FRANCHISE DISCLOSURE DOCUMENT
DING TEA CORPORATION
dba DING TEA

A Delaware Corporation
919 North Market St, Suite 950
Wilmington, DE 19801
800-246-2677
E-mail: bow6509@dingtea.com
URL: www.dingtea.com

DING TEA offers the right to a master franchisee to offer and sell DING TEA franchises.

The total investment necessary to begin operation of a DING TEA master franchise business will range from **$833,000 to $895,000**. This includes **$800,000 to $820,000** that must be paid to the franchisor or affiliate.

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 government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact Wei Hsiang Hsu at Ding Tea Corporation, 919 North Market St, Suite 950, Wilmington, DE 19801, telephone 800-246-2677.

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

Becoming 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, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: May 27, 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:

QUESTION	WHERE TO FIND INFORMATION
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 C.
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 B 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 San Chen™ business 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 DING TEA franchisee?	Item 20 or Exhibit C 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 E.

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. 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 California. 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 California than in your own state.

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.

DING TEA CORPORATION

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FRANCHISE DISCLOSURE DOCUMENT

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Exhibits

"A"	Master Franchise Agreement *Exhibit to Master Franchise Agreement:* Exhibit 1: Subfranchise Schedule
"A-1"	Form of General Release
"B"	Financial Statements
"C"	List of Franchise Outlets
"D"	List of Terminated Franchises
"E"	State Franchise Administrators and Agents for Service of Process
"F"	State Specific Addendum
"G"	State Effective Dates
"H"	Receipts

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

To simplify the language, this disclosure document uses "we" or "us" to mean Ding Tea Corporation ("Ding Tea USA"). "You" means the individual or entity buying the DING TEA franchise and become master franchisee (subfranchisor) of your delineated area.

The Franchisor, Parents and Affiliates

We are the franchisor for the DING TEA franchise system in the United States. Our principal place of business address is 919 North Market St, Suite 950, Wilmington, DE 19801. The date of formation of us is on January 7, 2019. We have never offered the Ding Tea master franchise in any states. We will start to offer a master franchise after the disclosure document is registered with the state.

Our parent company, Chu Yu Hsiang Co., Ltd. ("Ding Tea Taiwan"), is a corporation formed under the laws of Taiwan in 2018 and continued as a corporation under the laws of Taiwan. Ding Tea Taiwan operates Tea Shops and offers franchise opportunities offering teas, coffee, flavored tea-based beverages, bubble tea, compatible food products, accessories, and gifts outside of the United States under the Brand Ding Tea. As of December 2020, Ding Tea Taiwan and we have opened more than 500 Tea Shops worldwide. Currently, Ding Tea Taiwan does not have any line of business or provide products or services to franchisees. Ding Tea Taiwan licenses us the right to use and sublicense the use of "Ding Tea "and related marks in the United States.

Ding Tea Taiwan (and in the future one or more affiliated companies) provides our franchise system with the proprietary food ingredients and other products necessary to prepare DING TEA beverages and other menu items. Otherwise, we are not controlled by, controlling, or under common control with any other entity that that provides goods or services to our franchisees or that offers franchises in any line of business.

Predecessors

We have no predecessor during the 10-year period immediately before the close of our most recent fiscal year.

Name Used by the Franchisor

We conduct business under the name DING TEA. Other than DING TEA, we do not offer any business under any other names or trademarks.

Agent for Service of Process

Our agent for service of process is specified in **Exhibit E**.

Business Organization Used by the Franchisor

We are a corporation registered on January 7, 2019, with the State of Delaware.

The Franchisor's Business

We act solely as a franchisor of DING TEA franchises. We begin franchising in January 2019. We do not operate businesses of the type being franchised in this state and we do not engage in other business activities.

Our Business Activities

We do not open and operate any DING TEA outlet, but we reserve the right to license DING TEA for franchisees to open and operate outlets under our trademarks and tradenames.

Offer of Master Franchises (Subfranchises)

We are the Franchisor of DING TEA franchise system, and we are selling master franchises (subfranchises) in this state. You will be granted, for consideration paid to us, rights related to granting unit franchises to third parties or entities in a delineated geographic area. You will be a party to a Master Franchise Agreement with us specifying the territory in which you may license the franchise business in accordance with a minimum development schedule. Unless otherwise exempted, you will need to register your own Franchise Disclosure Document with the State before offering to sell or selling a franchise. You will also be a party to Unit Franchise Agreements with third parties ("Unit Franchisees") for the selling of unit franchises. Each master franchisee will be obligated to provide a uniform franchise agreement to each franchisee that has been approved by the state in which it registers. We do not provide any sample form of Unit Franchise Agreement for your use. You will be obligated to provide support services and supervise the operation of DING TEA outlets by Unit Franchisees.

The minimum number of outlets that must be sold is given during the term of Master Franchise Agreement, and you must sell at least one outlet per year after you sign Master Franchise Agreement with us. The consequence for failure to meet the development schedule is that we reserve the right to terminate Master Franchise Agreement.

Offer of Unit Franchises

By a separate franchise disclosure document, we also offer unit franchises to potential franchisees in the state. This disclosure document does not include the offering of unit franchises. Unit franchises can operate only at a specific outlet and location agreed by us and offer Ding Tea beverages onsite or via delivery platforms.

General Market for Franchised Products and Services

The general market franchisees will operate the business involves retail tea and coffee shops and other restaurants offering specialty teas and other food products that are like DING TGEA Products. The market for DING TEA Products is all individuals within a reasonable proximity to the Master's territory. This type of business is fully developed and is not seasonal. Our initial approach to the marketing of our business is to grant the master franchise rights in areas where the population of ethnic Taiwanese and other Asians is greatest and where potential customer awareness of the brand is most likely. After we establish franchises in those areas, we will expand our marketing efforts to other areas in the United States, which will not involve sales primarily to a certain group.

Industry Specific Laws or Regulations

You will need a business license and reseller's permit and you must comply with federal, state and local laws applicable to the operation and licensing of our type of business, including obtaining all applicable health permits and inspections and approvals by municipal, county or state health departments that regulate food handling and food service operations. Franchisee's DING TEA Outlet must also meet applicable municipal, county, state and federal building codes and handicap access codes.

The U.S. Food and Drug Administration, the U.S. Department of Agriculture and state and local health departments administer and enforce regulations that govern food preparation and service. State and local agencies inspect restaurants and other retail food service providers to ensure that they comply with these laws and regulations.

Competition

To offer the franchise to potential Unit Franchisees, you will face the competition against other franchisors in this catering business. For those Unit Franchisees who intends to enter or expand their business in the field, they may consider other franchises that also sell tea-based drinks and coffees. The market for this type of service is very competitive

because there are many brand names out there that are well-known in this field. You must consider carefully or consult some franchise experts before you decide to be our Master Franchisee.

All our outlets of DING TEA franchise will compete with other tea shops, coffee shops and restaurants that offer and sell specialty teas and tea drink combinations, including franchised operations and national and regional chains such as Teavana, Starbucks and Peets Coffee and Tea, and smaller chains (such as Chatime and Coco Fresh Tea & Juice), and independent operators that offer specialty teas, tea drink combinations and other products comparable to the DING TEA Products.

Prior Experience of Franchisor and Predecessors

In 2018, our parent entity Ding Tea Taiwan was formed as an entity to begin operating outlets that sell tea-based beverages and franchising DING TEA franchise to Franchisees in Taiwan, Canada, Japan, and many other countries. By 2020, Ding Tea Taiwan has more than 500 outlets worldwide.

Unless disclosed under the Item, we have not previously offered franchises providing the type of business you will operate. Nor have we ever offered franchises in other lines of business. We do not operate businesses of the type being franchised in the United States. We do not engage in other business activities. We have no affiliates that offer franchises in any line of business.

ITEM 2: BUSINESS EXPERIENCE

Wei Hsiang Hsu: Chief Executive Officer and President

Wei-Hsiang Hu has been our President and CEO since its inception on January 7, 2019. From December 5, 2018, until the present, he has served as the President and CEO of Chu Yu Hsiang Co., Ltd. From 2017 to 2020, he has served as the President and CEO of King Win Food and Beverage Co., Ltd. Wei-Hsiang Hu served as the General Manager of Wang Jin Food and Beverage Management Ltd. from 2010 to 2017.

ITEM 3: LITIGATION

Sheila Biglang-AWA Castro vs Ding Tea Holding Corporation, Superior Court for the State of California, Los Angeles County, Case number 20VECV00442.

On March 27, 2020, plaintiff Sheila Biglang-AWA Castro initiated this action against

the Company asserting the Company's website violates the Unruh Civil Rights Act, California Civil Code § 51 et seq. The parties have settled the case.

Tam Theo Inc., dba Roasting Water, Sang Van Do; Trieu Christine Do; San Trieu Inc.; and Does 1 through 50 vs The Ly Do Family, Inc., Superior Court for the State of California, Orange County, Case number 30-2019-01097188-CU-BC-CJC.

On September 10, 2020, cross-plaintiff Tam Theo, Inc. dba Roasting Water filed cross-complaint against us, claiming intentional interference with contractual relations and prospective economic advantage, as well as unfair competition. This case is dismissed by the plaintiff.

The State of Washington Department of Financial Institutions Securities Division vs Chu Yu Hsiang Co., Ltd

On May 19, 2021, The State of Washington Department of Financial Institutions Securities Division investigated regarding the offer and sales of franchise, Ding Tea, to determine whether there have been any violations of the Washington Franchise Investment Protection Act (RCW 19.100). We entered into a Consent Order (Order No.: S-21-3145-21-CO01) with the State of Washington Department of Financial Institutions Securities Division on August 31, 2021 and we were liable for and paid the investigative costs of $3,500 to the State of Washington Department of Financial Institutions Securities Division.

The State of California Department of Financial Protection and Innovation vs Ding Tea Corporation

On January 08, 2021, the State of California Department of Financial Protection and Innovation began investigated regarding the offer and sales of franchise, Ding Tea, to determine whether there have been any violations of the applicable California laws by the franchisor, its parent, or its affiliates. We entered into a Consent Order dated October 26, 2021, and we were liable to pay penalties of $397,500 of which may be offset in the amount of each and every refund payment made to a California franchisee; $5,000 administrative payment, offer cancellation and refund to the California franchisees; and attend a remedial education. On February 9, 2022, we entered into an Amended Consent Order with the state. The Amended Consent Order includes an updated franchise list, specifies the security deposit refund, and various amended terms and conditions.

ITEM 4: BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5: INITIAL FRANCHISE FEES AND OTHER ESSENTIAL FEES

Initial Master Franchise Fee

The Initial Master Franchise Fee for your delineated area is $700,000. The Initial Master Franchise Fee is due and payable in full, by cashier's check or money order or wire transfer to our bank account when we execute the Master Franchise Agreement. *See Section 3.1 of the Master Franchise Agreement*.

Security Deposit

When you sign the Master Franchise Agreement, you must pay us a $70,000 security deposit. If you default in performing any requirement of the Master Franchise Agreement or any other agreement between you and us, or any of our affiliates, we may use the security deposit, or any portion of it, to cure the default or to compensate us or our affiliates for all damages or expenses we incur because of your default, including damages we suffer because of your purchase of unapproved materials or your use of poor quality raw material in preparing and serving DING TEA Products. We may also use the security deposit to pay any late charges, interest, penalties, and fees and any costs and charges due us for performing obligations that you do not perform, and which we are entitled to perform for you. If monies are owed, or become due, to us on or after termination or expiration of the Master Franchise Agreement for any reason, we may use all or any part of the security deposit to pay those sums. If we use any part of the security deposit before the end of the term of the Master Franchise Agreement, you will have to restore the balance of the security deposit to $70,000. If you are not in default in performance under the Master Franchise Agreement or any other agreement with us or any of our affiliates on the date the Agreement expires or is terminated for any other reason, we will return to you within 30 days after the expiration or effective date of termination of the Master Franchise Agreement the remaining balance of the security deposit. *See Section 3.2 of the Master Franchise Agreement*.

Inventory, Equipment, and Raw Material Fees

Before you open your master franchise outlet, you must purchase inventory, equipment, and raw materials from us. The estimated expenditure of the purchase for the first 3 months of operation of the master franchise outlet will range from $30,000 to $50,000. The opening inventory includes various kind of tea leaves, tapiocas, sugar, syrup, jams, cups, straws, milk, fresh fruits, shelf, refrigerator, icemaker, teapresso, sealing machine induction cooker, measure, chairs, tables, and any other inventory, equipment, and raw materials to make beverages specified in our menu.

Refundability of Fees

The Initial Master Franchise Fee, Design Fee, Inventory, Equipment, and Raw Materials Fees are fully earned by us when paid and are not refundable. If the Master Franchise Agreement is terminated or expired, we will return the Security Deposit to you less any expenses, damages, or penalty we incurred relating to the termination or expiration of the Agreement.

Excepted as disclosed under this item, there are no other initial fees or payments for services or goods received from us or our affiliates before your master franchise outlet opens.

ITEM 6: OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Service Fee[1, 2, 3]	2.5 % of Gross Revenues	10th of January, April, July, and October for the previous three months[3]	You must pay us a Service Fee of 2.5% of Gross Revenue of DING TEA franchise operation after you open or license the first outlet. The Service Fee is non-refundable. Gross Revenues include all revenue from the sale of all products and services and all other income of every kind and nature related to your franchise operation, whether for cash, by redemption of gift certificates or for credit, regardless of collection. Gross Revenues do not include sales tax or any other taxes you collect from customers for payment to an appropriate tax authority. *See Section 3.4 of the Master Franchise Agreement.*
Additional Training after the First Stage Training[1, 2]	$5,000	Before we start the additional training after the First Stage Training[3]	The First Stage Training is free of charge to you, store manager, and each principal equity owner for up to five trainees. At the end of the First Stage Training, the trainees shall receive a training evaluation. If the one or more of the trainees fail the evaluation, the First Stage Training shall extend additional 7 days and you will pay $5,000 for the additional training. The

			Additional Training after the First Stage Training is non-refundable. *See Section 5.1 of the Master Franchise Agreement*.
Unit Franchise Fee[1, 2]	$15,000 per outlet from the 31st outlet	When you ascertain an outlet location or receive any payments or executes any agreements with Unit Franchisees	You must pay us $15,000 for each outlet you manage or franchise from the 31st outlet. If you do not license more than 30 outlets within the franchise term, you will not be obligated to pay us the Unit Franchise Fee. If you do not open or franchise more than 30 outlets, then the fee is exempted. The Unit Franchise Fee is non-refundable. *See Section 3.3 of the Master Franchise Agreement.*
Design Fee	$4/ft^2	When you engage us to design from the second outlet	We will provide you with floor, three-dimensional, and construction plans for the first outlet. You may design from the second outlet without engaging us. Nevertheless, you shall acquire prior written approval from us before the outlet's construction. You shall bear the Design Fee of $4/ft2 if you decide to engage us to design outlets. The Design includes the outlet's whole area, including the kitchen and toilet. You should make the payment before we initiate the design. *See Section 3.5 of the Master Franchise Agreement.*
Renewal Fee[1, 2]	$560,000	When you sign the Renewed Master Franchise Agreement[3]	On or before execution of Renewed Master Franchise Agreement, you shall pay us the Renewal Fee of 80% of the Initial Master Franchise Fee. The Renewal Fee is non-refundable. *See Section 3.6(b) of the Agreement*.
Health Inspection Fees	Actual cost of inspection	Before inspection is performed by Franchisor	Franchisor may dispatch personnel to outlets to inspect goods; you may provide samples of goods and send it to our specified institution or entity for further

			inspection. If inspection failed the standard, the inspection shall continue until it passes the standard. The fees arising out of or relating to inspection and re-inspection shall be borne by you. *See Section 7.3 of the Master Franchise Agreement*.
De-identification Fees[3]	$2,000 per day	When violation occurs	Within 7 days after expiration, termination, or rescission of the Master Franchise Agreement, you must remove any signs, printing, and publicity materials attached with our intellectual property rights. If you fail to remove immediately, you shall be responsible for the sum of $2,000 per day to us until the date of removal. *See Section 8.2 of the Master Franchise Agreement*.
Reimbursement Fees to De-identification[3]	Actual Cost of Removal	When the Fees incurred	We may remove, at our discretion, the signs, printing, and publicity materials after 10 days of expiration, termination, or rescission of the Master Franchise Agreement. You shall be liable for the fees. *See Section 8.2 of the Master Franchise Agreement*.

(1) All fees are imposed and collected by and are payable only to us. Except as indicated in Item 5 or otherwise in the table above, all fees are non-refundable. All fees areuniformly imposed.

(2) This fee may be adjusted by changes since the effective date of the Master Franchise Agreement in the annual average of the Consumer Price Index for All Urban Consumers ("CPI"), or the highest similar future index if these figures become unavailable.

(3) If any payment is not paid when due, you must pay a late charge of 0.3% per day of the amount past due plus interest on the unpaid amount at an annual percentage rate ("APR") of 18% (or the highest APR allowed by the law of the state where the Outlet is located, if that APR is lower), and you must reimburse us immediately upon demand for all reasonable costs of collection relating to delinquent amounts. Interest begins from the date payment was due.

