FRANCHISE DISCLOSURE DOCUMENT
INKISM INTERNATIONAL CO., LLC
dba Shuang Jiang Cream in Tea 1986

A California Limited Liability Company
700 Airport Blvd., Suite 270, Burlingame, CA 94010
(415) 917-6450
E-mail: info@inkism.com.tw URL: www.inkism.com.tw

A subfranchisor will be granted the right to license unit franchises to third parties in a delineated geographic area; and own and operate the Shuang Jiang Cream in Tea foodservice establishments offering teas, tea-based beverages, bubble tea, milk tea, fruit tea, and compatible food products, known as a "restaurant," an "outlet" or a "franchise" within an exclusive territory. This franchise disclosure document covers the subfranchise offering.

The total investment necessary to begin operation of a Shuang Jiang Cream in Tea 1986 franchised business will range from **$115,200 to $458,250**. This includes **$57,500 to $350,750** that must be paid to the franchisor or its affiliate. As a subfranchisor in this state, you are required to open or sell at least 10-unit franchise outlets.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all 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 for you. To discuss the availability of disclosures in different formats, contact Yu-Wen Lai at Inkism International Co., LLC, 700 Airport Blvd., Suite 270, Burlingame, CA 94010 and telephone (415) 917-6450.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, 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: January 1, 2020

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 Shuang Jiang Cream in Tea 1986 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 Shuang Jiang Cream in Tea 1986 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.

2. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

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.

INKISM INTERNATIONAL CO., LLC

dba SHUANG JIANG CREAM IN TEA 1986

FRANCHISE DISCLOSURE DOCUMENT

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

To simplify the language of this disclosure document, “we” or “us” means Inkism International Co., LLC (hereafter “Inkism-USA”). “You” means the individual or entity buying the Shuang Jiang Cream in Tea 1986 franchise and become subfranchisor of your delineated area.

The Franchisor, Parents, and Affiliates

We are the franchisor for Shuang Jiang Cream in Tea 1986 system. Our principal business address is 700 Airport Blvd., Suite 270, Burlingame, CA 94010.

Our parent entity is Inkism International Co., Ltd. (“Inkism-Taiwan”), a Taiwan limited company (formerly named “DanYe International Co., Ltd.”) that does business as Shuang Jiang Cream in Tea 1986. Inkism-Taiwan’s principal business address is Number 16, Lane 376, Xiang Yang Road, Fongyuan District, Taichung City, Taiwan.

Inkism-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 Shuang Jiang Cream in Tea 1986 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.

Name Used by the Franchisor

We conduct business under the name “Shuang Jiang Cream in Tea 1986”. We also use the name “Yi Fang Taiwan Fruit Tea” to do business.

Agent for Service of Process

Our agent for service of process in California is Commissioner of Business Oversight, Department of Business Oversight; 1515 K St., Ste. 200, Sacramento, CA 95814.

Business Organization Used by the Franchisor

We are a limited liability company organized in California on April 19, 2018.

Franchisor’s Business

We act as the franchisor of Shuang Jiang Cream in Tea 1986 franchises. We started offering franchises in Asia in August 2019.

We are also the franchisor of Yi Fang Taiwan Fruit Tea franchise. Yi Fang Taiwan Fruit Tea franchise sells items from a focused menu featuring a variety of teas and juice drinks, using propriety teas, milk teas, tapiocas, recipes and preparation techniques, freshly prepared and available for carry-out or consumption on the premises. We have two Subfranchisors and 12 Subfranchisees in California. We started to franchise Yi Fang Taiwan Fruit Tea from October 2018. Apart from Yi Fang Taiwan Fruit Tea franchise, we do not offer other line of business through franchising in California.

Subfranchise Rights

You will be granted, for consideration paid to us, rights related to (1) granting unit franchises to third parties or entities in a delineated geographic area; and (2) own and operate the Shuang Jiang Cream in Tea foodservice establishments. Instead, it is your discretion to own and operate your own outlet or subfranchise the right to any other third party ("Subfranchisee"). You will be obligated to provide support services to those Subfranchisees. You will be a party to a Subfranchisor Agreement with us specifying the territory in which you may license the franchise business under a minimum opening schedule. You will also be a party to Unit Franchise Agreements with third parties for unit franchises. The unit franchise agreement is under a separate unit offering. You may not offer or sell franchises in a franchise registration state until such time the unit franchise offering is registered.

You must sell at least ten outlets, and the consequences for failure to meet the development schedule is that we reserve the right to terminate the subfranchise agreement. You are not required to use our form of Franchise Agreement when you sign with subfranchisees. You are not required to use our form of Franchise Disclosure Document for unit franchises.

General Market for Franchised Products and Services

The distinguishing characteristics of our Shuang Jiang Cream in Tea 1986 system include, among others, propriety marks, distinctive exterior and interior design, décor, color and identification schemes and furnishings; special menu items; standards, specifications, requirements and procedures for operations, manufacturing, distribution and delivery; quality and safety of products and services offered; management systems and programs; training and assistance; and marketing, advertising and promotional programs, all of which we change, supplement, and further develop.

We offer Subfranchisors to qualified persons who must establish, either through direct ownership or through sub-franchising, certain minimum numbers of food service businesses operating under the Shuang Jiang Cream in Tea 1986 marks and system offering gourmet coffees and teas, coffee or tea-based beverages, bubble tea, compatible food products, coffee and tea makers and related supplies, accessories and gifts (collectively referred to as "Outlet") within a designated territory ("Territory"). If we grant you a subfranchise right, you will execute our Subfranchise Agreement, attached as Exhibit A, and be granted the right to begin opening Outlets in the Territory. Your subfranchise business includes the obligation to open a certain number of Outlets in the Territory in accordance with a specified schedule ("Development Schedule"). If you fail to meet your Development Schedule, we may, in our absolute discretion, terminate your subfranchise rights. You may also grant franchises for the development and operation of Outlets to be located in the

Territory to third parties or your affiliates ("Subfranchisees"). For each franchise you sell, a separate Franchise Agreement must be signed between you and your Subfranchisees.

We may periodically make changes to the systems, menu, standards, and facility, signage, equipment and fixture requirements. You and your Subfranchisees may have to make additional investments in the franchised business periodically during the term of the franchise if those kinds of changes are requested by us or if an Outlet's equipment or facilities become worn or obsolete, or for other reasons. For example, as may be needed to comply with a change in the system standards or a change in applicable law and regulation. All Outlets must be developed and operated to our specifications and standards. Uniformity of products sold in Outlets is important. Neither you nor the Subfranchisees have any discretion in the products sold.

We are not making any offer of a unit franchise agreement in this Franchise Disclosure Document. We will register a separate unit franchise offering with the state.

Industry-Specific Laws or Regulations

You must comply with federal, state, and local health and environmental safety regulations concerning the proper handling and disposal of oils, lubricants, cleaning fluids, and other products used in the business. You should investigate the application of these laws further.

The United States Food and Drug Administration, the United States 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.

The Federal Clean Air Act and various state laws require certain state and local areas to meet national air quality standards limiting emissions of ozone, carbon monoxide, and particles, including caps on emissions from commercial food preparation. Some state and local governments also regulate indoor air quality, including limiting the use of tobacco products in public places, such as donut shops.

Competition

If you own and operate of an Outlet, you will offer products and services to the general public throughout the year and compete with other beverage and food product service business. The market for this type of goods and services generally is developed and very competitive in the United States. You and your Subfranchisees can expect to compete in their market with locally owned businesses as well as national and regional chains that sell similar products.

Prior Experience of Franchisor and Predecessors

In 2006, our founder began preparing and selling fresh tea and Taiwanese fruits through a food cart in Taichung, Taiwan. In 2009, our parent entity Inkism-Taiwan's predecessor, Dan Ye International Co., Ltd., was formed as an entity to begin franchising fresh tea and Taiwanese fruit to Taiwanese outlets. By 2010, outlets expanded into the Asian markets, and by 2013, the number of global stores reached 100. In 2014, Dan Ye International Co., Ltd. became Inkism-Taiwan. In 2016, Inkism-Taiwan began offering Yi Fang Taiwan Fruit Tea franchises in Asia. As of 2018, there are more than 100 Yi Fang Taiwan Fruit Tea stores in Taiwan and over 500 stores in China. In 2019, Inkism-Taiwan began offering Shuang Jiang Cream in Tea 1986 franchises in Asia.

Young people's subculture inspired the creation of Shuang Jiang Cream in Tea 1986 in the early 80s. During the old times, the Taiwanese used tea as a base and added additional flavor and raw materials to make various cocktails. The market of the beverage and drink grows dramatically; therefore, our founder inherits the rich tradition of shake-tea. On the other hand, he adopted a new flavor developed and created a diverse taste of beverages. One of the most popular drinks is chrysanthemum tea.

Currently, our parent company Inkism-Taiwan, directly or through licensees, owns and operates 1,236 retail tea stores of Yi Fang Taiwan Fruit Tea outside the United States (983 in the People's Republic of China, 177 in Taiwan, 25 in Hong Kong, 5 in Macao, 6 in Australia, 3 in Japan, 6 in the Philippines, 13 in Vietnam, 5 in the United Kingdom, in the Singapore, and 12 in Canada). Our parent company Inkism-Taiwan, directly or indirectly, owns and operates 10 retail tea stores of Shuang Jiang Cream in Tea 1986 outside the United States.

We ("Inkism-USA") have previously offered franchises, Yi Fang Taiwan Fruit Tea, providing the type of business you will operate.

We have no affiliates that offer franchises in any line of business. However, our affiliate Inkism-Taiwan will provide you with products and services.

ITEM 2: BUSINESS EXPERIENCE

Tzu-Kai Ko: Chief Executive Officer and President
Mr. Ko is our Founder, and he was named our Chief Executive Officer and Managing Member at our inception in April 2018. He also serves as President and Chief Executive Officer of our parent entity Inkism-Taiwan (since May 2006).

