term of the franchise	§15	You agree that during the term of this Franchise Agreement, or during any Renewal Term, you will not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, maintain, engage in, consult with or have any interest in any business where 50% or more of its sales include the sale of gourmet coffees and teas, coffee or tea-based beverages, bubble

		tea, other than one authorized by this Franchise Agreement or any other agreement between us and you.
r. Non-competition covenants after the franchise is terminated or expires	§15	You agree that you will not, for a period of two (2) years after the expiration or termination of this Franchise Agreement, or after the expiration or termination of any Renewal Term, regardless of the cause of termination, or within two (2) years of the sale of the Tea Shop or any interest in you, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, maintain, engage in, consult with or have any interest in any business where 50% or more of its sales include the sale of gourmet coffees and teas, coffee or tea-based beverages, bubble tea within a 3-mile radius of the Tea Shop or the Territory. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under Taiwan law.
s. Modification of the franchise agreement	§20	The Franchise Agreement may only be modified by the parties in writing.
t. Integration/merger clause	§19	Only the terms of the Franchise Agreements and other related agreements are binding (subject to applicable state law). Nothing in the Franchise Agreement, however, is intended to disclaim the representations we made in this Disclosure Document that we furnished to you.
u. Dispute resolution by arbitration or mediation	§18	Not Applicable.
v. Choice of forum	§18	Litigation must be in Taiwan.
w. Choice of law	§18	Taiwan law applies. The provision of the Franchise Agreement that provides for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11

		U.S.C. Article 101 et seq.). In addition to the provisions noted in the cart above, the Franchise Agreement contain a number of provisions that may affect your legal rights, including a waiver of a right to a jury trial, waiver of punitive damages or exemplary damages, and limitations on whether claims may be raised (See Article 21 of the Franchise Agreement). We recommend that you carefully review all of these provisions, and the entire contract, with a lawyer.
--	--	--

Note 1. This provision may not be enforceable under your local state law.

Note 2. The Agreements contain a liquidated damages clause.

Note 3. Applicable state law might require additional disclosures related to the information contained in this Item 17. These additional disclosures, if any, appear in Exhibit D.

## **ITEM 18: PUBLIC FIGURES**

We do not use any public figure to promote our franchise. Although the Franchise Agreement does not prohibit you from using a public figure in promotion or advertising, we must approve any public figure, media, time and text that you propose to use.

## **ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. 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 Po-Yu Lai, General Manager, at 18F.-7, No. 95, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City 221416, Taiwan

(R.O.C.), 886-2-2654-8585, angus@1992sharetea.com, the Federal Trade Commission, and the appropriate state regulatory agencies.

## ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

### **Systemwide Outlet Summary for Year 2021 to 2023**

<b><u>Outlet Type</u></b>	<b><u>Year</u></b>	<b><u>Outlets at the Start of the year</u></b>	<b><u>Outlets at the End of the Year</u></b>	<b><u>Net Change</u></b>
<b><u>Franchised</u></b>	<u>2021</u>	<u>99</u>	<u>124</u>	<u>+25</u>
	<u>2022</u>	<u>124</u>	<u>146</u>	<u>+22</u>
	<u>2023</u>	<u>146</u>	<u>161</u>	<u>+15</u>
<b><u>Company-Owned</u></b>	<u>2021</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2022</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b><u>Total Outlet</u></b>	<u>2021</u>	<u>99</u>	<u>124</u>	<u>+25</u>
	<u>2022</u>	<u>124</u>	<u>146</u>	<u>+22</u>
	<u>2023</u>	<u>146</u>	<u>161</u>	<u>+15</u>

**Table 2**  
**Transfer of Outlets from Franchisees to New Owners**  
**(Other than the Franchisor) for Year 2021 to 2023**

<b><u>State</u></b>	<b><u>Year</u></b>	<b><u>Number of Transfer</u></b>
<b><u>CA</u></b>	<u>2021</u>	<u>1</u>
	<u>2022</u>	<u>0</u>
	<u>2023</u>	<u>1</u>
<b><u>MI</u></b>	<u>2021</u>	<u>0</u>
	<u>2022</u>	<u>1</u>
	<u>2023</u>	<u>0</u>
<b><u>TX</u></b>	<u>2021</u>	<u>0</u>
	<u>2022</u>	<u>1</u>
	<u>2023</u>	<u>0</u>
<b><u>WA</u></b>	<u>2021</u>	<u>0</u>
	<u>2022</u>	<u>2</u>
	<u>2023</u>	<u>1</u>
<b><u>NC</u></b>	<u>2021</u>	<u>0</u>
	<u>2022</u>	<u>0</u>
	<u>2023</u>	<u>1</u>
<b><u>Total</u></b>	<u>2021</u>	<u>1</u>
	<u>2022</u>	<u>4</u>
	<u>2023</u>	<u>3</u>

**Table 3**  
**Status of Franchised Outlets for Year 2021 to 2023**

<u>State</u>	<u>Year</u>	<u>Outlets at Start of Year</u>	<u>Outlets Opened</u>	<u>Termina- tions</u>	<u>Non- Renewals</u>	<u>Reacquired by Franchisors</u>	<u>Ceased Operations – Other Reasons</u>	<u>Outle ts at End of the Year</u>
<u>AL</u>	<u>2021</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2022</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>AZ</u>	<u>2021</u>	<u>2</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2022</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>CA</u>	<u>2021</u>	<u>45</u>	<u>11</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>55</u>
	<u>2022</u>	<u>55</u>	<u>6</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>59</u>
	<u>2023</u>	<u>59</u>	<u>4</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>62</u>
<u>CO</u>	<u>2021</u>	<u>2</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
	<u>2022</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
	<u>2023</u>	<u>4</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
<u>D.C</u>	<u>2021</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2022</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>GA</u>	<u>2021</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2022</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>HI</u>	<u>2021</u>	<u>1</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	<u>2022</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	<u>2023</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
<u>IL</u>	<u>2021</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2022</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2023</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>KY</u>	<u>2021</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2022</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2023</u>	<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
<u>LA</u>	<u>2021</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2022</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2023</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>MD</u>	<u>2021</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2022</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>MI</u>	<u>2021</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2022</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>MN</u>	<u>2021</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2022</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>NC</u>	<u>2021</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2022</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2023</u>	<u>2</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
<u>NE</u>	<u>2021</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2022</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>

	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>NM</u>	<u>2021</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2022</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>NV</u>	<u>2021</u>	<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	<u>2022</u>	<u>3</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
	<u>2023</u>	<u>4</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
<u>OH</u>	<u>2021</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2022</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>OK</u>	<u>2021</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2022</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2023</u>	<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
<u>OR</u>	<u>2021</u>	<u>4</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
	<u>2022</u>	<u>5</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
	<u>2023</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
<u>PA</u>	<u>2021</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2022</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2023</u>	<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>TX</u>	<u>2021</u>	<u>16</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>19</u>
	<u>2022</u>	<u>19</u>	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>26</u>
	<u>2023</u>	<u>26</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>25</u>
<u>UT</u>	<u>2021</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2022</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2023</u>	<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
<u>VA</u>	<u>2021</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2022</u>	<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	<u>2023</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
<u>WA</u>	<u>2021</u>	<u>16</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>17</u>
	<u>2022</u>	<u>17</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>18</u>
	<u>2023</u>	<u>18</u>	<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>19</u>
<u>Total</u>	<u>2021</u>	<u>99</u>	<u>27</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>124</u>
	<u>2022</u>	<u>124</u>	<u>24</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>146</u>
	<u>2023</u>	<u>146</u>	<u>18</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>161</u>

**Table 4**  
**Status of Company-owned for Year 2021 to 2023**

<u>State</u>	<u>Year</u>	<u>Outlets at Start of Year</u>	<u>Outlets Opened</u>	<u>Outlets Reacquired From Franchisees</u>	<u>Outlets Closed</u>	<u>Outlets Sold to Franchisee</u>	<u>Outlets at End of the Year</u>
<u>Total</u>	<u>2021</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2022</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

**Table 5**  
**Projected New Franchised Outlets as of December 31, 2023**

<u>State</u>	<u>Franchise Agreements Signed but Outlets not Opened</u>	<u>Projected New Franchised Outlets in the Next Fiscal Year</u>	<u>Projected New Company-owned Outlets in the Next Fiscal Year</u>
<u>AZ</u>	<u>1</u>	<u>1</u>	<u>0</u>
<u>CA</u>	<u>1</u>	<u>10</u>	<u>0</u>
<u>CO</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>FL</u>	<u>1</u>	<u>1</u>	<u>0</u>
<u>GA</u>	<u>1</u>	<u>0</u>	<u>1</u>
<u>ID</u>	<u>0</u>	<u>1</u>	<u>0</u>
<u>IL</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>KS</u>	<u>1</u>	<u>1</u>	<u>0</u>
<u>KY</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>LA</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>MD</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>MA</u>	<u>1</u>	<u>1</u>	<u>0</u>
<u>MS</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>NC</u>	<u>1</u>	<u>1</u>	<u>0</u>
<u>NE</u>	<u>0</u>	<u>1</u>	<u>0</u>
<u>NJ</u>	<u>1</u>	<u>0</u>	<u>0</u>
<u>OH</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>OK</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>PA</u>	<u>1</u>	<u>0</u>	<u>0</u>
<u>TN</u>	<u>0</u>	<u>1</u>	<u>0</u>
<u>TX</u>	<u>2</u>	<u>5</u>	<u>0</u>
<u>UT</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>VA</u>	<u>0</u>	<u>1</u>	<u>0</u>
<u>WA</u>	<u>1</u>	<u>4</u>	<u>0</u>
<u>Total</u>	<u>12</u>	<u>28</u>	<u>1</u>

**Table 1**  
**Systemwide Outlet Summary for Year 2020 to 2022**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
Franchised	2020	83	99	+16
	2021	99	124	+25
	2022	124	146	+22
Company- Owned	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
Total Outlet	2020	83	99	+16
	2021	99	124	+25
	2022	124	146	+22

**Table 2**

**Transfer of Outlets from Franchisees to New Owners  
(Other than the Franchisor) for Year 2020 to 2022**

State	Year	Number of Transfer
CA	2020	0
	2021	1
	2022	0
GA	2020	1
	2021	0
	2021	0
MI	2020	0
	2021	0
	2022	1
TX	2020	0
	2021	0
	2022	1
WA	2020	0
	2021	0
	2022	2
Total	2020	1
	2021	1
	2022	4

**Table 3  
Status of Franchised Outlets for Year 2020 to 2022**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisors	Ceased Operations—Other Reasons	Outlets at End of the Year
AL	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
AZ	2020	3	0	1	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
CA	2020	39	9	2	1	0	0	45
	2021	45	11	1	0	0	0	55
	2022	55	6	2	0	0	0	59
CO	2020	2	0	0	0	0	0	2



	2021	2	2	0	0	0	0	4
	2022	4	0	0	0	0	0	4
D.C	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
GA	2020	2	0	0	0	0	0	2
	2021	2	0	0	1	0	0	1
	2022	1	0	0	0	0	0	1
HI	2020	1	0	0	0	0	0	1
	2021	1	2	0	0	0	0	3
	2022	3	0	0	0	0	0	3
IL	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
KY	2020	1	0	0	0	0	0	1
	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
LA	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
MD	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
MI	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
MN	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
NC	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
NE	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
NM	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
NV	2020	2	0	0	0	0	0	2

	2021	2	1	0	0	0	0	3
	2022	3	1	0	0	0	0	4
OH	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
OK	2020	0	1	0	0	0	0	1
	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
OR	2020	2	2	0	0	0	0	4
	2021	4	1	0	0	0	0	5
	2022	5	1	0	0	0	0	6
PA	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
TX	2020	15	1	0	0	0	0	16
	2021	16	3	0	0	0	0	19
	2022	19	7	0	0	0	0	26
UT	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	1	0	0	0	0	2
VA	2020	1	0	0	0	0	0	1
	2021	1	1	0	0	0	0	2
	2022	2	1	0	0	0	0	3
WA	2020	12	4	0	0	0	0	16
	2021	16	1	0	0	0	0	17
	2022	17	1	0	0	0	0	18
Total	2020	83	20	3	1	0	0	99
	2021	99	27	1	1	0	0	124
	2022	124	24	2	0	0	0	146

**Table 4**  
**Status of Company-owned for Year 2020 to 2022**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquir ed From Franchis ees	Outlet Closed	Outlets Sold to Franchisee s	Outlets at End of the Year
-	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0

	2022	0	0	0	0	0	0
Total	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0

**Table 5**  
**Projected New Franchised Outlets as of December 31, 2022**

State	Franchise Agreements Signed but Outlets not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-owned Outlets in the Next Fiscal Year
AL	0	1	0
CA	5	5	0
CO	2	1	0
FL	1	1	0
GA	0	1	0
ID	0	1	0
IL	1	1	0
KS	0	1	0
KY	1	1	0
LA	1	1	0
MD	0	1	0
MN	0	1	0
MS	0	1	0
NC	3	1	0
NE	0	1	0
NV	1	1	0
OH	0	1	0
OK	0	1	0
PA	0	1	0
TN	1	2	0
TX	2	6	0
UT	1	1	0
WA	4	3	0
Total	23	35	0

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the Sharetea System.

Please find contact information of the former and current franchisees in Exhibit E.

During the last 3 fiscal years, no current or former franchisees have signed confidentiality clauses that restrict their ability from discussing with you their experience as a franchisee in the Sharetea System.

There is no trademark specific franchise organization associated with the Sharetea System.

## **ITEM 21: FINANCIAL STATEMENT**

~~Attached as Exhibit A is the audited financial statements for the fiscal year of 2020, 2021, and 2022 and the Unaudited and U.S. GAAP Compliant Interim Balance Sheet and Income Statements dated May 31, 2023~~ Attached as Exhibit A is the audited balance sheet for the fiscal year of 2023, 2022, and 2021. Our fiscal year end date is December 31.

## **ITEM 22: CONTRACT**

The Following Agreements are exhibits to this Disclosure Document:

Exhibit B	Franchise Agreement
Exhibit C	Directory of Administrative Agencies
Exhibit D	Additional Disclosure Required by the State
Exhibit E	Contact Information of Former and Current Franchisees
Exhibit F	Receipt

## **ITEM 23: RECEIPT**

Exhibit F contains detachable documents acknowledging your receipt of the Disclosure Document.

## **Exhibit A**

### **Financial Statements**

LILIAN USA LLC

REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

## CONTENTS

	<u>Pages</u>
Independent auditor's report	1
Statement of income	2
Balance sheet	3
Statement of changes in member's equity	4
Statement of cash flows	5
Notes to the financial statements	6 - 15

(EXPRESSED IN UNITED STATES DOLLARS)



**Independent auditor's report  
To the Member of LILIAN USA LLC**

We have audited the accompanying financial statements of LILIAN USA LLC, which comprise the balance sheet as of December 31, 2021, and the related statement of income, changes in member's equity, and cash flows for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of LILIAN USA LLC as of December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Kaizen CPA PLLC*

**Kaizen CPA PLLC**  
1150 First Ave Ste 511  
King Of Prussia, PA 19406  
Date: March 1, 2022

**KAIZEN CPA PLLC**  
1150 First Ave Ste 511, King of Prussia,  
PA 19406, USA  
Tel: +1 646 850 5888  
[www.kaizencpa.com](http://www.kaizencpa.com)



**LILIAN USA LLC**  
**Statement of income**  
**For the year ended December 31, 2021**

	<u>Note</u>	<u>2021</u> US\$	<u>2020</u> US\$
<b>Revenue</b>			
Franchise revenue		1,457,487	1,160,179
Royalty income		2,461,191	1,294,014
Total revenue		3,918,678	2,454,193
<b>Cost and expenses</b>			
Cost of revenue		983,000	704,600
Operating expenses		1,435,073	1,003,429
Total cost and expenses		2,418,073	1,708,029
Income from operations		1,500,605	746,164
<b>Non-operating income / (expenses)</b>			
Interest income		7,096	28,740
Interest expenses	5	(1,131)	(1,114)
Other income / (expenses), net		31,520	(9,687)
Net non-operating income		37,485	17,939
Income before taxes		1,538,090	764,103
Income tax expenses	3	384,551	185,729
<b>Net income</b>		1,153,539	578,374

The accompanying notes are an integral part of these financial statements

**LILIAN USA LLC**  
**Balance sheet**  
**As of December 31, 2021**

	<u>Note</u>	<u>2021</u> US\$	<u>2020</u> US\$
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents		4,834,161	3,287,404
Accounts receivable (including related parties)	4	531,515	274,485
Prepaid expenses		209,242	141,859
Total current assets		5,574,918	3,703,748
Non-current assets:			
Deferred tax assets	3	75,115	136,225
Operating lease right-of-use asset	5	32,883	56,094
Security deposits		1,658	1,658
Total non-current assets		109,656	193,977
Total assets		5,684,574	3,897,725
<b>LIABILITIES AND MEMBER'S EQUITY</b>			
Current liabilities:			
Accrued expenses	6	69,695	54,316
Other payables (including related parties)		47,570	-
Deferred revenue	7	1,566,715	1,284,336
Operating lease liability	5	22,244	20,726
Total current liabilities		1,706,224	1,359,378
Non-current liabilities:			
Customer deposits		824,400	653,200
Deferred revenue	7	372,496	232,973
Operating lease liability	5	10,417	34,676
Total non-current liabilities		1,207,313	920,849
Total liabilities		2,913,537	2,280,227
Member's equity			
Contributed capital		200,000	200,000
Retained earnings		2,571,037	1,417,498
Total member's equity		2,771,037	1,617,498
Total liabilities and member's equity		5,684,574	3,897,725

The accompanying notes are an integral part of these financial statements

**LILIAN USA LLC**  
**Statement of changes in member's equity**  
**For the year ended December 31, 2021**

	Contributed <u>capital</u> US\$	Retained <u>earnings</u> US\$	<u>Total</u> US\$
<b>At January 1, 2020</b>	200,000	839,124	1,039,124
Net income	-	578,374	578,374
<b>At December 31, 2020 and January 1, 2021</b>	200,000	1,417,498	1,617,498
Net income	-	1,153,539	1,153,539
<b>At December 31, 2021</b>	200,000	2,571,037	2,771,037

The accompanying notes are an integral part of these financial statements

**LILIAN USA LLC**  
**Statement of cash flows**  
**For the year ended December 31, 2021**

	<u>2021</u> US\$	<u>2020</u> US\$
<b>Cash flows from operating activities</b>		
Net income	1,153,539	578,374
Adjustments to reconcile net income to net cash generated from operating activities:		
Deferred income taxes	61,110	(4,225)
Allowance for doubtful debt	(5,500)	(21,623)
Depreciation	23,211	21,112
Bad debt	23,080	-
Changes in operating assets and liabilities:		
Accounts receivable	(274,610)	167,064
Prepaid expenses	(67,383)	(64,111)
Other receivable	-	87,579
Accounts payable	-	(21,200)
Accrued expenses	15,379	2,637
Other payables	47,570	(9,941)
Deferred revenue	421,902	(94,928)
Customer deposits	171,200	108,200
Operating lease liability	(22,741)	(22,016)
<b>Net cash generated from operating activities and net increase in cash and cash equivalents</b>	1,546,757	726,922
<b>Cash and cash equivalents, beginning of the year</b>	3,287,404	2,560,482
<b>Cash and cash equivalents, end of the year</b>	4,834,161	3,287,404
<b>Supplemental disclosures of cash flow information</b>		
Cash paid during the year for:		
Income taxes	377,429	261,601

The accompanying notes are an integral part of these financial statements

**LILIAN USA LLC**  
**Notes to the financial statements**  
**For the year ended December 31, 2021**

---

**1. Organization**

LILIAN USA LLC (the "Company") was formed as a limited liability company under the Delaware Limited Liability Company Act on March 20, 2015. It is wholly owned by LIAN FA INTERNATIONAL DINING BUSINESS CORPORATION, a Taiwanese company. The Company is franchising its restaurant brands that offer gourmet coffees, teas, coffee or tea based beverages, compatible food products and desserts in the United States of America.

**2. Significant accounting policies**

**(a) Basis of presentation**

The financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America.

The financial statements are presented in United States Dollars.

**(b) Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the financial statement date and reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

**(c) Subsequent events**

The Company has evaluated subsequent events for recognition and disclosure through March 1, 2022, the date that these financial statements were available to be issued. There were no subsequent events that required adjustment or disclosure in the accompanying financial statements.

**(d) Revenue recognition**

The Company adopted the provisions of ASU 2011-02: Revenue from Contracts with Customers (Topic 606) and the principal versus agent guidance within the revenue standard.

The Company recognized revenue from fees from franchised restaurants operated by conventional franchisees. Franchise revenue included initial licensing franchise fees and amortized franchise fee.

Revenue from franchise agreement is generally recognized, net of an allowance for uncollectible amounts.

When an individual franchise agreement is made, the Company agrees to provide certain services to the franchisee. Generally, these services include advisory and assistance in site selection, training personnel, and implementation of an operating and quality control program. Initial licensing franchise fees are recognized when the services are completed.

**2. Significant accounting policies (cont'd)**

**(d) Revenue recognition (cont'd)**

Amortized franchise fees are recognized evenly over the period of franchise agreement. Fees collected in advance are deferred until earned, with deferred amounts expected to be recognized as revenue within one year classified as current deferred revenue in the balance sheet.

After the franchised restaurants started operation, royalty income is paid by franchisees to the Company for brand maintenance, new product development and consulting services. Continuing royalties, which are either fixed amount per month or as a percentage of net sales of the franchisee, are recognized as revenue when earned and become receivable from the franchisee.

**(e) Cost of revenue**

The cost of revenue includes all costs of service which includes technology transfer, opening support, store design service and trademark license fees.