ITEM 7: ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial Master Franchise Fee[1, 2]	$700,000	Lump sum	When you sign the Master Franchise Agreement	Us
Security Deposit[1, 2]	$70,000	Lump sum	When you sign the Master Franchise Agreement	Us
Training Expenses[2, 3]	$3,000 to $8,000	As incurred	During training	Airline, travel, and lodging vendors
Point of Sale System[2,4]	$1,000 to $2,000	As incurred	As arranged	Suppliers and vendors
Interior and Exterior Signs and Graphics[2, 5]	$1,000 to $5,000	As incurred	As arranged	Suppliers and vendors
Professional Fees[2, 6]	$3,000 to $8,000	As incurred	As arranged	Attorneys, accountants, and other professionals
Business Licenses and Permits[2, 4]	$1,000 to $5,000	Lump sum	As arranged	Government agencies
Inventory, Equipment, and Raw Material Fees[2, 7]	$30,000 to $50,000	Lump sum	Before opening	Us
Grand Opening Advertisement and Promotion[2, 8]	$3,000 to $5,000	As incurred	During the 90 days after you open	Advertisers and other suppliers
Business insurance[2, 9]	$1,000 to	Lump sum	As arranged	Insurance companies

	$2,000			
Additional Funds – 3 months[10]	$20,000 to $40,000	As incurred	As incurred	Employee, suppliers, utilities
TOTAL[10]	**$833,000 to $895,000**			

Notes:

(1) You must pay the fee in full at the time indicated. To be eligible to sign the Master Franchise Agreement, you must provide us with reasonable proof of your financial ability to make the initial investment described above. You must authorize us to conduct a credit check to confirm your financial ability to purchase develop the Outlet.

(2) Although we cannot assure you this will happen, if you do not open for business, you may receive a refund from us for any remaining Security Deposit and from other suppliers for unused inventory, unspent advertising, and canceled insurance. You will also receive refund of the Security Deposit after expiry of the franchise term or the reaming of the Security Deposit after deducting damages or compensation you owed because of violating terms and conditions under the master franchise agreement. Otherwise, the payments listed in the table above are nonrefundable.

(3) The First Stage Training is typically completed within seven days at our headquarters in Taiwan. These expenses represent the travel and accommodation expenses and your staff during training.

(4) This includes the Point of Sale ("POS") system with a cash register, receipt printer, computer system, and credit card reading or charging equipment. We do not specify a specific brand of POS system or computer for you to operate the DING TEA franchise. Nevertheless, we recommend you use a particular supplier that we have been using for years.

(5) The quantity, size, type, and cost of signs will vary substantially per lease space and under stipulations of each landlord and local governmental regulations. These estimates include the average filing fees for obtaining the necessary sign permits.

(6) This includes professional legal and accounting fees to review the franchise agreement, leasing agreements, and set up the Outlet.

(7) You must buy initial proprietary tea, jams, proprietary ingredients, and administrative

supplies from us immediately before you open your master franchise outlet. The administrative supplies include flyers, recruitment canvas strips, grand opening canvas strips, sale trial canvas strips, and advertising sign stand including promotion rack

(8) We will provide the promotion for you free of charge through our uniformed website. You may also promote your franchised business in the territory by purchasing advertising on search engines or social media. The fee listed here is any estimation you may incur if you choose to promote your franchised business.

(9) As an independently owned and operated franchised business, you are responsible for all costs or liabilities arising from the operation of the DING TEA franchise in your territory, and you must carry adequate insurance to protect yourself. We recommend you obtain insurance coverage from a local carrier. The currently recommended minimum coverage and limits of insurance are (i) general liability insurance with limits of at least $1,000,000 per occurrence and $2,000,000 aggregate and (ii) workers' compensation insurance to meet the statutory coverage of the state where your business is located. To the extent permissible under law, these insurance requirements may be satisfied with a combination of primary, umbrella, or excess policies. All insurance policies will name you as named insured and, except for Workers' Compensation policies, will name us and any of our subsidiaries and affiliates of these companies now existing or which may hereafter exist as additional insureds, including their employees, officers and directors on additional insured endorsement forms. The costs of premiums will vary based on the location of the business and any prior claim history. The required coverage and limits are subject to change.

(10) This estimates your initial startup expenses. These figures are estimates, and we cannot guarantee that you will not have additional costs starting the business. We do not finance any part of the initial investment, and we relied on decades of our founder's experience in determining these figures. You should review these figures carefully with a business advisor before deciding to purchase the franchise. As to the finance aspect, neither we nor our affiliate will finance any part of the initial investment.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases of Goods or Services, including Computer and Point of Sale System

We recommend you purchase the POS System from our specified supplier because it is the most cost-effective. We do not require you to purchase, use and maintain a specified personal computer system to operate your franchised business. Nevertheless, we require you to keep an email account and provide us with reports by email in the manner required in the Confidential Operations Manual (the "Manual").

You must purchase items bearing our trademarks only from us, our affiliated companies, or other reputable suppliers. The Unit Franchisees must purchase items bearing our trademarks only from you. Also, when you are operating the master franchise outlets, you must use fixtures, items of equipment, food preparation and storage equipment, display cases, cash registers and computer systems, storefront, supplies, and signs that we have approved as meeting our specifications and standards for appearance, function, design, quality, and performance. You must place or display at the premises of your master franchise outlets only such signs, emblems, lettering, logos, and display materials that we approve in writing. All equipment leases will be between you and the lessor. Under no circumstances can you sign any lease as you were us or on our behalf.

Franchisor or its Affiliates Acting as Approved Suppliers

You must purchase all proprietary tea, fruit jams, and other raw materials to be used in DING TEA Products from us, as well as cups, uniforms, and any other items containing the DING TEA logo. Otherwise, none of our affiliate sells or leases any goods, services, supplies, or equipment related to establishing or operating the franchised business.

Our officer owns an equity interest in our parent company. Otherwise, there are no suppliers in which any of our officers owns an interest.

As a franchisee, you are required to purchase certain raw materials and supplies from us. If you choose to purchase these raw materials and supplies from us, we will facilitate the shipping of your orders through our designated warehouse located in the United States. This arrangement ensures the timely and efficient delivery of the necessary materials and supplies to support the operation of your franchise. Please note that this requirement is designed to maintain consistent quality and uniformity across the franchise network.

Approved Suppliers and Approval of Alternative Suppliers

Other than our parent company, we currently do not have any designated or approved suppliers of required inventory or administrative supplies. If we do so in the future, we will only designate or approve suppliers who demonstrate the ability to meet our standards and specifications to our satisfaction. The supplier must possess adequate quality control and capacity to supply your needs promptly and reliably and who have been approved by us in the Manual or otherwise in writing. Designation of a supplier may be conditioned on factors established by us, including performance relating to the frequency of delivery, standards of service, and payment or other consideration to parties or us designated by us. We may select single or multiple suppliers for any given item or service and concentrate purchases with more suppliers.

The current list of approved products and suppliers is found in the Manual. We may change these lists or other parts of the Manual, which we will provide to you. Suppose you desire to purchase products other than those provided by approved suppliers. In that case, you must submit to us a written request for approval of the proposed supplier together with such evidence of conformity with our specifications and program specifications as we may reasonably require. We will have the right to demand that our representative be permitted to inspect the supplier's facility and deliver samples from the supplier for evaluation and testing, either to an independent testing facility designated by us or to us. You must pay a charge not to exceed the reasonable costs of assessment and testing. Our criteria for supplier approvals are contained in the Manual. Within 60 days after our receipt of the completed request or completion of the evaluation and testing (if required by us), we will notify you in writing of our approval or disapproval of the proposed supplier. Approval will not be unreasonably withheld. You must not sell or sell any products or services from a proposed supplier until you receive our written permission of the proposed supplier.

We may revoke our approval of particular products or suppliers if we determine in our sole discretion that the products or suppliers no longer meet our standards. Upon receiving written notice of such revocation, you must cease purchasing or selling any disapproved product.

Issuance of Specifications and Standards

We issue specifications and standards regarding authorized DING TEA products and services to you through the Manual and other communications in writing or by email. We also issue specifications and standards regarding authorized DING TEA products and services to its designated and approved suppliers in writing or by email. We may modify these specifications and standards at any time but only after delivering written notification of the modifications and providing you or suppliers a reasonable amount of time to implement the modifications.

Revenue from Franchisee's Purchases

In the last twelve (12) months, excepted as disclosed below, neither we nor any of our affiliates derived revenue, rebates, or other material consideration because of required purchases or leases. However, our parent company ("Chu Yu Hsiang Co., Ltd.") will derive revenue from required purchases or leases by Ding Tea subfranchisors. In 2023, Chu Yu Hsiang Co., Ltd. generated a revenue of $6,842,462, out of which $5,353,212 was derived from the mandatory purchases and leases made by franchisees. This accounted for 78.2% of Chu Yu Hsiang Co., Ltd.'s total revenue, highlighting the significant contribution of required

purchases and leases to the company's overall earnings. For the purchase of raw materials, machinery, and supplies, Chu Yu Hsiang Co., Ltd. will earn approximately 17.5% of all order you placed. The exact profit may change slightly based on the fluctuation of shipment fee, taxes, currency exchange rate, and increase or decrease of the cost to obtain secured raw materials. However, the revenue derived from your purchase by Chu Yu Hsiang Co., Ltd. will not exceed 21% under any circumstances.

The estimated proportion of these required purchases and leases by the franchisee to all purchases and leases by the franchisee of goods and services in establishing and operating the franchised business ranges from 22%-28% of franchisee's total investment.

There is no existing of any purchasing and distribution cooperatives. We negotiate purchase arrangements with suppliers for the benefit of franchisees. We do not provide any material benefits to a franchisee based on a franchisee's purchase of products or services or use of particular suppliers.

Cooperatives

We are not presently involved in establishing purchasing or distribution cooperatives for franchisees.

Negotiated Purchase Arrangements

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

Material Benefits Based on Subfranchisee's Purchases

We do not provide material benefits to you based on your purchase of particular products or services or use of particular suppliers.

Type and Amount of Insurance

You are required to obtain the insurance coverage from local carrier. The currently recommended minimum coverage and limits of insurance are (i) general liability insurance with limits of at least $1,000,000 per occurrence and $2,000,000 aggregate and (ii) workers' compensation insurance to meet the statutory coverage of the state where your Outlet is located. To the extent permissible under law, these insurance requirements may be satisfied with a combination of primary, umbrella and/or excess policies. All insurance policies will name you as named insured and, except for Workers' Compensation policies, will name us

and any of our subsidiaries and affiliates of these companies now existing or which may hereafter exist as additional insureds, including their employees, officers and directors on additional insured endorsement forms. The costs of premiums will vary based on location of the Outlet and any prior claim history. The required coverage and limits are subject to change.

ITEM 9: FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Master Franchise Agreements. It will help you find more detailed information about your obligations in the agreement and in other items of this disclosure document.

	Obligation	Section in Master Franchise Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	Exhibit 1	6,11
b.	Pre-opening purchases/leases	2.1	8
c.	Site development and other pre-opening requirements	2.1	6, 7, 11
d.	Initial and ongoing training	5.1-5.3	11
e.	Opening	Exhibit 1, 1.1	11
f.	Fees	3.1, 3.3-3.9, 5.1-5.3	5, 6
g.	Compliance with standards and policies/ operating manual	Not applicable	11
h.	Trademarks and proprietary information	8.1, 8.2	13,14
i.	Restrictions on products/services offered	1.1	16
j.	Warranty and customer service requirements	Not applicable	11
k.	Territorial development and sales quotas	Exhibit 1, 1.2, 2.4	12
l.	Ongoing product/service purchases	4.1	8
m.	Maintenance, appearance, and remodeling requirements	Not applicable	11
n.	Insurance	Not applicable	6, 8
o.	Advertising	6.1-6.6	6,11
p.	Indemnification	Not applicable	6
q.	Owner's participation/management/staffing	Not applicable	11,15
r.	Records and reports	7.2	6
s.	Inspections and audits	5.5, 7.2, 7.3	6,11
t.	Transfer	9.1, 9.2	17
u.	Renewal	1.3, 3.6	17
v.	Post-termination obligations	8.2	17
w.	Non-competition covenants	10.1, 10.2	17

x.	Dispute resolution	12.1-12.5	17
y.	Compliance with anti-terrorism and other federal laws	Not applicable	Not applicable

ITEM 10: FINANCING

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

ITEM 11: FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, ANDTRAINING

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

Our Pre-Opening Obligations

Before you start your subfranchise business, we will:

Assist you in selecting a site for your master franchise outlet. We do not own any premises; therefore, we will not lease premises to you. Although we do not typically pre-select the site for the master franchise outlet, we must give our final consent to the location before the master franchise outlet can be placed there. You have 180 days after signing the Master Franchise Agreement to **locate** an acceptable site for your master franchise outlet. We will review and either consent to or decline the proposed site for your outlet within 5 business days after you provide us with its address. The consent will not be withheld unreasonably, rather, as an experienced franchisor in this field of business, we will give you some useful and professional advice. If we cannot agree on the location of a site, then we will defer to your decision. If you are unable to locate an acceptable site within 180 days, we reserve the right to terminate the Master Franchise Agreement. The factors that we consider in consenting to a site for the outlet include general location, neighborhood, population demographics, probable awareness of the DING TEA brand, traffic patterns, parking, size, physical characteristics of existing buildings, and lease or rental terms. Our review and consent to the location of the outlet is no guarantee nor assurance that your master franchise business will be successful there.

Designate your exclusive territory (*See* section 3.1 and Exhibit 1 of the Master Franchise Agreement).

Provide you with initial training and orientation about the DING TEA system and how

to operate the Outlet (*See* the Training Program described below in this Item 11). Your manager must successfully complete initial training to our satisfaction before you could start the franchise business.

Provide you with a general plan for the layout, furnishing, and equipping your master franchise outlet, together with a written schedule of all foods, food items, and beverages that must be sold at the outlet. We will provide raw materials and equipment to you directly. We will deliver raw materials and equipment to your outlet directly, but you have to install the equipment by yourself.

Provide you with a copy of, electronic access to, the Manual.

Length of Time for You to Open the Master Franchise Outlet

We estimate the typical length of time between the signing of the master franchise agreement or the first payment of consideration for the franchise and the opening of the master franchise outlet will be 9 months. Factors that may affect this length of time include the satisfactory completion of initial training by your designated attendees, location of an acceptable site, ability to obtain an appropriate lease, financing arrangements, compliance with zoning and local ordinances, weather conditions, shortages, the contractor's ability to complete construction of the outlet, and delivery and installation of equipment, fixtures and signs. If you do not begin operating your master franchise business within 180 days after we consent to the site, or within 365 days after you sign the Master Franchise Agreement, we can cancel the Master Franchise Agreement. We will approve and give consent within 5 days after you provide us with the outlet's address. If we do so under those circumstances, we are not obligated to refund the initial franchise fee and other fees as disclosed under item 5.

Our Obligations during the Operation of the Franchise

During the operation of the franchised business, we:

Will provide you with access to the DING TEA website, which will list information, contacts, and introduction of your master franchise business.

Will be reasonably available by phone and e-mail for guidance in the operation and management of your franchise business. However, we do not provide you with assistance in hiring employees.

May visit you periodically at no cost to you to provide additional sales and administrative review and assistance, including assistance with establishing and using administrative,

bookkeeping, accounting, and inventory control procedures. If you request this assistance and we agree to provide it, you must reimburse us for the cost of our representative's transportation and lodging. We may also, at our discretion, charge an additional training fee for DING TEA training courses, seminars, conferences, or other programs that we require you or your representatives to attend. The nature, frequency, and duration of this assistance by representatives of us will be in our sole discretion.

In connection with your ongoing obligation to supervise maintenance of the outlets in accordance with our standards, we will notify you if the general state of repair, appearance, cleanliness, fixtures, equipment, or signs do not meet our standards. If that is the case, we will specify the action you must take to correct the deficiency.

May recommend retail prices for DING TEA Products for your outlets. We will notify the products and services we authorize for sale at the outlet to enhance uniformity in the delivery of goods and services to customers and strengthen our Marks in inter-brand competition. You may not advertise or promote (whether by telephone, printed materials, or any other media, including, without limitation, social media) retail prices that are inconsistent with these recommended prices.

Advertising Program for the Franchise System

We intend to use digital media (Internet, Facebook, Twitter, *etc.*) and targeted print media in our marketing and advertising efforts. And in the future, we may use local radio and television advertising. We will be using in-house advertising personnel to do this, but we also intend to hire advertising and public relations firms to assist us in these efforts. We are not required to spend any advertising fees in your territory, although we are inclined to do so. Advertising fees are spent to benefit Master Franchisee and Unit Franchisees.

Although we are not obligated to do so, we may provide you with general advertising programs, sales promotion, campaign, and sample advertising materials. You may develop advertising materials for your own use, at your own cost. But we must approve all advertising materials in advance and in writing.

We do not yet have a franchise council that advises us on advertising policies, but we may establish one in the future. Each master franchisee will automatically become a member of the council. The council serves in an advisory capacity only. We have the power to form, change, or dissolve the advertising counsel.