ITEM 3: LITIGATION

Governmental Actions

Applicant: Inkism International Co., LLC d/b/a Yi Fang Taiwan Fruit Tea

Department of Business Oversight of California informed us in August 2019 regarding the matter that our previous registration of the franchise disclosure document of Yi Fang Taiwan Fruit Tea is for area developers only, not for Subfranchisors. We were involved in offering and selling of Yi Fang Taiwan Fruit Tea franchise to All Win II Inc and Fortune Journey LLC without first filing franchise registration for subfranchisor in violation of Section 31110 and 31300 of the California Corporations Code.

We filed the Notice of Violation with the Department of Business Oversight of State of California on September 3, 2019, and the Notice of Violation was approved as to form according to Corporation Code sections 31303 and 31304 on October 02, 2019. The Department of Business Oversight did not take any additional actions, and the State of California did not impose any other penalties after the approval of the filing of Notice of Violation.

Applicant: Fortune Journey LLC d/b/a Yi Fang Taiwan Fruit Tea

Fortune Journey LLC is the subfranchisor of Yi Fang Taiwan Fruit Tea in Northern California. Fortune Journey LLC and Roy Lam were involved in offering and selling of Yi Fang Taiwan Fruit Tea franchise to subfranchisees without first filing franchise registration in violation of Section 31110 and 31300 of the California Corporation Code.

Fortune Journey LLC filed the Notice of Violation with the Department of Business Oversight of State of California on October 11, 2019, and the Notice of Violation was approved as to form pursuant to Corporations Code sections 31303 on February 5, 2020.

ITEM 4: BANKRUPTCY

We have no bankruptcy to disclose under this Item.

ITEM 5: INITIAL SUBFRANCHISE FEES AND OTHER ESSENTIAL FEES

The Initial Subfranchise Fee for your delineated area is $290,000. After we fulfill our pre-opening obligations to you under the Subfranchise Agreement you sign, you will pay us at that time a $290,000 Subfranchise Fee. The Initial Subfranchise Fee will be free of charge to you if you are already a Yi Fang Taiwan Fruit Tea's Subfranchisor in your delineated area. The Initial Subfranchise Fee is due and payable in full by cashier's check or money order or wire transfer to our bank account when we fulfill our pre-opening obligations to you under the Subfranchise Agreement.

You have to pay the Design Fee for our service in designing outlets after we complete the design. You will not be liable for the design fee if you do not ask for our assistance. The Design Fee is $3.3 per square foot. By our experience of operating an appropriate size of Outlet serving beverage and flavored fruit teas, the design fee probably will range from $1,000 to 4,000 per Outlet. Exhibit 1 of the Subfranchise Agreement encloses the amount of the Design Fee.

When you sign the Subfranchise Agreement, you must pay us a $50,000 Security Deposit. If you breach the terms and conditions of the Subfranchise Agreement, we will use the Security Deposit to cure the default or to compensate for damages. The damages include the impairment of our brand image or public reputation because you purchase unapproved materials and provide poor quality beverages to our customers. We may also use the security deposit to pay any late charges, interest, penalties, and fees and any costs and expenses due us for performing obligations that you do not fulfill, 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 Subfranchise Agreement for any reason, we may use 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 Subfranchise Agreement, you will have to restore the balance of the security deposit to $50,000. If you are not in default in performance under the Subfranchise Agreement or any other agreement on the date the Subfranchise 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 Subfranchise Agreement the remaining balance of the security deposit.

The Initial Training ("First Stage Training") is free of charge to you, store manager, and each principal equity owner, but you must pay us up to $2,800 for each additional attendee for the training. You are not required to send any other attendee for the training, and it is your sole discretion. Additional On-site Training ("Second Stage Training") is not mandatory, but you may request us to send one to two trainers to Outlet and provide on-site training, advice, and instruction. If you ask us to provide Second Stage Training, you need to pay us $2,400 for each trainer.

The Initial Subfranchise Fee, Unit Franchise Fee, Design Fee, and Training Fee under the Subfranchise Agreement are fully earned by us when paid and are not refundable. If you or your affiliated entity fail to complete initial franchise training required by the Shuang Jiang Cream in Tea 1986 Subfranchise Agreement, we will refund the Initial Subfranchise Fee, less any expenses we incurred relating to the Subfranchise Agreement. Otherwise, the Initial Subfranchise Fee is not refundable.

Before you or your subfranchisees open the Outlet, you will have to purchase inventory and administrative supplies from Inkism-Taiwan. The estimated expenditure of the purchase will range from $7,500 to $10,750 for the first three months from the grand opening of Subfranchisee's Outlets.

There are no other initial fees or payments for services or goods received from us or our affiliates before your Outlet opens.

ITEM 6: OTHER FEES

All fees disclosed in this Item do not include fees and initial investment for a unit franchise.

Type of Fee	Amount	Due Date	Remarks
Royalty[1, 5]	4% of "Gross Revenues"	15th of every month[3]	Royalty is due and payable on the 15th day of each month, beginning the first full calendar month after the date your subfranchisee's Outlet opens ("Opening Date"). "Gross Revenues" includes all revenue from the sale of all products, services, and income relates 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 Subfranchise Agreement.*

Initial Training (First Stage of Training) Fee for Additional Attendees[1, 4]	Up to $2,800[2] (for each attendee)	After training[3]	We provide Initial Training to your Manager and each Principal Equity Owner at no additional charge. Each additional attendee of Initial Training, including replacement Managers, may be required to pay us up to $2800 for each attendee. You must pay the costs of travel, lodging, and meals for all trainees. *See Section 5.1 of Subfranchise Agreement.*
Additional Training Fee (Second Stage of Training)[1, 4]	Up to $2,400[2] (for each of Franchisor's personnel)	After training[3]	One month before the first day of trial operation of each subfranchisee's Store, Subfranchisor shall communicate with Franchisor to ascertain the ingredients, materials, facilities, and personnel is all prepared and ready to provide the drink and beverages to customers. The franchisor shall dispatch one to two supervisors to Subfranchisee's Store and perform on-site assistance for fourteen (14) days. The fourteen (14) day period includes two days off and round-trip travel time from Taiwan to California. Subfranchisees shall be liable for the transportation and accommodation of the Franchisor's personnel. Subfranchisor shall provide $200/day for each of the Franchisor's personnel. *See Section 5.2 and 5.3 of Subfranchise Agreement*.
Renewal Fee[1, 4]	$8,000[2] (per Store subfranchised)	When you sign the renewal Subfranchise Agreement[3]	You are qualified for renewal if you pay all fees and are not in breach of any term of your Franchise Agreement. *See Section 3.6 of Subfranchise Agreement.*
~~Unit Franchise Fee~~[5]	~~$16,000 (per Outlet opened)~~	~~When you open your outlet or sign a unit franchise agreement(s) with Subfranchisee(s)~~	~~You shall pay us a sum of $16,000 of Unit Franchise Fee per one additional Outlet opened. You shall be liable for the Unit Franchise Fee regardless of whether you or your Subfranchisees own the outlets.~~ ~~*See Section 3.3 of Subfranchise Agreement.*~~
Special Training Fee[4]	$200 per day plus hotel fee	When special training is required	Unless agreed otherwise, the Subfranchisor shall provide Franchisor's personnel with a single room in a hotel rated at least four (4) stars. Subfranchisor shall provide $200 per day for each of Franchisor's personnel as training fees. *See Section 5.3 of Subfranchise Agreement.*
Health Inspection Fees[5]	The actual cost of inspection	Before Franchisor performs inspection	The Franchisor may dispatch personnel to your Outlet to inspect goods; subfranchisor may provide samples of goods and send it to Franchisor's specified institution or entity for further inspection. If the inspection fails the standard, the inspection shall continue until it

			passes the standard. The Subfranchisor shall bear the fees arising out of or relating to inspection and re-inspection. *See Section 7.3 of the Subfranchisor Agreement.*
De-identification Fees[5]	$2,000 per day	When a violation occurs	Within seven (7) days after expiration, termination, or rescission of Subfranchisor Agreement, Subfranchisor shall remove any signs, printing, and publicity materials attached to Franchisor's intellectual property rights. If the Subfranchisor fails to remove immediately, the subfranchisor shall be responsible for the sum of $2,000 per day until the date of removal. *See Section 8.2 of the Subfranchise Agreement.*
Reimbursement Fees to De-identification[5]	Actual Cost of Removal	When the Fees incurred	The Franchisor may remove, at its discretion, the signs, printing and publicity materials after ten (10) days of expiration, termination or rescission of the Subfranchise Agreement. Subfranchisor shall be liable for the fees. *See* Article 8.2 of the Subfranchise 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. We impose all fees areuniformly.

2. We may adjust the fees, since the effective date of the Subfranchise 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 you do not pay us when due, you must pay a late charge of 5% 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). You must reimburse us immediately upon demand for all reasonable costs of the collection relating to delinquent amounts. Interest begins from the date payment was due.

4. This fee is related to your operation of a subfranchise.

5. This fee is related to your operation of an Outlet.

ITEM 7: ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

The figures below do not include fees and initial investment for a unit franchise.

