

FRANCHISE DISCLOSURE DOCUMENT
(UNIT FRANCHISE PROGRAM)

Gong cha 

GONG CHA USA FRANCHISING, LLC

a Delaware limited liability company

200 Clarendon St., Suite #5600

Boston, Massachusetts, 02116

(775) 799-0070

www.gong-cha.com/usa/us-en

We offer unit franchises for the operation of a single store, operated under the “Gong cha®” trademark, that primarily offers and sells a variety of bubble tea blends, coffees and teas, smoothies, juices, and other related products using proprietary methods of operation.

The total investment necessary to begin operation of a Gong cha® franchise ranges from \$207,450 to \$648,460. This includes ~~\$67,750~~62,750 to ~~\$103,800~~105,800 that must be paid to the franchisor or its affiliates.

We also offer multi-unit franchises to qualified franchisees. Multi-unit franchisees will sign an Area Development Agreement (or ADA), which authorizes them to develop multiple Gong cha® stores under separate franchise agreements within a specified development area. Multi-unit franchisees pay an upfront development fee to franchisor typically equal to one half of its standard initial franchisee fee of \$37,000 multiplied by the number of stores to be developed. The development fee is in addition to the standard initial franchise fee due for each store, although franchisor will credit a portion of the development fee to reduce the initial franchise fee for each store established under the ADA and may waive the reduced initial franchise fee as part of a growth incentive, if certain requirements are met.

We anticipate that we will typically enter into multi-unit ADAs for the development of 3 or more Gong cha® stores. For example, if you sign an ADA and Attachment A (For Standard Development) thereto with a Development Schedule of 10 Stores over 5 years, you would pay us a development fee of \$185,000, plus \$18,500 for one half of the initial franchise fee for the first store to be developed in the first year. Alternatively, if you sign an ADA and Attachment A (For Large Development) thereto with a Development Schedule of 20 Stores over 5 years with a Tier 1 Minimum Development Target of 4 Stores for the first development year, you would pay us a development fee of \$370,000, plus \$74,000 for one half of the initial franchise fees for the first 4 Stores in the first development year.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 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 formats, contact Michael Nedelkovich Jr. at 200 Clarendon Street, Suite #5600, Boston, Massachusetts 02116, (775) 799-0070.

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

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EXHIBITS

Exhibit A.	State-Specific Addenda to Disclosure Document
Exhibit B.	List of State Agencies and Agents for Service of Process
Exhibit C.	Table of Contents of the Manuals
Exhibit D.	Existing and Former Unit Franchisees of Franchisor
Exhibit E.	Existing and Former Third-Party Subfranchisees / Sublicensees of Franchisor’s US Master Franchisees
Exhibit F.	Financial Statements of Gong cha USA Franchising, LLC
Exhibit G.	Franchise Agreement with exhibits: Data Sheet; List of Principals and Designated Principal; Guaranty, Indemnification, and Acknowledgment; Authorization Agreement for Prearranged Payments; Non-Disclosure and Non-Compete for Franchisee’s Employees; Lease Terms; State-Specific Addenda to Franchise Agreement; Data Protection; and Form of Profit and Loss Statement
Exhibit H.	Area Development Agreement with attachments: Development Area; Development Schedule (For Standard Development); Development Area; Development Schedule (For Large Development); Guaranty, Indemnification, and Acknowledgment; Lease Terms; Selection Criteria; and State-Specific Addenda to Area Development Agreement
Exhibit I.	Form of General Release
Exhibit J.	Franchisee Questionnaire

Large Development

If you sign an ADA for a Large Development (the right to develop 15 or more Stores within the Development Area), you will sign Attachment A (For Large Development) to the ADA and we will agree on a Development Schedule, which for each calendar year or partial calendar year during the term of the ADA (defined as any full or partial calendar year during the term of the ADA) (each a “development year”), will include a “Tier 1 Minimum Development Target”, a “Tier 2 Development Target”, and a “Tier 3 Overreaching Target”. At the beginning of each development year, you must pay to us an amount equal to one half of our current Initial Franchise Fee (due to the Development Fee credit described above) multiplied by the cumulative number of Gong cha® stores you still need to open and continuously operate in order to meet the cumulative Tier 1 Minimum Development Target for that development year. This Initial Franchise Fee amount is not refundable but will cover the Initial Franchise Fees due for any Stores you open in that development year. The Initial Franchise Fee amount paid in one development year will not carry over to the following development year. If you meet the Tier 1 Minimum Development Target and certain other development targets set forth in the Development Schedule for a development year (which may include the cumulative Tier 2 Development Target and/or the cumulative Tier 3 Overreaching Target), you will be eligible to have the Initial Franchise Fees waived on certain additional Stores developed during that development year, as further described in Attachment A of the ADA. In addition, as further described in Item 11 and Attachment A of the ADA, if you meet the Tier 1 Minimum Development Target and certain other development targets set forth in the Development Schedule for a development year (which may include the cumulative Tier 2 Development Target and/or the cumulative Tier 3 Overreaching Target), you will be eligible for Net Sales rebates for a set period on certain Stores opened during that development year. In certain circumstances we will offer incentives to development which may include fee incentives.