We are not presently involved in any advertising cooperatives. However, we reserve the right to create advertising cooperatives in the future. If we do so, all franchisees will contribute to

the cooperative on the same basis. We will be responsible for administering the cooperative. The cooperative must operate from written governing documents agreed upon by us and all franchisees. The documents will be available for any franchisee to review. The cooperatives will prepare annual or periodic financial statements. The statement will also be available for review by any franchisee. We have the right to require cooperatives to change, dissolve, or merge.

As for advertising fund, we do not and will not establish it. Therefore, you are not required to participate in any advertising fund.

Electronic Cash Registers and Computer Requirements

You are recommended to purchase Point-of-Sale ("POS") System from our designated suppliers and allow us to track and process retail sales at your outlets. POS systems are systems that enable the business transaction between the client and you to be completed. POS system is a computerized network that consists of the main computer linked with several checkout terminals and supported by different hardware features starting from barcode scanners and ending with card payment terminals. Payment method used, inventory and tax details, and employee productivity are the types of data be generated or stored in the system. We will have independent and unlimited access to the computer system. We estimate the cost of purchasing the POS systems is between $1,000 to $2,000. You will use this POS system to complete point-of-sale transactions and track your sales. There are no contractual limits on our independent access to the information and data stored on the POS system. You are responsible for all ongoing maintenance and repairs and upgrades. We anticipate that the annual cost of optional or required maintenance, updating, operating or support contracts regarding the POS system will range from $500 to $1,000.

We also require you to maintain an e-mail account and communicate with us regularly concerning sales and operations at your Outlet, in the manner we specify in the Manual or otherwise in writing. We estimate that the annual cost of optional or required maintenance, updating, operating or support contracts regarding the e-mail account is between $200 to $300.

Operations Manual

We will loan you one copy of our Manual, which includes Management Manual, Store Manager Manual, and Skills Manual, during the relevant phases of initial training. The Manuals contains mandatory and suggested specifications, standards, and procedures for operation of the DING TEA franchise.

We will modify the Manuals, and you must comply with these changes when you receive them, but no modification will alter your status and rights under the Master Franchise Agreement. This Manual is confidential and remains our property. If you lose or allow the unauthorized duplication of the Manuals or any other confidential manuals or proprietary materials loaned to you, you will be deemed to be in violation of the Agreement and all other agreements you have with us, and we would be entitled to recover damages from you.

The following is the Table of Contents of the Manual as of the date of this disclosure document:

Topic	Number of Pages
Chapter 1 Introduction and Background of our Company	1
Chapter 1-1 Organization of the Headquarters	1-3
Chapter 1-2 Job Responsibilities	4-10
Chapter 1-3 Concurrent Ownership of the Headquarters and Franchisees	10-13
Chapter 1-4 DING TEA's Culture and Vision	13-14
Chapter 2 Business Concepts for Franchise	14
Chapter 2-1 The Basic Cognitions for Franchise	14-16
Chapter 2-2 Business Concepts for the Owner and Staffs	16-20
Chapter 3 The Introduction of Promotion, Selling, and Marketing	20
Chapter 3-1 What is "Promotion"?	20-24
Chapter 3-2 What is "Selling"?	24
Chapter 3-3 What is "Marketing"?	24-26
Chapter 3-4 Strategies Application	26-27
Chapter 4 Instructions for Service Industry	28
Chapter 4-1 Principles for Service Industry	28-29
Chapter 4-2 Feathers of Service Industry	29-31
Chapter 4-3 Customer Relationship Management	31-32
Chapter 4-4 Customer Relationship of DING TEA	32-33
Chapter 4-5 Greeting Guests	34-36
Chapter 5 Shop Management	37
Chapter 5-1 Announcements and Procedure for the Shop Owner	37-40
Chapter 5-2 Announcements and Procedure for Staff	40-42
Chapter 5-3 Job Responsibilities for the Shop Owner and Staff	42-44
Chapter 5-4 Announcements for Conference	44-48
Chapter 5-5 Instructions for Outside Order	48-49
Chapter 5-6 Procedures for Outside Order	50-55
Chapter 5-7 Regulations for Delivery	55-57

Chapter 6 Process of Opening & Closing	57
Chapter 6-1 Process of Opening	57
Chapter 6-2 Process of Closing	58
Chapter 7 Environmental Safety and Cleaning Handbook	59
Chapter 7-1 Safety and Health Codes	59-61
Chapter 7-2 Standard of Safety & Sanitation	62-65
Chapter 7-3 Announcement for Sanitary	65
Chapter 7-4 Sanitary of our Products	66
Chapter 8 Online Ordering	66-70
Chapter 9 Attachment-Operation Management	71-83
Total Pages	**83**

Currently, we have no policy under which we will render services to you not required by the Master Franchise Agreement (or any other agreements you sign with us) or the Manual.

TRAINING PROGRAM

Day	Topics	Hours of Classroom Training	Hours of On-The-Job Training	Location
1	Retail Store Introduction	10	0	Taiwan
2	Introduction of Equipment and Facilities	10	0	Taiwan
3	Basic Knowledge of Raw Material	10	0	Taiwan
4	Bar Area Replenishment	10	0	Taiwan
5	Tea Making	10	0	Taiwan
6	Operating of POS System	10	0	Taiwan
7	Spirit of Service Industry Basic Accounting Exam	10	0	Taiwan
Total		70		

The training program above is effective as of the date of this disclosure document. Initial classroom training is typically provided within 60 days before your outlet opens and is typically scheduled not more frequently than monthly. All classroom training takes place in Taiwan, or another training center designated by us. Upon your request, all on-the-job training takes place at your outlet immediately before and during the opening of your master franchise outlet.

The instructional material consists of appropriate handouts and information directly from the Manual. We do not charge for the training or service for the designated Manager and any other Principal Equity Owners. You must pay all travel and living expenses of persons you send to

training.

The successful completion of initial training by your designated Manager to our satisfaction is a condition to your opening your franchise business to the public. If your designated Manager fails to complete initial training satisfactorily, you will have the option of sending a replacement approved by us to initial training. We will issue a Certificate of Completion upon successful completion of the training.

After you open the master franchise outlet, and upon reasonable notice, we may require your designated personnel to attend training courses, seminars, conferences, or other programs appropriate to the operation of the Franchised Business. You expressly agree in the Master Franchise Agreement that only persons we train or under your supervision will have overall responsibility for the operation of the franchise outlets.

You must pay all the expenses incurred by your trainees and attendees in connection with the training program, conferences, conventions, or other meetings your trainees attend, including, for example, their salaries, transportation costs, meals, lodging, and other living expenses.

We may periodically conduct an annual conference, convention, or training session, and if we do, we will determine its duration, curriculum, and location. At these meetings, attendance of at least one Principal Equity Owner will be mandatory (and is highly recommended for your other Principal Equity Owners).

ITEM 12: TERRITORY

The Master Franchise is for a specific and exclusive territory agreed under the Master Franchise Agreement. The minimum territory granted to you will encompass a 5 million population. We will not approve the relocation of your master franchise territory because it will affect other Master Franchisees' territory, which we cannot change simply because of our sole decision.

You will not receive any rights of first refusal or similar rights to acquire additional franchises. We grant you an exclusive territory that is specified under the Master Franchise Agreement. Territorial exclusivity does not depend on achieving a specific sales volume, market penetration, or contingency. There will be requirements under the Master Franchise Agreement that you must meet. For instance, you will be required to open or license at least 30 outlets during the term of the Agreement. We reserve the right not to renew the Agreement with you if you fail to meet the requirement under no circumstances can we modify your territorial rights.
Once we agree upon the exclusive territory under the Agreement, we will have no right to modify, change, or alter unilaterally.

We will not solicit or accept orders from consumers inside your territory. We and our affiliates do not reserve the right to use other distribution channels, such as the internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your territory using our principal trademarks.

We and our affiliate do not reserve the right to use other distribution channels, such as the internet, catalog sales, telemarketing, or other direct marketing, to make sales within your territory of products or services under trademarks different from the ones you will use under the franchise agreement.

If we solicit or accept orders from inside your territory, we will compensate you with all the profit we generate for such business activities.

We prohibit you from soliciting or contacting potential Unit Franchisees outside your territory. Your master franchise outlet(s) and subfranchisees' unit franchise outlet(s) must be within your exclusive territory. You do not have any right to use other distribution channels, such as the internet, catalog sales, telemarketing, or other direct marketing, to make sales outside your territory.

ITEM 13: TRADEMARKS

Trademark	Registration No.	Registration Date
	5725088	April 16, 2019
	4869840	December 15, 2015

You are licensed to operate and identify the master franchise outlets under the principal trademark DING TEA, and logotype displayed on the cover of this disclosure document and other current or future trademarks. You are also licensed to advertise as the Master of DING TEA and begin to sell the franchise. On March 25, 2015, our parent company, CHU YU HSIANG CO., LTD, filed the principal trademark DING TEA with the United States Patent and Trademark Office ("USPTO"), for registration on the Principal Register in class 43 for restaurant services, serial number 86575524. On December 15, 2018, the principal trademark is registered, and registration number is 4869840.

On April 2, 2018, our parent company, CHU YU HSIANG CO., LTD, filed the principal trademark DING TEA with the United States Patent and Trademark Office ("USPTO"), for registration on the Principal Register in classes 30, 32, 35 for selling tea-based beverages and fruit drinks and

juices, and provide franchise services, serial number 87859964. On April 16, 2019, the principal trademark is registered, and registration number is 5725088.

There are presently no effective determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court, nor any pending interference, opposition or cancellation proceedings involving our parent company's trademarks. There are no agreements currently in effect that significantly limit our rights to use or license the use of trademarks listed in this Item in a manner material to the franchise. There is no pending material federal or state court litigation regarding our use or ownership rights in the trademarks. All required affidavits have been filed.

All trademarks are owned by our parent company, CHU YU HSIANG CO., LTD, who granted us the Trademark License and the right to use the principal trademark and related trademarks, service marks, trade names, logos and symbols (collectively the "Marks") related to DING TEA. We are authorized to franchise the Marks to any persons or entities. The trademark license will continue for 10 years from the issuance date of this franchise disclosure document. If the trademark license agreement were to be terminated, you will continue to have the right to use the Marks till the end of the Master Franchise Agreement.

You must follow our rules when you use the Marks. You cannot use our principal trademark as part of a corporate name or with modifying words, designs, or symbols except for those which we license to you. You may not use the trademarks in connection with the sale of any unauthorized product or service, or in any manner that we have not authorized in writing.

We have the right to control any administrative proceedings or litigation involving a trademark licensed to you by us. You must notify us promptly when you learn about an alleged infringement, unfair competition, unauthorized third-party use of or challenge to your use of the trademarks. We then will promptly take the action we think appropriate. We will indemnify you for any action against you by a third party based solely on alleged infringement, unfair competition, or similar claims about the trademarks. But we have no obligation to defend or indemnify you if the claim against you relates to your use of the trademarks in violation of the Master Franchise Agreement.

If you learn that any third-party whom you believe is not authorized to use our trademarks is using them or any variant of them, you must promptly notify us. We will determine whether to take any action against the third party.

You must modify or discontinue the use of a trademark if we or the trademark owners modify or discontinue it. You must not directly or indirectly contest our or the trademark owners' rights to the trademarks, trade secrets or business techniques that are part of our business.

Except for the proprietary rights of CHU YU HSIANG CO., LTD in the Marks, there are no infringing uses or superior previous rights known to us that can materially affect your use of the Marks in this state or any other state in which the franchised business is to be located.

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 visual materials that we produce. However, we have not registered these materials 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 Master Franchise Agreement.

You do not receive the right to use an item covered by a patent or copyright unless we expressly incorporate proprietary information in our operations manuals. In the manner we approve, you may use these materials in the operation of your Tea Shop during the term of your Master Franchise Agreement. However, you may not use these materials in any other way for your 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. The materials include 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 that could materially affect your copyright use.

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. No agreement or known infringing use limits our right to use or license the patents and copyright items.

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

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) under the terms and conditions of the Agreements and to promoting and enhancing the sale of the franchise business. If you are an individual, you must perform all obligations and requirements as stated in the Agreements or designate and always retain an individual, subject to our approval, to serve as the Principal Operator under the Agreements. Suppose you are a corporation, partnership, or limited liability company. It would be best to name an individual as the Principal Operator to assume primary responsibility for your franchise management. In that case, such an individual is not required to have any designated amount of equity interest in the Tea Shop. We request you honor the confidentiality and the non-compete clauses stated in the Franchise Agreement. Furthermore, we recommend that your manager or staff sign a confidentiality agreement and a non-compete agreement that offer the same protection as the confidentiality non-compete clause 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 your business's development, management, and operation. It means devoting sufficient time and resources to ensure complete compliance with your obligations to us, your customers, and others. The business is challenging, and it requires and responds to personal attention. You must be involved in all facets of the company. 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 franchise 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 perform all of the sales, operations, management, and maintenance functions necessary to ensure the successful operation of the business.

Because this is primarily a cash business, you must have adequate, vigilant cash management procedures to avoid employee theft. You can minimize these demands 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 recruit, train, and motivate your personnel. However, recruiting, training, and motivating employees are your responsibility.

ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell within your designated territory only DING TEA franchise, other goods, or services that we select as required or have approved otherwise. We have the right to change and add other authorized goods and services that you have to offer. There are no limits on our right to do so

except that the additional investment required of equipment, supplies, and initial inventory will not exceed $5,000 per year.

There are no restrictions to sell DING TEA franchise or customers to whom you may sell menu beverages.

ITEM 17: RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.

	Provision	Articles in Master Franchise Agreement	Summary
a.	Length of the franchise term	1.3	The initial term of the Master Franchise Agreement is 5 years.
b.	Renewal or extension of the term	3.6	Under the Master Franchise Agreement, you can add a 5-year term upon written notice delivered to us not less than 90 days before the end of the existing term and pay a renewal fee.
c.	Requirements for Master to renew or extend	3.6	Sign Renewal Master Franchise Agreement (or addendum to existing Master Franchise Agreement extending its term), remodel the franchised outlets (if necessary), pay renewal fee of 80% of the Initial Master Franchise Fee. The Renewed Agreement you sign at renewal may have materially different terms and conditions than your original Agreement.
d.	Termination by Master	11.3	If we are in material breach (beyond any applicable cure periods), you can terminate the Agreement.
e.	Termination by Franchisor without cause	None	

f.	Termination by Franchisor with cause	11.1	We can terminate the Agreement only if you are in material default or violation of the terms and conditions mandated under Article 11 of the Agreement.
g.	"Cause" defined – curable defaults	11.1, 11.2	The following are curable defaults: (1) Master published any statements that involve in politics, religion, and ethics that affects Franchisor's reputation; or (2) Master files trademark registration regarding Franchisor's trademark; or (3) Master uses Franchisor's mark to register a domain name or register company's name by using the same or similar name of DING TEA; or (4) Master refuses to provide unlimited access to the POS system; or (5) Master is in default of making any payment as agreed; or (6) Master involved in any act which impairs the goodwill associated with the Franchisor's trademark, trade name, service mark, logotype, or other commercial symbols; or (7) Master uses promotional or advertising materials without first acquiring Franchisor's prior written consent; or (8) Master sells unrelated items, goods, or foods and beverages inside DING TEA outlets or online stores.
h.	"Cause" defined – non-curable defaults	11.1	Non-curable defaults include (1) Master fails to substantially comply with any obligation, duty, or promise under the Agreement; or (2) Master fails to offer or sell the franchise required under the Development Schedule; or (3) Master files bankruptcy or insolvency with the state; or (4) Master assigns for the benefit of creditors or similar disposition of the assets of the franchise business; or (5) Master voluntarily abandons the franchise business; or (6) Master is convicted or plead guilty or no contest to a charge of violating any law relating to the franchise business; or (7) Master purchase raw materials, equipment, and supply from suppliers not approved by Franchisor.
i.	Master's obligations on termination or non- renewal	11.4	(1) Remove banners advertisement, and stop all business activities that relate to the DING TEA franchise; and (2) Delete social media accounts and websites that associate Master with DING TEA franchise; and (3) Relinquish

			the right to manage, operate, and participate in an identical or similar food and beverage business in the same or adjacent territory within three years after termination. (4) Master shall notify all Unit Franchisees within in ten days after termination that the right to supervise DING TEA franchise will be reverted to Franchisor. (5) Master shall negotiate a reasonable price with Franchisor to sell its outlets to Franchisor. If both parties could not reach an agreement, Master shall pay Franchisor $30,000 as the Unit Franchise fee per one outlet.
j.	Assignment of contract by franchisor	9.1	We may assign the franchise right at our sole discretion.
k.	"Transfer" by Master– defined	9.2	(1) Upon not less than thirty days prior written notice to Franchisor, Master may transfer the franchise right to an entity that is (A) organized to operate as a Master to offer and sell DING TEA franchise; and (B) entirely owned by Master. (2) Any assignment and transfer to an affiliated entity must be evidenced by a written instrument, in a form reasonably satisfactory to Franchisor, under the terms of which said business entity expressly assumes all of Master's obligations hereunder. The transferee agrees to be bound by all the terms and provisions of the Agreement. A copy of the said instrument, executed by both Master and said business entity, must be delivered to Franchisor before the effective date of the transfer.
l.	Franchisor's approval of transfer by Master	9.1	You must give us a prior notice as to the transfer, but you do not need to acquire our approval.
m.	Conditions for franchisor approval of transfer	None	

n.	Franchisor's right of first refusal to acquire franchisee's business	None	
o.	Franchisor's option to purchase franchisee's business	None	
p.	Death or disability of franchise	9.3	If Master is deceased or disable to operate the franchise business, the subfranchise right shall be assigned by estate to approved buyer within six months after the incident occurs.
q.	Non-competition covenants during the term of the franchise	10.1	During the term of the franchise, Master and each of its "Principal Equity Owners" (persons owning more than 20% of the business) must comply with the non-competition covenants. Master and each of its "Principal Equity Owner" shall not invest, operate, or manage same or similar products or service within the same specified area.
r.	Non-competition covenants after the Agreement is terminated or expires	10.2	Master and each of its "Principle Equity Owner" shall not invest, operate, or manage same or similar products or services within the same specified area for three years after expiration or termination of the Agreement.
s.	Modification of the agreement	14.2	No modifications generally, but Manual subject to change. Modification shall be effective only by mutual agreement between you and us.
t.	Integration and merger clause	14.10	Only the terms of the Agreement are binding (subject to state and federal law). Any representations or promises outside of the franchise disclosure document and the Agreement may not be enforceable.