Type of expenditure	Amount	Method of payment	When due	To whom payment

				is to be made
Initial Subfranchise Fee[1,2]	$0 to $290,000	Lump sum	When we fulfill our pre-opening obligations to you under the Subfranchise Agreement.	Us
Design Fee[1,2]	$1,000 to $4,000	Lump sum	When we consent to the site for your subfranchisee's Outlet, and we fulfill our pre-opening obligations to you under the Subfranchise Agreement.	Us
Security Deposit[1,2]	$50,000	Lump sum	When we fulfill our pre-opening obligations to you under the Subfranchise Agreement.	Us
Training expenses[2,3]	$3,000 to $8,000	As incurred	During training	Airline, travel and lodging vendors
Point of sale system[2,5]	$700 to $2,500	As incurred	As arranged	Suppliers and vendors
Interior/exterior signs and graphics[2,6]	$1,000 to $5,000	As incurred	As arranged	Suppliers and vendors
Professional fees[2,7]	$25,000 to $30,000	As incurred	Before and during opening	Attorneys, accountants and other professionals
Business licenses and permits[2,4]	$1,000 to $5,000	Lump sum	As arranged	Government agencies
Inventory and administrative supplies to begin operating[2,8]	$7,500 to $10,750	Lump sum	Before opening	Inkism-Taiwan
Grand opening advertising and Promotion[2,9]	$5,000 to $10,000	As incurred	During the 90 days after you open	Advertisers and other suppliers
Business insurance[2,10]	$1,000 to $3,000	Lump sum	As arranged	Insurance companies
Additional Funds- 3 months[11]	$20,000 to $40,000	As incurred	As incurred	Employee, suppliers, utilities
TOTAL[11]	**$115,200 to $458,250**			

(1) You have to pay the fees in full at the time indicated. To be eligible to sign the Subfranchise Agreement, you must provide us with reasonable proof of your financial ability to make the initial investment described above and you must authorize us to conduct a credit check to confirm your financial ability to purchase and 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. Otherwise, the payments listed in the table above (including the Initial Subfranchise Fee, Design Fee) are nonrefundable.

(3) Initial training is typically completed in two phases - 10 days at our headquarters in Taiwan and then 14 days at your office or direct Outlet when it opens. These expenses represent the travel and living expenses for you and your staff during training.

(4) You will need to require your Subfranchisee to rent a suitable retail site for the Outlet and advise subfranchisees that the rent or lease deposit amount will vary depending on the location. A security deposit and first month's rent are standard requirements to execute a commercial lease.

(5) This includes point of sale ("POS") system with a cash register, receipt printer, computer system, and credit card reading/charging equipment. We do not specify a specific brand of POS system or computer for you to use in operating your Outlet. Nevertheless, we recommend you or your subfranchisees obtain the POS system from our parent company (Inkism-Taiwan).

(6) 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.

(7) This includes applying for Subfranchisor's franchise registration in your delineated state, contract review for unit franchise agreement executed between you and your franchisees and other legal agreements that are related to establishing Shuang Jiang Cream in Tea 1986 franchise outlets.

(8) You must buy initial proprietary tea, fruit and other proprietary ingredients needed to make Shuang Jiang Cream in Tea 1986 beverages (at the cost of $7,000 to $10,000), and proprietary administrative supplies, including flyers, recruitment canvas strips, grand opening canvas strips, sale trial canvas strips and advertising sign stand including promotion rack (at the cost of $500 to $750) from our parent company (Inkism-Taiwan) immediately before you execute unit franchise agreements with subfranchisees.

(9) We will provide a promotion for you free of charge through our uniformed website.

(10) As an independently owned and operated subfranchisee's Outlet, you and your subfranchisees are responsible for all costs or liabilities arising from the operation of Outlet, and it is imperative you and your subfranchisees carry adequate insurance to protect yourself. We recommend you to 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 Outlet is located. To the extent permissible under law, these insurance requirements may be satisfied with a combination of primary, umbrella and 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 Outlet and any prior claim history. The required coverage and limits are subject to change.

(11) This estimates your initial startup expenses. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the business. We do not finance any part of the initial investment. We relied on the 14 years of experience of our founder and CEO in determining these figures. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

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

Operations of a Subfranchise

You are not required to purchase raw materials, administrative supplies, and any other goods or services from us for the operations of a subfranchise.

Franchisor or its Affiliates Acting as Approved Suppliers

You must purchase all propriety tea, fruit, and other ingredients to prepare Shuang Jiang Cream in Tea 1986 beverages from our parent company ("Inkism Taiwan"). You must purchase administrative supplies that contain the Shuang Jiang Cream in Tea 1986 logo from Inkism Taiwan. Otherwise, neither we nor any 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 ("Inkism-Taiwan"). Otherwise, there are no suppliers in which any of our officers owns an interest.

Approved Suppliers and Approval of Alternative Suppliers

Other than Inkism-Taiwan, 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 and approve suppliers who demonstrate to our satisfaction the ability to meet our standards and specifications. That specific supplier must possess adequate quality control and capacity to supply your needs promptly and reliably. 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. We may designate single or multiple suppliers for any given item or service and may concentrate purchases with one or more suppliers.

You can find the current list of approved products and suppliers in the Manual. We may make changes to these lists or other parts of the Manual, which we will provide to you. If you desire to purchase products other than those provided by approved suppliers, 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 require that our representative be permitted to inspect the supplier's facility and that samples from the supplier be delivered 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. We will not unreasonably withhold the approval. You must not sell or offer for sale any products or services from a proposed supplier until you receive our written approval 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 receipt of 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 Shuang Jiang Cream in Tea 1986 products and services to its franchisees through the Manual and other communications in writing or by email. We also issue specifications and standards regarding authorized Shuang Jiang Cream in Tea 1986 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 its franchisees or suppliers a reasonable amount of time to implement the modifications.

Revenue from Franchise Purchases

In the last 12 months, neither we nor any of our affiliates derived revenue, rebates, or other material consideration because of required purchases or leases by Shuang Jiang Cream in Tea 1986 franchisees. However, our parent company ("Inkism-Taiwan") will derive revenue from required purchases or leases by Shuang Jiang Cream in Tea 1986 Subfranchisor and Subfranchisees. These purchases will be payable in immediately available United States Dollars.

Payments to us and purchases from designated vendors and approved suppliers will consist 38% to 46% of your total investment to Outlets. During the operation of Outlets, the payments and purchases will consist 30% to 35% of your monthly expenditure.

Cooperatives

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

Negotiated Purchase Arrangements

We negotiate purchase arrangements or price terms with suppliers for the benefit of you and your subfranchisees.

Material Benefits Based on Subfranchisee's Purchases

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

ITEM 9: SUBFRANCHISOR'S OBLIGATIONS

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

	Obligation	Section in Subfranchise Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	Exhibit 1	6,11
b.	Pre-opening purchases/leases	2.2	8
c.	Site development and other pre-opening requirements	2.1	6, 7, 11
d.	Initial and ongoing training	5.1-5.4	11
e.	Opening	Exhibit 1, 1.1	11
f.	Fees	3.1, 3.3-3.7, 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	6.3-6.6	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	4	17
u.	Renewal	1.3, 3.7	17
v.	Post-termination obligations	11.1-11.3	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, AND TRAINING

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

Pre-Opening Obligations

The following are our obligations before your operations of a subfranchise:

(1) We grant you (a) the Subfranchise Right in the Territory; (b) the right to function as the Franchisor in the Territory under Franchise Agreements with Franchisees; (c) the right to use the Intellectual Property in the conduct of your operation in the Territory; (d) the right to sub-license the Intellectual Property to Subfranchisees pursuant to the Franchise Agreements; and (e) the right to operate Outlets in the Territory on your own (*See section 3.1 and Exhibit 1 of the Subfranchise Agreement*).

(2) Provide you with initial training and orientation about the Shuang Jiang Cream in Tea 1986 system and how to operate the Outlet (*See the Training Program described below in this Item 11*). Your manager must complete the initial training to our satisfaction before you sub-license the Intellectual Property to Subfranchisees or operate Outlets on your own.

(3) We will provide you with a general plan of the layout, a written list of all beverages, drinks, and foods that must be sold at your Outlets. We will provide you a list of all approved and designated suppliers.

Post-Opening Obligations

The following are our obligations during your operations of a subfranchise:

(1) We 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.

(2) We will provide you a license to use our intellectual property in the Territory during the Initial Term.

(3) We will develop and conduct international or regional advertising and promotional campaigns.

Length of Time for your Subfranchisees to Open the Outlet

There is no limitation on how long you have to wait to license the franchise right to your Subfranchisees after you execute the Subfranchise Agreement with us. Before your Subfranchisee's can be fully prepared and the Outlet can be opened and operated, you must enter into a separate Unit Franchise Agreement with your Subfranchisees. We estimate the typical length of time between the signing of the Unit Franchise Agreement (when your subfranchisee make his or her first payment to you for the franchise business) and the opening of Outlet will be 9 months. Factors that may affect this length of time include the satisfactory completion of initial training by subfranchisee's 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 your subfranchisee do not begin operating his or her Subfranchise Business within 180 days after we consent to the site for your subfranchisee, or within 365 days after you sign the Subfranchise Agreement, we can cancel the Subfranchise Agreement, and if we do so under those circumstances, we are not obligated to refund your initial subfranchise fee under the subfranchise agreement.

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 subfranchise territory, although we are inclined to do so. Advertising Fees are spent to benefit all Subfranchisors and Subfranchisees, including you.

Although we are not obligated to do so, we may provide you with general advertising programs and 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 subfranchisor or subfranchisee council that advises us on advertising policies, but we may establish one in the future, and if we do so, we will request input on advertising informally from franchisees.

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, Shuang Jiang Cream in Tea 1986 outlets owned by us or our affiliated companies will contribute to the cooperative on the same basis as Shuang Jiang Cream in Tea 1986 franchisees. We have the right to require cooperatives to change, dissolve or merge.

We will provide general advertising programs and 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. You grant us a right to use the name, image and likeness of you, all Principal Equity Owners and any of your affected employees, for commercial purposes in connection with the marketing and promotion of the Marks, Shuang Jiang Cream in Tea 1986 Products, any Shuang Jiang Cream in Tea 1986 Outlet and the Shuang Jiang Cream in Tea 1986 system.

Electronic Cash Registers and Computer Requirements

You are required to purchase POS System from us and allow us to track and process retail sales at your direct Outlet and Subfranchisee's Outlet. We estimate the cost of purchasing or leasing this POS is $500. 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 $600 to $1,200.