**(f) Cash and cash equivalents**

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. The carrying account of cash equivalents approximates fair value.

**(g) Account receivables**

Accounts receivable primarily represents receivables from franchisee who received the services. An allowance of the expected credit losses for account receivable is calculated using an aging schedule that calculated based on how long a receivable has been outstanding. While management used the best information available to make its evaluation, future adjustments to the allowance may be necessary if there are significant changes in economic conditions.

**(h) Right-of-use asset and lease liabilities**

A lessee should recognize the lease liability to make lease payments and the right-of-use asset representing its right to use the underlying asset for the lease term. For operating leases, a right-of-use asset and a lease liability are initially measured at the present value of the lease payments. Depreciation of right-of-use asset is recognized on a straight-line basis over the lease term.

For the lease within a term of twelve months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. If a lessee makes this election, it should recognize lease expense for such leases generally on a straight-line basis over the lease term.

**2. Significant accounting policies (cont'd)**

**(i) Income taxes**

The Company has elected to be taxed as a corporation for federal and state income tax purposes. Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are computed for differences between the financial statements and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the year plus or minus the change during the year in deferred tax assets and liabilities. Adjustments to prior year's income tax liabilities are added to or deducted from the current year's tax provision.

The Company follows authoritative guidance under ASC No. 740, "Income Taxes" on uncertain tax positions and has analyzed its filing positions in all the federal and state jurisdictions where it is required to file income tax returns, as well as all open tax years in those jurisdictions. The Company files income tax returns in the US federal and state jurisdictions where it conducts business. The Company believes that its income tax filing positions and deductions will be sustained on audit and does not anticipate any adjustments that will result in a material adverse effect on its financial position, results of operations, or cash flows. Therefore, no reserves for uncertain tax positions have been recorded. The Company does not expect its unrecognized tax benefits to change significantly over the next twelve months.

The Company's policy for recording interest and penalties associated with any uncertain tax positions is to record such items as a component of income before taxes. Penalties and interest paid or received, if any, are recorded as part of other operating expenses in the statement of income.

**(j) Fair value of financial instruments**

The Company utilizes the three-level valuation hierarchy for the recognition and disclosure of fair value measurements. The categorization of assets and liabilities within this hierarchy is based upon the lowest level of input that is significant to the measurement of fair value. The three levels of the hierarchy consist of the following:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2: Inputs to the valuation methodology are quoted prices for similar assets and liabilities in active markets, quoted prices in markets that are not active or inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the instrument

Level 3: Inputs to the valuation methodology are unobservable inputs based upon management's best estimate of inputs market participants could use in pricing the asset or liability at the measurement date, including assumptions.

**2. Significant accounting policies (cont'd)**

**(j) Fair value of financial instruments (cont'd)**

As of December 31, 2021, the carrying value of cash and cash equivalents, accounts receivable, accrued expenses, other payables and lease liability approximated their fair values due to the short-term nature of these financial instruments. The Company's lease liability approximated the carrying amount at December 31, 2021 as their interest rates are considered as approximate to the current rate for comparable leases. There were no outstanding derivative financial instruments as of December 31, 2021.

**(k) Concentrations of credit risk**

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. The Company maintains cash and cash equivalents at financial institutions. Bank accounts at U.S. institutions are insured up to US\$250,000 by the U.S. Federal Deposit Insurance Corporation (FDIC). As of December 31, 2021, the total balance of cash in U.S. institutions exceeded the amount insured by the FDIC for the Company by approximately US\$340,110 (2020: US\$272,911). For deposits at Taiwan financial institutions, all deposits are insured by the Central Deposit Insurance Corporation (CDIC) up to maximum of NT\$3,000,000 (US\$108,255) per insured institution. As of December 31, 2021, the total balance of cash in Taiwan financial institution exceeded the amount insured by the CDIC for the Company by approximately US\$4,025,140 (2020: US\$2,548,493).

**(l) Loss contingencies**

Loss contingencies, including claims and legal actions arising in the ordinary course of business, are recorded as liabilities when the likelihood of loss is probable and an amount or range of loss can be reasonably estimated.

**(m) New standards and interpretations not yet adopted**

A number of new standards, amendments to standards and interpretations have been issued since December 31, 2021 up to the date of authorization of the financial statements which are not yet effective and, have not been applied in preparing these financial statements. None of these new standards or amendments to standards when effective is expected to have a material effect on the financial statements of the Company.



**LILIAN USA LLC**  
**Notes to the financial statements**  
**For the year ended December 31, 2021**

---

**3. Income taxes**

Income tax expense / (benefit) for the year ended December 31, 2021 and 2020 consisted of the following:

	<u>2021</u> US\$	<u>2020</u> US\$
<u>Current</u>		
Federal tax expense	258,453	155,025
State tax expense	64,988	34,929
	----- 323,441	----- 189,954
<u>Deferred</u>		
Federal tax expenses / (benefit)	50,965	(4,224)
State tax expenses / (benefit)	10,145	(1)
	----- 61,110	----- (4,225)
Net income tax expense	=====	=====

Deferred tax assets / (liabilities) as of December 31, 2021 and 2020 consisted approximately of:

	<u>2021</u> US\$	<u>2020</u> US\$
Deferred revenue	59,880	120,764
Allowance for doubtful accounts	6,787	8,138
State taxes	13,269	8,632
Others	(4,821)	(1,309)
	-----	-----
Net deferred tax assets	=====	=====

Based on the Company's forecast of future taxable income, no valuation allowance was provided for the deferred tax assets as of December 31, 2021 (2020: Nil).

**LILIAN USA LLC**  
**Notes to the financial statements**  
**For the year ended December 31, 2021**

---

**4. Accounts receivable (including related parties)**

As of December 31, 2021 and 2020, the balance of accounts receivable was as follows:

	<u>2021</u> US\$	<u>2020</u> US\$
Gross amount	559,515	307,985
Less: Allowance for doubtful accounts	(28,000)	(33,500)
Net amount	<u>531,515</u>	<u>274,485</u>

**5. Lease**

As of December 31, 2021 and 2020, supplemental balance sheet information related to lease was as follows:

	<u>2021</u> US\$	<u>2020</u> US\$
Operating lease right-of-use asset	<u>32,883</u>	<u>56,094</u>
Operating lease liability	<u>32,661</u>	<u>55,402</u>

For the year ended December 31, 2021 and 2020, supplemental statement of income information related to lease was as follows:

	<u>2021</u> US\$	<u>2020</u> US\$
Right-of-use asset depreciation	<u>23,211</u>	<u>21,112</u>
Operating lease interest expenses	<u>1,131</u>	<u>1,114</u>
Short-term lease expenses	<u>1,801</u>	<u>1,801</u>

**LILIAN USA LLC**  
**Notes to the financial statements**  
**For the year ended December 31, 2021**

---

**5. Lease (cont'd)**

Supplemental cash flow information related to lease was as follows:

	<u>2021</u> US\$	<u>2020</u> US\$
Cash paid for amounts included in the measurement of operating lease liabilities	23,872	21,650
Right-of-use assets obtained in exchange for new operating lease obligations	-	71,568

The Company has an operating lease for its office expiring in 2023. As of December 31, 2021 and 2020, maturities of operating lease liabilities were as follows:

	<u>2021</u> US\$	<u>2020</u> US\$
Remaining undiscounted lease payments	33,293	57,165
Less: Imputed interest	(632)	(1,763)
Net lease liability	32,661	55,402
Less: current portion	(22,244)	(20,726)
Non-current portion	10,417	34,676

As of December 31, 2021, the remaining lease term and discount rate applied on the operating lease arrangement were 17 months (2020: 29 months) and 2.4% per annum (2020: 2.4% per annum) respectively.

Short-term lease has a lease term of 12 months or less. The future minimum fixed base rentals under these non-cancellable leases at December 31, 2021 and 2020 are as follows:

<u>Years ending December 31,</u>	<u>2021</u> US\$	<u>2020</u> US\$
2021	-	1,740
2022	145	145
	145	1,885

**LILIAN USA LLC**  
**Notes to the financial statements**  
**For the year ended December 31, 2021**

---

**6. Accrued expenses**

As of December 31, 2021 and 2020, accrued expenses consisted of the following:

	<u>2021</u>	<u>2020</u>
	US\$	US\$
Accrued professional fee	52,624	32,000
Accrued advertisement expense	15,370	13,500
Others	1,701	8,816
	<hr/>	<hr/>
Total accrued expenses	69,695	54,316
	<hr/>	<hr/>

**7. Deferred revenue**

As of December 31, 2021 and 2020, deferred revenue consisted of the following:

	<u>2021</u>	<u>2020</u>
	US\$	US\$
Unearned franchise revenue	1,937,651	1,516,769
Others	1,560	540
	<hr/>	<hr/>
	1,939,211	1,517,309
Less: current portion	(1,566,715)	(1,284,336)
	<hr/>	<hr/>
Non-current portion	372,496	232,973
	<hr/>	<hr/>

**8. Related party transactions**

Name of related party and relationship:

<u>Name of related party</u>	<u>Relationship</u>
LIAN FA INTERNATIONAL DINING BUSINESS CORPORATION ("LIAN FA")	Sole member

**LILIAN USA LLC**  
**Notes to the financial statements**  
**For the year ended December 31, 2021**

---

**8. Related party transactions (cont'd)**

Summary of significant related party transactions is as follows:

(a) As of December 31, 2021 and 2020:

	<u>2021</u> US\$	<u>2020</u> US\$
Accounts receivable from LIAN FA	-	21,026
Other payable to LIAN FA	47,270	-

(b) For the year ended December 31, 2021 and 2020:

	<u>2021</u> US\$	<u>2020</u> US\$
Franchise costs charged by LIAN FA	983,000	704,600

On January 1, 2021, the Company entered into the trademark license agreement with LIAN FA (licensor), which grants the Company to use the trademark for the purpose of operation, marketing and so forth in all kind of franchise business. The term of the agreement is five years and shall be automatically renewed for successive five years.

On January 1, 2020, the Company entered into the consulting agreement with LIAN FA. The term of the agreement is one year and shall be automatically renewed for successive one year. Under the service agreement, the Company is required to pay service fee for each franchise store of the Company. The service fee includes technology transfer, opening support and store design service to the franchisees.

	<u>2021</u> US\$	<u>2020</u> US\$
Operating expenses charged by LIAN FA		
Management fee	986,000	519,000

On December 29, 2020, the Company entered into a one-year management service agreement with LIAN FA. Under the agreement, the Company agreed to pay LIAN FA management service fee and information service fee.

**LILIAN USA LLC**  
**Notes to the financial statements**  
**For the year ended December 31, 2021**

---

**9. Contingencies**

In 2021, management does not believe there are such matters that will have a material effect on the financial statements.

In 2019 and 2020, three franchisees demanded rescission of their franchise agreements based on the claim that the Company sold unregistered franchises in the State of California. The claim litigation was still ongoing. In the event a claim is filed, the Company intends to vigorously defend against the claim.

In March 2021, the Securities Enforcement Branch of the Department of Commerce and Consumer Affairs, State of Hawaii began an investigation into the Company's prior franchise activity in the State of Hawaii. The Company are cooperating fully with the investigation and await the State of Hawaii's finding. Currently, the legal adviser cannot estimate the amount of the fine, but it should not have any material impact on the overall operation in Hawaii.

In October 2021, the Company filed a civil lawsuit against Yucheng Liu and Coolblue International, Inc. in the United States District Court of Eastern District of California, Sacramento Division. The Company alleged that Yucheng Liu and Coolblue International, Inc. have infringed on the Company's Trademarks and trade dress. The parties are nearing the end of settlement agreement, where the defendants of this litigation would pay the Company in the amount of US\$50,000 in installment payment

In December 2021, a franchisee was sued by a customer regarding the personal injury suffered in the accident that caused the franchisees. The Company are currently negotiating the compensation with the customer and try to settle it out-of-the court. In the event a claim is filed, the Company intends to vigorously defend against the claim.

**10. Immediate parent and ultimate controlling party**

At December 31, 2021, management considers the Company's immediate parent and ultimate controlling party is LIAN FA INTERNATIONAL DINING BUSINESS CORPORATION, which is incorporated in Taiwan and listed in Taipei Exchange.

**LILIAN USA LLC**

**REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

## CONTENTS

	<u>Pages</u>
Independent auditor's report	1
Statement of income	2
Balance sheet	3
Statement of changes in member's equity	4
Statement of cash flows	5
Notes to the financial statements	6 - 15

(EXPRESSED IN UNITED STATES DOLLARS)





**Independent auditor's report  
To the Member of LILIAN USA LLC**

We have audited the accompanying financial statements of LILIAN USA LLC, which comprise the balance sheet as of December 31, 2022, and the related statement of income, changes in member's equity, and cash flows for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of LILIAN USA LLC as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Kaizen CPA PLLC*

**Kaizen CPA PLLC**  
202 Canal Street, Suite 303, 3/F.,  
New York, NY 10013, USA  
Date: March 1, 2023

KAIZEN CPA PLLC  
KAIZEN CPA LIMITED  
202 Canal Street, Suite 303, 3/F.  
New York, NY 10013, USA  
+1 646 850 5888

**LILIAN USA LLC**  
**Statement of income**  
**For the year ended December 31, 2022**

	<u>Note</u>	<u>2022</u> US\$	<u>2021</u> US\$
<b>Revenue</b>			
Franchise revenue		1,468,387	1,457,487
Royalty income		3,254,371	2,461,191
Total revenue		4,722,758	3,918,678
<b>Cost and expenses</b>			
Cost of revenue		914,000	983,000
Operating expenses		1,651,107	1,435,073
Total cost and expenses		2,565,107	2,418,073
Income from operations		2,157,651	1,500,605
<b>Non-operating income / (expenses)</b>			
Interest income		72,331	7,096
Interest expenses	5	(569)	(1,131)
Other income, net		49,839	31,520
Net non-operating income		121,601	37,485
Income before taxes		2,279,252	1,538,090
Income tax expenses	3	575,466	384,551
<b>Net income</b>		1,703,786	1,153,539

The accompanying notes are an integral part of these financial statements

**LILIAN USA LLC**  
**Balance sheet**  
**As of December 31, 2022**

	<u>Note</u>	<u>2022</u> US\$	<u>2021</u> US\$
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents		4,415,185	4,834,161
Accounts receivable (including related parties)	4	712,930	531,515
Prepaid expenses		173,930	209,242
Total current assets		5,302,045	5,574,918
Non-current assets:			
Deferred tax assets	3	176,711	75,115
Operating lease right-of-use asset	5	9,672	32,883
Security deposits		1,658	1,658
Total non-current assets		188,041	109,656
Total assets		5,490,086	5,684,574
<b>LIABILITIES AND MEMBER'S EQUITY</b>			
Current liabilities:			
Accrued expenses	6	82,585	69,695
Other payables (including related parties)		13,300	47,570
Deferred revenue	7	1,541,297	1,566,715
Operating lease liability	5	8,322	22,244
Total current liabilities		1,645,504	1,706,224
Non-current liabilities:			
Customer deposits		1,024,400	824,400
Deferred revenue	7	345,359	372,496
Operating lease liability	5	-	10,417
Total non-current liabilities		1,369,759	1,207,313
Total liabilities		3,015,263	2,913,537
Member's equity			
Contributed capital		200,000	200,000
Retained earnings		2,274,823	2,571,037
Total member's equity		2,474,823	2,771,037
Total liabilities and member's equity		5,490,086	5,684,574

The accompanying notes are an integral part of these financial statements

**LILIAN USA LLC**  
**Statement of changes in member's equity**  
**For the year ended December 31, 2022**

	Note	Contributed <u>capital</u> US\$	Retained <u>earnings</u> US\$	<u>Total</u> US\$
<b>At January 1, 2021</b>		200,000	1,417,498	1,617,498
Net income		-	1,153,539	1,153,539
<b>At December 31, 2021 and January 1, 2022</b>		200,000	2,571,037	2,771,037
Net income		-	1,703,786	1,703,786
Dividend paid	9	-	(2,000,000)	(2,000,000)
<b>At December 31, 2022</b>		200,000	2,274,823	2,474,823

The accompanying notes are an integral part of these financial statements

**LILIAN USA LLC**  
**Statement of cash flows**  
**For the year ended December 31, 2022**

	<u>2022</u> US\$	<u>2021</u> US\$
<b>Cash flows from operating activities</b>		
Net income	1,703,786	1,153,539
Adjustments to reconcile net income to net cash generated from operating activities:		
Deferred income taxes	(101,596)	61,110
Allowance for doubtful debt	38,000	(5,500)
Depreciation	23,211	23,211
Bad debt	-	23,080
Changes in operating assets and liabilities:		
Accounts receivable	(219,415)	(274,610)
Prepaid expenses	35,312	(67,383)
Accrued expenses	12,890	15,379
Other payables	(34,270)	47,570
Deferred revenue	(52,555)	421,902
Customer deposits	200,000	171,200
Operating lease liability	(24,339)	(22,741)
<b>Net cash generated from operating activities and net increase in cash and cash equivalents</b>	<u>1,581,024</u>	<u>1,546,757</u>
<b>Financing activities</b>		
Payments for dividends	(1,400,000)	-
Payments for withholding tax	(600,000)	-
<b>Net cash generated from financing activities</b>	<u>(2,000,000)</u>	<u>-</u>
	(418,976)	1,546,757
<b>Cash and cash equivalents, beginning of the year</b>	4,834,161	3,287,404
<b>Cash and cash equivalents, end of the year</b>	<u>4,415,185</u>	<u>4,834,161</u>
<b>Supplemental disclosures of cash flow information</b>		
Cash paid during the year for:		
Income taxes	<u>558,863</u>	<u>377,429</u>

The accompanying notes are an integral part of these financial statements

**LILIAN USA LLC**  
**Notes to the financial statements**  
**For the year ended December 31, 2022**

---

**1. Organization**

LILIAN USA LLC (the "Company") was formed as a limited liability company under the Delaware Limited Liability Company Act on March 20, 2015. It is wholly owned by LIAN FA INTERNATIONAL DINING BUSINESS CORPORATION, a Taiwanese company. The Company is franchising its restaurant brands that offer gourmet coffees, teas, coffee or tea based beverages, compatible food products and desserts in the United States of America.

**2. Significant accounting policies**

**(a) Basis of presentation**

The financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America.

The financial statements are presented in United States Dollars.

**(b) Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the financial statement date and reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

**(c) Subsequent events**

The Company has evaluated subsequent events for recognition and disclosure through March 1, 2023, the date that these financial statements were available to be issued. There were no subsequent events that required adjustment or disclosure in the accompanying financial statements.

**(d) Revenue recognition**

The Company adopted the provisions of ASU 2021-02: Revenue from Contracts with Customers (Topic 606) and the principal versus agent guidance within the revenue standard.

The Company recognized revenue from fees from franchised restaurants operated by conventional franchisees. Franchise revenue included initial licensing franchise fees and amortized franchise fee.

Revenue from franchise agreement is generally recognized, net of an allowance for uncollectible amounts.

When an individual franchise agreement is made, the Company agrees to provide certain services to the franchisee. Generally, these services include advisory and assistance in site selection, training personnel, and implementation of an operating and quality control program. Initial licensing franchise fees are recognized when the services are completed.

**2. Significant accounting policies (cont'd)**

**(d) Revenue recognition (cont'd)**

Amortized franchise fees are recognized evenly over the period of franchise agreement. Fees collected in advance are deferred until earned, with deferred amounts expected to be recognized as revenue within one year classified as current deferred revenue in the balance sheet.

After the franchised restaurants started operation, royalty income is paid by franchisees to the Company for brand maintenance, new product development and consulting services. Continuing royalties, which are either fixed amount per month or as a percentage of net sales of the franchisee, are recognized as revenue when earned and become receivable from the franchisee.

**(e) Cost of revenue**

The cost of revenue includes all costs of service which includes technology transfer, opening support, store design service and trademark license fees.

**(f) Cash and cash equivalents**

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. The carrying account of cash equivalents approximates fair value.

**(g) Account receivables**

Accounts receivable primarily represents receivables from franchisee who received the services. An allowance of the expected credit losses for account receivable is calculated using an aging schedule that calculated based on how long a receivable has been outstanding. While management used the best information available to make its evaluation, future adjustments to the allowance may be necessary if there are significant changes in economic conditions.

**(h) Right-of-use asset and lease liabilities**

A lessee should recognize the lease liability to make lease payments and the right-of-use asset representing its right to use the underlying asset for the lease term. For operating leases, a right-of-use asset and a lease liability are initially measured at the present value of the lease payments. Depreciation of right-of-use asset is recognized on a straight-line basis over the lease term.

For the lease within a term of twelve months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. If a lessee makes this election, it should recognize lease expense for such leases generally on a straight-line basis over the lease term.

**2. Significant accounting policies (cont'd)**

**(i) Income taxes**

The Company has elected to be taxed as a corporation for federal and state income tax purposes. Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are computed for differences between the financial statements and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the year plus or minus the change during the year in deferred tax assets and liabilities. Adjustments to prior year's income tax liabilities are added to or deducted from the current year's tax provision.

The Company follows authoritative guidance under ASC No. 740, "Income Taxes" on uncertain tax positions and has analyzed its filing positions in all the federal and state jurisdictions where it is required to file income tax returns, as well as all open tax years in those jurisdictions. The Company files income tax returns in the US federal and state jurisdictions where it conducts business. The Company believes that its income tax filing positions and deductions will be sustained on audit and does not anticipate any adjustments that will result in a material adverse effect on its financial position, results of operations, or cash flows. Therefore, no reserves for uncertain tax positions have been recorded. The Company does not expect its unrecognized tax benefits to change significantly over the next twelve months.