[Except for the payment of certain Initial Franchise Fees in installments if you sign an ADA \(as described above\), you must pay all of the initial fees described in this Item 5 to us or our affiliates in a lump sum when due.](#)


ITEM 6 OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	6% of weekly Net Sales	3 rd Business Day of each Week	(Note 1)
Brand Marketing Fee	1% of weekly Net Sales. However, we can increase this amount to up to 2% of weekly Net Sales upon 90 days' prior written notice to you	3 rd Business Day of each Week	We will deposit Brand Marketing Fees into the Brand Market Fund, as further described in Item 11. (Notes 1 and 2)

Principal Register of the United States Patent and Trademark Office (“USPTO”), which we consider the principal Proprietary Marks:

Trademark	Registration Date	Registration Number
	December 29, 2020	6231001
 Gong cha	December 14, 2021	6585699
 How Tea is Meant To Be	October 7, 2025	7971702 (IR1835505)
Popcha	March 11, 2025	7717895 (IR1786118)

[In addition to the registration of the principal Proprietary Marks listed above on the Principal Register of the USPTO](#), GCG has [also](#) filed ~~the following~~ trademark applications [for the following other Proprietary Marks](#) with the Principal Register of the USPTO:.

Trademark	Date of Application	Application Number
ENERTEA	September 15, 2025	99392581
	November 7, 2025	99484395

Trademark	Date of Application	Application Number
GONG CHA	November 7, 2025	99484391
BOBACCINO	January 27, 2026	99616782
HOW TEA IS MEANT TO BE	February 9, 2026	99641725

We do not have a federal registration for the Proprietary Marks listed in the table immediately above. Therefore, these Proprietary Marks do not have many legal benefits and rights as a federally registered trademark. If our right to use any of these Proprietary Marks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

GCG has or will timely file with the USPTO all required affidavits of use, affidavits of incontestability and renewals when due for the Proprietary Marks noted above, -You agree to cooperate with us and our affiliates, including GCG, and our and their respective representatives, in the prosecution of any applications or registrations of any Proprietary Marks which have been filed with the appropriate authorities.

Except as described below, there are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court involving the Proprietary Marks, and there is no pending infringement, opposition, or cancellation proceeding, or any pending material litigation, involving the Proprietary Marks, save in respect of an opposition action filed by our affiliate GCG against a third party brand in the United States and certain other territories. The US opposition is currently suspended. Such brand does not currently operate within the United States. Except as disclosed above, there is no agreement in effect which significantly limits our rights to use or license the Proprietary Marks in any state in a manner material to the franchise, and we know of no superior prior rights or infringing uses that could materially affect your use of the Proprietary Marks in any state. We are unaware of any party with superior rights or infringing uses of the Proprietary Marks that could materially affect your use of the principal Proprietary Marks in the state or states where your Store will be located.

You may only use the Proprietary Marks we or our affiliate designate and may only use them in the manner authorized and permitted by us and our affiliates. You must affix the TM or [®] symbol (as directly or as otherwise applicable) upon all advertising, publicity, signs, decorations, furnishings, equipment or other printed or graphic material employing the words “Gong cha” or any other of the Proprietary Marks, whether presently existing or developed in the future. You may not use the Proprietary Marks in any manner which would bring them into disrepute or otherwise prejudicial to the goodwill, reputation, image or prestige of us or our affiliates, the

**ADDENDUM TO
GONG CHA®
FRANCHISE DISCLOSURE DOCUMENT
FOR THE
STATE OF MINNESOTA**

Notwithstanding anything to the contrary set forth in the Gong cha® Franchise Disclosure Document, the following provisions shall supersede and apply to all Gong cha® unit franchises offered and sold in the state of Minnesota:

The Minnesota Addendum is only applicable if you are a resident of Minnesota or if your business will be located in Minnesota.

State Cover Page and Item 17, Additional Disclosures:

Minnesota Statutes, Section 80C.21, and Minnesota Rules 2860.4400(J) prohibit the Franchisor 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 (a) any of the Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C; or (b) Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Franchisee cannot consent to the Franchisor obtaining injunctive relief. The Franchisor may seek injunctive relief. A court will determine if a bond is required.