u.	Dispute resolution by arbitration or mediation	12.1, 12,3, 12.3	The parties agree in the Agreement to submit disputes (not including your failure to pay us sums due under the Agreement, or an act of yours allowing us to immediately terminate the Agreement) initially to a meeting in person of our executive officers and your Principal Equity Owners at our principal executive office (without our respective legal counsel) within five business days after a dispute arises to conduct a good faith discussion and negotiation of the issues with a view to arriving at a settlement. If this meeting does not result in a settlement of the dispute (or the meeting does not take place), within ten business days after the date the meeting took place (or should have taken place), the parties may submit the dispute to non-binding mediation in California. If a mediation takes place but does not resolve the dispute, or no mediation takes place, the dispute will be resolved by arbitration by American Arbitration Association in California. Or if the parties mutually agree, the dispute may be submitted to arbitration by and before another mutually acceptable arbitration organization. The provisions of this Section 12 are subject to the Chapter 658A of Uniform Arbitration Act.
v.	Choice of forum	12.2	Arbitration proceedings must take place in California. Any mediation proceeding will take place at a mutually agreed location. Any litigation proceedings will be filed in an appropriate court in California. The provisions are subject to the state law of California (see Exhibit H of this disclosure document).
w.	Choice of law	14.1	The Federal Arbitration Act (9 U.S.C. §1 *et seq.*) governs the arbitration of disputes under the Master Franchise Agreement. Otherwise, the laws of California and the Uniform Arbitration Act governs the Master Franchise Agreement.

ITEM 18: PUBLIC FIGURES

We do not currently pay or provide any other benefit to a public figure for the right to use their name to promote the sale of DING TEA franchises, but we may do so in the future.

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 particular circumstances.

We do not make any representation about a subfranchisor's or subfranchisee'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 your subfranchisee is purchasing an existing outlet, however, we may provide your subfranchisee 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 our Chief Executive Officer, Wei Hsiang Hsu, DING TEA CORPORATION, 919 North Market St, Suite 950, Wilmington, DE 19801, telephone 800-246-2677; the Federal Trade Commission; and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISE INFORMATION

The outlets disclosed under this item are subfranchise outlets, not unit franchise outlets.

Table No. 1
Systemwide Outlet Summary For years 2021 to 20223

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	0	0	0
	2022	0	0	0
	2023	0	1	+1
Company-Owned	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Total Outlets	2021	0	0	0

	2022	0	0	0
	2023	0	1	+1

- The List does not include unit franchisee's outlets under Item 20.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)

For years 2021 to 2023

State	Year	Number of Transfers
Totals	2021	0
	2022	0
	2023	0

Table No. 3
Status of Franchised Outlets For years 2021 to 2023

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
TX	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Totals	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1

Table No. 4
Status of Company-Owned Outlets For years 2021 to 2023

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
	2021	0	0	0	0	0	0

Totals	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0

Table No. 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
CA	0	1	0
TX	0	1	0
Totals	0	2	0

Exhibit C lists, as of December 31, 2023, (i) the names, addresses and telephone numbers of all open and operating DING TEA franchise outlets around the world, and (ii) the names, addresses and telephone numbers of all Master Franchisees who signed Master Franchise Agreement but have not yet opened their DING TEA Outlets around the world.

Exhibit D lists, as of December 31, 2023 the contact information of every franchisee that had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under its franchise agreement during our most recently completed fiscal year, or that has not communicated with us within the 10 weeks ending on the date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with DING TEA. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you. However, during the last 3 fiscal years, we have not signed any agreements with current or former franchisees that included confidentiality clauses.

We have not created, sponsored or endorsed any trademark-specific franchisee organizations associated with the DING TEA franchise being offered. There are no independent franchisee organizations that have asked to be included in this disclosure document.

ITEM 21: FINANCIAL STATEMENTS

Attached as Exhibit A is the Independent Auditor's Report and the audited Financial Statements for the fiscal year ended December 31, 2023, 2022, and 2021. Exhibit A shall also encompass our unaudited financial statements for the period commencing January 1, 2024, through May 31, 2024. Our fiscal year end date is December 31.

ITEM 22: CONTRACTS

Exhibit A – Master Franchise Agreement

Exhibit A-1 - Form of General Release

ITEM 23: RECEIPTS

You will find copies of a detachable receipt in Exhibit H at the very end of this disclosure document.

MASTER FRANCHISE AGREEMENT

DING TEA CORPORATION

919 NORTH MARKET STREET, SUITE 950

WILMINGTON, DE 19801

MASTER FRANCHISE AGREEMENT

This Master Franchise Agreement ("Agreement") is made on_____, 2022 (the "Effective Date") by and between DING TEA CORPORATION, a Delaware corporation doing business as "DING TEA" ("Franchisor"), and _____ ("Master"), a _____ company.

Master or its affiliated company is concurrently entering into the Agreement with Franchisor, under the terms of which the Master is being granted a right to offer and sell a DING TEA franchise, collect fees and royalties, and provide training service and support to Unit Franchisees under DING TEA trademarks and in accordance with Franchisor's business format.

In consideration of the mutual promises, covenants, agreements, and conditions contained in the Agreement, and other good and valuable consideration, Master and Franchisor hereby agree as follows.

I. MASTER FRANCHISE RIGHT

1.1 Master's Rights

(a) Subject to the terms and conditions contained herein, Franchisor now grants to Master the right to, and Master now agrees to, offer, and sell franchise under the Development Schedule.

(b) Master has an exclusive right within its territory. Franchisor will not grant franchise rights to other persons or entities if Master fulfills all its obligations mandated under the Agreement and the Development Schedule.

(c) Master's rights under the Agreement do not extend to a Non-Traditional Venue. The Non-Traditional Venue means the franchise business is located within another primary business, in conjunction with other businesses, or at institutional settings. The primary businesses include toll roads, stadiums, airports, colleges and universities, schools, hospitals, military, governmental facilities, and office facilities.

(d) Suppose Franchisor becomes insolvent, declares bankruptcy, or is no longer authorized to offer and sell franchises in Master's state because of a lapse of applicable franchise registration or other reasons. Master will continue to have the right to offer and sell DING TEA franchise under this Agreement unless a state or federal court issues an order otherwise.

(e) Master shall have rights to manage and supervise all of Master's and Unit Franchisee's outlets within its exclusive territory. For the Unit Franchisee's outlets that exist before execution of the Agreement, Master shall have the right to collect service fees, receive orders for raw materials, and supervise the daily operation of Unit Franchisee's outlets.

1.2 Unit Franchise Agreement

(a) When Master authorizes a Unit Franchisee to open a DING TEA outlet, Master must enter into a Unit Franchise Agreement with the Unit Franchisee. Master must submit a draft of the

Unit Franchise Agreement to Franchisor for its review. Master shall not negotiate or consent to any terms or conditions outside Franchisor's franchise policy.

(b) Master shall reach a mutual consent to the raw materials, equipment, and supply's price with Franchisor before executing any written consent or memorandum with Unit Franchisees.

(c) Each Unit Franchise Agreement executed pursuant hereto will provide that Master and its affiliates may not open or operate, franchise, or license the operation of any other DING TEA outlets within the protected Territory of the Store.

1.3 Term

The term of the Agreement commences on the Effective Date and, unless sooner terminated hereof, will continue five (5) years or until termination as provided in Article XI hereof. There will be no extensions or renewal periods relating to the Master Franchise right unless done so in writing.

II. MASTER'S OBLIGATIONS

2.1 Obligations

(a) Master shall offer and sell the franchise to Unit Franchisees and allow Unit Franchisees to construct, equip, and open outlets under the Development Schedule. Master shall supervise and monitor the operation of Franchisees' Outlets during the franchise term.

(b) Master shall open and operate at least fifty percent (50%) of outlets under the Development Schedule within three (3) years from the execution of the Agreement. If Master does not fulfill the obligation, Franchisor has the right to terminate the Agreement.

(c) Master shall not sell a franchise to any Unit Franchisee that exceeds the Franchisor's policy. Master shall confirm with Franchisor the terms and conditions to sell a franchise.

(d) Master shall submit operation report, date of gross sales, numbers of customers and cups, and all other outlet details to Franchisor on or before 10th date of each month. Master shall purchase Point of Sale ("POS") System from Franchisor and give Franchisor unlimited access to review and confirm sales data. Master or Unit Franchisees shall bear all the costs relating to establish the POS system.

(e) Master shall purchase all raw materials, equipment, and supply from Franchisor or designated suppliers. Franchisor may give written consent to Master to purchase certain raw materials, equipment, and supply from local suppliers or manufacturers. Master shall submit local supplier's name and contact information, along with the list of raw materials or supply that it intends to acquire locally. Franchisor will give written consent to Master if the materials and supply pass the evaluation process. Master shall acquire Franchisor's written permission regarding the retail prices to all raw materials, equipment, and supply before selling to Unit Franchisees.

(f) Master shall submit the business registration of DING TEA outlet for Franchisor's review within thirty (30) days after outlet's opening. Master shall be solely responsible for costs of company registration, franchise registration, import registration, fire and hygiene permit, business tax declaration, and employment compliances.

2.2 Force Majeure.

(a) The term "*Force Majeure*" means natural disasters (such as tornadoes, earthquakes, hurricanes, floods, fires or other natural catastrophes); strikes, lockouts or other industrial disturbances; war, terrorist acts, riot, or other civil disturbance; epidemics; or other similar forces which Franchisor could not by the exercise of reasonable diligence have avoided; provided however, that neither an act or failure to act by any federal, state, county, municipal and local governmental and quasi-governmental agency, commission or authority, nor the performance, non-performance or exercise of rights under any agreement with Franchisor by any lender, landlord, or other person will be a *Force Majeure*, except to the extent that such act, failure to act, performance, non-performance or exercise of rights results from an act that is otherwise a *Force Majeure*. For the avoidance of doubt, Franchisor's financial inability to perform or Franchisor's insolvency will not be a *Force Majeure* hereunder.

(b) Franchisor will not be liable to Master for any consequential damages, including lost profits, interest expense, increased construction or occupancy costs, or other costs and expenses incurred by Master due to any conduct not due to Franchisor's gross negligence or intentional misfeasance.

III. FEES

3.1 Initial Master Franchise Fee

(a) In consideration of Master receiving the opportunity to offer or sell DING TEA franchise, Master shall pay to Franchisor, upon execution of this Agreement, an initial, non-recurring, non-refundable Initial Master Franchise Fee in the amount of $700,000. The Initial Master Franchise Fee shall be deemed to be fully earned by the Franchisor upon Execution of this Agreement by Franchisor. Master shall not be entitled to a refund of any part thereof, regardless of the date of expiration or termination of this Agreement, excepted as specifically provided herein.

(b) Master shall pay all the Initial Master Franchise Fee on or before execution of the Agreement.

3.2 Security Deposit.

(a) Master shall pay Franchisor $70,000 as a deposit to guarantee its performance of an obligation under the Agreement. Nevertheless, Franchisor shall return the deposit without interest attached after expiration or termination of this Agreement. If Franchisor terminates the Agreement because Master breached the Agreement, Franchisor may deduct a reasonable deposit fee as compensation or damages unless specified otherwise under the Agreement.

(b) Master may use part or all Security Deposit during the franchise term if Master breaches the terms and conditions under the Agreement. Master shall reimburse the insufficient Security Deposit to its original amount within seven (7) days after Franchisor's notice.

3.3 Unit Franchise Fee.

(a) Master shall open, operate, and develop the DING TEA outlets under the Development Schedule. Master should develop at least thirty (30) outlets during the franchise term. Master shall pay Franchisor $15,000 of the Unit Franchise Fee per DING TEA outlet, including Master's and Unit Franchisee's outlets, from the thirty-first (31st) outlet.

(b) If Master fails to notify Franchisor as to outlet's opening, it becomes a material breach, and Franchisor may terminate the Agreement immediately without giving any notice. Franchisor will not return the Security Deposit, and Master will be accountable for additional compensation and damages.

3.4 Service Fee

(a) In return for the ongoing rights and privileges granted to Master, Master shall pay to Franchisor, throughout the term of this Agreement, a Service Fee of 2.5% of Gross Revenue for all outlets.

(b) Master shall pay the Service Fee on or before 10^{th} of January, April, July, and October for the previous three months. The service fee shall occur after outlet's opening.

3.5 Design

(a) Franchisor shall provide Master with floor, three-dimensional, and construction plans in Mandarin for the first outlet. Master may design from the second outlet without engaging Franchisor. Nevertheless, Master shall acquire prior written approval from Franchisor before the outlet's construction. If Master changes the first outlet's location after Franchisor initiates the Design, Master shall bear the cost of Design.

(b) Master shall bear the Design cost of $\$4/ft^2$. The Design includes the outlet's whole area, including the kitchen and toilet. Master shall make the payment before Franchisor initiates the Design.

3.6 Renewal

(a) Upon written noticed of renewal is delivered to Franchisor not less than ninety (90) days before the end of franchise term, Master may renew its right granted under the Agreement for additional five (5) years commencing on the expiration date of previous term if Master passes Franchisor's evaluation and fulfill other renewal obligations.

(b) On or before execution of renewal Master Franchise Agreement, Master shall pay

Franchisor a “Renewal Fee” of eighty percent (80%) of the Initial Master Franchise Fee.

(c) If Master fails to comply with the renewal conditions, Franchisor shall have the right to purchase Master outlets price at reasonable price. If Master and Franchisor could not reach a mutual consent to the price within thirty (30) days after expiry of the term, Master shall pay $35,000 as Unit Franchise Fee to Franchisor for additional three (3) years to operate one outlet. Franchisor shall retain the right to supervise and monitor Unit Franchisee’s outlets.

(d) Suppose both Parties agree on the renewal of the franchise. In that case, Master shall renew and upgrade the design for the exterior and interior, products, equipment, banners, and all other reasonable items to meet the latest design of the DING TEA franchise within ninety (90) days after executing the Renewal Master Franchise Agreement.

3.7 Optional Research and Development

Master may request Franchisor to research and develop new drinks and beverages for local use. Franchisor shall bear the cost of Research and Development of drinks and beverages. Master shall bear the cost of providing raw materials and shipment. Franchisor shall remain the sole owner and intellectual proprietor of the result of the Research and Development.

3.8 Late Fees

If Master defaults on making payments on time, it shall be liable for all late fees. The calculation of late fees shall be zero-point one percent (0.3%) per day.

3.9 Taxes and Other Fees

(a) Withholding taxes, goods and service taxes, charges, or any other payment required by law in terms of all payment payable to Franchisor under this Agreement, including but not limited to, Initial Master Franchise Fee and Service Fee, which are net of such taxes and charges, shall be the sole responsibility of Master.

(b) Master shall bear all costs of remittance and other fees charged by financial institutions. Master shall remit all the fees mandated under the Agreement from Master’s Account. If Master is an organization or entity, it shall remit the fees from the organization or entity’s bank account.

IV. SUPPLY AND OPERATION

4.1 Ingredients, Materials, and Management Procedures

To ensure product quality and service, Master shall assist Unit Franchisees in ordering specified raw ingredients and materials. Master shall establish appropriate store procurement and inventory management procedures for Unit Franchisees. Master shall implement the management procedures after the Franchisor’s prior written consent.

4.2 Safety of Ingredients and Materials

Franchisor shall provide qualitative raw ingredients and materials to Master. If the supply has safety issues identified by local health authorities, Master may apply return or exchange to Franchisor; Franchisor shall bear all expenses arising out of or relating to the return or exchange.

4.3 Prohibition to Alter Goods or Service Provided

Master shall not alter the price, name of goods or service provided or will be provided to customers or combine the goods or service with other types of goods or service that it offers to customers without prior written consent by Franchisor.

4.4 Point of Sale System

Master shall install the Point of Sale ("POS") system designated by Franchisor. Additionally, Master shall be liable for all fees arising out of or relating to the implementation and operation of the POS system.