The Company's policy for recording interest and penalties associated with any uncertain tax positions is to record such items as a component of income before taxes. Penalties and interest paid or received, if any, are recorded as part of other operating expenses in the statement of income.

**(j) Fair value of financial instruments**

The Company utilizes the three-level valuation hierarchy for the recognition and disclosure of fair value measurements. The categorization of assets and liabilities within this hierarchy is based upon the lowest level of input that is significant to the measurement of fair value. The three levels of the hierarchy consist of the following:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2: Inputs to the valuation methodology are quoted prices for similar assets and liabilities in active markets, quoted prices in markets that are not active or inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the instrument

Level 3: Inputs to the valuation methodology are unobservable inputs based upon management's best estimate of inputs market participants could use in pricing the asset or liability at the measurement date, including assumptions.



**2. Significant accounting policies (cont'd)**

**(j) Fair value of financial instruments (cont'd)**

As of December 31, 2022, the carrying value of cash and cash equivalents, accounts receivable, accrued expenses, other payables and lease liability approximated their fair values due to the short-term nature of these financial instruments. The Company's lease liability approximated the carrying amount at December 31, 2022 as their interest rates are considered as approximate to the current rate for comparable leases. There were no outstanding derivative financial instruments as of December 31, 2022.

**(k) Concentrations of credit risk**

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. The Company maintains cash and cash equivalents at financial institutions. Bank accounts at U.S. institutions are insured up to US\$250,000 by the U.S. Federal Deposit Insurance Corporation (FDIC). As of December 31, 2022, the total balance of cash in U.S. institutions exceeded the amount insured by the FDIC for the Company by approximately US\$128,563 (2021: US\$340,110). For deposits at Taiwan financial institutions, all deposits are insured by the Central Deposit Insurance Corporation (CDIC) up to maximum of NT\$3,000,000 (US\$97,643) per insured institution. As of December 31, 2022, the total balance of cash in Taiwan financial institution exceeded the amount insured by the CDIC for the Company by approximately US\$3,841,335 (2021: US\$4,025,140).

**(l) Loss contingencies**

Loss contingencies, including claims and legal actions arising in the ordinary course of business, are recorded as liabilities when the likelihood of loss is probable and an amount or range of loss can be reasonably estimated.

**(m) Dividend distribution**

Dividend distribution to the Company's sole shareholder is recognised as a liability in the year in which the dividends are approved by the Company's sole shareholder.

**(n) New standards and interpretations not yet adopted**

A number of new standards, amendments to standards and interpretations have been issued since December 31, 2022 up to the date of authorization of the financial statements which are not yet effective and, have not been applied in preparing these financial statements. None of these new standards or amendments to standards when effective is expected to have a material effect on the financial statements of the Company.

**LILIAN USA LLC**  
**Notes to the financial statements**  
**For the year ended December 31, 2022**

---

**3. Income taxes**

Income tax (benefit) / expense for the year ended December 31, 2022 and 2021 consisted of the following:

	<u>2022</u> US\$	<u>2021</u> US\$
<u>Current</u>		
Federal tax expense	541,014	258,453
State tax expense	136,049	64,988
	----- 677,063	----- 323,441
<u>Deferred</u>		
Federal tax (benefit) / expenses	(89,559)	50,965
State tax (benefit) / expenses	(12,038)	10,145
	----- (101,597)	----- 61,110
Net income tax expense	=====	=====

Deferred tax assets / (liabilities) as of December 31, 2022 and 2021 consisted approximately of:

	<u>2022</u> US\$	<u>2021</u> US\$
Deferred revenue	158,720	59,880
Allowance for doubtful accounts	16,038	6,787
State taxes	27,515	13,269
Others	(25,562)	(4,821)
	-----	-----
Net deferred tax assets	=====	=====

Based on the Company's forecast of future taxable income, no valuation allowance was provided for the deferred tax assets as of December 31, 2022 (2021: Nil).

**LILIAN USA LLC**  
**Notes to the financial statements**  
**For the year ended December 31, 2022**

---

**4. Accounts receivable (including related parties)**

As of December 31, 2022 and 2021, the balance of accounts receivable was as follows:

	<u>2022</u> US\$	<u>2021</u> US\$
Gross amount	778,930	559,515
Less: Allowance for doubtful accounts	(66,000)	(28,000)
Net amount	<u>712,930</u>	<u>531,515</u>

**5. Lease**

As of December 31, 2022 and 2021, supplemental balance sheet information related to lease was as follows:

	<u>2022</u> US\$	<u>2021</u> US\$
Operating lease right-of-use asset	<u>9,672</u>	<u>32,883</u>
Operating lease liability	<u>8,322</u>	<u>32,661</u>

For the year ended December 31, 2022 and 2021, supplemental statement of income information related to lease was as follows:

	<u>2022</u> US\$	<u>2021</u> US\$
Right-of-use asset depreciation	<u>23,211</u>	<u>23,211</u>
Operating lease interest expenses	<u>569</u>	<u>1,131</u>
Short-term lease expenses	<u>1,720</u>	<u>1,801</u>

**LILIAN USA LLC**  
**Notes to the financial statements**  
**For the year ended December 31, 2022**

---

**5. Lease (cont'd)**

Supplemental cash flow information related to lease was as follows:

	<u>2022</u> US\$	<u>2021</u> US\$
Cash paid for amounts included in the measurement of operating lease liabilities	24,828	23,872

The Company has an operating lease for its office expiring in 2023. As of December 31, 2022 and 2021, maturities of operating lease liabilities were as follows:

	<u>2022</u> US\$	<u>2021</u> US\$
Remaining undiscounted lease payments	8,385	33,293
Less: Imputed interest	(63)	(632)
Net lease liability	8,322	32,661
Less: current portion	(8,322)	(22,244)
Non-current portion	-	10,417

As of December 31, 2022, the remaining lease term and discount rate applied on the operating lease arrangement were 5 months (2021: 17 months) and 2.4% per annum (2021: 2.4% per annum) respectively.

Short-term lease has a lease term of 12 months or less. The future minimum fixed base rentals under these non-cancellable leases at December 31, 2022 and 2021 are as follows:

<u>Years ending December 31,</u>	<u>2022</u> US\$	<u>2021</u> US\$
2022	-	145

**LILIAN USA LLC**  
**Notes to the financial statements**  
**For the year ended December 31, 2022**

---

**6. Accrued expenses**

As of December 31, 2022 and 2021, accrued expenses consisted of the following:

	<u>2022</u>	<u>2021</u>
	US\$	US\$
Accrued professional fee	69,750	52,624
Accrued advertisement expense	10,582	15,370
Others	2,253	1,701
	<hr/>	<hr/>
Total accrued expenses	<u>82,585</u>	<u>69,695</u>

**7. Deferred revenue**

As of December 31, 2022 and 2021, deferred revenue consisted of the following:

	<u>2022</u>	<u>2021</u>
	US\$	US\$
Unearned franchise revenue	1,878,672	1,937,651
Others	7,984	1,560
	<hr/>	<hr/>
	1,886,656	1,939,211
Less: current portion	(1,541,297)	(1,566,715)
	<hr/>	<hr/>
Non-current portion	<u>345,359</u>	<u>372,496</u>

**8. Dividends**

	<u>2022</u>	<u>2021</u>
	US\$	US\$
Interim dividend declared and paid by the Company for the year consisted of the following:		
US\$1,000,000 per share (2021: Nil)	<u>2,000,000</u>	<u>-</u>

**9. Related party transactions**

Name of related party and relationship:

<u>Name of related party</u>	<u>Relationship</u>
LIAN FA INTERNATIONAL DINING BUSINESS CORPORATION ("LIAN FA")	Sole member

LILIAN USA LLC  
Notes to the financial statements  
For the year ended December 31, 2022

---

9. Related party transactions (cont'd)

Summary of significant related party transactions is as follows:

(a) As of December 31, 2022 and 2021:

	<u>2022</u> US\$	<u>2021</u> US\$
Accounts receivable from LIAN FA	26,309	-
Other payable to LIAN FA	13,000	47,270

(b) For the year ended December 31, 2022 and 2021:

	<u>2022</u> US\$	<u>2021</u> US\$
Franchise costs charged by LIAN FA	914,000	983,000

On January 1, 2021, the Company entered into the trademark license agreement with LIAN FA (licensor), which grants the Company to use the trademark for the purpose of operation, marketing and so forth in all kind of franchise business. The term of the agreement is five years and shall be automatically renewed for successive five years.

On January 1, 2020, the Company entered into the consulting agreement with LIAN FA. The term of the agreement is one year and shall be automatically renewed for successive one year. Under the service agreement, the Company is required to pay service fee for each franchise store of the Company. The service fee includes technology transfer, opening support and store design service to the franchisees.

	<u>2022</u> US\$	<u>2021</u> US\$
Operating expenses charged by LIAN FA		
Management fee	1,003,000	986,000

On December 21, 2021, the Company entered into a one-year management service agreement with LIAN FA. Under the agreement, the Company agreed to pay LIAN FA management service fee and information service fee.

**10. Contingencies**

In 2022, management does not believe there are such matters that will have a material effect on the financial statements.

In the year 2022, the Company has suspected to violate franchise law in New York and Hawaii, which such suspects are still being under investigating by the local authorities. As at 6 February 2023, the management and the Company's legal representative is in the idea of a fine of not more than US\$12,000 will be imposed, if any conviction found guilty.

In March 2021, the Securities Enforcement Branch of the Department of Commerce and Consumer Affairs, State of Hawaii began an investigation into the Company's prior franchise activity in the State of Hawaii. The Company are cooperating fully with the investigation and await the State of Hawaii's finding. Currently, the legal advisor cannot estimate the amount of the fine, but it should not have any material impact on the overall operation in Hawaii.

In September 2022, a franchisee was sued by a customer alleging that the website "www.1992sharetea.com" is not in compliance with California's Unruh Civil Rights Act because it is not accessible to people with disabilities. The Company are currently in the process of meeting and conferring as to a possible settlement of the matter. In the event a claim is filed, the Company intends to vigorously defend against the claim. Currently, the legal advisor unable to form a judgment whether the likelihood of an unfavorable outcome and form no opinion on the likely outcome of this matter.

**11. Immediate parent and ultimate controlling party**

At December 31, 2022, management considers the Company's immediate parent and ultimate controlling party is LIAN FA INTERNATIONAL DINING BUSINESS CORPORATION, which is incorporated in Taiwan and listed in Taipei Exchange.

**Exhibit B**

**Franchise Agreement**








## Franchise Agreement

This Non-Exclusive Franchise Agreement (this “Agreement”) is made and entered into this date of [REDACTED], 20[REDACTED] (the “Effective Date”) by and between **Lilian USA LLC**, a limited liability company organized and existing under the laws of Delaware with a principal place of business at One Commerce Center, 1201 Orange Street #600, Wilmington, DE 19899 (we, our, “Sharetea” or the “Franchisor”) and [REDACTED], a company organized and existing under the laws of [REDACTED] with a principal place of business at [REDACTED] (you, your, or the “Franchisee”).

### Recital

**Whereas**, We are the licensee of the trademarks “ SHARE TEA<sup>®</sup>”, “Sharetea<sup>®</sup>”, “ Sharetea<sup>®</sup>”, “ Sharetea<sup>®</sup>”, “Sharetea<sup>®</sup>”, “Sharetea<sup>®</sup>”, “Sharetea express<sup>®</sup>”, and “Sharetea<sup>®</sup>”, or other marks and logos (the “Trademarks”), and are authorized to sub-license the Trademarks to third parties;

**Whereas**, We possess advanced technology, management system, continuous and innovative product development, and knowledge in relation to a unique and distinctive system relating to the development and operation of “Sharetea” Tea Shop establishment with unique product lines, distinctive fixtures, equipment, interior and exterior accessories, color scheme, inventory and accounting system, of which may be changed, improved, and further developed by us or our affiliates from time to time (the “Sharetea System”);

**Whereas**, We are in the business of granting certain limited rights for third parties to develop, manage and maintain the Sharetea System; and look for entities capable of developing, launching, and operating tea shop bearing the Trademarks using and under the Sharetea System; offering unique tea-based drinks, compatible food products, accessories and gifts bearing the Trademarks, trade names, service logos, graphic configurations, emblems, apparels and designs of the Sharetea System (the “Tea Shop”);

**Whereas**, You represent that you have the capacity to develop, manage and operate the Tea Shop on the Site (as defined below), and wish to develop, manage, and operate the Tea Shop on the Site; and We are willing to grant to you the franchise right to develop, manage, and operate the Tea Shop on the Site, and you are willing to accept the grant under the terms and conditions as stated herein;

**Now Therefore**, the parties, in consideration of the mutual undertakings and commitments set forth herein, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

#### **Article 1. Grant of Development Rights**

1. As franchisor, we have the right to establish “Standards” for various aspects of the Sharetea System that include the location, physical characteristics and quality of operating systems of Tea Shops and other concepts; the products that are sold; the qualifications of suppliers; the qualifications, organization and training of franchisees and their personnel; the timely marketing of products and our brand, including execution of marketing windows; and all other things affecting the experience of consumers who patronize the Sharetea System. We make

those Standards available to you in our operation manuals, trainings, on-site assistance, and in other forms of communication, which we may update from time to time. Complete uniformity may not be possible or practical throughout the Sharetea System, and we may from time to time vary Standards as we deem necessary or desirable for the Sharetea System.

2. As franchisee, you have the right and responsibility to exercise day-to-day control your Tea Shop to meet those Standards, and the heart of the Sharetea System and this franchise relationship is your commitment to that responsibility. Any required Standards exist to protect our interests in the Sharetea System and the Trademarks and not for the purpose of establishing any control or duty to take control over those matters that are reserved to you. Furthermore, you acknowledge that your commitment is important to us, to you, and to other franchisees in order to promote the goodwill associated with our Sharetea System and Trademarks, and that this Agreement should be interpreted to give full effect to this paragraph.
3. In reliance on your representations and warranties, we hereby grant to you and you hereby accept, pursuant to the terms and conditions of this Agreement, the non-exclusive right and obligation to operate a Tea Shop within the Sharetea System at the Site, using our intellectual property, only in accordance with our Standards and the other terms of this Agreement.

## **Article 2.     Site of the Tea Shop**

1. The specific address of the Tea Shop is [REDACTED] (the "Site"). If at the time of the execution of this Agreement the parties have not agreed upon a site for the Tea Shop, once you become aware of an available site during the term of this Agreement, you must submit the site for our consideration immediately and provide us with all required information about the site. You must also provide a copy of the lease or purchase agreement for our review and record. We will provide you with written notice of whether or not we approve the site within ten (10) business days of receiving all documentation and information related to the site. You may not begin any construction on a site until we have approved such site in writing. In any event, you shall, within sixty (60) calendar days from the execution of this Agreement, identify and propose the Site for our review and approval, otherwise we reserve the right to terminate this Agreement immediately without further notice.
2. You will arrange for the construction or remodeling of the Tea Shop. We will provide you with basic design and floor plan for a fee ("Design and Floor Plan Fee") as described in Article 3, and we agree to provide reasonable assistance to you as requested by you during the construction or remodeling of the Tea Shop at your reasonable cost. Unless requested by local law or real estate owner to change the design, the Tea Shop must be constructed and equipped, at your sole cost, to our then-current Standards and specifications and in accordance with the requirements and rules set forth by us in its design drawings and three-dimensional models. At our written request, you must promptly correct any unapproved deviations from our Standards in the development of the Tea Shop. If you fail to construct in accordance with the aforementioned requirements and rules, we reserve the right to demand you to modify or reconstruct the Tea Shop at your own cost.
3. Prior to the grand opening of the Tea Shop, we reserve the right to assign one of our inspectors to conduct a pre-opening inspection that will take no more than one (1) week. We will be solely responsible for such inspector's salary and airfare expenses. You will pay for the inspector's local transportation, meal, three stars or above hotel accommodation expenses, and other

reasonable costs. If we pay the aforesaid fee in advance, you will reimburse us within seven (7) calendar days upon receiving our written reimbursement request.

4. You will not relocate the Tea Shop without our express prior written consent. This Agreement does not grant to you the right or license to operate the Tea Shop or to offer or sell Sharetea products or services at or from any other location.
5. Protected Territory. So long as you are in full compliance with this Agreement, for traditional locations, we will not grant a franchise or establish a company-owned location to be located within your "Protected Territory," which is the smaller of (i) the area within a 3-mile radius of your Site or (ii) within in the same zip code, village, city, or county as your Site (whichever is smaller). A non-traditional location has no Protected Territory, however, we will not grant a franchise or establish a company-owned location within the same building, shopping mall or food court (as applicable) as your location. Furthermore, you may not engage in catering or delivery service within your Protected Territory.
6. Exceptions. The Protected Territory provided to traditional locations does not include any non-traditional locations. We may grant a franchise or an establish a company-owned location at a non-traditional location, even if it is located within your Protected Territory. Non-traditional locations include: airports; shopping malls (for this Agreement, a shopping mall means any retail shopping center containing two or more anchor retail department stores. Current examples of anchor retail department stores include Sears, Macy's, JCPenny, Nordstrom, Neiman Marcus, Bloomingdales, Saks Fifth Avenue, Dillard's, K-Mart, Kohls, Ross Stores, Best Buy, Wal-Mart, Home Depot, Office Depot, 99 Cents Only Stores, or other similarly large retail stores. We and you acknowledge that this list of examples is not complete, that some of these stores will go out of business, some will merge, and new stores will be established); college and university campuses; sports stadiums or arenas; concert or performance venues; and food courts (for this Agreement, a food court is any plaza or common area not otherwise within a shopping mall, that is contiguous, that offers at least five food & beverage vendors, and that provides a common seating area for patrons of the food & beverage vendors). All other locations are traditional locations.
7. This license is non-exclusive and relates solely to the single Tea Shop location set forth herein. We retain the right to operate or license others to operate Tea Shops and other concepts, and to grant other licenses relating to the Trademarks, at such locations and on such terms as we choose.
8. You will be responsible for obtaining all zoning classifications and clearances which may be required by state or local laws, ordinances or regulations or which may be necessary as a result of any restrictive covenants relating to the Tea Shop's site. Prior to the beginning of construction of the Tea Shop, you will obtain all permits, licenses and certifications required for the lawful construction or remodeling and operation of the Tea Shop. We will render reasonable assistance as requested by you, at your reasonable cost.
9. You acknowledge and agree that you will not open the Tea Shop for business without our written authorization, and such written authorization to open is conditioned upon your strict compliance with this Agreement.

### **Article 3.      Fees, the Refundable Security Deposit**

1. The total initial fees of the Sharetea system and a Tea Shop are as described in the table below:

<b>Concept Type</b>	<b>Sharetea Regular</b>	<b>Sharetea Plus</b>
<i>Store Size</i>	1000~1200 Sq	1200+ sq
<i>Franchise Fee</i>	\$12,000	\$13,500
<i>Technology Transfer Fee</i>	\$19,200 (10 training days)	\$21,600 (15 training days)
<i>Opening Support Fee</i>	\$7,200 (3 opening support days)	\$8,100 (5 opening support days)
<i>Design and Floor Plan Fee</i>	\$9,600	\$10,800
<b>Total Initial Fees</b>	<b>\$48,000</b>	<b>\$54,000</b>

2. 30% of the total initial fees is payable within seven (7) calendar days following the signing date of an initial memorandum of understanding, substantially in the form as shown in Exhibit A. The remaining 70% of the initial fees is payable within fourteen (14) calendar days following the signing of the Agreement. The initial fees are not refundable and must be paid in full, without reduction or offset.
3. The Franchisee is also responsible a refundable Security Deposit of US\$10,000 (the “Security Deposit”), payable within fourteen (14) calendar days following the signing of the Agreement. Security Deposit will be returned to the Franchisee at upon the expiration or termination of the Agreement if The Franchisee has not materially breached the Agreement.
4. The Franchisee shall pay a royalty of 6% of your gross monthly sales of the tea shop, with a minimum royalty fee of US\$1,200 per month. Gross monthly sales means the aggregate amount of all sales of our products, food, beverages and other merchandise and products approved by us and sold and services rendered at Tea Shop per month but excluding: (a) value-added, sales or service taxes collected from customers and paid to the appropriate governmental taxing authority; and (b) all customer refunds and adjustments and promotional discounts, including senior citizens discount. The royalty fee for the previous month is payable before the 10th of the next month, along with the previous month’s financial statements and related records.
5. All payments made under this Agreement will be subject to reduction to reflect taxes or other charges required to be withheld by law. In the event that Franchisee is required to withhold taxes on behalf of Franchisor, Franchisee will inform Franchisor and provide documents relating to the withholding tax.
6. If you are late in paying all or part of a fee due to us, then you must also pay us our then-current late fee and interest on the unpaid amount calculated from the date due until paid at the rate of 5% per month, or the highest rate allowed by law, whichever is higher. You must also pay all

collection charges, including reasonable attorneys' fees, incurred by us to collect fees that are due.

**Article 4.     Advertising**

1. You will conduct commercial marketing activities at your own cost in accordance with the common commercial practices. We will support your grand opening support by providing you with marketing designs but not physical marketing materials.
2. If you wish to use any advertising or promotional material that you have prepared or caused to be prepared, then you must submit the material and the proposed use for our prior written approval in advance of any use, and discontinue such use when we require. Our prior written approval may take the form of guidelines. For on-going promotions, we may provide assistance and support on a case-by-case basis.
3. We do not currently have a marketing fund, though we reserve the right to establish and administer such a marketing fund in the future on a regional or national basis and which will be contributed into only by our franchisees. We do not anticipate enacting the marketing fund during this calendar year, or until we determine that a sufficient number of Tea Shops are open and operating so that regional or national advertising provides a benefit to the Sharetea System. However, when we do establish the marketing fund, those franchisees will have to contribute to the marketing fund a specified percentage of the gross monthly sales (as define below) of the Tea Shop to be paid in the same manner as the royalty payments. When and if established, the amount to be paid to the marketing fund is a percentage of gross monthly sales agreed upon by the Parties in writing. The marketing fund nor any funds for advertising and marketing will be used for advertisement that is principally a solicitation for the sale of franchises for Sharetea System. We do not currently have a franchisee advertising council that advises us on advertising policies, though we reserve the right to establish such a council in the future.
4. We are not obligated to make expenditures for you that are equivalent or proportionate to your contributions to the marketing fund, or to ensure that you benefit directly or on a pro rata basis from the marketing fund's activities. Upon your request, we will provide you with an audited statement of receipts and disbursements for the marketing fund that is audited by an independent, certified public accountant, for each fiscal year of the marketing fund.