Items 5 and 7, Additional Disclosures:

Based upon the Franchisor's most recent audited financial statements, the Minnesota Department of Commerce has required a financial assurance. Therefore, Items 5 and 7 of the Franchise Disclosure Document are amended to reflect that (i) all initial franchise fees due from the Franchisee under the Franchise Agreement shall be deferred until Franchisor completes its pre-opening obligations under the Franchise Agreement and the Franchisee opens its Franchised Store under the Franchise Agreement; and (ii) all initial franchise fees due from the Developer (Franchisee) under the Area Development Agreement, including the development fee, shall be deferred until Franchisor completes its pre-opening obligations under the Area Development Agreement.

Item 6, Additional Disclosures:

NSF checks are governed by Minnesota Statute Section 604.113, which puts a limit of \$30 on service charges.

Item 13, Additional Disclosures:

To the extent required by Minnesota Statutes, Chapter 80C, the Franchisor will protect the Franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols related to the trademarks or indemnify the Franchisee from any loss, costs,

or expenses arising out of any claim, suit, or demand regarding the use of the trademarks, provided the Franchisee is using the names in marks in accordance with the Franchise Agreement or Area Development Agreement.

Item 17, Additional Disclosures:

Any condition, stipulation or provision, including any choice of law provision, purporting to bind any person who, at the time of acquiring a franchise is a resident of the State of Minnesota or in the case of a partnership or corporation, organized or incorporated under the laws of the State of Minnesota, or purporting to bind a person acquiring any franchise to be operated in the State of Minnesota to waive compliance or which has the effect of waiving compliance with any provision of the Minnesota Franchise Law is void.

We will comply with Minn. Stat. Sec. 80C.14, subs. 3, 4 and 5, which requires, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure), 180 days' notice for nonrenewal of the Franchise Agreement or Area Development Agreement, and that consent to the transfer of the franchise will not be unreasonably withheld.

Minnesota Rule 2860.4400D prohibits Franchisor from requiring Franchisee to assent to a general release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§80C.01 – 80C.22.

With respect to franchises governed by Minnesota law, the Franchisor will comply with Minnesota Statutes, Section 80C.17, Subd. 5 with respect to limitation of claims.

General Additional ~~Disclosure~~Disclosures:

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.

Each provision of this Addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of the Minnesota Franchise Act are met independently without reference to this Addendum.

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

**ADDENDUM TO
GONG CHA® FRANCHISE AGREEMENT
FOR THE
STATE OF MINNESOTA**

Notwithstanding anything to the contrary set forth in the Gong cha® Franchise Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Gong cha® franchises offered and sold in the State of Minnesota:

The Minnesota Addendum is only applicable if you are a resident of Minnesota or if your business will be located in Minnesota.

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 PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT 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.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

[Based upon Franchisor's most recent audited financial statements, the Minnesota Department of Commerce has required a financial assurance. Therefore, all initial franchise fees due from Franchisee shall be deferred until Franchisor completes its pre-opening obligations under this Franchise Agreement and the Franchised Store is open for business.](#)

With respect to franchises governed by Minnesota Franchise Law, Franchisor shall comply with Minn. Stat. Sec. 80C.14, subd. 4 which requires that except for certain specified cases, that Franchisee be given 180 days' notice for non-renewal of this Franchise Agreement.

To the extent required by the Minnesota Franchise Act, Franchisor will protect Franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols related to the trademarks or indemnify Franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the trademarks, provided Franchisee is using the names in marks in accordance with the Franchise Agreement.

Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 – 80C.22.

With respect to franchises governed by Minnesota Franchise Law, Franchisor shall comply with Minn. Stat. Sec. 80C.14, subd. 3 which requires that except for certain specified cases, Franchisee be given 90 days' notice of

**ADDENDUM TO
GONG CHA® AREA DEVELOPMENT AGREEMENT
FOR THE
STATE OF MINNESOTA**

Notwithstanding anything to the contrary set forth in the Gong cha® Area Development Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Gong cha® franchises offered and sold in the State of Minnesota:

The Minnesota Addendum is only applicable if you are a resident of Minnesota or if your business will be located in Minnesota.

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 PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT 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.

1. Notwithstanding anything to the contrary contained in the Area Development Agreement, to the extent that the Area Development Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

[Based upon Franchisor's most recent audited financial statements, the Minnesota Department of Commerce has required a financial assurance. Therefore, all initial franchise fees due from the Developer under the Area Development Agreement, including the development fee, shall be deferred until Franchisor completes its pre-opening obligations under this Area Development Agreement.](#)

With respect to franchises governed by Minnesota Franchise Law, Franchisor shall comply with Minn. Stat. Sec. 80C.14, subd. 4 which requires that except for certain specified cases, that Developer be given 180 days' notice for non-renewal of this Area Development Agreement.

To the extent required by the Minnesota Franchise Act, Franchisor will protect Developer's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols related to the trademarks or indemnify Developer from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the trademarks, provided Developer is using the names in marks in accordance with the Area Development Agreement.

Developer will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 – 80C.22.