4.5 Shipment Term

(a) The shipping term of ingredients, raw materials, equipment, and supply is Ex Works (Incoterms 2000) at Franchisor's designated facility or depot. Master shall be responsible for loading the goods onto vehicles, all export procedures, onward transport, and for all costs arising after collection of goods.

(b) Master shall pay all the fees before loading the goods onto vehicles at Franchisor's designated facility or depot. Franchisor shall have at least thirty (30) days to prepare for all the goods and enable Master to arrange the loading.

V. TRAINING

5.1 First Stage Training

(a) Master shall dispatch up to five (5) trainees to Franchisor's place (located in Taiwan) to receive a seven (7) day training. The trainees shall be responsible for instructing and training Unit Franchisees locally. The seven (7) day training does not include any days off.

(b) Master shall communicate with Franchisor thirty (30) days before training to facilitate and ascertain details of the training program. Master shall bear the cost of the trainees' accommodation, transportation, and meals.

(c) At the end of the First Stage Training, the trainees shall receive a training evaluation. If the one or more of the trainees fail the evaluation, the First Stage Training shall extend additional seven (7) days. Master shall bear the cost of $5,000. If the trainees fail the training evaluation again after the additional seven (7) day training, they shall retake the training until passing the evaluation.

5.2 Second Stage Training

(a) Before the first day of trial operation and during an outlet's initial opening, Franchisor may dispatch two (2) trainers to the Master's outlet and perform on-site training for seven (7) days upon Master's request.

(b) Master shall provide the trainers with accommodation of four-star hotels, transportation, and meals.

5.3 Periodic Training

(a) Franchisor may request Master receive the seven (7) day Periodic Training depending on actual situation of franchise operation. The Period Training could occur at Franchisor's office or a local outlet.

(b) Master shall bear the cost of the trainees' accommodation, transportation, and meals if the Periodic Training takes place at the Franchisor's Office. Master shall pay the cost of the trainers' accommodation, transportation, and meals if the Periodic Training takes place at the Master's Office.

VI. MARKETING

6.1 Design Guidelines

Franchisor shall provide Master with a digital copy of Design Guidelines, nevertheless, Master shall be solely responsible for print out of the Design Guidelines.

6.2 Activities and Projects

(a) Master may perform marketing activities or projects within its territory; however, Master is obligated to notify Franchisor thirty (30) days before the promulgation of marketing activities or projects.

(b) Master shall submit all promotional and advertising content for Franchisor's review. The content includes all materials used in fan clubs, delivery platforms, webpages, and media exposure. Master shall bear the cost of all promotional and advertising activities and projects.

(c) Franchisor is the sole proprietor of all derivative goods and products relating to promotional and advertising materials. Master shall not make, produce, or manufacture the goods and products without first obtaining Franchisor's prior written consent.

6.3 Restrictions of Marketing Activities

Master's advertising materials or content shall not violate local laws or regulations; if a violation occurs and Master encounters litigations, Master shall be responsible solely. Franchisor may terminate the Agreement if its brand, trademark, or reputation is damaged because of Master's illegal activities.

6.4 Unified Advertising Campaign

Franchisor may promulgate a unified advertising campaign at its sole discretion; Master shall cooperate and execute accordingly to the campaign.

6.5 Social Media

Master may establish and manage its own Social Media Homepage. Any fees arising out of or relating to the management and maintenance of the Social Media homepage shall be borne only by the Master.

6.6 Portrait Rights

Master shall respect the Portrait Rights of all public figures. Any violation of laws or regulations shall be attributed to Master, and Franchisor shall not be responsible to it.

VII. OPERATION

7.1 Supervision

Master shall supervise operations of all outlets within its territory. Master shall provide a monthly and seasonal report to Franchisor. Additionally, Master shall grant unlimited access to Franchisor the right to monitor the POS system and supervise sales turnover at each store. Master shall bear any fee arising out of and relating to the access to the system.

7.2 Outlet Inspection

Franchisor may dispatch personnel to outlets and its ancillary building during business hours for operational inspection. The inspection scope includes display of goods, inventory storage, order and stock, management of raw ingredients and materials, facility, logistics, apparatus, manufacture and techniques, service content, health and safety, and management matters operation. To inspect, audit, and provide appropriate advice, Franchisor may conduct an inspection, sampling, recording, filing, and demand the outlet to provide relevant goods, files, reports, accounting documents, and other records. Master shall not refuse, hide, or obstruct Franchisor's right mandated in the Article.

7.3 Hygiene

Franchisor may dispatch inspectors to an outlet to inspect goods; alternatively, Master may provide samples of goods and send them to Franchisor's specified institution or entity for further inspection. The inspection standard shall follow laws and regulations of hygiene standards mandated by local authorities. Master shall bear the fees arising out of or relating to inspection and re-inspection.

VIII. TRADEMARK

8.1 Prohibition of Unauthorized Use

Master shall not use the same or similar trademark, alternative trademark, Franchisor's name, as the name of Master's company. Master shall not register a domain name or social media account under Franchisor's trademark, tradename, or logo without first acquiring Franchisor's prior written consent.

8.2 Removal

(a) Suppose Master cannot reach an agreement with Franchisor to transfer an outlet's ownership to Franchisor or execute another Unit Franchise Agreement within twenty (20) days after the expiration or termination of the Agreement.

Within thirty (30) days after expiration, termination, or rescission of this Agreement, Master shall, at its own expense, remove any signs, printing and publicity materials, business system supplies, symbols, names, equipment, and other articles and documents attached with Franchisor's intellectual property rights, including but not limited to licensed trademark, other trademarks, service marks, copyrights, patents, or enterprise identification system.

(b) If Master fails to remove within the required period, it shall be responsible for the sum of $2,000 per day until the date of complete removal. At its discretion, the Franchisor may remove the signs, printing, and publicity materials after expiration, termination, or rescission of the Agreement. Master shall be liable for the fees.

IX. TRANSFER OR ASSIGNMENT

9.1 Assignability.

(a) Franchisor has executed this Agreement in reliance upon and considering the personal qualifications, trust, and confidence in Master. Accordingly, although Master may assign the franchise rights, Master may not assign any rights under the Agreement except as provided in Section 9.2 below.

(b) Franchisor may assign the franchise right in Franchisor's sole discretion without Master's consent. Master acknowledges that Franchisor is permitted to do so without any liability or obligation. Master expressly and specifically waives any claims, demands, or damages arising from or related to any such assignment. Notwithstanding the foregoing, any assignment under this section 9.1(b) will not relieve Franchisor or any assignee from liability imposed by local state laws.

9.2 Transfers from Master to an Affiliated Entity.

(a) Upon not less than thirty (30) days prior written notice to Franchisor, Master may transfer this Agreement to an entity that is

(i) organized to operate as a Master to offer and sell DING TEA franchise; and

(ii) entirely owned by Master.

(b) Any assignment and transfer to an affiliated entity must be evidenced by a written instrument, in a form reasonably satisfactory to Franchisor, under the terms of which said business entity expressly assumes all of Master's obligations hereunder. The transferee agrees to be bound by all the terms and provisions of the Agreement. A copy of the said instrument, executed by both Master and said business entity, must be delivered to Franchisor before the effective date of the transfer.

9.3 Death or Disability

If Master is deceased or disable to operate the DING TEA franchise business, the franchise right shall be assigned by estate to approved buyer within six (6) months after the incident occurs.

X. NON-COMPETITION

10.1 Restriction on Competitive Activities

During the term of the Agreement and for one year after it is terminated or expires, Master and each of its "Principal Equity Owners" (persons owning more than 20% of Master) must comply with the non-competition covenants. Master and each of its "Principle Equity Owner" shall not invest, operate, or manage same or similar products or services within the same specified area for three (3) years after expiration or termination of the Agreement.

10.2 Covenant Not to Compete

Master and each of its "Principle Equity Owner" shall not invest, operate, or manage same or similar products or services within the same specified area for three (3) years after expiration or termination of the Agreement.

XI. DEFAULT AND TERMINATION

11.1 General.

Franchisor may terminate the Agreement for the following conditions:

(a) Master fails to substantially comply with any obligation, duty, or promise under the Agreement; or

(b) Master fails to offer or sell the franchise required under the Development Schedule; or

(c) Master files bankruptcy or insolvency with the state; or

(d) Master assigns for the benefit of creditors or similar disposition of the assets of the franchise business; or

(e) Master voluntarily abandons the franchise business; or

(f) Master is convicted or plead guilty or no contest to a charge of violating any law relating to the franchise business; or

(g) Master purchase raw materials, equipment, and supply from suppliers not approved by Franchisor; or

(h) Master published any statements that involve in politics, religion, and ethics that affects Franchisor's reputation; or

(i) Master files trademark registration regarding Franchisor's trademark; or

(j) Master uses Franchisor's mark to register a domain name or register company's name by using the same or similar name of DING TEA; or

(k) Master refuses to provide unlimited access to the POS system; or

(l) Master is in default of making any payment as agreed; or

(m) Master involved in any act which impairs the goodwill associated with the Franchisor's trademark, trade name, service mark, logotype, or other commercial symbols; or

(n) Master uses promotional or advertising materials without first acquiring Franchisor's prior written consent; or

(o) Master sells unrelated items, goods, or foods and beverages inside DING TEA outlets or online stores.

11.2 Notice of Termination

Franchisor shall give Master a written Notice of Violation and allows Master to cure the default within ten (10) days after receiving the Notice under Sections 11.1(h) to 11.1(o). For other violations specified in Section 11.1, Franchisor may terminate the Agreement immediately without giving any notice to Master. Franchisor's right to terminate the Agreement does not relieve Master from additional damages and penalties.

11.3 Master's Right to Terminate

Master may terminate the Agreement for the following conditions:

(a) Franchisor files bankruptcy or insolvency with the state; or

(b) Franchisor assigns for the benefit of creditors or similar disposition of the assets of the franchise business; or

(c) Franchisor voluntarily abandons the franchise business; or

(d) Franchisor is convicted or plead guilty or no contest to a charge of violating any law relating to the franchise business; or

11.4 Obligations after Termination

Master shall comply with the following conditions after Franchisor terminates the Agreement:

(a) Remove banners advertisement, and stop all business activities that relate to the DING TEA franchise; and

(b) Delete social media accounts and websites that associate Master with DING TEA franchise; and

(c) Relinquish the right to manage, operate, and participate in an identical or similar food and beverage business in the same or adjacent territory within three (3) years after termination.

(d) Master shall notify all Unit Franchisees within in ten (10) days after termination that the right to supervise DING TEA franchise will be reverted to Franchisor.

(e) Master shall negotiate a reasonable price with Franchisor to sell its outlets to Franchisor. If both parties could not reach an agreement, Master shall pay Franchisor $30,000 as the Unit Franchise fee per one outlet. The term to operate each outlet will extend for three (3) years from the date of termination.

11.5 Punitive Damages

(a) Master is liable for the punitive damages of $10,000 under Sections 11.1(a) to 11.1(g). Master is liable for the punitive damages of $5,000 for violations stated under Sections 11.1(n) and 11.1(o).

(b) Franchisor may deduct the Punitive Damages from the Security Deposit.

XII. DISPUTE RESOLUTION

12.1 Mediation

(a) Franchisor and Master have entered into a long-term franchise relationship which gives rise to an obligation, subject to and consistent with the terms of the Agreement, to endeavor to make the relationship succeed, considering the overall best interests of the entire System, as contemplated by the Agreement. To that end, Master and Franchisor acknowledge that Master and Franchisor need to attempt to resolve disagreements or disputes before such disagreements or disputes negatively impact the relationship. Good faith communications between Franchisor and Master are essential aspects of that obligation. As a result of this pledge, the parties agree that they will first attempt to resolve any dispute, claim, or controversy arising out of or relating to this Agreement or any alleged breach. Franchisor's executive officers and Master's Principal Equity

Owners shall meet in person within five (5) business days after a party notifies the other party that a Dispute has arisen to conduct a good-faith discussion and negotiation of the issues to arrive at a settlement. Suppose a party refuses to participate in the settlement meeting or mediation within the respective time frames outlined in this Section 12.1. In that case, the other party may immediately commence an arbitration proceeding according to section Section 12.2 below.

(b) If the parties are unable to settle the Dispute within ten (10) business days after the conference date, Master and Franchisor may submit the Dispute to non-binding mediation at a location in Washington (or another location mutually agreeable to both parties) conducted by a mutually acceptable mediator. Suppose the Dispute is not referred to mediation within ten (10) business days after the settlement conference (or should have taken place). In that case, either party may submit the Dispute to a binding resolution through arbitration proceedings according to section 12.2 below. Any mediation proceedings should be completed within sixty (60) days following the date either party first gives notice of mediation. The fees and expenses of the mediator will be shared equally by the parties. The mediator will be disqualified as a witness, expert, or counsel concerning the Dispute and any related matter.

(c) Mediation is a compromise negotiation and will constitute privileged communications under the law governing this Agreement. The entire mediation process will be confidential, and the conduct, statements, promises, offers, views, and opinions of the mediator and the parties will not be discoverable or admissible in any legal proceeding for any purpose. However, otherwise discoverable or admissible evidence will not be excluded from discovery or admission because of its use in the mediation. The fees charged by a mediator and any other related fees and costs will be divided equally between the parties.

12.2 Arbitration

(a) Any Dispute between Franchisor and Master not settled through the procedures described in Section 12.1 above, or any determination of the scope or applicability of this Agreement to arbitrate, will be resolved through binding arbitration by one arbitrator. It is explicitly agreed by each of the parties hereto that no arbitration of any Dispute may be commenced except in accordance with this section 12.2.

(b) All hearings and other proceedings will occur in Delaware.

(c) Either party may present briefs and affidavits of witnesses who cannot attend hearings. A limited amount of discovery is permitted within the arbitrator's discretion (including affidavits, interrogatories, and depositions). The arbitrator will have the right to award or include in the award any relief that the arbitrator deems proper in the circumstances. The award includes money damages (with interest on unpaid amounts from the date due), specific performance, and injunctive relief, provided that the arbitrator will not have the right to declare any Mark generic or otherwise invalid or to award punitive damages. If either party fails to appear or participate in the arbitration proceeding, the other party will be entitled to a default judgment award. The arbitration award will be final and binding on the parties, and judgment on the award may be entered in any federal or state court having jurisdiction.

(d) TO THE MAXIMUM EXTENT PERMITTED BY LAW, ALL CLAIMS BROUGHT UNDER THE AGREEMENT WILL BE BROUGHT IN AN INDIVIDUAL CAPACITY. THIS AGREEMENT MAY NOT BE CONSTRUED TO ALLOW OR PERMIT THE CONSOLIDATION OR JOINDER OF OTHER CLAIMS OR CONTROVERSIES INVOLVING ANY OTHER FRANCHISEES OR PERMIT SUCH CLAIMS OR CONTROVERSIES TO PROCEED AS A CLASS ACTION, CLASS ARBITRATION, COLLECTIVE ACTION, OR ANY SIMILAR REPRESENTATIVE ACTION. NO ARBITRATOR WILL HAVE THE AUTHORITY UNDER THIS AGREEMENT TO ORDER ANY SUCH CLASS OR REPRESENTATIVE ACTION. BY SIGNING BELOW, FRANCHISEE ACKNOWLEDGES FRANCHISEE AGREES TO WAIVE ANY SUBSTANTIVE OR PROCEDURAL RIGHTS THAT FRANCHISEE MAY HAVE TO BRING AN ACTION ON A CLASS, COLLECTIVE, REPRESENTATIVE, OR OTHER SIMILAR BASIS. ACCORDINGLY, FRANCHISEE EXPRESSLY AGREES TO WAIVE ANY RIGHT FRANCHISEE MAY HAVE TO BRING AN ACTION ON A CLASS, COLLECTIVE, REPRESENTATIVE, OR OTHER SIMILAR BASIS.

(e) TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE PARTIES WAIVE ALL RIGHTS THEY MAY HAVE TO SEEK PUNITIVE DAMAGES FROM ONE ANOTHER. ACCORDINGLY, THE ARBITRATOR WILL HAVE NO POWER TO ASSESS PUNITIVE DAMAGES AGAINST EITHER PARTY.

(f) This arbitration provision is deemed self-executing and will remain in full force and effect after the expiration or termination of this Agreement. If either party fails to appear at any properly noticed arbitration proceeding, an award may be entered against such party by default or otherwise notwithstanding said failure to appear.

(g) The provisions of this Section 12.2 are intended to benefit and bind certain third-party non-signatories. They will continue in full force and effect after (and notwithstanding) the expiration or termination of this Agreement. Furthermore, this section 12.2 will be construed as independent of any other covenant or provision of the Agreement. Suppose a court of competent jurisdiction determines that any of such provisions are unlawful in any way. In that case, the court is respectfully requested to modify or interpret such provisions to the minimum extent necessary to comply with the law.