**Article 5.     Initial Mandatory Training, On-Site Support, and Related Training Expenditures**

1. Following the signing of this Agreement, you will assign at least eight (8) of your staff at your Tea Shop in the United States to receive initial mandatory trainings for minimum ten to fifteen (10~15) calendar days at a schedule agreed upon by both Parties. You will be solely responsible for your staff's incurred expenses, including but not limited to, transportation, accommodation and meal expenses. You will also be responsible for the consultant's round trip airfares from Taiwan (Republic of China) and local transportation, meals, three stars or above hotel accommodation. The initial mandatory training covers corporate overview, brand management, purchasing of raw materials, supplies, and necessary equipment, food safety, tea and drinks making, store operations management, and other training programs as we see fit, and will include, but not be limited to, operations managements, logistic management, import operations, marketing plans, tea shop management, raw material inventory and controls, and

basic maintenances. We may offer special training courses such as service staff training, special promotion training, other pre-opening supports and continuous organizational supports.

2. Upon the completion of the initial mandatory training, we will assign, and you will fully cooperate with, a business operation consultant to assist you in the overall operating plan for a period of fifteen (15) calendar days immediately prior to the opening of the Tea Shop. The business operation consultant will provide you with guidance in areas such as labor management and tea shop management. We will be solely responsible for this business operation consultant's international transportation expenses and salary. You will be solely responsible for the expenses incurred locally, including but not limited to, the local transportation, meal, three stars or above hotel accommodation expenses, and other reasonable costs. If we pay the aforesaid fee in advance, you will reimburse us within seven (7) calendar days upon receiving our written reimbursement request.
3. After the opening of the Tea Shop, we may, at every quarter and upon your written request, assign a business operation consultant to provide complimentary consultation for and at the Tea Shop for not more than three (3) calendar days. In the event that you request additional consultation service, you will discuss and schedule with us in advance, and you agree to make the following payments within seven (7) calendar days upon receiving our written reimbursement request:
  - a. The salary for business operation consultant(s) is US\$300 per person per day. If you would like to appoint a specific operation consultant it would be US\$350 per person per day;
  - b. The round trip airfare for the business operation consultant(s); and
  - c. The local transportation, meal, three stars or above hotel accommodation expenses of the business operation consultant(s), and other reasonable costs incur on behalf of you.

#### **Article 6.     Operation of the Tea Shop**

1. Opening Date: You will notify us with a fifteen (15) business day prior written notice prior to the opening date.
2. Operating in Accordance with Our Standards. You agree to operate the Tea Shop in accordance with all of our Standards, some of which are set forth in this Article. Among other things, you agree to:
  - a. Keep the Tea Shop open and in continuous operation for hours we prescribe or agreed upon, and operate the Tea Shop only under the Sharetea System, unless we give written approval to do otherwise;
  - b. Install and use types of equipment, hardware, and utensils we prescribed, including but not limited to the types of equipment, hardware, and utensils as listed in Exhibit B;
  - c. Install and use only equipment, hardware, utensils, furnishings, fixtures, and signage that we approve, replace them as we may require, and source them from approved suppliers;

- d. Use only supplies, materials, and other items that we approve, and source them from approved suppliers, of which we may be one;
  - e. Sell all required products, sell only approved products, and source them from suppliers that we approve, of which we may be one, and maintain a sufficient supply of all approved products to meet customer demands at all times, unless you receive our written approval to do otherwise;
  - f. Maintain a safety inventory as we suggest in according to the sizes and location of the Tea Shop to ensure customer satisfaction and in consideration of potential shipping delays;
  - g. Use best efforts to hire employees of good character. Maintain a sufficient number of properly trained managers and employees to render quick, competent and courteous service to Tea Shop customers in accordance with our Standards.
  - h. Comply with all of our requirements relating to health, safety and sanitation; and
  - i. Timely execute marketing windows.
3. Compliance with Applicable Laws. You agree to comply with all civil and criminal laws, ordinances, rules, regulations and orders of public authorities pertaining to the occupancy, operation and maintenance of the Tea Shop.
  4. Point Of Sales System. Prior to the opening of the Tea Shop, we must inspect and approve the Point Of Sales (POS) hardware and software system to be used in the Tea Shop to ensure that the POS system is compatible with our accounting system.
  5. Right of Inspection. You agree that our employees and agents have the right to enter the Tea Shop without notice during business hours to determine your compliance with Standards and this Agreement. During the course of any such inspection, we may photograph or video any part of the Tea Shop. We may select ingredients, products, supplies, equipment and other items from the Tea Shop to evaluate whether they comply with our Standards. We may require you to immediately remove non-conforming items at your expense, and we may remove them at your expense if you do not remove them upon request.
  6. Determination of Prices. Because enhancing Sharetea System and Trademarks' competitive position and consumer acceptance for Sharetea products is a paramount objective of us and our franchisees, and because this objective is consistent with the long term interest of the Sharetea System overall, we may exercise rights with respect to the pricing of products and services to the fullest extent permitted by then-applicable law. These rights may include, without limitation, prescribing the maximum and/or minimum retail prices which you may charge customers for the products offered and sold at the Tea Shop, and which prices you will be compelled to observe, engaging in marketing, promotional and related campaigns which you must participate in and which may directly or indirectly impact your retail prices (such as "buy one, get one free"). Further, we may engage in such activity only in certain geographic areas (cities, states, or regions) and not others, or with regard to certain subsets of franchisees and not others. You acknowledge and agree that any maximum, minimum or other prices we prescribe or suggest may or may not optimize the revenues or profitability of the Tea Shop.
  7. Conditions of Employment. You are solely responsible for all employment decisions, including hiring, promoting, discharging, and setting wages and terms of employment.

8. Uniforms: In order to maintain the uniform enterprise image of the Sharetea System, your retailing personnel will wear our uniform. If you or any of your employees violates this Article, we reserve the right to fine you on a basis of US\$100 per each violation per employee.
9. Suppliers. We have the right to approve or disapprove any supplier to your Tea Shop or to the Sharetea System. From time to time, we may enter into or require national or regional exclusive supply arrangements with one or more independent suppliers for certain approved products. In evaluating the need for an exclusive supplier, we may take into account, among other things, the uniqueness of the product; the projected price and required volume of the product; the investment required and the ability of the supplier to meet the required quality and quantity of the product; the availability of qualified, alternative suppliers; the duration of the exclusivity; and the desirability of competitive bidding.
10. Complaints. You must submit to us copies of any customer complaints relating to the Tea Shop. You must submit to us any communications from public authorities about actual or potential violations of laws or regulations relating to the operation or occupancy of the Tea Shop. We will specify from time to time the manner of submission of this information to us.
11. Courtesy. The parties will continuously strive to treat each other with courtesy and respect in all aspects of the franchise relationship.
12. Repairs and Maintenance. You agree to continuously maintain the Tea Shop, including all fixtures, furnishings, signs and equipment, in the degree of cleanliness, orderliness, sanitation and repair, as prescribed by our Standards. You agree to make needed repairs (and replacements) to the Tea Shop, including all fixtures, furnishings, signs and equipment, on an ongoing basis to ensure that your use and occupancy of the Tea Shop and Premises conform to our Standards at all times. You are responsible for the costs associated with maintenance, repairs and replacements, alterations and additions.
13. Your Development. We have the right to use and incorporate into the Sharetea System for the benefit of other franchisees and us any modifications, ideas or improvements, in whole or in part, developed or discovered by you or your employees or agents, without any liability or obligation to you or the developer thereof.

#### **Article 7. Franchisor's Trademarks and Intellectual Properties**

1. You agree to use only the Trademarks we designate and in the manner that we approve. You may use and display such Trademarks only in connection with the operation of the Tea Shop and in compliance with our Standards. You may only use our Sharetea Trademarks on vehicles if you first obtain our written consent.
2. You may not use the Trademarks to advertise or sell products or services through the mail or by any electronic or other medium, including the Internet, without our prior written approval. Our right of approval of any Internet usage of our Trademarks includes approval of the domain names and Internet addresses, website materials and content, and all links to other sites. We have the sole right to establish an Internet "home page" using any of the Trademarks, and to regulate the establishment and use of linked home pages by our franchisees. Furthermore, we reserve the right to set up the social media account name to your store, such as a Facebook fan page.
3. You acknowledge that all copyrights and other proprietary rights of the Trademarks are exclusively owned by us. You will only use such rights for the operation of Tea Shop at the



Site and will not change or modify the Trademarks or its derivatives, or claim any copyrights or other proprietary rights for the Trademarks or its derivatives. Franchisee will not register, in whole or in part, within the US or in any other areas, the Trademarks or other trademarks, marks, logos, or designs similar or confusingly similar to the Trademarks. Unless stated otherwise in this Agreement, Franchisee will not, at anytime, declare that it has any rights or qualification over the Trademarks, and will not cause any damage to the intellectual property rights of Franchisor, nor will Franchisee cause any third parties to do the same.

4. You cannot use the names “Sharetea” or “歇脚亭”, any of our company names, Trademarks, or anything confusingly similar as part as part of a corporate, limited liability company, other entity name, e-mail address, electronic identifier, or internet domain name. For example, your business name may not include any of our company names or Sharetea Trademarks or any variation of them and you may not use your name in connection with our Sharetea Trademarks in advertising your Tea Shop (such as “John Smith’s Sharetea”). In all approved uses of the Trademarks on your business forms such as your letterhead, invoices, order forms, receipts, and contracts, you must identify yourself as our franchisee and your business as independently owned and operated.
5. You agree to notify us promptly of any litigation relating to the Trademarks. In the event we undertake the defense or prosecution of any such litigation, you agree to execute any and all documents and do such acts and things as may be necessary, in the opinion of our counsel, to carry out such defense or prosecution.
6. Prior to the manufacturing of the merchandise under the Trademarks, you will provide the concepts and art designs (including the draft and final proposal) of such merchandise and the three-dimensional model thereof for our approval, provided, however, our approval or consent does not guarantee that the abovementioned material or model as provided by you are in compliance with the applicable laws. In the event of violation of any applicable law, you will be held solely liable. All containers, packages, labels, display materials, promotional materials, catalogs and advertisements (including but not limited to press release) which Franchisee intends to use under the Agreement will be provided to Franchisor for its written approval prior to the use or utilization thereof.
7. Franchisee agrees that upon the expiration or termination of this Agreement, Franchisee will neither by itself nor authorizes others to manufacture the licensed merchandise. All art designs (including but not limited to any diagrams, drawings or three-dimensional models) provided by Franchisor or created by Franchisee under this Agreement will be returned to Franchisor.
8. Franchisee agrees to review the “Trademark Guidelines” supplied by the Franchisor, and to comprehend and adhere to all aspects of these guidelines to ensure proper usage of the Trademarks.

#### **Article 8.     Sources of Raw Materials and Supplies**

1. The reputation and goodwill of Sharetea System is based upon, and can be maintained only by, the sale of high quality products. A list of approved suppliers is available on request. Suppliers are required to share shipping, distribution and all other information with us, and you will be required to cooperate. You and/or the supplier may request approval by submitting the request to us in writing. All requests will be reviewed in accordance with our then-current procedures and we will take into consideration our available resources, which may affect the timing of our response. The supplier must meet our then-current specifications, standards and requirements,

which may include signing a non-disclosure agreement and a guarantee of performance. We may change our specifications, standards and requirements at any time. There is no limit on our right to do so. If the supplier that you propose is initially approved or disapproved, we will notify you and the supplier within thirty (30) to sixty (60) calendar days depending on the nature of the products or services. We may withdraw our approval at any time if the supplier's performance does not meet our criteria, we change our specifications, standards or requirements or other reasons. You or the supplier will be required to reimburse us for all costs that we incur in the testing and approval process whether the supplier is approved or not.

2. All food products, supplies, equipment and materials of your Tea Shop and services to your Tea Shop must meet our specifications, standards, and requirements. You must purchase these items from suppliers that we approve in writing. In case of any violation, you will pay a liquidated damage equals to US\$10,000 for each violation. If you select to purchase from us or our affiliates in Taiwan, the delivery term for such purchases will be Incoterms® 2020 FOB (FREE ON BOARD) at Taiwan port designated by us.

#### **Article 9. Books, Records, and Reports**

1. You are required to keep business records in the manner and for the time required by law, and in accordance with generally accepted accounting principles. You are required to keep any additional business records that we specify from time to time, in the manner and for the time we specify. All records must be capable of being reviewed by us without special hardware or software. You must retain copies of each state and federal tax return for the franchised business for a period of two (2) years.
2. Within ten (10) business days from our request and at our option, you agree to (a) photocopy and deliver to us those required records that we specify, or (b) at a location acceptable to us, provide us access to any required records that we specify for examination and photocopying by us. If after we review your business records, which include your business tax returns, we believe that underreporting of gross monthly sales may have occurred, then upon request, you must pay us back the underreported royalties within five (5) calendar days of receiving our notice, and we reserve the right to terminate this Agreement immediately without further notice.
3. We will keep any records you provide to us that contain confidential information of yours confidential, provided such records are marked confidential and, by their nature, would be considered by a reasonable person to be confidential, but we may release information to any person entitled to it under any lease, to a prospective transferee of the Tea Shop, in connection with anonymous general information disseminated to our franchisees and prospective franchisees, in the formulation of plans and policies in the interest of the Sharetea System, or if required by law or any legal proceeding.

#### **Article 10. Insurance**

1. Prior to opening or operating the Tea Shop for business, and prior to constructing the Tea Shop in the event you are developing the Tea Shop, you agree to acquire insurance coverage of the type and in the amounts required by law, by any lease or sublease, and by us, as prescribed in our Standards or as described herein. You must maintain such coverage in full force and effect throughout the duration of this Agreement. We have the right to change requirements from time to time. All insurance must be placed and maintained with insurance companies with

ratings that meet or exceed our Standards. At our request, you must provide us with proof of required insurance coverages.

2. You must provide commercial general liability coverage with minimum limits in the amount of US\$2,000,000 per occurrence, fail to maintain such insurance may result in loss of your franchise and additional financial obligations.

#### **Article 11. Franchisee's Representation and Warranties**

You will save, defend, indemnify and hold us and our successors and assigns harmless, from and against (i) any and all claims based upon, arising out of, or in any way related to your breach of this Agreement or any agreements between you or your affiliates and us or our affiliate; and (ii) any and all expenses and costs (including reasonable attorney's fees) incurred by or on behalf of us in the defense against any and all such claims.

#### **Article 12. Franchisor's Obligations**

1. We will maintain a continuing advisory relationship with you by providing such assistance as we deem appropriate regarding the development and operation of the Tea Shop. We may require that you designate a fully-trained person as our primary contact.
2. We will advise on the selection of the Tea Shop's site as well as its construction, design, layout, equipment, maintenance, repair and remodeling. We will advise on the training of managers and crew personnel; on marketing and merchandising; on inventory control and record-keeping; and on all aspects of Tea Shop operations.
3. In support of our advisory relationship, we will make available to you our then-current operations manuals setting out our Standards, together with explanatory policies, procedures and other materials to assist you in complying with those Standards. We will continue our efforts to maintain high and uniform standards of quality, cleanliness, appearance and service at all Tea Shops.

#### **Article 13. Term and Renewal**

1. Term. The Agreement will be effective and binding for a period of three (3) years from the Effective Date (the "Term"), unless terminated earlier in accordance with Article 17 or by mutual agreement or renew in accordance with this Article. It will be terminated automatically without further notice at the end of the Term.
2. Conditional Renewal of Franchise. This Agreement will not automatically renew upon the expiration or early termination of the Term. You have an option to renew the Franchise upon the expiration of the Term for additional term of two (2) years (the "Renewal Term") if, and only if, each and every one of the following conditions have been satisfied:
  - a. You give us written notice of your desire to renew the Franchise at least six (6) months prior to the end of the Term;
  - b. You are not, when notice is given, and do not become prior to the expiration or early termination of the Term, in default of any provision of this Agreement or any other agreement between you and us or your subsidiaries or affiliates or with any other creditor or supplier of the Tea Shop or lessor or sub-lessor of the Tea Shop, and you have maintained the most current Standards;

- c. and you will have fully and faithfully performed all of its obligations under this Agreement and all such other agreements throughout their terms;
- d. You must execute and deliver to us, within ten (10) business days (or any longer period required by law) after delivery to you, the then-current form of Agreement being offered to new franchisees at the time of renewal, including all exhibits and our other then-current ancillary agreements, which will supersede in all respects the terms and conditions of this Agreement and may contain terms and conditions substantially different from those set forth herein, including, without limitation, an increase in Royalty or marketing funds or a change in the Site. The renewal fee is US\$10,000;
- e. We approve the terms of any lease extension or new lease covering the Renewal Term, whether the lease for the Site is with our affiliate or us or with a third party, including a third party in which you have an interest; or you provide us with evidence that you have the right to remain in possession of the Site or to secure and develop a suitable alternative site acceptable to us for the Renewal Term;
- f. Prior to entering into the successor franchise agreement, we may request you and/or your supervisory and operational manager(s) to attend and successfully complete to our reasonable satisfaction any retraining program we may require, at your sole expense; and
- g. You execute and deliver a termination of this Agreement, in the form we prescribe from time to time that releases all claims that we may have against each other, and our respective parents, affiliates and subsidiaries, and their respective officers, directors, shareholders and employees in both their corporate and individual capacities; provided, however, that each parties' indemnification obligations for claims arising in connection with this Agreement will survive termination of this agreement.

#### **Article 14. Assumption and Transfer of Rights**

1. A "transfer" by you is any sale, assignment, transfer, conveyance, gift, pledge, mortgage or other encumbrance of any interest in either this Agreement, the franchise itself, or any proprietorship, partnership, limited liability company ("LLC") or corporation which owns any interest in the franchise, to any person, persons, partnership, association, LLC or corporation, whether by contract, operation of law or otherwise.
2. Transfer by Us: This Agreement inures to the benefit of our successors and assigns, and we may assign our rights to any person or entity that agrees in writing to assume all of our obligations without your approval. Upon transfer, we will have no further obligation under this agreement, except for any accrued liabilities.
3. Transfer by You: We entered into this Agreement based on your qualifications. You may transfer a direct or indirect interest in this Agreement, but the Site and the associated rights and obligations are a package and are not themselves divisible in any way. Any transfer requires our prior written consent, which will not be unreasonably withheld. In the event a person holding a direct or indirect interest dies, that person's legal representative must, within six (6) months of the event, apply in writing to transfer that interest with notice to all other persons having a direct or indirect interest in this Agreement.

4. Transfer Fee: At the time of transfer, you must pay us a Transfer Fee of US\$10,000.
5. Right of First Refusal: In the event that you desire to sell, assign, or transfer any of your interest in the Tea Shop, you will give us prior six-month written notice of such desire, setting forth in such notice all of the details of such contemplated sale, assignment or transfer, including without limitation thereto, the price, currency, terms and conditions of such proposed transaction and the identity and address of the proposed purchaser or transferee. We will have fourteen (14) calendar days after receipt of such notice to exercise in writing our right of first refusal option to purchase your interest with the terms and conditions mutually agreed by the Parties. If the Parties cannot reach consensus of the terms and conditions within fourteen (14) calendar days of the above notice, then we will evaluate whether we would approve such transfer pursuant to Article 14.3.

#### **Article 15. Forbidden to Engage in Competition**

You agree that you will receive valuable training and Confidential Information that you otherwise would not receive or have access to but for the rights licensed to you under this Agreement, and you have received the right to operate a Sharetea system. You therefore agree to the following noncompetition covenants:

1. Unless otherwise specified, the term “you” as used in this Article includes, collectively and individually, all spouses and family members of any shareholders, members, principal owners, guarantors, officers, directors, managers, partners, as the case may be, and holders of any ownership interest in you. We may require you to obtain from your manager and other individuals identified in the preceding sentence a signed non-compete agreement in a form satisfactory to us that contains the non-compete provisions of this Article.
2. You agree that during the term of this Agreement, or during any Renewal Term, you will not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, maintain, engage in, consult with or have any interest in any Competitive Business (as defined below) other than one authorized by this Agreement or any other agreement between us and you.
3. You agree that you will not, for a period of two (2) years after the expiration or termination of this Agreement, or after the expiration or termination of any Renewal Term, regardless of the cause of termination, or within two (2) years of the sale of the Tea Shop or any interest in you, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, maintain, engage in, consult with or have any interest in a Competitive Business at the Site of the former Tea Shop and within a 3-mile radius of the Site. For purposes of this Article, a “Competitive Business” includes any business where 50% or more of its sales include the sale of gourmet coffees and teas, coffee or tea-based beverages, bubble tea.
4. You agree that the length of time in this Article will be tolled for any period during which you are in breach of the covenants or any other period during which we seek to enforce this Agreement. The parties agree that each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement.
5. In the event you violate this Article, you will pay us a liquidated damage of US\$10,000 for each violation, all gains you have derived from the violation, and immediate cease of all competing activities. You agree that a breach of the covenants contained in this Article will be

deemed to threaten immediate and substantial irreparable injury to us and give us the right to obtain immediate injunctive relief without limiting any other rights we might have.