Operations Manual

We will loan you one copy of our Manual (containing a total of 56 pages) and other applicable manuals during the relevant phases of initial training. The Manual contains mandatory and suggested specifications, standards and procedures for operation of your Outlet.

We will modify the Manual, and you must comply with these changes when you receive them, but no modification will alter your status and rights under the Subfranchise Agreement. This Manual is confidential and remains our property. If you lose or allow the unauthorized duplication of the Manual or any other confidential manuals or proprietary materials loaned to you by us, you will be deemed to be in violation of this 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: BRAND ORIGIN AND BUSINESS PHILOSOPHY	3
CHAPTER 2: NEW EMPLOYEE’S TRAINING AND WORKING REGULATIONS	2
CHAPTER 3: RULES AND REGULATIONS	1
CHAPTER 4: EMPLOYEE’S DRESSING CODE	1
CHAPTER 5: THE INTRODUCTION OF THE INGREDIENTS / RAW MATERIALS AND STORAGE METHODS	2
CHAPTER 6: THE INTRODUCTION OF HARDWARE APPLIANCES	5
CHAPTER 7: THE INTRODUCTION OF BEVERAGES	5
CHAPTER 8: STANDARD OPERATION PROCEDURE OF BEVERAGES	7
CHAPTER 9: CALCULATION OF SUGAR LEVEL	1
CHAPTER 10: STANDARD ICE LEVEL OF SHUANG JIANG CREAM IN TEA 1986	1
CHAPTER 11: STANDARD OPERATING PROCEDURES OF DAILY OPEN	1
CHAPTER 12: STANDARD OPERATING PROCEDURES OF DAILY CLOSE	1
CHAPTER 13: EACH WORKING STATION’S WORKING DETAILS-FRONT DESK AREA	7
CHAPTER 14: EACH WORKING STATION’S WORKING DETAILS-BAR AREA	1
CHAPTER 15: EACH WORKING STATION’S WORKING DETAILS-KITCHEN AREA	3
CHAPTER 16: EQUIPMENT’S SET-UP AND BASIC MAINTENANCE	7
CHAPTER 17: WAYS TO DEVELOP NEW CUSTOMER AND MARKETING	4

STRATEGY	
CHAPTER 18: PURCHASE ORDER MANAGEMENT	2
CHAPTER 19: EMPLOYEE'S WORKING SCHEDULES	2
Total Pages	56

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

TRAINING PROGRAM

Day	Topics	Hours of Classroom Training	Hours of On the Job Training	Location
1	Operation Manual Introduction to Drinks Quiz on Tea Making & Charts	8	0	SanMin Classroom Taichung City, Taiwan
2	Tea Cooking & Store Opening Procedure Order Taking & Equipment: Operation Practice In-Store Field Work (Position Assignment) Quiz on Flavored & Unflavored Tea Operation Manual (Supplementary)	6	2	SanMin Classroom Taichung City, Taiwan
3	Store Opening In-Store Field Work (Position Assignment) Quiz on Sugar Cane & Old-Fashioned Drink Operation Manual (Supplementary)	5	3	SanMin Classroom Taichung City, Taiwan
4	Store Opening In-Store Field Work (Position Assignment) Quiz on Fresh Milk Tea & Fruit Tea Operation Manual (Supplementary)	5	3	SanMin Classroom Taichung City, Taiwan
5	Store Opening In-Store Field Work (Position Assignment) Quiz on Fresh Milk Tea & Winter Drinks Operation Manual (Supplementary)	5	3	SanMin Classroom Taichung City, Taiwan
6	Store Opening In-Store Field Work (Position Assignment) Drinks Final Exam Operation Manual (Supplementary)	5	3	SanMin Classroom Taichung City, Taiwan
7	Operation Manual (Teaching on Profit/Loss Calculation) Machine Operation Practice In-Store Field Work (Position Assignment) Store Closing	4	4	SanMin Classroom Taichung City, Taiwan
8	Operation Manual Drinks Final (Timed Drink Making) Machine Operation Practice In-Store Field Work (Position Assignment) Store Closing	3	5	SanMin Classroom Taichung City, Taiwan

9	Supplementary Material End of Training Assessment (written) In-Store Field Work (Position Assignment)	6	2	SanMin Classroom Taichung City, Taiwan
10	Make-up Written Test Practical Implementation Practice Drinks Final Exam (Practical Implementation Practice) Make-up Test	8	0	SanMin Classroom Taichung City, Taiwan
11 to 20	On-site Operational Training; Preparation of Cold Drinks and Hot Drinks; Customer Service at an Operational Outlet	0	80	Your Outlet
	Total	55	105	

The training program above is effective as of the date of this disclosure document. Initial classroom training in Taiwan is typically provided within 60 days before you or your Subfranchisee's Outlet opens and is typically scheduled not more frequently than monthly. All classroom training takes place in Taichung City, Taiwan, or another training center designated by us. All on-the-job training takes place at your Store immediately before and during the opening of your Store.

The instructional material consists of appropriate handouts and information directly from the Manual. Currently, our principal instructor is Qing Seah, the Assistant Manager of Training & Development Department, who has been with us and our affiliates for 3 years, and who has 5 years of experience in the subject matters being taught.

We do not charge for this training or service for the designated Manager and any other Principal Equity Owners (each additional trainee may have to pay us up to $2,800 for training). You must pay all travel and living expenses of persons you send to training. Please be noted that additional trainee is not required by Subfranchise Agreement, if you decide not to send any additional trainee for training, you do not need to pay this fee.

The successful completion of initial training by your designated Manager to our satisfaction is a condition to your opening of an Outlet 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 your direct Outlet or your subfranchisee's Outlet is opened, and upon reasonable notice, we may require attendance of your designated personnel at training courses, seminars, conferences or other programs other than Initial Training or mandatory meetings that we deem relevant or appropriate to the operation of the Franchised Business. You specifically agree in the Subfranchise Agreement that only persons we train or under your supervision will have overall responsibility for the operation of the Outlet and conduct of the Franchised Business there, and that you will send your Store Manager to us for additional training if we request this. We may at our discretion charge you an additional training fee of up to $200 per day for Shuang Jiang Cream in Tea 1986 training courses, seminars, conferences or other programs that we require you or your representatives to attend. In general, we will not initiate additional training unless we receive requirements by you or your Subfranchisees or customer complaints for the poor quality of goods and service provided at the Outlets.

You must pay all the expenses incurred by your trainees and attendees in connection with the Initial Training Program and any other training, 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. Attendance of at least one Principal Equity Owner at these meetings will be mandatory (and is highly recommended for your other Principal Equity Owners).

ITEM 12: TERRITORY

You will receive a protected and exclusive territory ("Territory") within a defined area surrounding your principle place of business based on population density as determined by us with your consent and specified in your Subfranchise Agreement. The Territory is usually defined as a geographical area surrounding your principle place of business as depicted in a map attached to the Subfranchise Agreement. The subfranchise right extends to non-traditional venues. We intend to license one to two Subfranchisors within each state in the United States. The numbers of Subfranchisors will be decided by population in each state. As for qualification of Subfranchisees, we expect each subfranchisor to find appropriate subfranchisees and screen out disqualified candidates within its own protected territory.

As for subfranchisee's territory, we recommended that it shall be defined by a radius around subfranchisee's Outlet, which will typically vary from ¼ mile in densely populated areas to 1 mile in rural areas. By "protected" Territory we mean that so long as subfranchisee continues to fulfill his or her material obligations under your Unit Franchise Agreement (as reasonably determined by us), you will not grant a Shuang Jiang Cream in Tea 1986 franchise to any other person nor will any of your affiliated entities operate an Outlet within that specific Territory.

Your subfranchisee may relocate the Outlet after acquiring your written consent, which shall not be unreasonably withheld. Not less than 90 days before the desired date of relocation (unless prior notice is impractical because of a required relocation in which event your notice must be given as soon as possible), your subfranchisee must make a written request for consent to relocate, describing the reasons for the relocation and providing complete written details respecting any proposed new location.

Within 20 business days after you receive the request, you will either approve or disapprove in writing such closure or relocation in your sole discretion. If you disapprove of a proposed relocation, your subfranchisee may request an alternative proposed new location. After your approval of relocation of your subfranchisee's Outlet, you will inform us within 10 days of your decision.

We reserve the right to develop other systems involving similar or dissimilar services or goods, under dissimilar service marks, trademarks and trade names belonging to us, without necessarily granting you any rights in those systems. We will not market and sell Shuang Jiang Cream in Tea 1986 products under our principal trademark at venues other than Outlets nor through other channels of distribution (including the Internet), within your Territory and anywhere else.

We are currently operating and franchising Yi Fang Taiwan Fruit Tea franchise in California. Yi Fang Taiwan Fruit Tea franchise sells items from a focused menu featuring a variety of teas and juice drinks, using propriety teas, milk teas, tapiocas, recipes and preparation techniques, freshly prepared and available for carry-out or consumption on the premises. All the Outlets of Yi Fang Taiwan Fruit Tea are owned or operated by Subfranchisors or Subfranchisees of Yi Fang Taiwan Fruit Tea franchise. We do not own nor operate any Outlet under Yi Fang Taiwan Fruit Tea franchise. The Subfranchisors and Subfranchisees of Yi Fang Taiwan Fruit Tea franchise will solicit and accept orders within your territory. As the franchisor of Shuang Jiang Cream in Tea 1986 and Yi Fang Taiwan Fruit Tea, we will support all our franchisees and resolve conflicts between us or between you and Yi Fang Taiwan Fruit Tea's franchisees. We will hold meetings at our office to resolve conflicts and propose solutions that are acceptable to everyone. We will not favor any franchise at the detriment of the other because we want all our franchises to be successful. The principle business address of Shuang Jiang Cream in Tea 1986 franchise is same as Yi Fang Taiwan Fruit Tea franchise. We do not maintain physically separate offices and training facilities for these two businesses, but the training time will not be overlapped between franchisees of two franchises.