12.3 Injunctive Relief

Any party has the right where there is an imminent threat of harm to the legal rights and damages would not be adequate relief to seek a temporary restraining order and preliminary injunctive relief from a court of competent jurisdiction. Under the situation, neither party must first comply with sections 12.1 and 12.2 above or post any bond. Suppose a court nevertheless requires a bond of competent jurisdiction. In that case, the parties agree that the sum of $1,000 will be a sufficient bond (this amount may be adjusted by changes in the Consumer Price Index since the Effective Date). Suppose an arbitration proceeding has already commenced according to section 12.2 above when a party seeks injunctive relief. In that case, the party seeking such injunctive relief agrees to submit the merits of its Dispute to the arbitrator contemporaneously. The existence of a proceeding

commenced under section 12.1 or 12.2 above will in no event abate or otherwise affect the ability of the party to seek injunctive relief under this section 12.3. Master acknowledges that its failure to comply fully with any of the terms of the Agreement respecting the obligations regarding examinations, audits, and the Marks could cause irreparable damage to Franchisor or other affiliated persons or entities. Franchisor or Franchisor's affiliates are empowered to seek injunctive relief to protect the Marks. This covenant is independent, severable, and enforceable, notwithstanding any other rights or remedies that any party may have.

12.4 Legal Fees and Expenses

The prevailing party in any arbitration or litigation to resolve a dispute between any of the parties hereto will be entitled to recover from the losing party reasonable legal fees (and incurred costs of the prevailing party's counsel) and all other expenses incurred by the prevailing party in bringing or defending such arbitration, action or proceeding and enforcing any resulting award or judgment (including without limitation arbitration or court filing fees, expert and other witness fees, discovery expenses, and compensation payable to the arbitrator), whether incurred before or in preparation for or contemplation of the filing of the action or after that. The arbitrator or court will determine the prevailing party. This section 12.4 is intended to be expressly severable from the other provisions, is intended to survive any judgment, and is not to be deemed merged into the judgment.

12.5 Survival

The terms of this Article XII survive termination, expiration, or cancellation of this Agreement.

XIII. NOTICES

13.1 Notices.

(a) All notices that the parties hereto are required or may desire to give under or in connection with this Agreement must be in writing and (unless personally delivered by an agent of the sending party) must be sent by reliable overnight courier, for delivery on the next business day and addressed as follows:

(i) If to Franchisor:

(ii) If to Master:

_____

_____

(b) Unless previously delivered in person by an agent of the sending party, notices between Master and Franchisor will be deemed given the next business day after deposit with a reliable overnight courier, properly addressed and marked for delivery on the next business day.

(c) Any change in the addresses listed in section 8.1(a) above must be sent to the other party as soon as practicable after the change occurs by reliable overnight courier or in person by an agent of the sending party.

XIV. GENERAL TERMS AND PROVISIONS

14.1 Governing Law

The laws of Delaware govern the Agreement without regard to conflicts of laws. Suppose any provision of this Agreement is impermissible under the governing law. In that case, the condition will be deemed amended to conform to that law while maintaining the original intent of the requirement to the maximum extent possible.

14.2 Modification

This Agreement cannot be modified or changed except by a written instrument signed by all of the parties hereto.

14.3 Waiver and Delay

No waiver by Franchisor of any Master's breach or defaults and no failure, refusal, or neglect by Franchisor either to exercise any of its rights hereunder or to insist upon strict compliance with or performance, will constitute a waiver of the provisions of this Agreement concerning any subsequent breach thereof or a waiver by Franchisor of its right at any time thereafter to require exact and strict compliance with the provisions thereof.

14.4 Severability; Partial Invalidity

Nothing contained in this Agreement will be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provisions of this Agreement and any present or future statute, rule, ordinance, regulation, or judicial decision, contrary to which the parties have no legal right under this Agreement, the latter will prevail. Still, in such event the provision of this Agreement thus affected will be curtailed and limited only to the extent necessary to bring it within the requirements of the law. Suppose any part, article, section, sentence, or clause of the Agreement is held to be indefinite, invalid, or otherwise unenforceable. In that case, the infinite, invalid, or unenforceable provision will be deemed appropriately modified, and the remaining parts thereof will continue in full force and effect.

14.5 Titles for Convenience Only

Section titles used in this Agreement are for convenience only and will not be deemed to affect the meaning or construction of any of the terms, provisions, covenants or conditions of this Agreement.

14.6 No Third-Party Beneficiaries

The Agreement is not intended to benefit any other person or entity except the named parties. No other person or entity will be entitled to any rights hereunder under so-called "third party beneficiary rights" or otherwise.

14.7 Survival of Covenants

The covenants contained in this Agreement that by their terms require performance by the parties after the expiration or termination of this Agreement will be enforceable notwithstanding said expiration or other termination of this Agreement for any reason whatsoever.

14.8 Successors and Assigns

Subject to the restrictions on any assignment by Master contained herein, the Agreement is binding upon

(a) Franchisor and inures to the benefit of its successors and assigns; and

(b) Master and inures to benefit its successors and assignees.

14.9 Counterparts

This Agreement may be executed in any number of copies, each of which will be deemed an original, and all of which together will be deemed one and the same instrument.

14.10 Entire Agreement.

(a) This Agreement contains all the terms and conditions agreed upon by both parties regarding the subject matter hereof, provided that nothing in the Agreement or any related agreement is intended to disclaim the representations made in the DING TEA franchise disclosure document. No other agreements, oral or otherwise, will be deemed to exist or bind any of the parties hereto, and all prior agreements and understandings are superseded hereby. Master acknowledges that it executed this Agreement without reliance upon any unauthorized representation or promise.

(b) This Agreement cannot be modified or changed except by a written instrument signed by all the parties hereto.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties executed this Agreement as of the Effective Date.

FRANCHISOR
DING TEA CORPORATION
By:
Name:
Title: President and CEO

MASTER

By:_____
Name: _____
Title: _____

MASTER'S PRINCIPAL EQUITY OWNERS:
(*Note: each Principal Equity Owner is signing below as a party to this Agreement, and is individually obligated to perform or guarantee the performance by Master under this Agreement)*

By:_____
Name: _____

By:_____
Name: _____

EXHIBIT 1 - SUBFRANCHISE SCHEDULE

All Store will be opened at sites located in the "Master Area" described as follows:

Master must offer and sell (and thereafter maintain) outlets to Unit Franchisees or open its own outlets in accordance with the following schedule:

NUMBER OF STORE	DATE BY WHICH STORE MUST BE OPENED
1-15	
16-30	
30 and more	

The number of outlets indicated in the above column shall not be interpreted as a limit to Master's right to sell or open more than certain numbers. Master is required to sell a franchise or open it outlets on, or before specific date indicated above.

FORM OF GENERAL RELEASE

EXHIBIT A-1

FORM OF GENERAL RELEASE

MUTUAL RELEASE AGREEMENT

This Mutual Release Agreement (the "Agreement") is made and entered into this day of_____ 20__(the "Effective Date"), by and between DING TEA CORPORATION, a Delaware corporation ("Franchisor"), _____ , a _____ [insert state of incorporation, formation or organization of franchisee entity] and _____ [insert name of owner or owners of the franchisee entity], individually (collectively, the "Franchisee"; reference to "Franchisee" in this Agreement shall include the parties individually and collectively). Capitalized terms used but not defined herein shall have the meanings attributable to them under the Franchise Agreement (defined below).

RECITALS:

Franchisor and Franchisee entered into a Franchise Agreement ("Franchise Agreement") dated _____ under which Franchisee obtained the right to establish and operate one (1) Franchised Business (the "Business") under the System and Marks.

In connection with the [termination; non-renewal; transfer] of the Franchise Agreement, Franchisor and Franchisee desire to enter into this Mutual Release Agreement.

NOW, TFIEREFORE, in consideration of the mutual covenants set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby conclusively acknowledged, the parties agree as follows:

1. Franchisee's Release and Covenant Not to Sue.

a. Release. As of the Effective Date of this Agreement, Franchisee and its respective officers, directors, employees, successors, assigns, heirs, personal representatives, and all other persons acting on its behalf or claiming under it ("Franchisee Covenantors"), hereby release and forever discharge Franchisor, its predecessors, parents, subsidiaries, and affiliates and their respective officers, directors, shareholders, employees, successors, and assigns, past and present ("Franchisor Released Parties"), from any claims, debts, liabilities, demands, obligations, actions, and causes of action, known or unknown, vested or contingent, which any of them have ever had, now has, or may hereafter have by reason of any event, transaction, or circumstance arising out of or relating to the Franchise Agreement from the beginning of the world through the date of this Agreement, except for the obligations of the Franchisor under this Agreement.

b. Covenant Not To Sue. Franchisee further covenants and agrees for itself and for

Franchisee Covenantors not to bring or allow to be brought on behalf of any Franchisee Covenantor, any action, cause of action, suit or other proceeding of any kind, which has accrued or which may ever accrue, whether based in the Constitution, common law or statute, contract, tort, or in equity, for actual or punitive damages or other relief, against the Franchisor Released R2I-20I7 Parties arising out of, resulting from, or in any manner related to the matters released in Paragraph 1. a.

2. Franchisor's Release and Covenant Not to Sue.

a. Release. As of the Effective Date of this Agreement, Franchisor, its affiliates and their respective officers, directors, employees, successors, assigns, heirs, personal representatives, and all other persons acting on their behalf or claiming under them ("Franchisor Covenantors"), hereby release and forever discharge Franchisee, and its respective predecessors, parents, subsidiaries, and affiliates and their respective officers, directors, employees, successors, and assigns, past and present ("Franchisee Released Parties"), from any claims, debts, liabilities, demands, obligations, actions, and causes of action, known or unknown, vested or contingent, which any of them have ever had, now has, or may hereafter have by reason of any event, transaction, or circumstance arising out of or relating to the Franchise Agreement from the beginning of the world through the date of this Agreement, except for the obligations of Franchisee under this Agreement and those obligations of Franchisee that survive the expiration, transfer or termination of the Franchise Agreement (including, without limitation, the confidentiality of proprietary information, the surrender of customer lists, indemnification, and the covenants against competition and the diversion of business).

b. Covenant Not To Sue. Franchisor further covenants and agrees for itself and for all Franchisor Covenantors not to bring or allow to be brought on behalf of any Franchisor Covenantor, any action, cause of action, suit or other, proceeding of any kind, which has accrued or which may ever accrue, whether based in the Constitution, common law or statute, contract, tort, or in equity, for actual or punitive damages or other relief, against the Franchisee Released Parties arising out of, resulting from, or in any manner related to the matters released in Paragraph 2.a.

3. Continuing Liability of Franchisee. Notwithstanding anything to the contrary in this Agreement, following the Effective Date, Franchisee will continue to be responsible for the following:

a. Unpaid Fees. All accrued but unpaid royalty fees, marketing development fees or contributions, and other amounts owed to Franchisor or its affiliates as of the Effective Date, as detailed on Attachment A to this Agreement.

b. Indemnity. All of its respective obligations and/or liabilities to Franchisor arising

under the Franchise Agreement through the Effective Date, including, without limitation, the obligation to indemnify Franchisor for any claims arising from the operation of the Business through the Effective Date.

c. Covenants Against Competition and Use of Confidential Information. All of its respective obligations that survive the termination, expiration or transfer of the Franchise Agreement, including, without limitation, the covenants against competition and use of Franchisor's confidential information set forth in the Franchise Agreement.

4. Franchisee's Acknowledgements and Agreements. By affixing its signature to this Agreement, Franchisee represents, warrants, acknowledges and agrees that:

a. Knowing and Voluntary Release. Franchisee has carefully read and fully understands the provisions of this Agreement, including, specifically, Franchisee's release of claims and covenant not to sue set forth in Paragraphs 1 .a. and 1 .b. of this Agreement, and that the release of such claims and covenant not to sue is knowing and voluntary.

b. No Assignment of Claims. Franchisee has not assigned or transferred, or purported to assign or transfer, to any person or entity, any suit, claim, controversy, liability, demand, action, or cause of action released under Paragraph 1. of this Agreement, and since the date of the Franchise Agreement, there has been no assignment or transfer, and no purported assignment or transfer, to any person or entity of the franchised business, the Franchise Agreement, or any rights or interests therein or in the Franchisee.

c. Complete Defense. This Agreement and the release in Paragraph l.a. above shall be a complete defense to any claim released under Paragraph 1 .a. and Franchisee hereby consents to the entry of a temporary dr permanent injunction to end the assertion of any such claim.

d. California Waiver. If Franchisee is in California, Franchisee expressly waives and relinquishes all rights and benefits which Franchisee may now or in the future have under and by virtue of California Civil Code Section 1542. Franchisee does so understand the significance and consequence of such specific waiver. Section 1542 provides that "[a] general release does not extend to claims which the creditor does not know, or suspect exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor." For the purpose of implementing a general release and discharge as described in Paragraph l.a. above. Franchisee expressly acknowledges that this Agreement is intended to include in its effect, without limitation, all claims described in Paragraph 1 .a. above which the parties do not know or suspect to exist in their favor at the time of execution hereof, and that this Agreement contemplates the extinguishment of any such claims.

5. Indemnification. Franchisee agrees to indemnify Franchisor, its predecessors, parents, subsidiaries, and affiliates and their respective officers, directors, shareholders, employees, successors, and assigns, past and present, for any losses, damages, liability, costs and expenses (including reasonable attorneys' fees and disbursements and court costs) (i) incurred as a result of any breach by Franchisee of any of the representations and/or warranties contained in this Agreement, or (ii) incurred in defending against, or seeking an injunction to end the assertion of, any claim released under Paragraph 1 .a. above, or (iii) arising out of, resulting from, or related in any way to the Business or of any other business conducted by Franchisee in connection with the Business or the Franchise Agreement or because of any act or omission by Franchisee under the Franchise Agreement.

6. General Provisions.

a. Amounts Due. Franchisee warrants and represents that all fees and other amounts payable to Franchisor or its affiliates under the Franchise Agreement are current as of the date of this Agreement.

b. Attorneys' Fees. In the event that Franchisor institutes legal proceedings of any kind to enforce this Agreement, Franchisee agrees to pay all costs and expenses associated therewith, including, but not limited to, all attorneys' fees.

c. Entire Agreement. This Agreement, when fully executed, supersedes all previous negotiations, representations, and discussions by the parties hereto concerning the subject matter hereof and integrates the whole of all of their agreements and understandings concerning the subject matter hereof No oral representations or undertakings concerning the subject matter hereof shall operate to amend, supersede, or replace any other terms or conditions set forth herein.

d. Authority. By their signatures below, the parties hereto represent and warrant to each other that they have all necessary authority to enter into this Agreement. Each party hereto represents and warrants that the party is entering into this Agreement solely for the purposes and consideration set forth herein, and further warrants that this Agreement is being executed without reliance on any representation of any kind or character not expressly set forth herein. Each party warrants that it has read this Agreement and has had the opportunity to consult with legal counsel as to its effect.

e. Counterpart Execution. This Agreement may be executed in multiple counterparts, each of which shall be fully effective as an original.

f Survival. All covenants, representations, warranties, and agreements of the parties shall survive execution and delivery of this Agreement and shall continue until such time as all the

obligations of the parties hereto shall have lapsed in accordance with their respective terms or shall have been discharged in full.

g. Notices. Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered personally or sent by certified, registered or express mail, postage prepaid to the parties at their respective addresses set forth below or to such other address as any party may hereafter specify in writing and deliver in accordance with this Paragraph 6.g. Any such notice shall be deemed given when so delivered personally or sent by facsimile transmission or, if mailed, three (3) days after the date of deposit in the United States mail, to;

If to Franchisee: _____
_____
_____
_____
Telephone: _____

If to Franchisor:

h. Gender. All references herein to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, where applicable.

i. Confidentiality. Franchisee shall at all times treat as strictly confidential and refrain from disclosing the terms and conditions of this Agreement to any third party, except Franchisee's attorney. If Franchisee violates this Paragraph 8.i., Franchisor shall be entitled to seek all legal and equitable remedies, including, without limitation, the return of the full Agreed Amount and any additional damages, as well as injunctive relief

j. Further Assurance. The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the intent of this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the Effective Date.