**Article 16. Confidentiality obligations**

1. All information, including but not limited to the information relating to Sharetea System and other technologies, formulation, recipes, manufacturing methods, programs, pricing structures, marketing strategy, and store designs are our trade secret (the “Confidential Information”). Confidential Information further includes any information that derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, 3<sup>rd</sup> parties who can obtain economic value from its disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. You expressly acknowledge that your relationship with us does not vest in you any interest in the Confidential Information other than the right to use it in the development and operation of the Tea Shop. Use or duplication of Confidential Information in any other business would constitute an unfair method of competition.
2. You, who have been made to know or in possession of the foresaid Confidential Information by joining the franchise, are only allowed to utilize said Confidential Information insofar as it is necessary for the execution of the Agreement. At all times both during the term of this Agreement and after expiration or earlier termination of this Agreement for any reason, you (and your directors, officers, employees, representatives, managers, shareholders, members, partners or other equity owners) will take all the necessary steps to prevent the unauthorized disclosure of the Confidential Information to any third party, with the exception of sub-franchisees who will also be subject to the confidentiality obligations to us under the sub-franchise agreements. Such obligation will continue for two (2) years following the expiration or early termination of this Agreement.
3. In the event you violate this Article, you will pay us a liquidated damage of US\$10,000 for each violation plus all gains you have derived from the violation. If you fail to remedy such violation, we may, at our sole discretion, terminate the Agreement immediately without further notice.
4. This Article will survive expiration or termination of this Agreement.

**Article 17. Termination**

1. This Agreement may be terminated with immediate effect by mutual written agreement by both Parties.
2. In addition to your right to terminate the agreement upon any grounds available by law and other right of termination as stated in this Agreement, in the event that any one of the following has occurred, we are entitled to, by providing a prior 180-days written notification to rescind, terminate, or refuse renewal of this Agreement and claim against you for damages incurred thereby as a result:
  - a. you default on a monetary obligation to us and do not cure the default within thirty (30) calendar days from the date you receive our written notice to cure (if state law requires a longer cure period, then that longer period will apply);
  - b. you default on any other provision of this Agreement, or any agreements between you or your affiliates and us or our affiliates, and do not cure the default within

thirty (30) calendar days from the date you receive our written notice to cure (if state law requires a longer cure period, then that longer period will apply);

- c. you have experienced a change of control (a change of control does not occur if you retain more than 50% of the shares after the transfer, or if all of the interests transfer to your spouse(s) or children or to your beneficiaries or heirs in the event that you die or become mentally incapacitated); or
- d. you challenge the validity of the Trademarks, marks, trade names, service logos, graphic configurations, emblems, apparels and designs of the Sharetea System;
- e. if you are convicted of or plead guilty or no contest to a felony or crime of moral turpitude; or
- f. if you commit a fraud upon any of our affiliate(s) or us.

3. If we terminate this Agreement or upon the expiration of this Agreement, then

- a. you must immediately pay us all unpaid Franchise Fees, Royalty payment, or any amount due, without reduction or offset, even if you did not open any or all of the Tea Shop;
  - b. all rights granted pursuant to this Agreement will cease immediately without further notice;
  - c. you will co-operate with us in the cancellation of any licenses or registrations registered with you or under your name, if any, and will execute such documents and do all acts and things as may be necessary to affect such cancellation;
  - d. you will return to us promptly, at your sole expense, all records and copies of promotional materials or objects in its possession relating to the Sharetea System, and of any information of a confidential nature communicated to you by us or our affiliates pursuant to, in connection with, or arising from this Agreement.
4. The expiration or termination of this Agreement will not affect any provision of this Agreement that expressly or by implication is intended to come into or continue in force on or after termination or expiry of this Agreement, and will remain in full force and effect.
5. Termination or expiration of this Agreement will not affect any rights, remedies, obligations or liabilities of the parties that have accrued up to the date of termination or expiration, including the right to claim liquidated damages in respect of any breach of the Agreement which existed at or before the date of termination or expiration.

**Article 18. Dispute settlement**

Whenever this Agreement or any related agreement grants, confers or reserves to us the right to take action, refrain from taking action, grant or withhold our consent or grant or withhold our approval, unless the provision specifically states otherwise, we will have the right to engage in such activity at our option, taking into consideration, our assessment of the long term interests of the Sharetea System overall. You and us recognize, and any court or judge is affirmatively advised, that if those activities and/or decisions are supported by our business judgment, neither said court, said judge nor any other person reviewing those activities or decisions will substitute his, her or its judgment for our judgment. When the terms of this Agreement specifically require that us not

unreasonably withhold our approval or consent, if you are in default or breach under this Agreement, any withholding of our approval or consent will be considered reasonable.

The Agreement has been entered into in accordance with laws of Illinois, and all questions with respect to the construction of this Agreement and the rights and liabilities of the parties will be governed by the laws of Illinois without regard to its conflicts of laws, and excluding the application of the United Nations Convention on Contracts for the International Sale of Goods 1980.

Any dispute, disagreement, controversy or claim arising out of or in connection with this Agreement (“Dispute”) will be settled by the parties through mutual good-faith discussions. If the parties are unable to do so within sixty (60) calendar days after the complaining party’s written notice to the other party, the parties will then seek to resolve the dispute through non-binding mediation conducted in Illinois. Each party must bear its own expenses in connection with the mediation and must share equally the fees and expenses of the mediator. If the parties are unable to resolve the dispute within sixty (60) calendar days after commencing mediation, either party may commence litigation in the applicable courts in Illinois. Notwithstanding the commencement of such dispute resolution, the Parties will continue to perform their obligations hereunder.

#### **Article 19. Waiver/Integration**

No waiver by us of any breach by you, nor any delay or failure by us to enforce any provision of this Agreement, may be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce our rights with respect to that or any other or subsequent breach. Subject to our rights to modify the operations manuals and/or the Standards and as otherwise provided herein, this Agreement may not be waived, altered or rescinded, in whole or in part, except by a writing signed by you and us. This Agreement together with the addenda and appendices hereto and the application form executed by you requesting us to enter into this Agreement constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations, and agreements. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document we furnished to you. You acknowledge that you are entering into this Agreement as a result of your own independent investigation of our franchised business and not as a result of any representations about us made by our shareholders, officers, directors, employees, agents, representatives, independent contractors, or franchisees that are contrary to the terms set forth in this Agreement, or in any franchise disclosure document, prospectus, or other similar document required or permitted to be given to you pursuant to applicable law.

#### **Article 20. Miscellaneous**

1. An event of Force Majeure will mean an event where you are unable to perform any portion this Agreement by any prevention, delay, or stoppage caused by strikes, lockouts, labor disputes, acts of God, inability to obtain services, labor, or materials or reasonable substitutes for those items, government actions, civil commotions, fire or other casualty, or other causes beyond your reasonable control.
2. You are an independent contractor of ours. Neither party to this Agreement has the power to bind the other. Neither party is liable for any act, omission, debt or any other obligation of the other, and you and we agree to indemnify and save each other harmless from any such claim and the cost of defending such claim.



3. The waiver by either party of a breach of any provision of this Agreement applies only to that one breach and only to that one provision.
4. If we accept payments from any person or entity other than you, such payments will be deemed made by such person as your agent and not as your successor.
5. If, for any reason, any provision of this Agreement is determined to be invalid or to conflict with an existing or future applicable law, then the remaining provisions will continue to bind the parties and the invalid or conflicting provision will be deemed not to be a part of this Agreement.
6. Our rights and remedies are cumulative.
7. Neither you nor your successor may create or assert any security interest or lien in this Agreement.
8. This Agreement and the documents referred to herein will be the entire, full and complete agreement between you and us concerning the subject matter of this Agreement, which supersedes all prior agreements.
9. Nothing in this Agreement is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.
10. This Agreement may only be modified by the parties in writing.
11. All notices will be sent by prepaid private courier or certified mail to the addresses specified below, or to such other addresses as you and we provide each other in writing.

**To Sharetea**

*Attention:*

*Address:* 18F.-7, No. 95, Sec. 1, Xintai 5th Rd.,

Xizhi Dist., New Taipei City 221416,

Taiwan

*Tel:*

*Fax:*

*Email:*

**To Franchisee**

*Attention:*

*Address:*

*Tel:*

*Fax:*

*Email:*

12. Your success in this business is speculative and depends, to an important extent, upon your ability as an independent business owner. We do not represent or warrant that locations we approve will achieve a certain level of sales or be profitable. If we provide maps, demographics or other information to you in connection with the Site, we do so without any representation or warranty that the information is complete, accurate or current. We do not represent that you will be able to find or secure appropriate location or that you will be able to develop the Tea Shop. You further acknowledge and understand that we make no representation, promise, warranty, or guarantee, express or unlimited, that the Tea Shop operates at the approved Site will be profitable or otherwise successful. By your signature below, you acknowledge that you have entered into this Agreement after making an independent investigation of the Sharetea System and the Site.
13. 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.

**In Witness Whereof**, the parties have been given full understanding as to the extent of the Agreement and do so by acknowledging with due signature and endorsement by authorized signatories from the parties as provided below.

**Lilian USA LLC**

\_\_\_\_\_

Signature: \_\_\_\_\_

Name: Cheng, Kai-Lung

Title: President

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## **Exhibit A**

### **Form of Memorandum of Understanding “Sharetea” Licensing Memorandum of Understanding (for Single Store)**

Licensor : Lilian USA, LLC (referred to as “Party A”)

Licensee of the Area : (referred to as “Party B”)

#### **Cooperation Purpose:**

As Party A illustrates and discloses to Party B that Party A has the operation management KNOW-HOW of the brand “Sharetea” (the “Brand”), Party B wishes to apply to Party A for the non-exclusive right to use the brand of “Sharetea” in \_\_\_\_\_ for operating one (1) tea shop.

Both parties agree that the total amount of the franchise fee is US\$\_\_\_\_\_. The upfront franchise fee payable to Party A is for obtaining the right to open one (1) tea shop under the Brand in \_\_\_\_\_ (the “Area”) for a period of three (3) years, and to receive educational training in your store (of which Party B shall be solely responsible for its staff’s transportation, accommodation and meal expenses and Party B shall also be responsible for the consultant’s round trip airfares from Taiwan (Republic of China) and local transportation, meals, three stars or above hotel accommodation). The fees shall be paid as follows:

- 1) Party B is obligated to pay US\$\_\_\_\_\_ of the first installment of royalty fees within seven (7) calendar days after the execution of the memorandum of understanding.
- 2) Party B shall pay US\$\_\_\_\_\_ of the second installment of franchise fee and US\$10,000 of refundable guarantee fee within fourteen (14) calendar days after signing the Agreement. Refundable guarantee fee shall be returned to Party B at expiration of the Agreement, provided that there is no breach of the Agreement by Party B.
- 3) After your tea shop opening, you will pay a royalty fee of 6% of your gross monthly sales of the tea shop, with a minimum royalty fee of US\$1,200 per month. The royalty fee for the previous month is also payable before the 10th of the next month, along with the previous month’s financial statements and related records.
- 4) Party A will assign a consultant to assist Party B in the overall operating plan. Party B shall pay for the fee incurred, including local transportation, meal, and hotel accommodation expenses.

- 5) Party A shall pay visits and inspect at Party B's store regularly. Or Party A at the request of Party B, Party A shall assign consultants to go to \_\_\_\_\_ provide consultation and supervision every three (3) months or six (6) months. Party B shall pay for the fee incurred, including international transportation, local transportation, meal, and hotel accommodation expenses as well as the salary US\$300 per person per day for technical and service consultants,

Party B shall set up a company for operating the brand "Sharetea". To ensure the uniform style of "Sharetea", Party B shall comply with Party A's standardized operation process and corporate identity system of store design. To ensure the uniform quality of material, Party B shall comply where necessary with the requirements of raw material and distinctive package set by Party A; otherwise Party B shall be deemed in breach.

### **Responsibilities, Obligations and Confidentiality**

The Parties shall negotiate in good faith to shall sign the Agreement within ninety (90) calendar days after the execution of the memorandum of understanding. The Memorandum of Understanding shall terminate at expiration. Party B shall fulfill the confidentially obligation and return all confidential information and materials of Party A acquired by Party B. In an event that the memorandum of understanding has expired without the Parties signing the Agreement, 50% of the paid franchise fee and US\$10,000 of refundable guarantee fee shall be refunded to Party B (remittance fee shall be deducted). Party B shall not disclose any trade secret of party A to third parties without Party A's prior written approval. Failure to fulfill the confidentially obligation Party A shall request Party B to compensate three (3) times for any damages resulted therefrom.

### **Language**

This memorandum of understanding shall be both in Chinese and English. If there is any inconsistency between the Chinese version and the English version, the English version shall prevail.

The memorandum of understanding shall be executed in two (2) counterparts with the parties each holding one for reference.

Party A: Lilian USA, LLC

Representative:

Signature:

Party B:

Representative:

Signature:

Effective Date: , 20\_\_

## Exhibit B

### List of Equipment, Hardware, and Utensils that Franchisee Must Purchase

#### self-purchased hardware and utensils for outlet operation

Item	No.	used area	name/specification	Qt	purpose	Item	No.	used area	name/specification	Qt	purpose
equipment	1	front-operation	MIC and Speakers	1	taking orders	counter	1	stationery	coin sorting box	1	sorting and counting coins
	2	front-operation	number display	1	showing numbers		2	stationery	tape dispenser(approximate)	1	for sealing holes on the cups
	3	front-operation	fax machine or all-in-one machine	1	faxing and printing		3	stationery	inkpad	1	stamping
	4	front-operation	telephone	1	delivery hot line		4	stationery	knife	1	opening up cartons
	6	front-operation	weighing scale(Kingship sw-15K)	1	weighing ingredients		5	stationery	clock	1	time management
	7	front-operation	juicer	1	fresh lemon juice		6	stationery	red and blue ball pens	2~4	paper work
	1	front-operation	cutting board	1	cutting fruit		7	stationery	permanent ink marker	1	labeling
utensils	2	front-operation	fruit knife	1	cutting fruit		8	stationery	stapler and staples	1	paper work
	3	front-operation	knife sharpener	1			9	stationery	correction pen	1	paper work
	4	front-operation	thermos(cooler)	1	making sample drinks		10	stationery	pack clip	1	sealing bags
	5	front-operation	testing cups 30cc	1			11	stationery	wide tape holder	1	sealing cartons
	5	front-operation	can opener	2	opening tins		12	stationery	wide tape	1	sealing cartons
	6	back-storage	metal shelves(90*45*180)	1	storing	miscellaneous	1	cleaning supplies	broom	1	cleaning
	7	front-operation	scissors	1			2	cleaning supplies	dustpan	1	cleaning
	8	back-storage	plastic drawers(big)	1	storing powder		3	cleaning supplies	mop	1	cleaning
	9	back-storage	A4 plastic bags	1	unpacking creamer		4	cleaning supplies	bucket	1	cleaning
	10	back-storage	plastic bucket(48~56L)	1	storing creamer		5	cleaning supplies	washing liquid		cleaning
							6	cleaning supplies	trash can(big with lid)	1	cleaning
							7	cleaning supplies	bin bags		
							8	cleaning supplies	hand wash liquid		

## Exhibit C

### Directory of Administrative Agencies

#### **California**

Department of Financial Protection &  
Innovation  
2101 Arena Boulevard Sacramento, CA  
95834  
Toll Free Number 1-866-275-2677

#### Los Angeles

320 West 4<sup>th</sup> Street, Suite 750  
Los Angeles, California 90013-2344  
(213) 576-7514

#### Sacramento

1515 K Street, Suite 200  
Sacramento, California 95814  
(916) 445-7205

#### San Diego

1350 Front Street  
San Diego, California 92101  
(619) 525-4044

#### San Francisco

One Sansome Street, Suite 600  
San Francisco, California 94104  
(415) 972-8559

#### **Hawaii**

(for service of process)  
The Commissioner of Securities  
Department of Commerce and Consumer  
Affairs  
Business Registration Division  
335 Merchant Street, Room 203  
Honolulu, Hawaii 96813  
(808) 586-2722

(state agency)

The Commissioner of Securities  
Department of Commerce and Consumer  
Affairs  
Business Regulation Division

335 Merchant Street, Room 203  
Honolulu, Hawaii 96813

#### **Illinois**

Illinois Attorney General  
500 South Second Street  
Springfield, Illinois 62706  
(217) 382-4465

#### **Indiana**

(for service of process)  
Indiana Secretary of State  
201 State House  
200 West Washington Street  
Indianapolis, Indiana 46204  
(317) 232-6531

(state agency)

Indiana Secretary of State  
Securities Division, Room E-111  
302 West Washington Street  
Indianapolis, Indiana 46204  
(317) 232-6681

#### **Maryland**

(for service of process)  
Maryland Securities Commissioner at the  
Office of Attorney General  
Securities Division  
20<sup>th</sup> Floor, 200 St. Paul Place  
Baltimore, Maryland 21202-2021  
(410) 576-6360

(state agency)

Office of the Attorney General – Securities  
Division  
20<sup>th</sup> Floor, 200 St. Paul Place  
Baltimore, Maryland 21202-2021  
(410) 576-6360

**Michigan**

(for service of process)  
Michigan Department of Commerce  
Corporations and Securities Bureau  
PO Box 30054  
6546 Mercantile Way  
Lansing, Michigan 48909

(state agency)  
Consumer Protection Division  
Antitrust and Franchise Unit  
Michigan Department of Attorney General  
670 G Mennen Williams Building  
525 West Ottawa, 1<sup>st</sup> Floor  
Lansing, Michigan 48933-1105  
(517) 373-7117

**Minnesota**

Minnesota Department of Commerce  
Commissioner of Commerce  
85 7<sup>th</sup> Place East, Suite 280  
St Paul, Minnesota 55101  
(651) 539-1500

**New York**

(for service of process)  
Secretary of the State of New York  
99 Washington Avenue  
Albany, New York 12231  
(518) 474-4750

(state agency)  
New York State Department of Law  
Investment Protection Bureau  
28 Liberty St. Floor New York, NY 10005  
(212) 416-8222

**North Dakota**

North Dakota Securities Department  
Fifth Floor 600 East Boulevard  
Bismarck, North Dakota 58505  
(701) 328-2910

**Oregon**

Department of Consumer and Business  
Services  
Division of Finance and Corporate  
Securities  
Labor and Industries Building  
Salem, Oregon 97310  
(503) 338-4140

**Rhode Island**

Division of Securities  
1511 Pontiac Avenue  
Cranston, Rhode Island 02920  
(401) 462-9582

**South Dakota**

South Dakota Department of Labor and  
Regulation  
Division of Securities  
445 E Capitol  
Pierre, South Dakota 57501  
(605) 773-4823

**Virginia**

(for service of process)  
Clerk of the State Corporation Commission  
1300 East Main Street, 1<sup>st</sup> Floor  
Richmond, Virginia 23219  
(804) 371-9733

(for other matters)  
State Corporation Commission  
Division of Securities and Retail  
Franchising  
1300 East Main Street, Ninth Floor  
Richmond, Virginia 23219  
(804) 371-9051



**Washington**

(for service of process)

Director Department of Financial  
Institutions

Washington Department of Financial  
Institutions

Securities Division

150 Israel Road SW

Tumwater, Washington 98501

(for other matters)

Department of Financial Institutions

Securities Division

PO Box 9033

Olympia, Washington 98507-9033

(360) 902-8760

**Wisconsin**

Commissioner of Securities

Wisconsin Department of Financial  
Institutions

345 West Washington Avenue, 4<sup>th</sup> Floor

Madison, Wisconsin 53703

(608) 266-1064

## **Exhibit D**

### **Additional Disclosure Required By the State**

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Minnesota Statute 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchiser from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statute 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

With respect to franchises governed by Minnesota law, the franchiser will comply with Minnesota Statute 80C.14 Subd. 3-5, which require (except in certain specified cases)

- that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement and
- that consent to the transfer of the franchise will not be unreasonably withheld.

Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statute 80C.12 Subd. 1(G). The franchiser will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.

Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minnesota Rule 2860.4400(J) also, a court will determine if a bond is required.

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.

The Limitations of Claims section must comply with Minnesota Statute 80C.17 Subd. 5.