You may only offer and sell Shuang Jiang Cream in Tea 1986 products to subfranchisees or customers within your protected territory, and you are restricted from advertising Shuang Jiang Cream in Tea 1986 products outside your Territory without our prior written consent. You may not engage in any mail order solicitations, catalog sales, telemarketing or television solicitation programs, or use any other advertising media outside of your territory without our prior written approval. Also, you may not offer or sell Shuang Jiang Cream in Tea 1986 products directly or indirectly through the Internet, except as authorized by us in the Manual or otherwise in writing. We will publish all website content and we will list your subfranchisee's Outlet location on our master web site. We will maintain the "Uniform Resource Locator" (or "URL") for the Shuang Jiang Cream in Tea 1986 website and you may never own any Internet domain name that contains any of the Marks. Under no circumstances are you authorized to establish your own personal websites (except social media sites) for the purpose of advertising your Outlet or our principal trademarks.

The continuation of your subfranchise rights to the Territory does not depend on your attaining a minimum level of sales, revenues or market penetration or other contingency. The continuation of your exclusive rights to license to subfranchisees under our system depend on your meeting the subfranchise schedule described in the Subfranchise Agreement. The Territory granted by the Subfranchise Agreement may be not be altered except if you and we mutually agree. You will maintain rights to your Territory and the protected area described in the Subfranchisor Agreement even if the population in those geographic areas increases or changes.

ITEM 13: <u>TRADEMARKS</u>

You are licensed to operate and identify the Outlet under the principal trademark "Shuang Jiang Cream in Tea 1986" and logotype displayed on the cover of this disclosure document and other current or future trademarks. On August 1, 2019, our parent company (Inkism-Taiwan) filed the principal trademark "Shuang Jiang Cream in Tea 1986" with the United States Patent and Trademark Office ("USPTO"), for registration on the Principal Register in class 43 (for Restaurants; snack bar services; providing of food and drink; hot and cold beverage stores; tea houses; hotels), serial number 88559879.

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 manner material to the franchise. There is no pending material federal or state court litigation regarding our use or ownership rights in the trademarks.

Although we do not have a trademark registration at USPTO for our principal trademark, we are authorized by our parent company (Inkism-Taiwan) to sublicense, use, or display in connection with providing food and drink and tea shop services from 2019 to 2029. Under our license agreement with our parent company (Inkism-Taiwan), we are authorized to license the trademark in any country for ten (10) years.

All trademarks are owned by our parent company (Inkism-Taiwan), who granted us a trademark license (the "Trademark License") and right to use the principal trademark and related trademarks, service marks, trade names, logos and symbols (collectively the "Marks") related to Shuang Jiang Cream in Tea 1986 and to grant license to use the Marks to Shuang Jiang Cream in Tea 1986 franchises. The Trademark License will continue until it is terminated. If the Trademark License were to be terminated, Shuang Jiang Cream in Tea 1986's Subfranchisors and Subfranchisees would have the right to continue to use the Marks while operating their franchised Outlets under their Franchise Agreements for not less than the existing term of the Franchise Agreement. Except as described above, no agreements limit our rights to use or license the use of the trademarks.

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 Subfranchise 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 or not to take any action against the third party.

You must modify or discontinue the use of a trademark if trademark owners or we 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 Inkism-Taiwan in the Marks, there are no infringing uses or previous superior 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

Patents and Copyrights

We do not own rights in, or licenses to, patents or copyrights that are material to the franchise and you do not receive the right to use any item covered by a patent or copyright. However, we assert a common law copyright on the contents of the Manual (and only you or your authorized employees can have access to and use the proprietary information in the Manual). You will have the obligation of not to reveal the contents of the Manual to any third-party that is outside your organization or unnecessary to your operation or licensing of subfranchise right to subfranchisees.

We do not currently have any pending patent applications that are material to the franchise.

Our Proprietary Rights in Other Confidential Information

You may never reveal any of our confidential proprietary information or trade secrets to another person or use it for another person or business. You may not copy any of our confidential proprietary information or disclose it to a third party except as we authorize. You must also promptly tell us when you learn about unauthorized use of any of our confidential proprietary information. We are not obligated to take any action but will respond to your notification of unauthorized use as we think appropriate. In general, we will initiate legal action to protect ours and your right to use confidential proprietary information, if that is the case, we may require your assistance to the action taken. The assistance includes, but is not limit to, presenting relevant evidence, participating in the litigation, or presenting testimony in front of appropriate authority. Under no circumstances will we require you to bore any fees arising out of or relating to such legal action shall we decide to purse by ourselves.

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

We are seeking subfranchisor whose principal owner plans to actively participate in the direct licensing, management and operation of the franchise business. Additionally, you must employ at least one designated Manager (if you are a sole proprietor, this will be you, and if you are an entity, this will be a Principal Equity Owner of at least 50% of the subfranchisor entity) who has successfully completed our initial training program.

You must disclose the identity of the Manager to us and if for any reason the Manager is no longer acting in this capacity; you must notify us immediately and in writing. The Store Manager cannot have an interest or business relationship with any of our business competitors. The Manager must devote full time during normal business hours to the management, operation and development of the Franchised Business.

ITEM 16: RESTRICTIONS ON WHAT THE SUBFRANCHISEE MAY SELL

You must offer and sell within your designated and exclusive territory only Shuang Jiang Cream in Tea 1986 and other goods and services that we designate as required for all subfranchisees or have approved otherwise.

We have the right to change and add other authorized goods and services that your subfranchisees will be required to offer. There are no limits on our right to do so except that the additional investment required of your subfranchisees for equipment, supplies and initial inventory will not exceed $10,000 per year.

There are no restrictions on the subfranchisees or customers to whom you may sell Shuang Jiang Cream in Tea 1986 Products and related products.

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	Section in Subfranchise Agreement	Summary
a.	Length of the subfranchise term	Section 1.3	The initial term of the Subfranchise Agreement is 5 years.
b.	Renewal or extension	Section 3.6	Under the Subfranchise Agreement, you can add additional 5-year term upon written notice delivered to us not less than 90 days before the end of existing term.
c.	Requirements for Subfranchisor to renew or extend	Section 3.6	Sign Renewal Subfranchise Agreement (or addendum to existing Subfranchise Agreement extending its term), supervise your subfranchisee to remodel the Outlet (if necessary), pay renewal fee of $16,000 per Outlet that you or your subfranchisee opened, and sign release. The Subfranchise Agreement you sign at renewal may have materially different terms and conditions than your original Subfranchise Agreement.
d.	Termination by subfranchisor	Section 11.1	If we are in material breach (beyond any applicable cure periods), you can terminate your Subfranchise Agreement.
e.	Termination by franchisor without cause	None	

f.	Termination by franchisor with cause	Section 11	If you fail to substantially comply with any duty under this Agreement, we may terminate the Subfranchise Agreement after we give a written notice of default and reasonable opportunity to cure the default.
g.	"Cause" defined – curable defaults	Section 11.3 (i) – (n)	Irresponsive to the contact by us, refuse inspectors to check on operation and sanitary issues, delay in payment, and any violation that violates instruction by us.
h.	"Cause" defined – non-curable defaults	Section 11.3 (a) – (h)	Bankruptcy, voluntary abandonment, impairment of good will and reputation of us, unauthorized use of our trademark, and transfer or assign the franchise business without our prior written consent.
i.	Subfranchisor's obligations on termination or non- renewal	Section 8.2	Obligations include removal of our Brand and other trademarks, return of all confidential and proprietary information and erasure of all copies of confidential and proprietary information, forwarding of telephone number and payment of amounts due.
k.	"Transfer" by subfranchisor– defined	Section 9.2	Includes transfer of contract or assets or ownership change.
l.	Franchisor's approval of transfer by subfranchisor	Section 9.1	We have the right to approve all transfers (including transfers of (i) more than 50% of the equity or (ii) controlling interest in a subfranchisor entity), but we will not unreasonably withhold approval.
m.	Conditions for franchisor approval of transfer	Section 9.3	New subfranchisor qualifies, purchase agreement approved, training arranged, release signed by you, and current Subfranchise Agreement signed by the New Subfranchisor.
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 franchisee	Section 9.4	Franchise must be assigned by estate to approved buyer within six (6) months.
q.	Non-competition covenants during the term of the franchise	Section 10.1	During the term of the Subfranchise Agreement, you must comply with the non-competition covenants. You shall not invest, operate, or manage same or similar products or service within the same specified area.
r.	Non-competition covenants after the Subfranchise Agreement is terminated or expires	Section 10.1	No competing business for 1 year within 25 miles of your principle place of business or any other Shuang Jiang Cream in Tea 1986 Outlet within your delineated area (this obligation also applies to you if you assign your subfranchise right).
s.	Modification of the agreement	Section 14.2	No modifications generally, but the Manual is subject to change. Modification shall be effective only by mutual agreement between you and us.
t.	Integration and merger clause	Section 14.10	Only the terms of the subfranchise agreement are binding (subject to state and federal law). Any

			representations or promises outside of the franchise disclosure document and subfranchise agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Section 12	The parties agree in the Subfranchise Agreement to submit disputes initially to a meeting in person of our executive officers and your Principal Equity Owners at our principal executive office within five (5) 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 (10) 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.
v.	Choice of forum	Section 12.1	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.
w.	Choice of law	Section 14.1	The Federal Arbitration Act (9 U.S.C. §1 *et seq.*) governs the arbitration of disputes under the Subfranchise Agreement. Otherwise, the laws of California and the Uniform Arbitration Act governs the Subfranchise 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 Shuang Jiang Cream in Tea 1986 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 franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our Chief Executive Officer, Tzu-Kai ("George") Ko, Inkism International Co., LLC, 700 Airport Blvd., Suite 270, Burlingame, CA 94010, telephone (408) 832-0095; the Federal Trade Commission; and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISE INFORMATION

Table No. 1
Systemwide Outlet Summary
For years 2016 to 2018[1]

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2017	0	0	0
	2018	0	4	+4
	2019	4	11	+7
Company-Owned	2017	0	0	0
	2018	0	0	0
	2019	0	0	0
Total Outlets	2017	0	0	0
	2018	0	4	+4
	2019	4	11	+7

Our parent company (Inkism-Taiwan), directly or through licensees, owns and operates 1,239 retail tea stores of Yi Fang Taiwan Fruit Tea outside the United States (983 in the People's Republic of China, 177 in Taiwan, 25 in Hong Kong, 5 in Macao, 6 in Australia, 3 in Japan, 6 in the Philippines, 13 in Vietnam, 5 in the United Kingdom, 1 in the Singapore, and 12 in Canada).