FRANCHISOR:
DING TEA CORPORATION

By: _____
Name: _____
Title: _____

FRANCHISEE:

_____

By: _____
Name: _____
Title: _____

FINANCIAL STATEMENTS

EXHIBIT B

Ding Tea Corporation
Balance Sheet
As of May 31, 2024

	Total
ASSETS	
Current Assets	
Bank Accounts	
CTBC Bank	106,360.22
CTBC Bank - TD	2,200,000.00
EastWest Bank	5,020.96
Total Bank Accounts	**$ 2,311,381.18**
Accounts Receivable	
Accounts Receivable	209,465.00
Accounts Receivable - Ding Tea TW	103,235.00
Total Accounts Receivable	**$ 312,700.00**
Other Current Assets	
Deferred Tax Assets	224,000.00
Other Receivable	1,659.97
Paid inadvnace - Ding Tea TW	22,000.00
Prepaid Expenses	8,500.00
Prepaid Taxes	182,636.00
Security Deposit	134.10
Total Other Current Assets	**$ 438,930.07**
Total Current Assets	**$ 3,063,011.25**
TOTAL ASSETS	**$ 3,063,011.25**
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Deferred Royalty Revenue - Current	329,196.00
Other Payable - Ding Tea TW	98,040.00
Receipt In Advance - Franchise Fee	48,000.00
Receipt in Advance - MOU	15,000.00
Unearned Revenue	51,500.00
Total Other Current Liabilities	**$ 541,736.00**
Total Current Liabilities	**$ 541,736.00**
Long-Term Liabilities	
Deferred Royalty Revenue - Noncurrent	441,968.00
Deposits	895,000.00
Total Long-Term Liabilities	**$ 1,336,968.00**
Total Liabilities	**$ 1,878,704.00**
Equity	
Opening Balance Equity	200,000.00
Retained Earnings	664,985.30
Net Income	319,321.95
Total Equity	**$ 1,184,307.25**
TOTAL LIABILITIES AND EQUITY	**$ 3,063,011.25**

Ding Tea Corporation
Profit and Loss
January - May, 2024

	Total	
Income		
Franchise Fee Income		52,000.00
Management Income		142,000.00
Royalty Income		219,277.00
Total Income	**$**	**413,277.00**
Cost of Goods Sold		
Cost of Sales		52,000.00
Total Cost of Goods Sold	**$**	**52,000.00**
Gross Profit	**$**	**361,277.00**
Expenses		
Bank Charges & Fees		323.00
Contractors		300.00
Legal & Professional Services		54,411.01
Office Supplies & Software		400.00
Other Business Expenses		377.46
Rent & Lease		693.45
Shipping, Freight & Delivery		240.00
Taxes & Licenses		3,282.60
Total Expenses	**$**	**60,027.52**
Net Operating Income	**$**	**301,249.48**
Other Income		
Interest Earned		18,072.47
Total Other Income	**$**	**18,072.47**
Other Expenses		
State Income Tax Expenses		0.00
Total Other Expenses	**$**	**0.00**
Net Other Income	**$**	**18,072.47**
Net Income	**$**	**319,321.95**

DING TEA CORPORATION

Independent Auditor's Report
and Financial Statements
December 31, 2023 and 2022

DING TEA CORPORATION
Independent Auditor's Report
and Financial Statements
December 31, 2023 and 2022

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CHEN & FAN
ACCOUNTANCY CORPORATION
181 Metro Drive, Suite 500
San Jose, California 95110
Telephone (408) 432-1218
Facsimile (408) 432-1212

Offices in Other Locations:
El Monte / Los Angeles

INDEPENDENT AUDITOR'S REPORT

Board of Directors and Stockholder
DING TEA CORPORATION
New Castle, Delaware

Opinion

We have audited the accompanying financial statements of **DING TEA CORPORATION**, which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of income and retained earnings, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **DING TEA CORPORATION** as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **DING TEA CORPORATION** and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **DING TEA CORPORATION**'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 **DING TEA CORPORATION**'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about **DING TEA CORPORATION**'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control related matters that we identified during the audit.

Chen & Fan
Accountancy Corporation

San Jose, California

March 25, 2024

DING TEA CORPORATION
Balance Sheets
December 31, 2023 and 2022

Assets

	2023	2022
Current Assets		
Cash and cash equivalents	$ 2,351,702	$ 1,641,093
Accounts receivable	168,400	105,200
Prepaid expenses	168,483	5,828
Advanced payment to related party	22,000	22,000
Other receivable		
- related party	1,200	-
- others	11,298	-
Total Current Assets	2,723,083	1,774,121
Other Assets		
Deferred income taxes	224,000	220,000
Security deposit	134	134
Total Other Assets	224,134	220,134
Total Assets	$ 2,947,217	$ 1,994,255

The accompanying notes are an integral part
of these financial statements.

DING TEA CORPORATION
Balance Sheets – Continued
December 31, 2023 and 2022

Liabilities and Stockholder's Equity

	2023	2022
Current Liabilities		
Accrued expenses	$ 92,000	$ 55,000
Other payable	92,691	51,756
Deferred revenue - current	577,573	512,619
Total Current Liabilities	762,264	619,375
Non-Current Liabilities		
Deferred revenue - non-current	441,968	324,284
Customer deposits	878,000	686,000
Total Non-Current Liabilities	1,319,968	1,010,284
Total Liabilities	2,082,232	1,629,659
Commitment		
Stockholder's Equity		
Common stock, no par value: 1,000 shares authorized; 200 shares issued and outstanding	200,000	200,000
Retained earnings	664,985	164,596
Total Stockholder's Equity	864,985	364,596
Total Liabilities and Stockholder's Equity	$ 2,947,217	$ 1,994,255

The accompanying notes are an integral part
of these financial statements.

DING TEA CORPORATION
Statements of Income and Retained Earnings
For the Years Ended December 31, 2023 and 2022

	2023	2022
Revenue		
Franchise revenue	$ 597,162	$ 383,650
Service income	169,500	330,000
Management income	337,500	144,400
Total Revenue	1,104,162	858,050
Cost and Expenses		
Cost of revenue	226,500	330,000
Operating expenses	238,255	275,355
Total Cost and Expenses	464,755	605,355
Income from Operations	639,407	252,695
Non-Operating Income		
Interest income	60,317	6,434
Income before Income Taxes	699,724	259,129
Income Tax Expense	199,335	73,863
Net Income	500,389	185,266
Retained Earnings (Accumulated Deficits), Beginning of Year	164,596	(20,670)
Retained Earnings, End of Year	$ 664,985	$ 164,596

The accompanying notes are an integral part
of these financial statements.

DING TEA CORPORATION
Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities:		
Net income	$ 500,389	$ 185,266
Adjustments to reconcile net income to net cash provided by operating activities:		
Deferred income taxes	(4,000)	(19,000)
Changes in operating assets and liabilities:		
Accounts receivable	(63,200)	(99,000)
Prepaid expenses	(162,655)	20,472
Advanced payment to related party	-	(22,000)
Other receivable		
- related party	(1,200)	-
- others	(11,298)	-
Accrued expenses	37,000	38,230
Other payable	40,935	13,159
Deferred revenue	182,638	155,750
Customer deposits	192,000	317,000
Net Cash Provided by Operating Activities	710,609	589,877
Net Increase in Cash and Cash Equivalents	710,609	589,877
Cash and Cash Equivalents, Beginning of Year	1,641,093	1,051,216
Cash and Cash Equivalents, End of Year	$ 2,351,702	$ 1,641,093
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the year for income taxes	$ 376,881	$ 53,000

The accompanying notes are an integral part of these financial statements.

DING TEA CORPORATION
Notes to Financial Statements
December 31, 2023 and 2022

NOTE 1 - Organization and Nature of Business

Ding Tea Corporation (the Company) was incorporated in the State of Delaware on January 7, 2019. The Company is wholly owned by Chu Yu Hsiang Co., Ltd. (the "Parent", or "CYH"), a public company operates in the franchising of chain tea shops in the Republic of China.

The Company is the sole distributor of CYH in North America and primarily engaged in the business of selling the beverage franchises to the stores in North America.

NOTE 2 - Summary of Significant Accounting Policies

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash in banks. As of December 31, 2023 and 2022, the total balances of cash in bank exceeded the amounts insured by the Federal Deposit Insurance Corporation (FDIC) for the Company by approximately $2,095,000 and $1,386,000, respectively.

On June 16, 2016, the FASB issued Accounting Standards Update (ASU) 2016-13, Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. The amendments in this ASU significantly change how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. Entities will need to base the measurement on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. The current expected credit loss (CECL) model will apply to most debt instruments (other than those measured at fair value), trade receivables, lease receivables, reinsurance receivables that result from insurance transactions, financial guarantee contracts, and loan commitments. According to ASU 2016-13, an entity will need to estimate its lifetime expected credit loss and record an allowance (contra-asset) that, when deducted from the amortized cost basis of the financial asset, presents the net amount expected to be collected on the financial asset. The company adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financials.

NOTE 2 - Summary of Significant Accounting Policies – Continued

Cash Equivalents

The Company considers short-term time certificates of deposit purchased with an original maturity of less than three months upon investment made as of December 31, 2023 and 2022 to be cash equivalents. The carrying amount of cash equivalents approximates fair value.

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.

As of December 31, 2023 and 2022, the carrying values of cash and cash equivalents, accounts receivable, other receivable, accrued expenses and other payable approximated their fair values due to the short-term nature of these financial instruments. There were no outstanding derivative financial instruments as of December 31, 2023 and 2022.

NOTE 2 - Summary of Significant Accounting Policies – Continued

Revenue Recognition

The Company recognizes revenue in accordance with ASC Topic 606, "Revenue from Contracts with Customers". As such, the Company identifies a contract with a customer, identifies the performance obligations in the contract, determines the transaction price, allocates the transaction price to each performance obligation in the contract and recognizes revenues when (or as) the Company satisfies a performance obligation.

The Company recognizes revenue from fees from franchised restaurants operated by conventional franchisees. Initial franchise revenue includes both initial service fees and royalties.

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. Service income is recognized when the services are performed and completed.

After franchised restaurants opened, the Company agrees to provide certain assistance in the operation of the franchised restaurants. Management income is recognized every month beginning on the opening date.

Licensing 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 income in the balance sheet.

The balance of accounts receivable as of January 1, 2022 was $6,200.

Advertising Costs

Advertising costs are expensed when incurred. Advertising costs associated with customer benefit programs are accrued as the related revenues are recognized. For the years ended December 31, 2023 and 2022, the Company incurred approximately $1,100 and $20,000 of advertising expense, respectively.

NOTE 2 - Summary of Significant Accounting Policies – Continued

Income Taxes

Income taxes are accounted for under the asset and liability method. Under this method, deferred tax assets and liabilities are computed for differences between the financial statement 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 years 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 FASB guidance 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.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates and assumptions.

NOTE 2 - Summary of Significant Accounting Policies – Continued

Subsequent Events

The Company has evaluated events and transactions after year-end up to March 25, 2024, the date on which these financial statements were available to be issued.

NOTE 3 - Deferred Revenue

As of December 31, 2023 and 2022, deferred revenue consisted of the following:

	2023	2022
Unearned franchise revenue	$ 904,441	$ 702,803
Unearned service income	74,000	96,000
Unearned management income	41,100	38,100
Total	1,019,541	836,903
Less: current portion	(577,573)	(512,619)
Non-current portion	$ 441,968	$ 324,284

NOTE 4 - Income Taxes

Income tax expense (benefit) for the years ended December 31, 2023 and 2022, consisted of the following:

	2023	2022
Current:		
Federal	$ 177,545	$ 64,172
State	25,790	28,691
	203,335	92,863
Deferred:		
Federal	(36,000)	(15,000)
State	32,000	(4,000)
	(4,000)	(19,000)
Net income tax expense	$ 199,335	$ 73,863

The tax effects of temporary differences which give rise to significant portions of deferred tax assets and the related valuation allowance as of December 31, 2023 and 2022 were approximately as follows:

	2023	2022
Deferred tax assets:		
Deferred revenue	$ 219,000	$ 208,000
State taxes	5,000	12,000
	224,000	220,000
Less: valuation allowance	-	-
Net deferred tax assets	$ 224,000	$ 220,000

Based on the Company's forecast of future taxable income, no valuation allowance was provided on the deferred tax assets as of December 31, 2023 and 2022.

NOTE 5 - Related Party Transaction

A. Name of related party and relationship:

Name of Related Party	Relationship
Chu Yu Hsiang Co., LTD (CYH)	Parent Company
Chu Yu Hsiang Co., LTD (CYH.A)	Affiliate
Sheng Yan Co., LTD (SY)	Affiliate
Wang Gu Co., LTD (WG)	Affiliate
Wei-Hsiang Hsu	President

B. Significant related party transactions:

a. As of December 31,

	2023	2022
Advanced payment to CYH	$ 22,000	$ 22,000
Other receivable from CYH	$ 1,200	$ -

b. For the year ended December 31,

	2023	2022
Service costs charged by CYH	$ 226,500	$ 330,000

The Company has a store training service agreement and a store opening support service agreement with CYH. The service costs are approximately $14,000 and $2,000 for each franchisee for training service and opening support service, respectively. 100% of franchise costs for the years ended December 31, 2023 and 2022 were charged by CYH.

NOTE 5 - Related Party Transaction – Continued

B. Significant related party transactions – continued:

b. For the year ended December 31, – continued:

	2023	2022
Settlement fees paid by:		
CYH	$ -	$ 58,000
CYH.A	-	49,000
Wei-Hsiang Hsu	-	49,000
SY	-	29,000
WG	-	29,000
Total	$ -	$ 214,000

In 2022, the Company entered into an Amended Consent Order for the litigation of violating applicable California laws regarding the Company's offer and sales of franchise, which was filed by the State of California Department of Financial Protection and Innovation on January 8, 2021. The Company refunded the franchise fees and security deposits of $611,000 in total to its California franchisees. The total payment was paid by its related parties. The case was settled and closed in 2022.

NOTE 6 - Commitment

The Company has an operating lease for its office premises, which expires on March 31, 2024. Rental expense on the lease for the year ended December 31, 2023 was $1,664. Future minimum lease payments under the operating lease for the year ending December 31, 2024 is $402.

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CHEN & FAN
ACCOUNTANCY CORPORATION
181 Metro Drive, Suite 500
San Jose, California 95110
Telephone (408) 432-1218
Facsimile (408) 432-1212

Offices in Other Locations:
El Monte / Los Angeles

INDEPENDENT AUDITOR'S REPORT

Board of Directors and Stockholder
DING TEA CORPORATION
New Castle, Delaware

Opinion

We have audited the accompanying financial statements of **DING TEA CORPORATION**, which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of income and retained earnings, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **DING TEA CORPORATION** as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **DING TEA CORPORATION** and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **DING TEA CORPORATION**'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 **DING TEA CORPORATION**'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about **DING TEA CORPORATION**'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control related matters that we identified during the audit.

Chen & Fan
Accountancy Corporation

San Jose, California

April 6, 2023

DING TEA CORPORATION
Balance Sheets
December 31, 2022 and 2021

Assets

	2022	2021
Current Assets		
Cash	$ 1,641,093	$ 1,051,216
Accounts receivable	105,200	6,200
Advanced payment to related party	22,000	-
Prepaid expenses	5,828	26,300
Total Current Assets	1,774,121	1,083,716
Other Assets		
Deferred income taxes	220,000	201,000
Security deposit	134	134
Total Other Assets	220,134	201,134
Total Assets	$ 1,994,255	$ 1,284,850

The accompanying notes are an integral part
of these financial statements.

DING TEA CORPORATION
Balance Sheets – Continued
December 31, 2022 and 2021

Liabilities and Stockholder's Equity

	2022	2021
Current Liabilities		
Accrued expenses	$ 55,000	$ 16,770
Other payable	51,756	38,597
Deferred revenue - current	512,619	481,100
Total Current Liabilities	619,375	536,467
Non-Current Liabilities		
Deferred revenue - non-current	324,284	200,053
Customer deposits	686,000	369,000
Total Non-Current Liabilities	1,010,284	569,053
Total Liabilities	1,629,659	1,105,520
Commitments and Contingency		
Stockholder's Equity		
Common stock, no par value:		
1,000 shares authorized;		
200 shares issued and outstanding	200,000	200,000
Retained earnings (Accumulated deficits)	164,596	(20,670)
Total Stockholder's Equity	364,596	179,330
Total Liabilities and Stockholder's Equity	$ 1,994,255	$ 1,284,850

The accompanying notes are an integral part
of these financial statements.

DING TEA CORPORATION
Statements of Income and Retained Earnings
For the Years Ended December 31, 2022 and 2021

	2022	2021
Revenue		
Franchise revenue	$ 383,650	$ 126,252
Service income	330,000	240,000
Management income	144,400	26,900
Total Revenue	858,050	393,152
Cost and Expenses		
Cost of revenue	330,000	208,000
Operating expenses	275,355	114,705
Total Cost and Expenses	605,355	322,705
Income from Operations	252,695	70,447
Non-Operating Income	6,434	-
Income before Income Taxes	259,129	70,447
Income Tax Expenses	73,863	18,046
Net Income	185,266	52,401
Accumulated Deficits, Beginning of Year	(20,670)	(73,071)
Retained Earnings (Accumulated Deficits), End of Year	$ 164,596	$ (20,670)

The accompanying notes are an integral part
of these financial statements.

DING TEA CORPORATION
Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities:		
Net income	$ 185,266	$ 52,401
Adjustments to reconcile net income to net cash provided by operating activities:		
Deferred income taxes	(19,000)	(164,221)
Changes in operating assets and liabilities:		
Accounts receivable	(99,000)	(6,200)
Advanced payment to related party	(22,000)	-
Prepaid expenses	20,472	(16,300)
Account payable to related party	-	(79,000)
Accrued expenses	38,230	16,770
Other payable		
- related parties	-	(11,341)
- others	13,159	12,850
Deferred revenue	155,750	479,448
Customer deposits	317,000	296,000
Net Cash Provided by Operating Activities	589,877	580,407
Net Increase in Cash	589,877	580,407
Cash, Beginning of Year	1,051,216	470,809
Cash, End of Year	$ 1,641,093	$ 1,051,216
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the year for income taxes	$ 53,000	$ 225,558

The accompanying notes are an integral part
of these financial statements.