**Lilian USA LLC**

\_\_\_\_\_

Signature: \_\_\_\_\_  
Name: Cheng, Kai-Lung  
Title: President

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## Exhibit E

### Contact Information of Former and Current Franchisees

Below please find contact information of the former franchisees (please note that one franchisee may have multiple stores):

<u>Arizona</u>		
<u>Julie Vo</u> <u>113 E. Southern Ave, Suite</u> <u>117 Tempe, AZ 85281</u> <u>Tang.mai232@gmailcom</u>		

<u>California</u>		
<u>Ya-Lun Lin</u> <u>8460 Elk Grove Blvd Suite</u> <u>300, Elk Grove, CA 95758</u> <u>yalun.lin@yahoo.com</u>	<u>Terry Peng</u> <u>2495 first street,</u> <u>Livermore, CA 94550</u> <u>circle-net@sbcglobal.net</u>	<u>Hur Min Seok</u> <u>401 South Vermont Avenue,</u> <u>Space 6, Los Angeles CA</u> <u>90020</u> <u>minseok.hur@gmail.com</u>
<u>Anita</u> <u>540 Bryant St., Palo Alto, CA</u> <u>94301</u> <u>anitabin@yahoo.com</u>	<u>Minh Nguyen</u> <u>3740 Iowa Ave Suite 103,</u> <u>Riverside, CA 92507</u> <u>minh1968@gmail.com</u>	<u>Jen Ta Su</u> <u>1722 Desire Ave, Rowland</u> <u>Heights, CA 91748</u> <u>ameriwayusa@gmail.com</u>
<u>Albert</u> <u>568 El Camino Real ste a,</u> <u>Sunnyvale, CA 94087</u> <u>sharetea.sunnyvale@gmail.co</u> <u>m</u>	<u>Jea Wong</u> <u>506 S Myrtle Ave Monrovia,</u> <u>CA 91016</u> <u>aumontagne@gmail.com</u>	

<u>Georgia</u>		
<u>Yanki Lam</u> <u>Suite #205, 3455 Peachtree</u> <u>Industrial Blvd, Duluth, GA</u> <u>30096</u> <u>yanyankiyan1993@gmail.co</u> <u>m</u>		

<u>Washington</u>		
<u>Yin-Chih Chow</u> <u>1100 NE 45th Ave. Suite 100,</u> <u>Seattle, WA 98105</u> <u>bagashuw@hotmail.com</u>		

<u>Texas</u>		
--------------	--	--

<u>Brian Su</u> <u>1386 E Belt Line Rd,</u> <u>Richardson, TX 75081</u> <u>briansu08@gmail.com</u>	<u>Allen Nguyen</u> <u>3810 S Cooper St Suite 148,</u> <u>Arlington, TX 76015</u> <u>golfer1820@yahoo.com</u>	
---	--	--

Below please find contact information of the current franchisees (please note that one franchisee may have multiple stores):

<u>Alabama</u>		
<u>Thi Minh</u> <u>the space #1 with 1200 sq ft at</u> <u>4001 Government Blvd,</u> <u>Mobile, AL 36693</u> <u>songhuong00@yahoo.com</u>		

<u>Arizona</u>		
<u>Tony K. Djie</u> <u>140 N Arizona Ave, Chandler,</u> <u>AZ 85225</u> <u>michdol@yahoo.com</u>	<u>Tony K. Djie</u> <u>2100 N. Tatum BLVD. Space</u> <u># D-11 Phoenix, Arizona</u> <u>85050</u> <u>michdol@yahoo.com</u>	

<u>California</u>		
<u>Jea Wong</u> <u>55 E Duarte Rd Arcadia, CA</u> <u>91006</u> <u>aumontagne@gmail.com</u>	<u>Jason Quach</u> <u>1707 Columbus St, Bakersfield,</u> <u>CA 93305</u> <u>wemaketeallc@gmail.com</u>	<u>Anthony Lee</u> <u>1541 E2nd ST STE 300</u> <u>BEAUMONT, Calirformia</u> <u>92223</u> <u>sharetearedlands@gmail.com</u>
<u>Sam</u> <u>2328 Telegraph Ave., Berkeley</u> <u>CA 94704</u> <u>samshaer@gmail.com</u> <u>Mohammed@shareteadavis.com</u> <u>Sam@shareteadavis.com</u>	<u>May Chung</u> <u>11900 South Street, #106,</u> <u>Cerritos, CA 90703</u> <u>maychung@live.com;</u> <u>tedtuai@yahoo.com</u>	<u>Michael Do</u> <u>2974 Chino Ave. Chino Hills,</u> <u>CA 91709</u> <u>michdol@yahoo.com</u>
<u>Jeremiah Hayden</u> <u>2010 Birch Road, Suite No. 103,</u> <u>Chula Vista, CA 91915</u> <u>htcenturesllc@gmail.com</u>	<u>Kevin</u> <u>1850 Mount Diablo Street</u> <u>Concord, 94520</u> <u>chichaopeng@yahoo.com</u> <u>circle-net@sbcglobal.net</u> <u>barbaraypeng@sbcglobal.net</u>	<u>Sam Shaer</u> <u>208 F St., Davis CA 95616</u> <u>samshaer@gmail.com</u> <u>Mohammed@shareteadavis.com</u> <u>Sam@shareteadavis.com</u>
<u>Lan Dang</u> <u>945 W. Valley Parkway, Suite D,</u> <u>Escondido CA</u> <u>mskj dang@yahoo.com</u>	<u>Jeff Todd</u> <u>2401 Waterman Blvd, Ste 1,</u> <u>Fairfield, CA 94534</u> <u>jeff.todd@trynor-</u> <u>enterprises.com</u>	<u>Yong Shin</u> <u>16051 Brookhurst St, Ste F,</u> <u>Fountain Valley, CA 92708</u> <u>eric.shin1@gmail.com</u>

<u>Bao Xi Cheng</u> <u>3948 Washington Blvd,</u> <u>Fremont, CA</u> <u>shareteaafremont@gmail.com</u>	<u>Kuan</u> <u>2445 E Chapman Ave. Fullerton,</u> <u>CA 92831</u> <u>ksyee3@yahoo.com</u>	<u>Vic Abgaryan</u> <u>2210 Glendale Galleria Space</u> <u>S006 Glendale, CA 91210</u> <u>glendalesharetea@yahoo.com</u>
<u>Terrence</u> <u>24351 Southland Dr Hayward,</u> <u>CA 94545</u> <u>sharetea118@gmail.com ,</u> <u>terry_300@yahoo.com</u>	<u>Jeff Todd</u> <u>1375 Sycamore Ave., Ste. D</u> <u>Hercules, CA 94547</u> <u>jeff.todd@trynor-</u> <u>enterprises.com</u>	<u>Yong Shin</u> <u>4199 Campus Dr. Irvine, CA,</u> <u>United States 92612</u> <u>eric.shin1@gmail.com</u>
<u>Elizabeth Het Nguyen</u> <u>6237 Pats Ranch Rd., Suite C.,</u> <u>Jurupa Valley, CA 91752</u> <u>elizabeth.bmre@gmail.com</u>	<u>Nicole Nguyen</u> <u>3572 El Toro Td Ste C Lake</u> <u>Forest , CA 92630</u> <u>sharetealakeforest@gmail.com</u>	<u>Rithy Khen</u> <u>24208 Crenshaw Blcd, Lomita,</u> <u>CA 90505</u> <u>khenrithy@yahoo.com</u>
<u>Won Kyung Cho</u> <u>1055 Broxton Ave, Los Angeles,</u> <u>CA 90024</u> <u>uclasharetea@gmail.com</u>	<u>David Johnson</u> <u>35 West Main Street, Los Gatos,</u> <u>California 95030</u> <u>dj@djco.com,</u> <u>Jeff@sharecorp.co ,</u> <u>jeffrey.m.johnson@gmail.com</u>	<u>Brittany Chan</u> <u>27774 Newport Rd. Ste. 100</u> <u>Menifee, CA 92584</u> <u>somphorsbrittany@yahoo.com</u>
<u>Hoa Ngoc Diep</u> <u>2010 S. Mooney Blvd, Suite</u> <u>103, Visalia, CA, 93277</u> <u>tramle17@gmail.com</u>	<u>Annie Lam</u> <u>27110 Eucalyptus Avenue, Suite</u> <u>E, Moreno Valley, CA 92555</u> <u>juliehnguyen@tngrealestate.com</u> <u>; annie.lam14@gmail.com</u>	<u>Kouanchay Dang</u> <u>1147 Highland Ave, National</u> <u>City, CA 91950</u> <u>mskjdang@yahoo.com</u>
<u>Sang Chul Lee</u> <u>9301 Tampa Ave. #146</u> <u>Northridge., CA. 91324</u> <u>soy@it-closet.com</u>	<u>Jeremiah Hayden</u> <u>1046 Mission Ave Suite 1016,</u> <u>Oceanside CA 92054</u> <u>htoventuresllc@gmail.com</u>	<u>Tina Chow-Yee</u> <u>41 Moraga Way, Orinda, CA</u> <u>94563</u> <u>theyees523@gmail.com</u>
<u>Anthony Lee</u> <u>1301 W RANCHO VISTA</u> <u>BLVD, UNIT J, PALMDALE,</u> <u>CA 93551</u> <u>shareteapalmdale@gmail.com</u>	<u>Terry</u> <u>4705 Century Blvd, Pittsburg,</u> <u>CA 94565</u> <u>terrypeng@gmail.com</u>	<u>Yong Shin</u> <u>No. 1017, 12505 N Mainstreet,</u> <u>Rancho Cucamonga, CA 91739</u> <u>eric.shin1@gmail.com</u>
<u>Nicole Nguyen</u> <u>22342C El Paseo, Rancho Santa</u> <u>Margarita, CA 92688</u> <u>sharetealakeforest@gmail.com</u>	<u>Anthony Lee</u> <u>27471 San Bernardino Avenue,</u> <u>suite 200, Redlands CA 92374</u> <u>sharetearedlands@gmail.com</u>	<u>Anthony Lee</u> <u>1276 S Riverside Ave, Rialto,</u> <u>CA</u> <u>sharetearedlands@gmail.com</u>
<u>Minh Nguyen</u> <u>10920 Magnolia Ave., Unit B.,</u> <u>Riverside, CA</u> <u>juliehnguyen@tngrealestate.com</u> <u>; annie.lam14@gmail.com</u>	<u>Jea Wong</u> <u>9038 Garvey Ave., Unit 101,</u> <u>Rosemead, CA 91770</u> <u>aumontagne@gmail.com</u>	<u>Tina Sakasegawa</u> <u>6353 El Cajon Blvd San Diego,</u> <u>CA 92115</u> <u>shareteasdsu@gmail.com</u>
<u>Kouanchay Dang</u> <u>12750 Carmel Country Road,</u> <u>Suite A-113, San Diego,</u> <u>California 92130</u> <u>mskjdang@yahoo.com</u>	<u>Micheal</u> <u>4917 Convoy St. San Diego, CA</u> <u>92111</u> <u>shareteasandiego@gmail.com</u>	<u>Jeremiah Hayden</u> <u>9827 Mira Mesa Blvd San</u> <u>Diego, CA 92131</u> <u>htinvestmentgrouppllc@gmail.co</u> <u>m</u>
<u>Lan Dang</u> <u>5267 Linda Vista Road, San</u> <u>Diego, CA 92110</u>	<u>Kit</u> <u>135 4th St, San Francisco, CA</u> <u>94103</u>	<u>Kit</u> <u>865 Market Street, Space No.</u> <u>9003, San Francisco, CA94103</u>

<u><a href="mailto:muskjdang@yahoo.com">muskjdang@yahoo.com</a></u>	<u><a href="mailto:kit@shareteametreon.com">kit@shareteametreon.com</a></u>	<u><a href="mailto:kit@shareteametreon.com">kit@shareteametreon.com</a></u>
<u>Bao Xi Zheng</u> <u>1728 Hostetter Rd. San Jose CA</u> <u>95131</u> <u><a href="mailto:shareteaafremont@gmail.com">shareteaafremont@gmail.com</a></u> <u><a href="mailto:brentxizheng@gmail.com">brentxizheng@gmail.com</a></u>	<u>Terence</u> <u>699 Lewelling Blvd, San</u> <u>Leandro, CA 94579</u> <u><a href="mailto:sharetea118@gmail.com">sharetea118@gmail.com</a></u> , <u><a href="mailto:terry_300@yahoo.com">terry_300@yahoo.com</a></u>	<u>Lan Dang</u> <u>131 south Rancho Santa fe Road</u> <u>suit 131. San Marcos CA 92078</u> <u><a href="mailto:muskjdang@yahoo.com">muskjdang@yahoo.com</a></u>
<u>Alice Zhang</u> <u>78 Hillsdale Shopping Center,</u> <u>San Mateo, CA 94403</u> <u><a href="mailto:azhang1@gmail.com">azhang1@gmail.com</a></u> , <u><a href="mailto:danyolee@yahoo.com">danyolee@yahoo.com</a></u>	<u>Phuong Mach(Cindy)</u> <u>220 Main St, San Mateo, CA</u> <u>94401</u> <u><a href="mailto:cindymach@hotmail.com">cindymach@hotmail.com</a></u>	<u>Sammi</u> <u>967 Grand Ave. San Rafael, CA</u> <u>94901</u> <u><a href="mailto:sammiho1610@gmail.com">sammiho1610@gmail.com</a></u>
<u>Kevin</u> <u>2441 San Ramon Valley Blvd,</u> <u>Suite 3, San Ramon, CA 94583</u> <u><a href="mailto:chichaopeng@yahoo.com">chichaopeng@yahoo.com</a></u> <u><a href="mailto:circle-net@sbcglobal.net">circle-net@sbcglobal.net</a></u> <u><a href="mailto:barbaraypeng@sbcglobal.net">barbaraypeng@sbcglobal.net</a></u>	<u>Michael Do</u> <u>3940 S Bristol Street unit 113,</u> <u>Santa Ana, CA 92704</u> <u><a href="mailto:Michaeldo1@yahoo.com">Michaeldo1@yahoo.com</a></u>	<u>Michael Do</u> <u>1702 N. Bristol Street, Ste/ Unit</u> <u>F, Santa Ana, California 92706</u> <u><a href="mailto:michdo1@yahoo.com">michdo1@yahoo.com</a></u>
<u>Sam</u> <u>Space A345, 2855 Stevens Creek</u> <u>Bldv, Santa Clara, CA 95050</u> <u><a href="mailto:samshaer@gmail.com">samshaer@gmail.com</a></u> <u><a href="mailto:Mohammed@shareteadavis.com">Mohammed@shareteadavis.com</a></u> <u><a href="mailto:Sam@shareteadavis.com">Sam@shareteadavis.com</a></u>	<u>Won Kyung Cho</u> <u>13 Broadway, Santa Monica, CA</u> <u>90401</u> <u><a href="mailto:uclasharetea@gmail.com">uclasharetea@gmail.com</a></u>	<u>Linda</u> <u>3381 Cleveland Ave. Santa</u> <u>Rosa, Ca 95403</u> <u><a href="mailto:gardners16@gmail.com">gardners16@gmail.com</a></u>
<u>Janelle Manipol</u> <u>Unit # 1/A, 10318 Trinity Pkwy.,</u> <u>Ste. A, Stockton, CA 95219</u> <u><a href="mailto:rjalliance2020@gmail.com">rjalliance2020@gmail.com</a></u>	<u>Janelle Manipol</u> <u>15100 Golden Valley</u> <u>Parkway, Lathrop, CA 95330</u> <u><a href="mailto:rjalliance2020@gmail.com">rjalliance2020@gmail.com</a></u>	<u>Brittany Chan</u> <u>30070 Temecula Pkwy #103</u> <u>Temecula, CA 92592</u> <u><a href="mailto:somphorsbrittany@yahoo.com">somphorsbrittany@yahoo.com</a></u>
<u>Todd Jeffrey Leigh</u> <u>461 Skymaster Dr., Travis AFB,</u> <u>CA 94535</u> <u><a href="mailto:jeff.todd@trynor-enterprises.com">jeff.todd@trynor-</a></u> <u><a href="mailto:enterprises.com">enterprises.com</a></u>	<u>Sang Chul Lee</u> <u>24305 Town Center Drive,</u> <u>Suite#100, Valencia, CA 91355</u> <u><a href="mailto:soy@it-closet.com">soy@it-closet.com</a></u>	<u>Kevin</u> <u>153 Plaza Dr., Ste 103, Vallejo</u> <u>CA 94591</u> <u><a href="mailto:chichaopeng@yahoo.com">chichaopeng@yahoo.com</a></u> <u><a href="mailto:circle-net@sbcglobal.net">circle-net@sbcglobal.net</a></u> <u><a href="mailto:barbaraypeng@sbcglobal.net">barbaraypeng@sbcglobal.net</a></u>

<u>Colorado</u>		
<u>Allyson Robyn Tran</u> <u>2495 S Havana St., Site #D,</u> <u>Aurora CO 80014</u> <u><a href="mailto:tran3535@yahoo.ocm">tran3535@yahoo.ocm</a></u>	<u>Manish Patil</u> <u>4991 Factory Shops Blvd</u> <u>#130, Castle Rock, CO 80104</u> <u><a href="mailto:manishvp@gmail.com">manishvp@gmail.com</a></u>	<u>Kimberly Tran</u> <u>8834 N Union Blvd, Colorado</u> <u>Springs, CO 80920</u> <u><a href="mailto:nhulan24@yahoo.com">nhulan24@yahoo.com</a></u>
<u>Kim Le</u> <u>9579 S University Blvd #180,</u> <u>Highlands Ranch, CO 80126</u> <u><a href="mailto:aalenguyen4@gmail.com">aalenguyen4@gmail.com</a></u>	<u>Allyson Robyn Tran</u> <u>Space 7M1R46, 408 S Teller</u> <u>St. Lakewood, CO</u> <u><a href="mailto:tran3535@yahoo.com">tran3535@yahoo.com</a></u> ; <u><a href="mailto:sharetea.belmar@gmail.com">sharetea.belmar@gmail.com</a></u>	<u>Kim Le</u> <u>5684 W 88th Ave</u> <u>Westminster, CO 80031</u> <u><a href="mailto:aalenguyen4@gmail.com">aalenguyen4@gmail.com</a></u>

<u>Florida</u>
----------------

<u>Peter Nguyen</u> <u>10041 University Plaza Dr</u> <u>#190, Fort Myers, FL 33913</u> <u>peter.tan.ngoc.nguyen@gmail</u> <u>.com</u>		
---	--	--

<u>Georgia</u>		
<u>Mike Lee</u> <u>5975 Roswell Road Suit B-</u> <u>209 Sandy Spring GA 30328</u> <u>shareteaatlss@gmail.com</u>		

<u>Hawaii</u>		
<u>Kai Kin Lau</u> <u>98-1277 Kaahumanu Street</u> <u>106 Waimalu, Plaza, Aiea, HI</u> <u>96701</u> <u>jessielau98@gmail.com</u>	<u>Kai Kin Lau</u> <u>1450 Ala Moana Blvd,</u> <u>Honolulu, HI 96814</u> <u>jessielau98@gmail.com</u>	<u>Kai Kin Lau</u> <u>Space No.7, 4618 Kilauea</u> <u>Ave., Honolulu, Hawaii</u> <u>96818</u> <u>jessielau98@gmail.com</u>

<u>Illinois</u>		
<u>Steve Shim</u> <u>4344 E New York St. Aurora,</u> <u>IL 60504</u> <u>steveshshim@gmail.com</u>	<u>Xuan Le Nguyen</u> <u>3689 E Main Street unit D1 St.</u> <u>Charles, IL 60174</u> <u>nguyen74hn@yahoo.com</u>	

<u>Kentucky</u>		
<u>Ponya Soth</u> <u>2860 Richmond Road, Suite</u> <u>180, Lexington, KY</u> <u>ponya.soth@gmail.com</u>	<u>Thanh Huong Luong (Kelsey)</u> <u>3333 Bardstown Road,</u> <u>Louisville, KY 40216</u> <u>thluong13@yahoo.com</u>	<u>Thanh Huong Luong</u> <u>13210 Shelbyville Rd,</u> <u>Louisville, KY 40223</u> <u>thluong13@yahoo.com;</u> <u>vlvietgirl@gmail.com</u>

<u>Louisiana</u>		
<u>Gary Zuo</u> <u>2434 Manhattan Blvd, Suite</u> <u>200, Harvey, LA 70058</u> <u>shareteanola@gmail.com</u>	<u>Gary</u> <u>3213 17th St., Metairie, LA</u> <u>70002</u> <u>garyzuo87@gmail.com</u>	

<u>Maryland</u>		
<u>Jerry He</u>		



<u>13012 Middlebrook Road,</u> <u>Germantown, MD 20874</u> <u>jerryhe@hotmail.com;</u> <u>shareteagermantown@hotmail.com</u>		
---	--	--

<u>Michigan</u>		
<u>Steve Shim</u> <u>310 South State Street, Ann Arbor, Michigan</u> <u>ernestfu8@gmail.com ;</u> <u>stevehshim@gmail.com</u>		

<u>Minnesota</u>		
<u>Nini Tran</u> <u>8565 Edinburgh Centre Drive,</u> <u>Brooklyn Park, MN 55443</u> <u>baogan_tbn91@yahoo.com</u>		

<u>Nebraska</u>		
<u>Thanh Le</u> <u>1900K Street, Suite 6,</u> <u>Lincoln, NE 68510</u> <u>thanhl_20@yahoo.com</u> <u>shareteane21@gmail.com</u>		

<u>Nevada</u>		
<u>Minhquang Dinh Nguyen</u> <u>75 South Valle Verde, Suite #225, Henderson, NV 89012</u> <u>waynefargo702@gmail.com</u>	<u>Wayne</u> <u>10420 S Decatur Blvd., Ste 150, Las Vegas, NV 89141</u> <u>waynefargo702@gmail.com</u>	<u>Fred Chung</u> <u>4258 Spring Mountain Road, A105, Las Vegas, NV 89102</u> <u>sharetealasvegas@gmail.com</u>
<u>Wayne</u> <u>3455 Alpine Lily Dr., Las Vegas NV 89141</u> <u>waynefrago702@gmail.com</u>	<u>Fred Chung</u> <u>5515 Camino Al Norte, Suite #107, North Las Vegas, Nevada 89301</u> <u>sharetealasvegas@gmail.com</u>	

<u>New Mexico</u>		
<u>Joshua Juhadi</u>		

<u>6125 Montgomery Blvd NE</u> <u>Suite 2, Albuquerque NM</u> <u>87109</u> <u>jfj1336@gmail.com</u>		
--	--	--

<u>North Carolina</u>		
<u>Michelle Tran</u> <u>1204 Central Ave, Charlotte, NC</u> <u>28204</u> <u>mtran0914@gmail.com</u>	<u>Michelle Tran</u> <u>8960 J.M. Keynes Dr., Suite 600,</u> <u>Charlotte, NC 28262</u> <u>mtran0914@gmail.com</u>	<u>Toan Nguyen</u> <u>9606 Bailey Road, Suite C,</u> <u>Cornelius, North Carolina 28031</u> <u>toannguyen410@gmail.com ;</u> <u>teacarolinas@gmail.com</u>
<u>Hien Phat Phan</u> <u>Tallywood Shopping Center,</u> <u>#220 3116 Raeford Road</u> <u>Fayetteville, NC 28303</u> <u>phillipnphan16@gmail.com</u>	<u>Tuan Le</u> <u>1101 Grace Park Dr Morrisville,</u> <u>NC 27560</u> <u>tmle4318@gmail.com</u>	<u>Michelle Tran</u> <u>4922 Trojan Drive, Suite 170,</u> <u>Charlotte, NC 28278</u> <u>mtran0914@gmail.com</u>