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2017 to 2019

State	Year	Number of Transfers
TOTALS	2017	0
	2018	0
	2019	0

Table No. 3

[1] The outlets are all Yi Fang Taiwan Fruit Tea franchises and there are no existing Shuang Jiang Cream in Tea 1986 outlets.

Status of Franchised Outlets
For years 2017 to 2019[2]

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
CA	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	3	0	0	0	0	4
NY	2017	0	0	0	0	0	0	0
	2018	0	2	0	0	0	0	2
	2019	2	3	0	0	0	0	5
WA	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	1	0	0	0	0	2
Totals	2017	0	0	0	0	0	0	0
	2018	0	4	0	0	0	0	4
	2019	4	7	0	0	0	0	11

Table No. 4

Status of Company-Owned Outlets
For years 2017 to 2019

State	Year	Outlets at Start of Year	Outlets Opene d	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Totals	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0

Table No. 5

Projected New Franchised Outlets As Of December 31, 2019

State	Franchise Agreements Signed But Outlets Not Opened[3]	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
CA	1	10	0
NY	1	10	0
WA	1	10	0
Totals	3	30	0

[2] The outlets are all Yi Fang Taiwan Fruit Tea franchises and there are no existing Shuang Jiang Cream in Tea 1986 outlets.
[3] The franchise agreements signed but outlets not open are only Yi Fang Taiwan Fruit Tea franchises, and there not no franchise agreement signed for Shuang Jiang Cream in Tea 1986 outlets.

Exhibit C lists, as of December 31, 2019, (i) the names, addresses and telephone numbers of all open and operating Shuang Jiang Cream in Tea 1986 franchise outlets around the world, and (ii) the names, addresses and telephone numbers of all Subfranchisors and franchisees who signed Subfranchise Agreement or Franchise Agreements but have not yet opened their Shuang Jiang Cream in Tea 1986 Outlets around the world.

Exhibit D lists, as of December 31, 2019 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. Your contact information may be disclosed if you buy this franchise and then later leave the system.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Shuang Jiang Cream in Tea 1986. 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 Shuang Jiang Cream in Tea 1986 franchise being offered. There are no independent franchisee organizations that have asked to be included in this disclosure document.

ITEM 21: FINANCIAL STATEMENTS

Exhibit B to the disclosure document contains our initial audited financial statement for the period from inception through December 31, 2018 and 2019 (we were organized on April 19, 2018, have not been in business for 3 years or more, and cannot include all financial statements required under the FTC's Franchise Rule).

ITEM 22: CONTRACTS

Exhibit A – Subfranchise 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.

SHUANG JIANG CREAM IN TEA 1986

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SUBFRANCHISE AGREEMENT

EXHIBIT A

SUBFRANCHISE AGREEMENT

This Subfranchise Agreement ("Agreement") is executed on____________, 20___ (the "Effective Date") by and between Inkism International Co., LLC ("Inkism-USA" as "Franchisor"), a California Limited Liability Company doing business as "Shuang Jiang Cream in Tea 1986",____________________("Subfranchisor"), a _____________________ (state/country of incorporation or citizenship of the individual executing the Agreement).

Subfranchisor or its affiliated company is concurrently entering into a Subfranchise Agreement with Franchisor, under the terms of which the subfranchisor is being granted a right to offer and sell Shuang Jiang Cream in Tea 1986 franchise, collect fees from Subfranchisees, and provide training service and support to Subfranchisees under Shuang Jiang Cream in Tea 1986 trademarks and in accordance with Franchisor's business policy and practice.

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

I. GRANT OF RIGHTS TO OPEN ADDITIONAL STORES

1.1 Subfranchisor's Rights.

(a) Subject to the terms and conditions contained herein, Franchisor hereby grants to Subfranchisor the right to, and Subfranchisor hereby agrees to, offer and sell franchise by itself or through affiliated entities in accordance with the schedule of openings attached hereto as Exhibit 1 (the "Subfranchise Schedule"). Subfranchisor may open and operate direct Stores or Outlets by itself or execute another Unit Franchise Agreement with Subfranchisees and enable Subfranchisees to open and operate Stores or Outlets.

(b) So long as Subfranchisor's obligations under the Subfranchise Schedule are being met on a timely basis and until this Agreement terminates, Franchisor will not grant subfranchise right to other Subfranchisors or itself operate a Store or Outlet within the geographical area (the "Subfranchise Area") indicated in the Subfranchise Schedule, nor allow any of its affiliates, or other licensees or Subfranchisors, to do so.

(c) Subfranchisor's rights to open and operate Stores or Outlets under this Agreement extend to a "Non-Traditional Venue" (defined as a business operated under the "Yi Fang Taiwan Fruit Tea" marks that is located within another primary business or in conjunction with other businesses or at institutional settings, including toll roads, stadiums, airports, colleges and universities, schools, hospitals, military and other governmental facilities, office facilities, and any site for which the lessor, owner or operator thereof has indicated its intent to prefer or limit the operation of its facilities to a master concessionaire or contract service provider).

(d) If Franchisor becomes insolvent or declares bankruptcy or is no longer authorized to offer and sell franchises in Subfranchisor's state because of a lapse of applicable franchise registration or other reason, Subfranchisor will continue to have the right to offer and sell Yi Fang

Taiwan Fruit Tea franchise under this Agreement unless a state or federal court issues an order otherwise.

(e) In the event that Franchisor does not open direct or indirect Stores our Outlets in accordance with Subfranchise Schedule, it shall be deemed as a material breach of this Agreement.

1.2 Subfranchisee's Rights.

(a) Before Subfranchisee (or its affiliated entity) opens an Outlet or Store, Subfranchisor (or its affiliated entity) must enter into Franchisor's then current form of Unit Franchise Agreement for that additional Store with Subfranchisee. So long as Subfranchisor is in good standing under this Agreement, Subfranchisor (or its affiliated entities) will continue to have the right to offer and sell Yi Fang Taiwan Fruit Franchise in the Subfranchise Area in accordance with the Subfranchise Schedule.

(b) Each Unit Franchise Agreement executed pursuant hereto will provide that Subfranchisor and its affiliates may not open or operate, or franchise or license the operation of, any other Store within the protected "Territory" of the Store (a defined area surrounding the Store or Outlet) opened by Subfranchisor (or its affiliated entity) pursuant to such Unit Franchise Agreement.

1.3 Term.

The term of this Agreement commences on the Effective Date and, unless sooner terminated by Subfranchisor's material breach hereof, will continue *5 years* or until termination as provided in Article XI hereof. There will be no extensions or renewal periods relating to the Subfranchisor Schedule unless done so in writing. Upon termination of this Agreement, Subfranchisor (and its affiliated entities) will no longer have the right to offer or sell Shuang Jiang Cream in Tea 1986 franchise under the Subfranchise Schedule, nor will the Subfranchisor maintain its right to open direct outlet within the exclusive territory.

II. SUBFRANCHISOR'S OBLIGATIONS

2.1 Subfranchisor's Obligations.

(a) Subfranchisor (or its affiliated entity) may offer and sell the franchise to subfranchisee and allow the subfranchisee to construct, equip and open each additional Store no later than the date specified in Exhibit 1 applicable to the Store, and thereafter continue to supervise the operation of the Store or assign it with Franchisor's consent to another Yi Fang Taiwan Fruit Tea Subfranchisor.

(b) Any Store or Outlet opened and operated and which has been assigned to an affiliate of subfranchisor, or to another Yi Fang Taiwan Fruit Tea Subfranchisor, or to a third party with Franchisor's consent will continue to be considered as partial satisfaction of Subfranchisor's obligations under the Subfranchise Schedule for so long as the assignee remains in good standing under the Subfranchise Agreement relating to that Store or Outlet.

(c) Subfranchisor shall abide by Franchisor's all instructions, which include, but is not limit to, company policy, operation manual, training requirement, accounting management, and guidelines to storages of raw materials. Franchisor shall give Subfranchisor a notice of such update to all instructions seven (7) days prior to implementation hereof.

(d) Subfranchisor shall supervise and monitor operation and management of Subfranchisee's Outlet or Store, regardless of whether such outlet or store is opened before or after execution of this Agreement. Subfranchisor shall provide unified marketing and promotion for all Outlets or Stores located within its exclusive territory. In the event that Subfranchisor and Subfranchisee's opinion is different as to any matter relating franchise business, Subfranchisor shall communicate with Subfranchisee in good faith within 10 days after such disagreement occurs. Franchisor shall have the right to interfere and hold conference to resolve any dispute. Franchisor shall have the right to decide on how the franchise business is to be operated, Subfranchisor and Subfranchisee shall abide by Franchisor's final decision.

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 subfranchisor 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 subfranchisor 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, Subfranchisor's financial inability to perform or Subfranchisor's insolvency will not be a *Force Majeure* hereunder.