DING TEA CORPORATION
Notes to Financial Statements
December 31, 2022 and 2021

NOTE 1 - Organization and Nature of Business

Ding Tea Corporation (the Company) was incorporated in the State of Delaware on January 7, 2019. The Company is wholly owned by Chu Yu Hsiang Co., Ltd. (the "Parent", or "CYH"), a public company operates in the franchising of chain tea shops in the Republic of China.

The Company is the sole distributor of CYH in North America and primarily engaged in the business of selling the beverage franchises to the stores in North America.

NOTE 2 - Summary of Significant Accounting Policies

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash in banks. As of December 31, 2022 and 2021, the total balances of cash in bank exceeded the amounts insured by the Federal Deposit Insurance Corporation (FDIC) for the Company by approximately $1,386,000 and $644,000, respectively.

The Company extends credit to its customers and performs ongoing credit evaluation of its customers' financial conditions and generally does not require collateral. It maintains reserves for potential credit losses and returns. Actual credit losses may differ from management's estimates.

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.

NOTE 2 - Summary of Significant Accounting Policies – Continued

Fair Value of Financial Instruments – Continued

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.

As of December 31, 2022 and 2021, the carrying values of cash, accounts receivable, accrued expenses and other payable approximated their fair values due to the short-term nature of these financial instruments. There were no outstanding derivative financial instruments as of December 31, 2022 and 2021.

Revenue Recognition

The Company recognizes revenue in accordance with ASC Topic 606, "Revenue from Contracts with Customers". As such, the Company identifies a contract with a customer, identifies the performance obligations in the contract, determines the transaction price, allocates the transaction price to each performance obligation in the contract and recognizes revenues when (or as) the Company satisfies a performance obligation.

The Company recognizes revenue from fees from franchised restaurants operated by conventional franchisees. Initial franchise revenue includes both initial service fees and royalties.

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. Service income is recognized when the services are performed and completed.

NOTE 2 - Summary of Significant Accounting Policies – Continued

Revenue Recognition – Continued

After franchised restaurants opened, the Company agrees to provide certain assistance in the operation of the franchised restaurants. Management income is recognized every month beginning on the opening date.

Licensing 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 income in the balance sheet.

The balance of accounts receivable as of January 1, 2021 was $0.

Advertising Costs

Advertising costs are expensed when incurred. Advertising costs associated with customer benefit programs are accrued as the related revenues are recognized. For the years ended December 31, 2022 and 2021, the Company incurred approximately $20,000 and $15,000 of advertising expense, respectively.

Income Taxes

Income taxes are accounted for under the asset and liability method. Under this method, deferred tax assets and liabilities are computed for differences between the financial statement 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 years 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.

NOTE 2 - Summary of Significant Accounting Policies – Continued

Income Taxes – Continued

The Company follows FASB guidance 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.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates and assumptions.

Subsequent Events

The Company has evaluated events and transactions after year-end up to April 6, 2023, the date on which these financial statements were available to be issued.

NOTE 3 - Deferred Revenue

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

	2022	2021
Unearned franchise revenue	$ 702,803	$ 492,953
Unearned service income	96,000	144,000
Unearned management income	38,100	44,200
Total	836,903	681,153
Less: current portion	(512,619)	(481,100)
Non-current portion	$ 324,284	$ 200,053

NOTE 4 - Income Taxes

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

	2022	2021
Current:		
Federal	$ 64,172	$ 128,077
State	28,691	54,190
	92,863	182,267
Deferred:		
Federal	(15,000)	(100,349)
State	(4,000)	(63,872)
	(19,000)	(164,221)
Net income tax expenses	$ 73,863	$ 18,046

NOTE 4 - Income Taxes – Continued

The tax effects of temporary differences which give rise to significant portions of deferred tax assets and the related valuation allowance as of December 31, 2022 and 2021 were approximately as follows:

	2022	2021
Deferred tax assets:		
Deferred revenue	$ 208,000	$ 191,000
State taxes	12,000	10,000
	220,000	201,000
Less: valuation allowance	-	-
Net deferred tax assets	$ 220,000	$ 201,000

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

NOTE 5 - Related Party Transaction

A. Name of related party and relationship:

Name of Related Party	Relationship
Chu Yu Hsiang Co., LTD (CYH)	Parent Company
Chu Yu Hsiang Co., LTD (CYH.A)	Affiliate
Sheng Yan Co., LTD (SY)	Affiliate
Wang Gu Co., LTD (WG)	Affiliate
Li Yu Hsiang Co., LTD (LYH)	Affiliate
Wei-Hsiang Hsu	President

NOTE 5 - Related Party Transaction – Continued

B. Significant related party transactions:

a. As of December 31,

	2022	2021
Advanced payment to CYH	$ 22,000	$ -

b. For the year ended December 31,

	2022	2021
Service costs charged by CYH	$ 330,000	$ 208,000

The Company has a store training service agreement and a store opening support service agreement with CYH. The service costs are $14,000 and $2,000 for each franchisee for training service and opening support service, respectively. 100% of franchise costs for the years ended December 31, 2022 and 2021 were charged by CYH.

	2022	2021
Settlement fees paid by:		
CYH	$ 58,000	$ 157,000
CYH.A	49,000	-
Wei-Hsiang Hsu	49,000	-
SY	29,000	-
WG	29,000	-
LYH	-	240,000
Total	$ 214,000	$ 397,000

In 2021, the Company entered into a Consent Orders and was liable to refund the franchise fees and deposits to its California franchisees in the aggregate amount of $611,000 (see Note 6), which was fully paid by its related parties.

NOTE 6 - Commitments and Contingency

1. The Company has an operating lease for its office premises, which expires on March 31, 2023. Rental expense on the lease for the years ended December 31, 2022 and 2021 was $1,690 and $1,675, respectively.

   Future minimum lease payments under the operating lease for the year ending December 31, 2023 is $402.

2. On January 8, 2021, the State of California Department of Financial Protection and Innovation began conducting an investigation regarding the Company's offer and sales of franchise, to determine if there were any violations of applicable California laws by the Company, its parent, or affiliates. On October 26, 2021, the Company entered into a Consent Order and was liable to pay penalties of $397,000 which may be offset by the Company's refund payment made to a California franchisee; as well as $5,000 administrative payment, the offer of franchise cancellation and refund to California franchisees, and attend a remedial education course.

   In 2022, the Company entered into an Amended Consent Order and refunded the franchise fees and security deposits of $611,000 in total to its California franchisees. The total payment was paid by its related parties (see Note 5). The case was settled and closed in 2022.

LIST OF FRANCHISE OUTLETS

EXHIBIT C

LIST OF FRANCHISE OUTLETS

Contact Information of Current Franchisees

Below please find contact information of the current franchisees:

State	Name and Address	Tel No and/or Email
TX	Anthony Nguyen 2425 SE Green Oaks Blvd Ste 115, Arlington, TX 76018	Tell: 817-966-0000 email: hhcn.investmentcorp@gmail.com

We do not have former franchisees

LIST OF TERMINATED FRANCHISES

EXHIBIT D

LIST OF TERMINATED FRANCHISES

As of December 31, 2023, no DING TEA franchisee had an outlet terminated, canceled or not renewed, or otherwise voluntarily or involuntarily ceased to do business under its franchise agreement during the past 12 months.

No franchisee has failed to communicate with us within the 10 weeks ending on the date of this disclosure document.

STATE FRANCHISE ADMINISTRATORS

AND AGENTS FOR SERVICE OF PROCESS

EXHIBIT E

STATE FRANCHISE ADMINISTRATORS

We intend to register this disclosure document as a franchise in some of or all the following states, in accordance with applicable state law. The following are the state administrators responsible for the review, registration and oversight of franchises in these states:

California:
Department of Financial Protection and Innovation
2101 Arena Boulevard, Sacramento, CA 95834
Toll-free (866) 275-2677
(916) 445-7205

Hawaii:
Commissioner of Securities, Dept. of Commerce
and Consumer Affairs, Business Registration Div.,
Securities Compliance Branch
335 Merchant St., Rm. 203, Honolulu
HI 96813-2921
(808) 586-2722

Illinois:
Office of the Attorney General
Franchise Division
500 S. 2nd St., Springfield IL 62701-1771
(217)782-4465

Indiana:
Indiana Securities Division, Franchise Section
302 W. Washington St., Rm E111
Indianapolis, IN 46204-2738
(317) 232-7781

Maryland:
Office of the Attorney General
Securities Division
200 Saint Paul Pl. Baltimore, MD 21202-2020
(410)576-6360

Michigan:
Michigan Attorney General
Consumer Protection Division
PO Box 30213, Lansing, MI 48909-7713
(517)373-7117

Minnesota:
Commissioner of Commerce
85 7th PI. E., Ste 280
Saint Paul, MN 55101-3165
(651) 539-1600

New York:
NYS Department of Law
Investor Protection Bureau
28 Liberty St., 21st Flr.
New York, NY 10005-1495
(212) 416-8236

North Dakota:
Securities Department
600 E. Boulevard Ave., 5th Flr.
Bismarck, ND 58505-0510
(701) 328-4712

Rhode Island:
Dept. of Business Regulations
Division of Securities
1511 Pontiac Ave. Bldg. 69-1
Cranston, RI 02920-4407
(401)462-9527

South Dakota:
Division of Insurance, Securities Regulation
124 S. Euclid Ave., Ste.104
Pierre SD 57501-3168

Virginia:
State Corporation Commission, Div. of Securities
& Retail Franchising
1300 E. Main St., 9th Flr.
Richmond, VA 23219-3630
(804) 371-9051

Washington:
Dept. of Financial Institutions
Securities Division
150 Israel Rd. SW, Tumwater, WA 98501-6456
(360) 902-8760

Wisconsin:
Securities Division
201 W. Washington Ave. Ste. 300
Madison, WI 53703-2640
(608) 266-8557

AGENTS FOR SERVICE OF PROCESS

We intend to register this disclosure document as a franchise in some of or all the following states, in accordance with applicable state law. If we register the franchise (or otherwise comply with the franchise investment laws) in any of these states, we will designate the following state offices or officials as our agents for service of process in those states:

California:
Commissioner of Financial Protection and Innovation
Department of Financial Protection and Innovation
2101 Arena Boulevard, Sacramento, CA 95834

Hawaii:
Commissioner of Securities
Dept. of Commerce and Consumer Affairs,
Business Registration Div., Securities Compliance Branch
335 Merchant St., Rm. 203
Honolulu, HI 96813-2921
(808) 586-2722

Illinois:
Office of the Attorney General
Franchise Division
500 S. 2nd St., Springfield IL 62701-1771
(217)782-4465

Indiana:
Secretary of State
302 W. Washington St., Rm E111
Indianapolis, IN 46204-2738
(317) 232-7781

Maryland:
Maryland Securities Commissioner
200 Saint Paul Pl.
Baltimore, MD 21202-2020
(410)576-6360

Michigan:
Michigan Attorney General, Consumer Protection Division
PO Box 30213, Lansing, MI 48909-7713
(517)373-7117

Minnesota:
Commissioner of Commerce
85 7th PI. E., Ste 280, Saint Paul, MN 55101-3165
(651) 539-1600

New York:
Secretary of State
28 Liberty St., 21st Flr., New York, NY 10005-1495
(212) 416-8236

North Dakota:
Securities Commissioner
600 E. Boulevard Ave., 5th Flr.
Bismarck, ND 58505-0510
(701) 328-4712

Rhode Island:
Director of the Division of Business Regulation
1511 Pontiac Ave. Bldg. 69-1
Cranston RI 02920-4407
(401)462-9527

South Dakota:
Director of the Division of Securities
124 S. Euclid Ave., Ste.104
Pierre SD 57501-3168

Virginia:
Clerk, Virginia State Corporation Commission
1300 E. Main St., 9th Flr.
Richmond, VA 23219-3630
(804) 371-9051

Washington:
Director of Financial Institutions
150 Israel Rd. SW
Tumwater, WA 98501-6456
(360) 902-8760

Wisconsin:
Administrator, Division of Securities
Department of Financial Institutions
201 W. Washington Ave. Ste. 300, Madison, WI 53703-2640
(608) 266-8557

STATE SPECIFIC ADDENDUM

EXHIBIT F

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF CALIFORNIA

In recognition of the requirement of the California Franchise Investment Law, Cal. Corporations Code Section 31000 et seq. the Franchise Disclosure for Ding Tea Corporation for use in the State of California shall be amended as follows:

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

2. Item 5 of the Disclosure Document shall be supplemented with the following:

> Payment of all initial fees is postponed until after all of Franchisor's initial obligations are completed and Franchisee is open for business.

3. Item 17 of each chart of the Disclosure Document shall be supplemented to include the following:

> California Business & Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer, or nonrenewal of a franchise. If the Franchise Agreement and Development Agreement contains a provision that is inconsistent with the law, the law will control.
>
> The Franchise Agreement and Development Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.A. Sec. 101 seq.)
>
> The Franchise Agreement and Development Agreement contains a covenant not to compete which extends beyond the termination of the Franchise Agreement and Development Agreement. This provision may not be enforceable under California law.
>
> You must sign a general release if you transfer your rights under the Franchise Agreement and Development Agreement. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Regulations Act (Business and Professions Code 20000 through 20043).

4. Item 11 of the Disclosure Document shall be supplemented with the following:

> The Antitrust Law Section of the Office of the California Attorney General views minimum or maximum price agreements as per se violations of the Cartwright Act.

5. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, prior to a solicitation of a proposed material modification of an existing franchise.

6. 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.

7. California's Franchise Investment Law (Corporations Code section 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

8. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

9. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

10. Franchisee Principal Equity Owners must sign a personal guaranty, making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place your and your spouse's marital and personal assets at risk, perhaps including your house, if your franchise fails.

11. 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.

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

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.

ADDENDUM TO FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF CALIFORNIA

In recognition of the requirements of the California Franchise Investment Law, the parties to the attached Master Franchise Agreement (the "Agreement") hereby agree as follows:

1. Article 3.8 of the Agreement under the heading "Franchise Fee" is hereby added as following.

All the payment of fees is postponed until after all of Franchisor's initial obligations are completed and the first New Outlet is open for business.

2. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the California Franchise Investment Law are met independently without reference to this Amendment.

3. 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.

4. Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

(a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.

(b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.

(c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.

(d) Violations of any provision of this division.

IN WITNESS WHEREOF, the parties hereto have duly executed this California Amendment to the Master Franchise Agreement in duplicate on the date indicated below.

DING TEA CORPORATION

By: _____
Name: _____

Title: _____
Date: _____

FRANCHISEE

By: _____
Date: _____
Name: _____
Title: _____

STATE EFFECTIVE DATES

EXHIBIT G

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration:

California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

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

State	Effective Date
California	PENDING
Illinois	N/A
Indiana	N/A
Maryland	N/A
Michigan	N/A
Minnesota	N/A
New York	N/A
North Dakota	N/A
Rhode Island	N/A
Virginia	N/A
Washington	PENDING
Wisconsin	N/A

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.

RECEIPTS

EXHIBIT H

RECEIPT

This disclosure document summarizes certain provisions of the Master Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully. If DING TEA CORPORATION offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If DING TEA CORPORATION 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 government agency or file suits in the court with appropriate jurisdiction.

We have no franchise brokers. The name, address, and telephone number of the franchise seller for this offering is: WEI HSIANG HSU, 919 North Market St, Suite 950, Wilmington, DE 19801; telephone 800-246-2677.

Date of Issuance: May 27, 2024

DING TEA CORPORATION authorizes the person identified in Item 1 to receive service of process for it in your state. I received a disclosure document dated May 27, 2024, that included the following Exhibits:

"A"	Master Franchise Agreement *Exhibit to Master Franchise Agreement:* Exhibit 1: Franchise Schedule
"A-1"	Form of General Release
"B"	Financial Statements
"C"	List of Franchise Outlets
"D"	List of Terminated Franchises
"E"	State Franchise Administrators and Agents for Service of Process
"F"	Statement of Subfranchisor
"G"	State Specific Addendum
"H"	State Effective Dates
"I"	Receipts

DATED: _____
(Do not leave blank)

If a business entity:

_____
(Name of Business Entity)

_____
(Signature of Primary Contact Owner)

_____
(Print Name and Title)

If an individual:

_____
(Signature of Prospective Subfranchisor)

_____
(Print Name)

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

RECEIPT

This disclosure document summarizes certain provisions of the Master Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully. If DING TEA CORPORATION offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If DING TEA CORPORATION 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 government agency or file suits in the court with appropriate jurisdiction.

We have no franchise brokers. The name, address, and telephone number of the franchise seller for this offering is: WEI HSIANG HSU, 919 North Market St, Suite 950, Wilmington, DE 19801; telephone 800-246-2677.

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"E"	State Franchise Administrators and Agents for Service of Process
"F"	Statement of Subfranchisor
"G"	State Specific Addendum
"H"	State Effective Dates
"I"	Receipts

DATED: _____
(Do not leave blank)

If a business entity:

_____
(Name of Business Entity)

_____
(Signature of Primary Contact Owner)

_____
(Print Name and Title)

If an individual:

_____
(Signature of Prospective Subfranchisor)

_____
(Print Name)

Please date and sign this page, and then return it by first class mail to DING TEA CORPORATION, WEI HSIANG HSU, 919 North Market St, Suite 950, Wilmington, DE 19801; or by e-mail to amber.dir@dingtea.com.