<u>Ohio</u>		
<u>Hung Truong</u> <u>2752 Festival Lane, Dublin,</u> <u>OH 43017</u> <u>hktruong@shareteacolumbus.</u> <u>com</u>		

<u>Oklahoma</u>		
<u>Vu Le (Leon)</u> <u>937 SW 25th St., Suite B, Moore,</u> <u>OK 73160</u> <u>sharetea.moore@gmail.com</u>	<u>Thu Thanh Vinh</u> <u>1401 NW 27th St., Unit D,</u> <u>Oklahma City, OK 73106</u> <u>shareteaokc@gmail.com</u>	<u>Vu Le (Leon)</u> <u>2401 W Main St ste 100,</u> <u>Norman, OK 73069</u> <u>sharetea.moore@gmail.com</u>

<u>Oregon</u>		
<u>Albert</u> <u>2725 SW Cedar Hills Blvd.</u> <u>Suite 110 Beaverton, OR</u> <u>97005</u> <u>liu.albert.m@gmail.com</u>	<u>Rachel Hsu</u> <u>681 NW DIVISION ST</u> <u>GRESHAM OR 97030</u> <u>iheekaka96@gmail.com</u>	<u>Albert</u> <u>933 NE Orenco Station Pkwy</u> <u>Hillsboro, OR 97124</u> <u>liu.albert.m@gmail.com</u>
<u>Jing Zhou</u> <u>16885 SW 65th Ave., Lake</u> <u>Oswego, OR</u> <u>ariel.zhoujing@gmail.com</u>	<u>Chuang Tang</u> <u>12000 SE 82nd Ave Suite</u> <u>H144, Portland, OR 97086</u> <u>cncame@yahoo.com</u>	<u>Trang Katherine Trinh</u> <u>1250 E Burnside St., Suite A,</u> <u>Portland, OR 97214</u> <u>kat.trinh12@gmail.com</u>

<u>Pennsylvania</u>		
<u>Thomas Chan</u>	<u>Thomas Chan</u>	

<u>501 Limekiln Pike, Maple Glen, PA 19002</u> <u>chanthomasm@gmail.com</u>	<u>600 Washington Ave., Unit 5., Philadelphia, PA 19147</u> <u>chanthomasm@gmail.com</u>	
--	---	--

<u>Tennessee</u>		
<u>Erica Pincus</u> <u>1010 Murfreesboro Road, St 140 , Franklin, Tennessee 37069</u> <u>pincuserica@gmail.com</u>		

<u>Texas</u>		
<u>Tran Tran</u> <u>3810 S Cooper St #148, Arlington, TX 76015</u> <u>tbtran12@gmail.com</u>	<u>Phuc Nguyen</u> <u>6704 PARKWOOD PL AMARILLO TX, USA 79119</u> <u>phuc.h.nguyen1412@gmail.com</u>	<u>Christine Nieh</u> <u>13343 N Hwy 183 Suite 275 Austin, TX 78750</u> <u>christinenieh22@gmail.com</u>
<u>Russell Tong</u> <u>2601 Old Denton Road, Carrollton, TX</u> <u>shareteaplano@gmail.com</u>	<u>Leong, Alfred</u> <u>1025 University Drive, Suite H-60, College Station Texas 77840</u> <u>alfred@shareteahouston.com</u>	<u>Huy Le</u> <u>25400 Highway 290, Cypress, Texas 77429</u> <u>huyentran2811@gmail.com</u>
<u>Stephanie Pham</u> <u>13350 Dallas Pkwy, Dallas, TX 75240</u> <u>goodfoodgoodcompanyinc@gmail.com</u>	<u>An Le</u> <u>2200 W University dr Suite160 Denton, TX</u> <u>sharetonllc@gmail.com</u>	<u>Loh Eugene Eric</u> <u>1200 Chisholm Trail, Suite 600, Euless, Texas 76039</u> <u>shareteaheb@gmail.com;</u> <u>shareteafortworth@gmail.com</u>
<u>Tran Tran</u> <u>8949 Tehama Ridge Parkway, Fort Worth, Texas 76177</u> <u>shareteafortworth@gmail.com;</u> <u>shareteaheb@gmail.com</u>	<u>Edward</u> <u>500 Baybroo Mall, #8, Friendswood, TX 77546</u> <u>shareteabaybrook@gmail.com</u>	<u>Russell Tong</u> <u>9351 Warren Parkway, Frisco, TX</u> <u>shareteaplano@gmail.com</u>
<u>Leong, Alfred</u> <u>9889 Bellaire Blvd. #E213 Houston, TX 77036</u> <u>alfred@shareteahouston.com</u>	<u>Eric Lau</u> <u>3651 Wesleyan St#100 Houston, TX 77046</u> <u>shareteakirby@gmail.com</u>	<u>Eric Lau</u> <u>713 Meyerland Plz Houston, TX 77096</u> <u>santos@uniseal.net</u>
<u>Edward Ly</u> <u>2416 Rice Blvd., Houston, TX 77005</u> <u>sharetearv@gmail.com</u>	<u>Simon Lee</u> <u>9742 Katy Fwy Ste 400, Houston, TX 77055</u> <u>info@shareteasugarland.com,</u> <u>whytechno@yahoo.com ,</u> <u>sofihsu3@gmail.com</u>	<u>Edward</u> <u>Unit C12 23119 Colonial Parkway, Katy, TX 77449</u> <u>katysharetea@outlook.com ,</u> <u>thomas.chen@live.com</u>
<u>Duy Huynh</u> <u>3141 E Broad St. Mansfield TX 76063</u> <u>duyphuynh24@gmail.com</u>	<u>Vickie Phathaphone</u> <u>7205 York St. North Richland Hills, TX 76180</u> <u>vkphathaphone@gmail.com</u>	<u>Dennis Nguyen</u> <u>10904 Memorial Hermann Dr., Pearland, TX 77584</u> <u>nguyen.dennis1@gmail.com</u>
<u>Russell Tong</u> <u>3933 N Central Expy, Plano, TX 75023</u>	<u>Sofi</u> <u>3229 Hwy 6, Sugar Land TX 77478</u>	<u>Alfred Leong</u>

<a href="mailto:shareteaplano@gmail.com">shareteaplano@gmail.com</a>	<a href="mailto:info@shareteasugarland.com">info@shareteasugarland.com</a> , <a href="mailto:whytechno@yahoo.com">whytechno@yahoo.com</a> , <a href="mailto:sofihsu3@gmail.com">sofihsu3@gmail.com</a>	44808 Waterview Town Center Drive, Suite 400, Richmond, TX 77407 <a href="mailto:alfred@shareteahouston.com">alfred@shareteahouston.com</a>
<a href="#">Angel Hu</a> 2675 Market Center Drive, Rockwall, TX <a href="mailto:1824836199@qq.com">1824836199@qq.com</a>	<a href="#">Susan Liang &amp; Christine Nieh</a> 3107 S 1H 35, Ste 770 Round Rock, Texas 78664 <a href="mailto:sharetearoundrock@gmail.com">sharetearoundrock@gmail.com</a>	<a href="#">Cheng Lin</a> 8888 Metropark Drive, Suite 100, Shenandoah, TX <a href="mailto:xyy.xiaoyan@yahoo.com">xyy.xiaoyan@yahoo.com</a> <a href="mailto:Bojyan0146@yahoo.com">Bojyan0146@yahoo.com</a> <a href="mailto:kevinlin929@yahoo.com">kevinlin929@yahoo.com</a>

<u>Utah</u>		
<a href="#">Tyson Wetzel</a> 1770 Red Cliffs Dr #1165, St George Utah 84790 <a href="mailto:bubblecreationsllc@gmail.com">bubblecreationsllc@gmail.com</a>	<a href="#">Kelvin Nguyen</a> 160 East University Parkway Unit E, 84058 <a href="mailto:kieu.lam210@gmail.com">kieu.lam210@gmail.com</a> ; <a href="mailto:kelvinguyen@hotmail.com">kelvinguyen@hotmail.com</a>	<a href="#">Kelvin Nguyen</a> 3460 S Redwood Rd #7&8, West Valley City, UT 84119 <a href="mailto:kelvinguyen@hotmail.com">kelvinguyen@hotmail.com</a>

<u>Virginia</u>		
<a href="#">Jenny Nguyen</a> Unit 127, Orchard Square Shopping Center, 1400 Kempville Rd, Chesapeake, VA 23320 <a href="mailto:nguyen9818@yahoo.com">nguyen9818@yahoo.com</a> ; <a href="mailto:shelly123u@gmail.com">shelly123u@gmail.com</a> ; <a href="mailto:Shareteachesapeake@gmail.com">Shareteachesapeake@gmail.com</a>	<a href="#">Susan</a> 11211-F Lee Highway Fairfax, VA 22030 <a href="mailto:susan.ku@gmail.com">susan.ku@gmail.com</a> ; <a href="mailto:mkmfotos@gmail.com">mkmfotos@gmail.com</a> ; <a href="mailto:gotmyboba@gmail.com">gotmyboba@gmail.com</a>	<a href="#">Maskey Krishnarao</a> 6282 Arlington Boulevard, Falls Church VA 22044 <a href="mailto:susan.ku@gmail.com">susan.ku@gmail.com</a> ; <a href="mailto:mkmfotos@gmail.com">mkmfotos@gmail.com</a> ; <a href="mailto:gotmyboba@gmail.com">gotmyboba@gmail.com</a>
<a href="#">Jeney Kim</a> 13043 Worldgate Dr. Herndon, VA 20170 <a href="mailto:jeney58@gmail.com">jeney58@gmail.com</a>		

<u>Washington</u>		
<a href="#">Albert Hu</a> 1112 110th Ave #107 Bellevue WA 98004 <a href="mailto:shareteabellevue@gmx.com">shareteabellevue@gmx.com</a>	<a href="#">Albert Hu</a> 18931 Bothell Way, NE #1, Bothell, WA 98011-1975 <a href="mailto:shareteabothell@outlook.com">shareteabothell@outlook.com</a>	<a href="#">Larry Lay</a> 19206 SE 1st street, Suite 114, Camas, WA 98607 <a href="mailto:shareteacamas@gmail.com">shareteacamas@gmail.com</a> ; <a href="mailto:larrylay80@gmail.com">larrylay80@gmail.com</a>
<a href="#">Tra Nguyen</a> 17039 SE 272nd Street, Suite 118, Covington, WA 98042 <a href="mailto:vandk0814@gmail.com">vandk0814@gmail.com</a>	<a href="#">Nai Chao</a> 23609 Pacific Hwy S, Des Moines, WA 98198 <a href="mailto:nai@rainier-rep.com">nai@rainier-rep.com</a>	<a href="#">Benny Kim</a> 1130 SE Everett Mall Way Suite B, Everett WA 98208 <a href="mailto:bennykimdesign@outlook.com">bennykimdesign@outlook.com</a>
<a href="#">Sanghee Jang</a> 31217 Pacific Hwy S. STE B101 Federal Way, WA 98003	<a href="#">Jonathan</a> 240 NW Gilman BLVD., Suite 5, Issaquah, WA 98027 <a href="mailto:Dichter@gmail.com">Dichter@gmail.com</a>	<a href="#">Xyra Arante</a> 128 S. Ely St, Kennewick, WA 99336

<a href="mailto:shareteafederalway@gmail.com">shareteafederalway@gmail.com</a> ; <a href="mailto:zzangsh1225@gmail.com">zzangsh1225@gmail.com</a>		<a href="mailto:xydella497x@gmail.com">xydella497x@gmail.com</a> , <a href="mailto:dezakpin@gmail.com">dezakpin@gmail.com</a>
<u>Van Vong</u> 4018 Pacific Ave SE, Lacey, WA 98053 <a href="mailto:vongvn@gmail.com">vongvn@gmail.com</a> ,	<u>Jane Sim</u> 18505 Alderwood mall PKWY Suite G, Lynnwood WA 98037- 8012 <a href="mailto:kimjungsuk97@gmail.com">kimjungsuk97@gmail.com</a>	<u>Steve J. Kim</u> 12520 Meridian AVE E, Puyallup, WA 98373 <a href="mailto:skim@gbcib.com">skim@gbcib.com</a>
<u>Steve J. Kim</u> 7325 166th Ave NE c140, Redmond, WA 98052 <a href="mailto:skim@gbcib.com">skim@gbcib.com</a>	<u>Yoon Chang</u> 911 North 10th PL # B ,Renton, WA 98057 <a href="mailto:yooniic@gmail.com">yooniic@gmail.com</a>	<u>Kyung Jun</u> 220 36th St, Suite 322, Bellingham, WA <a href="mailto:thomas.jun@live.com">thomas.jun@live.com</a>
<u>Yoon Chang</u> 651 S King St, Seattle, WA 98104 <a href="mailto:yooniic@gmail.com">yooniic@gmail.com</a>	<u>Yoon Chang</u> 4730 University Way NE Suite 109 & 100 Seattle, WA 98105 <a href="mailto:yooniic@gmail.com">yooniic@gmail.com</a>	<u>Young S Lee( Michelle)</u> 4740 42nd Ave SW, suite 27 Seattle, WA 98116 <a href="mailto:sharetea.wseattle@gmail.com">sharetea.wseattle@gmail.com</a>
<u>Xiao Liang</u> Tacoma Mall Room 1159 A, 4502 S Steele St, Tacoma, WA 98409 <a href="mailto:foodienetllc@gmail.com">foodienetllc@gmail.com</a> <a href="mailto:surmountian@gmail.com">surmountian@gmail.com</a>	<u>Yoon Chang</u> 100 Andover Park West, Suite #120, Tukwila, WA 98188 <a href="mailto:yooniic@gmail.com">yooniic@gmail.com</a>	<u>My Dung Le</u> 8825 34th Ave NE. Suite H. Tulalip, WA 98271 <a href="mailto:cleollc2020@gmail.com">cleollc2020@gmail.com</a> <a href="mailto:mydungtle@gmail.com">mydungtle@gmail.com</a>
<u>Sirisak Penrattanakanok</u> 7902 NE 6th Ave Vancouver WA 98665 <a href="mailto:goodtymellc@gmail.com">goodtymellc@gmail.com</a>		

<u>Washington D.C.</u>		
<u>Jerry He</u> 519 H St Nw Washington, DC 20001 <a href="mailto:jerryhe@hotmail.com">jerryhe@hotmail.com</a> ; <a href="mailto:shareteachinatown@hotmail.com">shareteachinatown@hotmail.com</a>		

<u>Arizona</u>		
<u>Julie Vo</u> 113 E. Southern Ave, Suite 117 Tempe, AZ 85281 <a href="mailto:Tang.mai232@gmail.com">Tang.mai232@gmail.com</a>		

<u>California</u>		
<u>Ya-Lun Lin</u> 8460 Elk Grove Blvd Suite 300, Elk Grove, CA 95758 <a href="mailto:yalun.lin@yahoo.com">yalun.lin@yahoo.com</a>	<u>Terry Peng</u> 2495 first street, Livermore, CA 94550 <a href="mailto:eirele-net@sbcglobal.net">eirele-net@sbcglobal.net</a>	<u>Hur Min Seok</u> 401 South Vermont Avenue, Space 6, Los Angeles CA 90020 <a href="mailto:minseok.hur@gmail.com">minseok.hur@gmail.com</a>

Anita 540 Bryant St., Palo Alto, CA 94301 anitabin@yahoo.com	Minh Nguyen 3740 Iowa Ave Suite 103, Riverside, CA 92507 minh1968@gmail.com	Jen Ta Su 1722 Desire Ave, Rowland Heights, CA 91748 ameriwayusa@gmail.com
---	--	---

Georgia		
Yanki Lam Suite #205, 3455 Peachtree Industrial Blvd, Duluth, GA 30096 yanyankiyan1993@gmail.com		

Washington		
Yin Chih Chow 1100 NE 45th Ave. Suite 100, Seattle, WA 98105 bagashuw@hotmail.com		

Below please find the contact information of the current franchisees:

Alabama		
Thi Minh the space #1 with 1200 sq ft at 4001 Government Blvd, Mobile, AL 36693 songhuong00@yahoo.com		

Arizona		
Tony K. Djie 140 N Arizona Ave, Chandler, AZ 85225 michdol@yahoo.com	Tony K. Djie 2100 N. Tatum BLVD. Space # D-11 Phoenix, Arizona 85050 michdol@yahoo.com	

California		
Jea Wong 55 E Duarte Rd Arcadia, CA 91006 aumontagne@gmail.com	Jason Quach 1707 Columbus St, Bakersfield, CA 93305 wemaketealle@gmail.com	Anthony Lee 1541 E2nd ST STE 300 BEAUMONT, California 92223 sharetearedlands@gmail.com

Sam 2328 Telegraph Ave., Berkeley CA 94704 samshaer@gmail.com Mohammed@shareteadavis.com Sam@shareteadavis.com	May Chung 11900 South Street, #106, Cerritos, CA 90703 maychung@live.com; tedtuai@yahoo.com	Michael Do 2974 Chino Ave. Chino Hills, CA 91709 michdo1@yahoo.com
Jeremiah Hayden 2010 Birch Road, Suite No. 103, Chula Vista, CA 91915 hteventuresllc@gmail.com	Kevin 1850 Mount Diablo Street Concord, 94520 ehiehaopeng@yahoo.com eirele-net@sbeGLOBAL.net barbaraypeng@sbeGLOBAL.net	Sam Shaer 208 F St., Davis CA 95616 samshaer@gmail.com Mohammed@shareteadavis.com Sam@shareteadavis.com
Lan Dang 945 W. Valley Parkway, Suite D, Escondido CA mskjdang@yahoo.com	Jeff Todd 2401 Waterman Blvd, Ste 1, Fairfield, CA 94534 jeff.todd@trynor-enterprises.com	Yong Shin 16051 Brookhurst St, Ste F, Fountain Valley, CA 92708 eric.shin1@gmail.com
Bao Xi Cheng 3948 Washington Blvd, Fremont, CA shareteaatfremont@gmail.com	Kuan 2445 E Chapman Ave. Fullerton, CA 92831 ksyee3@yahoo.com	Vic Abgaryan 2210 Glendale Galleria Space S006 Glendale, CA 91210 glendalesharetea@yahoo.com
Terrence 24351 Southland Dr Hayward, CA 94545 sharetea118@gmail.com, terry_300@yahoo.com	Jeff Todd 1375 Sycamore Ave., Ste. D Hereules, CA 94547 jeff.todd@trynor-enterprises.com	Yong Shin 4199 Campus Dr. Irvine, CA, United States 92612 eric.shin1@gmail.com
Elizabeth Het Nguyen 6237 Pats Ranch Rd., Suite C., Jurupa Valley, CA 91752 elizabeth.bmre@gmail.com	Nicole Nguyen 3572 El Toro Td Ste C Lake Forest, CA 92630 sharetealakeforest@gmail.com	Rithy Khen 24208 Crenshaw Blvd, Lomita, CA 90505 khenrithy@yahoo.com
Won Kyung Cho 1055 Broxton Ave, Los Angeles, CA 90024 uelasharetea@gmail.com	David Johnson 35 West Main Street, Los Gatos, California 95030 dj@djefo.com; Jeff@sharecorp.co; jeffrey.m.johnson@gmail.com	Brittany Chan 27774 Newport Rd. Ste. 100 Menifee, CA 92584 somphorsbrittany@yahoo.com
Jea Wong 506 S Myrtle Ave Monrovia, CA 91016 aumontagne@gmail.com	Annie Lam	Kouanchay Dang 1147 Highland Ave, National City, CA 91950 mskjdang@yahoo.com

	27110 Eucalyptus Avenue, Suite E, Moreno Valley, CA 92555 juliehnguyen@tngrealestate. com; annie.lam14@gmail.com	
Sang Chul Lee 9301 Tampa Ave. #146 Northridge, CA. 91324 soy@it-closet.com	Jeremiah Hayden 1046 Mission Ave Suite 1016, Oceanside CA 92054 htoventuresllc@gmail.com	Tina Chow Yee 41 Moraga Way, Orinda, CA 94563 theyees523@gmail.com
Anthony Lee 1301 W RANCHO VISTA BLVD, UNIT J, PALMDALE, CA 93551 shareteapalmdale@gmail.co m	Terry 4705 Century Blvd, Pittsburg, CA 94565 terrypeng@gmail.com	Yong Shin No. 1017, 12505 N Mainstreet, Rancho Cucamonga, CA 91739 eric.shin1@gmail.com
Nicole Nguyen 22342C El Paseo, Rancho Santa Margarita, CA 92688 sharetealakeforest@gmail.e om	Anthony Lee 27471 San Bernardino Avenue, suite 200, Redlands CA 92374 sharetearedlands@gmail.co m	Anthony Lee 1276 S Riverside Ave, Rialto, CA sharetearedlands@gmail.co m
Minh Nguyen 10920 Magnolia Ave., Unit B., RIVERSIDE, CA juliehnguyen@tngrealestate. com; annie.lam14@gmail.com	Jea Wong 9038 Garvey Ave., Unit 101, Rosemead, CA 91770 aumontagne@gmail.com	Tina Sakasegawa 6353 El Cajon Blvd San Diego, CA 92115 shareteasdsu@gmail.com
Kouanchay Dang 12750 Carmel Country Road, Suite A-113, San Diego, California 92130 mskjddang@yahoo.com	Micheal 4917 Convoy St. San Diego, CA 92111 shareteasandiego@gmail.co m	Jeremiah Hayden 9827 Mira Mesa Blvd San Diego, CA 92131 htinvestmentgroup11c@gmai l.com
Lan Dang 5267 Linda Vista Road, San Diego, CA 92110 mskjddang@yahoo.com	Kit 135 4th St, San Francisco, CA 94103 kit@shareteametreon.com	Kit 865 Market Street, Space No. 9003, San Francisco, CA 94103 kit@shareteametreon.com
Bao Xi Zheng 1728 Hostetter Rd. San Jose CA 95131 shareteaatfremont@gmail.c om brentxizheng@gmail.com	Terence 699 Lewelling Blvd, San Leandro, CA 94579 sharetea118@gmail.com, terry_300@yahoo.com	Lan Dang 131 south Rancho Santa fe Road suit 131. San Marcos CA 92078 mskjddang@yahoo.com
Alice Zhang	Phuong Mach(Cindy)	Sammi