(b) Subject to Subfranchisor's continuing compliance with section 2.3(c) below, should subfranchisor be unable to meet Subfranchisor's obligation for a scheduled additional Store solely as the result of a *Force Majeure* which results in Subfranchisor's inability to offer and sell pursuant to the terms of this Agreement, the date on which the scheduled additional Store is to be opened will be extended by an amount of time equal to the time period during which the *Force Majeure* exists.

(c) In the event of the occurrence of a *Force Majeure*, subfranchisor must notify Franchisor in writing within 10 business days following commencement of the alleged *Force Majeure* of the specific nature and extent of the *Force Majeure*, and how it has impacted Subfranchisor's performance hereunder. Subfranchisor must continue to provide us with updates and all information as may be requested by Franchisor, including Subfranchisor's progress and diligence in responding to and overcoming the *Force Majeure*.

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

III. FEES

3.1 Initial Subfranchise Fee.

(a) In consideration of the Subfranchisor receiving the opportunity to offer or sell Shuang Jiang Cream in Tea 1986 franchise system, subfranchisor shall pay to Franchisor, upon execution of this Agreement, an initial, non-recurring, non-refundable Subfranchise Fee in the amount of $290,000. The Subfranchise Fee shall be deemed to be fully earned by the Franchisor upon Execution of this Agreement by Franchisor and in consideration of the grant by it to Subfranchisor of the opportunity to establish or subfranchise the franchise business herein provided. Subfranchisor 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) If Subfranchisor (or its affiliated entity) does not successfully complete initial franchise training required by the Agreement entered into, Franchisor will refund Subfranchise Fee, less any expenses Franchisor incurred relating to this Agreement. **Otherwise, the Subfranchise Fee is not refundable**.

3.2 Security Deposit.

(a) Subfranchisor shall pay Franchisor the sum of $50,000 as a deposit for guaranty of its performance of obligation under this Agreement. Nevertheless, Franchisor shall return the deposit without interest attached after expiration or termination of this Agreement. In the event that the Agreement is terminated by Franchisor because of Subfranchisor's breach of the Agreement, Franchisor may deduct reasonable amount of deposit fee as compensation or damages.

(b) In the event that any obligation imposed by this Agreement is breached, Franchisor may deduct $5,000 as liquidated damage. Subfranchisor shall reimburse the amount deducted to Security Deposit within 10 days of deduction or the Notice of Deduction is given, whichever comes first.

3.3 Unit Franchise Fee.

Subfranchisor shall pay Franchisor the sum of $16,000 of Unit Franchise Fee per one additional Subfranchisee's Store. Subfranchisor shall be liable for the Unit Franchise Fee regardless of whether such Store is owned by Subfranchisor, Subfranchisee, or its affiliate(s).

3.4 Continuing Royalty.

(a)In return for the ongoing rights and privileges granted to Subfranchisor, Subfranchisor shall pay to Franchisor, throughout the term of this Agreement, a royalty of 4% of Gross Revenues of all Stores for each month. All royalties are payable in arrears on or before 15th of each month for the Gross Sales generated by Subfranchisee during the immediately preceding week. "Gross Revenues" include all revenue from the sale of all products and services and all other income of every kind and nature related to 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.

(b) The calculation of Continuing Royalty shall be based on Gross Revenues reflected on Franchisor's POS system. Franchisor shall inform Subfranchisor of the exact number of Gross Revenues and Continuing Royalty to be paid every month.

3.5 Design Fee.

Subfranchisor shall be responsible of Design Fee for $3.3/ft^2 to Franchisor of all Subfranchisee's Stores operated in its territory in the event that Franchisor is asked to conduct in store design. Nevertheless, in the event that Subfranchisor engages local designer to perform the design, Subfranchisor shall obtain Franchisor's prior written consent of the design before construction of any Store.

3.6 Renewal Fee.

(a) Upon written noticed of renewal is delivered to Franchisor not less than 90 days before the end of existing term hereof, Subfranchisor may renew its right granted under this Agreement for additional five (5) years commencing on the expiration date of previous term.

(b) On or before the execution of the renewed Subfranchise Agreement, Subfranchisor shall pay Franchisor a "Renewal Fee" of $16,000 per Outlet or Store managed, operated, supervised, monitored, and subfranchised. Except for renewed Subfranchise Schedule, renewal conditions shall be on the same terms contained herein, unless modified by and agreed upon in writing by Franchisor and Subfranchisor.

(c) Subfranchisor shall sign the Renewal Agreement or execute an addendum to the existing Subfranchise Agreement and fulfill its duty to supervise the remodeling of the Outlets. The Renewal Agreement or the addendum thereof may contain materially different terms and conditions than this Agreement.

3.7 Professional Fee.

Subfranchisor shall be responsible for Professional Fee of $25,000 in exchange for legal and financial support from the Franchisor. The support is limited to professional consulting during the term of this Subfranchise Agreement and preparation of franchise disclosure document in respective jurisdiction. Subfranchisor understands that this does not exempt its obligation to retain a law firm or accounting firm designated by the Franchisor independently for further legal or financial service.

3.8 Payment Terms.

Subfranchisor agrees that all payment shall be made with U.S. Dollars and remittance hereof shall be limited to one bank account. **Any delay payment of fees for more than three (3) days specified in this Article shall be deemed a substantial breach of this Agreement, Franchisor**

may terminate entire Agreement by giving a written Notice of Termination to Subfranchisor immediately via certified mail with return receipt or email.

IV. SUPPLY

4.1 Raw Materials

(a) Franchisor shall provide raw materials to Subfranchisor and Subfranchisees to make drinks and beverages. Subfranchisor and Subfranchisee have obligation to purchase or acquire raw materials from Franchisor, its affiliates, or any supplier that is approved by Franchisor. Subfranchisee may purchase or acquire raw materials from Subfranchisor.

(b) In the event that raw materials are unable to be acquired from Franchisor, Franchisor shall assist Subfranchisor and Subfranchisee to acquire or suggest qualified and reputed local suppliers.

(c) In the event that Subfranchisor purchase or acquire raw materials from any third party without Franchisor's prior written consent, it shall be deemed as material breach of this Agreement.

4.2 Safety of Ingredients and Materials

Franchisor shall provide qualitative raw ingredients and materials to Subfranchisor. In the event that raw ingredients and materials have safety issues identified by local health authorities, Subfranchisor may apply return or exchange to Franchisor; all expenses arising out of or relating to the return or exchange shall be borne by Franchisor.

4.3 Payment Conditions

The payment and shipping terms of the ingredients and materials is as following:

(a) Franchisor shall start to prepare the shipment after receives seventy percent (70%) of the payment of Subfranchisor's purchase order; and

(b) Shipment shall be made within forty-five (45) working days after Franchisor receives the payment specified in section 4.3(a); and

(c) The remaining thirty percent (30%) of the payment shall be paid three (3) days before the shipment is made; and

(d) Subfranchisor should place order on 5th,10th, or 20th of each month only (Taiwan Date).

(e) After the payment is completed, Franchisor shall deliver to the place designated by Subfranchisor, and Subfranchisor shall accept the goods after inspection thereof. The freight, insurance, and related expenses shall be borne by Subfranchisor.

4.4 Prohibition to Alter Goods or Service Provided

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

4.5 Rebate

Franchisor shall provide rebate of 5% to total payment of ingredients and materials to Subfranchisor from order made in the following month.

4.6 POS System

(a) All Stores and Outlets, either Subfranchisor's direct Stores or Outlets or Subfranchisee's Stores or Outlets, located within Subfranchisor's territory are required to install the POS system designated by Franchisor. Additionally, Subfranchisor shall be liable for all fees arising out of or relating to the implementation and operation of POS system. Subfranchisor shall install monitoring video camera system around the POS apparatus to enable Franchisor to oversee on-site activity.

(b) In the event that Subfranchisor refuses to install required POS system, or Subfranchisor is in delay of tendering payment to Franchisor for the installation of the system, or Subfranchisor refuses to install monitoring video camera system in accordance with Franchisor's request, the violation shall be deemed material breach of this Agreement.

4.7 FOB Taiwan

The shipping term of ingredients and raw materials is FOB Taiwan. FOB means that Franchisor shall be liable for cost of ingredients and raw materials transported to any port located in Taiwan. Subfranchisor shall be liable for insurance and transportation fee of the goods once the goods are delivered to freight carriers.

4.8 Damage

In the event that Subfranchisor violates obligation prescribed in this Article, Subfranchisor shall be liable for damages cause to Franchisor.

V. TRAINING

5.1 First Stage of Training

Subfranchisor shall dispatch one to two personnel to Franchisor's place (located in Taiwan) to receive a ten (10) day training. Subfranchisor shall communicate with Franchisor 30 days prior to initiation of training to facilitate and ascertain details of training program. Subfranchisor shall be responsible for accommodation, transportation, or other necessary fees for its personnel. First

Stage of training is provided to Subfranchisor's manager and each principal equity owner at no additional charge. Apart from these personnel, each additional attendee may be required to pay Franchisor up to $2,800 for the training.

5.2 Second Stage of Training

One month before first day of trial operation of each subfranchisee's Store, Subfranchisor shall communicate with Franchisor to ascertain the ingredients, materials, facilities, and personnel are all prepared and ready to provide the drink and beverages to customers. Franchisor shall dispatch one to two supervisors to Subfranchisee's Store and perform on-site assistance for fourteen (14) days. The fourteen (14) day period includes two days off and round-trip travel time from Taiwan to California. Subfranchisees shall be liable for transportation and accommodation of Franchisor's personnel.

5.3 Special Requirement of Accommodation and Training Fees

Unless agreed otherwise, Subfranchisor shall provide Franchisor's personnel with single room in hotel rated at least four (4) stars. Subfranchisor shall provide $200/day for each of Franchisor's personnel as training fees.