78 Hillsdale Shopping Center, San Mateo, CA 94403 azhang1@gmail.com, danyolee@yahoo.com	220 Main St, San Mateo, CA 94401 cindymach@hotmail.com	967 Grand Ave. San Rafael, CA 94901 sammiho1610@gmail.com
Kevin 2441 San Ramon Valley Blvd, Suite 3, San Ramon, CA 94583 ehichaopeng@yahoo.com eirele-net@sbeglobal.net barbaraypeng@sbeglobal.net	Michael Do 3940 S Bristol Street unit 113, Santa Ana, CA 92704 Michaeldo1@yahoo.com	Michael Do 1702 N. Bristol Street, Ste/ Unit F, Santa Ana, California 92706 michdo1@yahoo.com
Sam Space A345, 2855 Stevens Creek Blvd, Santa Clara, CA 95050 samshaer@gmail.com Mohammed@shareteadavis.com Sam@shareteadavis.com	Won Kyung Cho 13 Broadway, Santa Monica, CA 90401 uelasharetea@gmail.com	Linda 3381 Cleveland Ave. Santa Rosa, Ca 95403 gardners16@gmail.com
Janelle Manipol Unit # 1/A, 10318 Trinity Pkwy., Ste. A, Stockton, CA 95219 rjalliance2020@gmail.com	Albert 568 E. El Camino Real, Sunnyvale, CA 94087 sharetea.sunnyvale@gmail.com	Brittany Chan 30070 Temecula Pkwy #103 Temecula, CA 92592 somphorsbrittany@yahoo.com
Todd Jeffrey Leigh 461 Skymaster Dr., Travis AFB, CA 94535 jeff.todd@trynor-enterprises.com	Sang Chul Lee 24305 Town Center Drive, Suite#100, Valencia, CA 91355 soy@it-closet.com	Kevin 153 Plaza Dr., Ste 103, Vallejo CA 94591 ehichaopeng@yahoo.com eirele-net@sbeglobal.net barbaraypeng@sbeglobal.net
Hoa Ngoc Diep 2010 S. Mooney Blvd, Suite 103, Visalia, CA, 93277 tramle17@gmail.com		

Colorado		
Allyson Robyn Tran 2495 S Havana St., Site #D, Aurora CO 80014 tran3535@yahoo.com	Manish Patil 4991 Factory Shops Blvd #130, Castle Rock, CO 80104 manishvp@gmail.com	Kimberly Tran 8834 N Union Blvd, Colorado Springs, CO 80920 nhulan24@yahoo.com
Kim Le	Allyson Robyn Tran	Kim Le

9579 S University Blvd #180, Highlands Ranch, CO 80126 aalenguyen4@gmail.com	Space 7M1R46, 408 S Teller St. Lakewood, CO tran3535@yahoo.com; sharetea.belmar@gmail.com	5684 W 88th Ave Westminster, CO 80031 aalenguyen4@gmail.com
---	--	---

Florida		
Peter Nguyen 10041 University Plaza Dr #190, Fort Myers, FL 33913 peter.tan.ngoc.nguyen@gmail.com		

Georgia		
Mike Lee 5975 Roswell Road Suit B- 209 Sandy Spring GA 30328 shareteaatlss@gmail.com		

Hawaii		
Kai Kin Lau 98-1277 Kaahumanu Street 106 Waimalu, Plaza, Aiea, HI 96701 jessielau98@gmail.com	Kai Kin Lau 1450 Ala Moana Blvd, Honolulu, HI 96814 jessielau98@gmail.com	Kai Kin Lau Space No.7, 4618 Kilauea Ave., Honolulu, Hawaii 96818 jessielau98@gmail.com

Illinois		
Steve Shim 4344 E New York St. Aurora, IL 60504 steveshshim@gmail.com	Xuan Le Nguyen 3689 E Main Street unit D1 St. Charles, IL 60174 nguyen74hn@yahoo.com	

Kentucky		
Ponya Soth 2860 Richmond Road, Suite 180, Lexington, KY ponya.soth@gmail.com	Thanh Huong Luong (Kelsey) 3333 Bardstown Road, Louisville, KY 40216 thluong13@yahoo.com	Thanh Huong Luong 13210 Shelbyville Rd, Louisville, KY 40223 thluong13@yahoo.com; vlvietgirl@gmail.com

Louisiana		
Gary Zuo	Gary	

2434 Manhattan Blvd, Suite 200, Harvey, LA 70058 shareteanola@gmail.com	3213 17th St., Metairie, LA 70002 garyzuo87@gmail.com	
---	---	--

Maryland		
Jerry He 13012 Middlebrook Road, Germantown, MD 20874 jerryhe@hotmail.com; shareteagermantown@hotmail.com		

Michigan		
Steve Shim 310 South State Street, Ann Arbor, Michigan ernestfu8@gmail.com; stevehshim@gmail.com		

Minnesota		
Nini Tran 8565 Edinburgh Centre Drive, Brooklyn Park, MN 55443 baogan_tbn91@yahoo.com		

Nebraska		
Thanh Le 1900K Street, Suite 6, Lincoln, NE 68510 thanhl_20@yahoo.com shareteane21@gmail.com		

Nevada		
Minhquang Dinh Nguyen 75 South Valle Verde, Suite #225, Henderson, NV 89012 waynefargo702@gmail.com	Wayne 10420 S Decatur Blvd., Ste 150, Las Vegas, NV 89141 waynefargo702@gmail.com	Fred Chung 4258 Spring Mountain Road, A105, Las Vegas, NV 89102 sharetealasvegas@gmail.com
Wayne	Fred Chung	

3455 Alpine Lily Dr., Las Vegas NV 89141 waynefrago702@gmail.com	5515 Camino Al Norte, Suite #107, North Las Vegas, Nevada 89301 sharetealasvegas@gmail.com	
---	---	--

New Mexico		
Joshua Juhadi 6125 Montgomery Blvd NE Suite 2, Albuquerque NM 87109 jfj1336@gmail.com		

North Carolina		
Michelle Tran 1204 Central Ave, Charlotte, NC 28204 mtran0914@gmail.com	Michelle Tran 8960 J.M. Keynes Dr., Suite 600, Charlotte, NC 28262 mtran0914@gmail.com	Toan Nguyen 9606 Bailey Road, Suite C, Cornelius, North Carolina 28031 toannguyen410@gmail.com ; teacarolinas@gmail.com
Hien Phat Phan Tallywood Shopping Center, #220 3116 Raeford Road Fayetteville, NC 28303 phillipphan16@gmail.com	Tuan Le 1101 Grace Park Dr Morrisville, NC 27560 tmle4318@gmail.com	

Ohio		
Hung Truong 2752 Festival Lane, Dublin, OH 43017 hktruong@shareteacolumbus.com		

Oklahoma		
Vu Le (Leon) 937 SW 25th St., Suite B, Moore, OK 73160 sharetea.moore@gmail.com	Thu Thanh Vinh 1401 NW 27th St., Unit D, Oklahoma City, OK 73106 shareteaoke@gmail.com	

Oregon		
Albert	Rachel Hsu	Albert

2725 SW Cedar Hills Blvd. Suite 110 Beaverton, OR 97005 liu.albert.m@gmail.com	681 NW DIVISION ST GRESHAM OR 97030 iheckaka96@gmail.com	933 NE Orenco Station Pkwy Hillsboro, OR 97124 liu.albert.m@gmail.com
Jing Zhou 16885 SW 65th Ave., Lake Oswego, OR ariel.zhoujing@gmail.com	Chuang Tang 12000 SE 82nd Ave Suite H144, Portland, OR 97086 encame@yahoo.com	Trang Katherine Trinh 1250 E Burnside St., Suite A, Portland, OR 97214 kat.trinh12@gmail.com

Pennsylvania		
Thomas Chan 501 Limekiln Pike, Maple Glen, PA 19002 chanthomasm@gmail.com	Thomas Chan 600 Washington Ave., Unit 5., Philadelphia, PA 19147 chanthomasm@gmail.com	

Tennessee		
Erica Pineus 1010 Murfreesboro Road, St 140 , Franklin, Tennessee 37069 pineuserica@gmail.com		

Texas		
Allen Nguyen 3810 S Cooper St #148, Arlington, TX 76015 shareteaarlington148@gmail.com	Phue Nguyen 6704 PARKWOOD PL AMARILLO TX, USA 79119 phue.h.nguyen1412@gmail.com	Christine Nieh 13343 N Hwy 183 Suite 275 Austin, TX 78750 christinenieh22@gmail.com
Russell Tong 2601 Old Denton Road, Carrollton, TX shareteaplano@gmail.com	Leong, Alfred 1025 University Drive, Suite H 60, College Station Texas 77840 alfred@shareteahouston.com	Huy Le 25400 Highway 290, Cypress, Texas 77429 huyentran2811@gmail.com
Stephanie Pham 13350 Dallas Pkwy, Dallas, TX 75240 goodfoodgoodcompanyinc@gmail.com	An Le 2200 W University dr Suite160 Denton, TX sharetonlle@gmail.com	Loh Eugene Eric 1200 Chisholm Trail, Suite 600, Euless, Texas 76039 shareteaheb@gmail.com; shareteaforthworth@gmail.com
Tran Tran	Edward	Russell Tong

8949 Tehama Ridge Parkway, Fort Worth, Texas 76177 shareteafortworth@gmail.com; shareteaheb@gmail.com	500 Baybroo Mall, #8, Friendswood, TX 77546 shareteabaybrook@gmail.com	9351 Warren Parkway, Frisco, TX shareteaplano@gmail.com
Leong, Alfred 9889 Bellaire Blvd. #E213 Houston, TX 77036 alfred@shareteahouston.com	Eric Lau 3651 Wesleyan St #100 Houston, TX 77046 shareteakirby@gmail.com	Eric Lau 713 Meyerland Plz Houston, TX 77096 santos@uniseal.net
Edward Ly 2416 Rice Blvd., Houston, TX 77005 sharetearv@gmail.com	Simon Lee 9742 Katy Fwy Ste 400, Houston, TX 77055 info@shareteasugarland.com; whytechno@yahoo.com; sofihsu3@gmail.com	Edward Unit C12 23119 Colonial Parkway, Katy, TX 77449 katysharetea@outlook.com; thomas.chen@live.com
Duy Huynh 3141 E Broad St. Mansfield TX 76063 duyphuynh24@gmail.com	Vickie Phathaphone 7205 York St. North Richland Hills, TX 76180 vkphathaphone@gmail.com	Dennis Nguyen 10904 Memorial Hermann Dr., Pearland, TX 77584 nguyen.dennis1@gmail.com
Russell Tong 3933 N Central Expy, Plano, TX 75023 shareteaplano@gmail.com	Brian Su 1386 E Belt Line Rd Richardson, TX 75081 lilinguyen2883@gmail.com	Alfred Leong 44808 Waterview Town Center Drive, Suite 400, Richmond, TX 77407 alfred@shareteahouston.com
Angel Hu 2675 Market Center Drive, Rockwall, TX 1824836199@qq.com	Susan Liang & Christine Nieh 3107 S IH 35, Ste 770 Round Rock, Texas 78664 sharetearoundrock@gmail.com	Cheng Lin 8888 Metropark Drive, Suite 100, Shenandoah, TX xyy.xiaoyan@yahoo.com; Bojyan0146@yahoo.com; kevinlin929@yahoo.com
Sofi 3229 Hwy 6, Sugar Land TX 77478 info@shareteasugarland.com; whytechno@yahoo.com; sofihsu3@gmail.com		

Utah		
Tyson Wetzel 1770 Red Cliffs Dr #1165, St George Utah 84790	Kelvin Nguyen 160 East University Parkway Unit E, 84058	Kelvin Nguyen 3460 S Redwood Rd #7&8, West Valley City, UT 84119

bubblecreationslle@gmail.com	kieu.lam210@gmail.com; kelvinguyen@hotmail.com	kelvinguyen@hotmail.com
------------------------------	---	-------------------------

Virginia		
Jenny Nguyen Unit 127, Orchard Square Shopping Center, 1400 Kempsville Rd, Chesapeake, VA 23320 nguyen9818@yahoo.com; shelly123u@gmail.com; Shareteachesapeake@gmail.com	Susan 11211 F Lee Highway Fairfax, VA 22030 susan.ku@gmail.com; mkmfotos@gmail.com; gotmyboba@gmail.com	Maskey Krishnarao 6282 Arlington Boulevard, Falls Church VA 22044 susan.ku@gmail.com; mkmfotos@gmail.com; gotmyboba@gmail.com

Washington		
Albert Hu 1112 110th Ave #107 Bellevue WA 98004 shareteabellevue@gmx.com	Albert Hu 18931 Bothell Way, NE #1, Bothell, WA 98011-1975 shareteabothell@outlook.com	Larry Lay 19206 SE 1st street, Suite 114, Camas, WA 98607 shareteacamas@gmail.com; larrylay80@gmail.com
Tra Nguyen 17039 SE 272nd Street, Suite 118, Covington, WA 98042 vandk0814@gmail.com	Nai Chao 23609 Pacific Hwy S, Des Moines, WA 98198 nai@rainier-rep.com	Benny Kim 1130 SE Everett Mall Way Suite B, Everett WA 98208 bennykimdesign@outlook.com
Sanghee Jang 31217 Pacific Hwy S. STE B101 Federal Way, WA 98003 shareteafederalway@gmail.com; zzangsh1225@gmail.com	Jonathan 240 NW Gilman BLVD., Suite 5, Issaquah, WA 98027 Diehter@gmail.com	Xyra Arante 128 S. Ely St, Kennewick, WA 99336 xydella497x@gmail.com; dezakpin@gmail.com
Van Vong 4018 Pacific Ave SE, Lacey, WA 98053 vongvn@gmail.com,	Jane Sim 18505 Alderwood mall PKWY Suite G, Lynnwood WA 98037 8012 kimjungsuk97@gmail.com	Steve J. Kim 12520 Meridian AVE E, Puyallup, WA 98373 skim@gbcib.com
Steve J. Kim 7425 166th Ave NE e140, Redmond, WA 98052 skim@gbcib.com	Yoon Chang 911 North 10th PL # B, Renton, WA 98057 yoonie@gmail.com	Yoon Chang 530 Broadway, Seattle, WA 98122 yoonie@gmail.com
Yoon Chang 651 S King St, Seattle, WA 98104	Yoon Chang	Young S Lee( Michelle) 4740 42nd Ave SW, suite 27 Seattle, WA 98116

yooniie@gmail.com	4730 University Way NE Suite 109 & 100 Seattle, WA 98105 yooniie@gmail.com	sharetea.wseattle@gmail.com
Xiao Liang Tacoma Mall Room 1159 A, 4502 S Steele St, Tacoma, WA 98409 foodienetllc@gmail.com; surmountian@gmail.com	Yoon Chang 100 Andover Park West, Suite #120, Tukwila, WA 98188 yooniie@gmail.com	My Dung Le 8825 34th Ave NE, Suite H, Tulalip, WA 98271 eleolle2020@gmail.com; mydungtle@gmail.com
Sirisak Penrattanakanok 7902 NE 6th Ave Vancouver WA 98665 goodtymelle@gmail.com		

Washington D.C.		
Jerry He 519 H St Nw Washington, DC 20001 jerryhe@hotmail.com; shareteachinatown@hotmail.com		



## Exhibit F

### State Effective Dates

The following states have franchise laws that require that this 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 Disclosure 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:

<u>State</u>	<u>Effective Date</u>
<u>California</u>	<u>[Pending]</u>
<u>Hawaii</u>	<u>[Pending]</u>
<u>Illinois</u>	<u>[Pending]</u>
<u>Indiana</u>	<u>[Pending]</u>
<u>Maryland</u>	<u>[Pending]</u>
<u>Michigan</u>	<u>[Pending]</u>
<u>Minnesota</u>	<u>[Pending]</u>
<u>New York</u>	<u>[Pending]</u>
<u>North Dakota</u>	<u>Not registered</u>
<u>Rhode Island</u>	<u>Not registered</u>
<u>South Dakota</u>	<u>Not registered</u>
<u>Virginia</u>	<u>[Pending]</u>
<u>Washington</u>	<u>[Pending]</u>
<u>Wisconsin</u>	<u>December 12, 2023</u>

<u>State</u>	<u>Effective Date</u>
<u>California</u>	<u>March 15, 2023</u>
<u>Hawaii</u>	<u>[Pending]</u>
<u>Illinois</u>	<u>April 20, 2023</u>
<u>Indiana</u>	<u>Not registered</u>
<u>Maryland</u>	<u>[Pending]</u>
<u>Michigan</u>	<u>July 28, 2022</u>
<u>Minnesota</u>	<u>June 20, 2023</u>
<u>New York</u>	<u>March 8, 2023</u>
<u>North Dakota</u>	<u>Not registered</u>
<u>Rhode Island</u>	<u>Not registered</u>

South Dakota	Not registered
Virginia	January 29, 2023
Washington	June 6, 2023
Wisconsin	Not registered

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.

**Exhibit G**  
**Receipt**

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

If Lilian USA LLC offers you a franchise, it must provide this disclosure document to you: (a) seven (7) 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.

If Lilian USA LLC does not deliver this 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 agencies listed in Exhibit C of the disclosure document.

The principal business address and telephone number of each franchise seller offering the franchise is contacting Po-Yu Lai, General Manager, at 18F.-7, No. 95, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City 221416, Taiwan (R.O.C.), 886-2-2654-8585, angus@1992sharetea.com or Emily Liao aka Ning-Juan Liao, Director, at 18F.-7, No. 95, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City 221416, Taiwan (R.O.C.), 886-2-2654-8585, emilyliao@1992sharetea.com.

~~Additional Franchise Sellers, if any:~~

This Disclosure Document was issued: ~~February 28, 2023~~ February 22, 2024

Our own agent for service of process in Minnesota is Minnesota Department of Commerce, 85 7<sup>th</sup> Place East, Suite 280, St. Paul, Minnesota 55101, (651) 539-1600.

I received a Disclosure Document issued ~~February 28, 2023~~ February 22, 2024. Included are the following exhibits:

Exhibit A	Financial Statement
Exhibit B	Franchise Agreement
Exhibit C	Directory of Administrative Agencies
Exhibit D	Additional Disclosure Required by the State
Exhibit E	Contact Information of Former and Current Franchisees
<u>Exhibit F</u>	<u>State Effective Dates</u>
Exhibit G	Receipt

**Date Disclosure Document Received:** \_\_\_\_\_, 20\_\_\_\_ *(enter date here)*

**Tea Shop Address:** \_\_\_\_\_

**Signed:** \_\_\_\_\_

**Name:** \_\_\_\_\_ **(Please print)**

**Last 4 digits of Social Security Number:** \_\_\_\_\_

\_\_\_\_\_**Street Address (domicile)**

\_\_\_\_\_**City or Town/State/Zip Code**

## Receipt (2)

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

If Lilian USA LLC offers you a franchise, it must provide this disclosure document to you: (a) seven (7) 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.

If Lilian USA LLC does not deliver this 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 agencies listed in Exhibit C of the disclosure document.

The principal business address and telephone number of each franchise seller offering the franchise is contacting Po-Yu Lai, General Manager, at 18F.-7, No. 95, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City 221416, Taiwan (R.O.C.), 886-2-2654-8585, angus@1992sharetea.com or Emily Liao aka Ning-Juan Liao, Director, at 18F.-7, No. 95, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City 221416, Taiwan (R.O.C.), 886-2-2654-8585, emilyliao@1992sharetea.com.

~~Additional Franchise Sellers, if any:~~

This Disclosure Document was issued: ~~February 28, 2023~~ February 22, 2024

Our own agent for service of process in Minnesota is Minnesota Department of Commerce, 85 7<sup>th</sup> Place East, Suite 280, St. Paul, Minnesota 55101, (651) 539-1600.

I received a Disclosure Document issued ~~February 28, 2023~~ February 22, 2024. Included are the following exhibits:

Exhibit A	Financial Statement
Exhibit B	Franchise Agreement
Exhibit C	Directory of Administrative Agencies
Exhibit D	Additional Disclosure Required by the State
Exhibit E	Contact Information of Former and Current Franchisees
<u>Exhibit F</u>	<u>State Effective Dates</u>
Exhibit G	Receipt

**Date Disclosure Document Received:** \_\_\_\_\_, 20\_\_ *(enter date here)*

**Tea Shop Address:** \_\_\_\_\_

**Signed:** \_\_\_\_\_

**Name:** \_\_\_\_\_ **(Please print)**

**Last 4 digits of Social Security Number:** \_\_\_\_\_

\_\_\_\_\_  
**Street Address (domicile)**

\_\_\_\_\_  
**City or Town/State/Zip Code**