5.4 Special Obligation of Area Developer

In the event that Subfranchisor's business to offer or sell franchise does not meet the subfranchise schedule in the future, Subfranchisor shall send two (2) more personnel back to Franchisor's office to receive additional training.

5.5 Inspection and Training for New Goods

The Franchisor may at its sole discretion inspect goods or service in Subfranchisee's Outlet or provide training twice a year for new line of product; Subfranchisor shall not refuse such inspection or training. Each training shall continue for five (5) days, and Subfranchisor shall be responsible for transportation and accommodation for personnel dispatched by Franchisor.

VI. MARKETING

6.1 Design Guidelines

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

6.2 Marketing Activities and Projects

Franchisor authorizes Subfranchisor to perform marketing activities or projects within its territory, however, Subfranchisor is obligated to notify Franchisor one month before the promulgation of marketing activities or projects. Franchisor shall be responsible to provide professional advice to marketing activities or project. In the event that Franchisor deems the marketing materials inconsistent with Shuang Jiang Cream in Tea 1986's brand image, Subfranchisor shall revise or amend the marketing activities or projects until Franchisor's satisfaction. Franchisor shall consider local culture and incorporate into its advice for revision or amendment to marketing materials. Subfranchisor shall bore the fees arising out of or relating to the marketing activities or projects.

6.3 Restrictions of Marketing Activities

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

6.4 Unified Advertising Campaign

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

6.5 Social Media

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

6.6 Portrait Rights

Subfranchisor shall respect portrait rights of all public figures. Any violation of laws or regulations shall be attributed to Subfranchisor, Franchisor shall not be responsible to it.

VII. OPERATION

7.1 Supervision by Franchisor

Subfranchisor shall supervise all operation of Store by Subfranchisee, meanwhile, Subfranchisor shall provide monthly and seasonal report to Franchisor. Additionally, Area Developer shall grant access to Franchisor the right to monitor POS system and supervise sales turnover at each and every Store. Any fee arising out of and relating to the access shall be borne by Area Developer.

7.2 Store Inspection

Franchisor may dispatch personnel to Subfranchisee's Store and its ancillary building during business hours. The scope of inspection hereof includes display of goods, storage of inventory, ship order and stock, management of raw ingredients and materials, facility, logistics, apparatus, procedure of manufacture and techniques, service content, health and safety, matters of management and operation. In order to inspect, audit and provide appropriate advice, Franchisor may conduct inspection, sampling, recording, filing, and demand store/outlet to provide relevant goods, files, report, accounting document, and other records. Subfranchisor and Subfranchisee may not refuse, hide, or obstruct Franchisor's right mandated in the Article.

7.3 Health and Safety Standard

Franchisor may dispatch personnel to Subfranchisee's Store to inspect goods; alternatively, Subfranchisor may provide samples of goods and send it to Franchisor's specified institution or entity for further inspection. The standard of inspection shall follow laws and regulations of health and safety standard mandated by local authorities. In the event that 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 Subfranchisor.

7.4 Other Business Qualifications

Subfranchisor shall acquire its own business qualifications required by local government. The qualification includes, but it not limited to Franchise Disclosure Document, Incorporation of Company, Sales Permit, and Acquisition of Tax Number.

VIII. TRADEMARK

8.1 Prohibition of Illegal Use

Subfranchisor may, after obtaining a prior written approval from Franchisor, use the Franchisor's trademark "Yi Fang Taiwan Fruit Tea" to advertise itself as the Subfranchisor within the Territory specified in Subfranchise Schedule to perform its obligations and initiate licensing business under this Agreement, including, but not limited to, using the Marks on its business cards for promoting Yi Fang Taiwan Fruit Tea franchise's business. Nevertheless, Subfranchisor shall not use the same or similar trademark, alternative trademark, Franchisor or its affiliated enterprise name, as the name of Subfranchisor's company. Additionally, Subfranchisor shall not register any domain name, advertise Franchisor's trademark on vehicles, signs, business cards, or other items.

8.2 Removal

Within seven (7) days after expiration, termination or rescission of this Agreement, Subfranchisor and Subfranchisee's Stores shall, at its own expense, remove any signs, printing and publicity materials, business system supplies, signs, 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. In the event that Subfranchisor or Subfranchisee's Stores fails to remove immediately, Subfranchisor shall be responsible for the sum of $2,000/day to compensate Franchisor until the date of removal. Franchisor may remove, at its discretion, the signs, printing and publicity materials after ten (10) days of expiration, termination or rescission of this Agreement. Subfranchisor shall be liable for the fees.

IX. TRANSFER OR ASSIGNMENT

9.1 Assignability.

(a) Franchisor has executed this Agreement in reliance upon and in consideration of the singular personal qualifications, trust and confidence that Franchisor reposes in Subfranchisor. Accordingly, although Subfranchisor may assign individual Subfranchise Agreements, Subfranchisor may not assign this Agreement except as provided in Section 9.2 below.

(b) Franchisor may assign this Agreement in Franchisor's sole discretion and without Subfranchisor's consent, and Subfranchisor acknowledges that Franchisor is permitted to do so without liability or obligation to Subfranchisor, and Subfranchisor 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 the Laws of California.

9.2 Transfers from Subfranchisor to an Affiliated Entity.

Upon not less than 30 days' prior written notice to Franchisor, the Subfranchisor may without Franchisor's consent assign and transfer this Agreement to an entity that is (i) organized to operate as a Subfranchisor to offer and sell Shuang Jiang Cream in Tea 1986 franchise and (ii) entirely owned by the Subfranchisor. Any assignment and transfer to an affiliated entity must be evidenced by a written instrument, in form reasonably satisfactory to Franchisor, under the terms of which said business entity expressly assumes all of Subfranchisor's obligations hereunder, whether accrued at the time of such assignment or arising thereafter, and the assignee agrees to be bound by all the terms and provisions of this Agreement to the same extent and in the same manner as Subfranchisor is. A copy of said instrument, executed by both Subfranchisor and said business entity must be delivered to Franchisor before the effective date of the transfer.

9.3 Transfers from Subfranchisor to a Non-Affiliate Entity.

The conditions for the Franchisor to approve the transfer includes the satisfaction of following requirement: (i) new subfranchisor qualifies, and (ii) purchase agreement approved, and (iii) training arranged, and (iv) release signed by Subfranchisor, and (iv) current Subfranchise Agreement signed by the new Subfranchisor. Within 30 days after our receipt of all necessary information and documentation required under the Subfranchise Agreement, or as specified by written agreement between you and us, we will notify you of the approval or disapproval of the proposed transfer of the subfranchise right by you. This notice will be in writing and delivered to you by business courier.

9.4 Death or Disability of Subfranchisor

If the Subfranchisor is deceased or disable to operate the franchise business, the franchise 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 this Agreement and for one year after it is terminated or expires, Subfranchisor and each of its "Principal Equity Owners" (persons owning more than 20% of Area Developer) must comply with the non-competition covenants. Subfranchisor and each of its "Principle Equity Owner" shall not invest, operate, or manage same or similar products or service within the same specified area.

10.2 Website and Unauthorized Advertising.

During the term of this Agreement, neither the Subfranchisor nor any of its Principal Equity Owners may establish a website or register an Internet domain name using, or otherwise advertise on the Internet or anywhere else, the trademark "Shuang Jiang Cream in Tea 1986", or any combination or derivations thereof, or similar marks, or any other trademarks of ours, except as Franchisor specifically authorizes in writing.

XI. DEFAULT AND TERMINATION

11.1 General.

(a) The Franchisor may terminate this Agreement if the Subfranchisor (i) fails to substantially comply with any obligation, duty or promise under this Agreement, including failure to offer or sell the franchise to Subfranchisee within the time specified in the Subfranchise Schedule, after being given a written notice of default at least 90 days in advance of termination and reasonable opportunity to cure the default (no more than 60 days), or (ii) is in material breach of any Subfranchise Agreement that Subfranchisor (or its affiliated entity) entered into with Franchisor.

(b) The Subfranchisor may terminate this Agreement if the Franchisor fails to substantially comply with duty under this Agreement.

11.2 Operation of Opened Stores after Termination or Expiration.

If Franchisor terminates this Agreement for the reasons described in section 11.1 above, Subfranchisee (or its affiliated entities) will be able to maintain ownership and operation of the Stores which Subfranchisor has o so long as Subfranchisor is not in material breach of the applicable Subfranchise Agreements; however, Subfranchisor will forfeit (i) any further exclusive rights under the Subfranchise Schedule and this Agreement, and (ii) any rights to have a credit applied against the Initial Subfranchise Fee for Stores that were not opened.

11.3 Condition of Termination

Franchisor may terminate the Subfranchise Agreement for "Good Cause." Good cause means failure by Subfranchisor to substantially comply with the material and reasonable subfranchise requirements imposed by franchisor including, but not limited to:

(a) the bankruptcy or insolvency of the subfranchisor;

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

(c) voluntary abandonment of the franchise business;

(d) conviction or a plea of guilty or no contest to a charge of violating any law relating to the franchise business; or

(e) any act by or conduct of the subfranchisor which materially impairs the good will associated with the franchisor's trademark, trade name, service mark, logotype or other commercial symbol.

(f) unauthorized use of Franchisor's loge, trademark, tradename, or other commercial symbol on Instagram, Facebook, Twitter, Line, WeChat or other social network media;

(g) unauthorized use of Franchisor's trade name, mainly Yi Fang Taiwan Fruit Tea, as Uniform Resource Locator ("URL") for any website or webpage;

(h) transfer, assign, or convey managing responsibility to any other person, entity, or organization;

(i) irresponsive to messages, emails, or telephone calls relating to the matter of the franchise business for more than three (3) days, unless Franchisor gives a written consent hereto;

(j) refuse inspectors or any personnel dispatched by Franchisor into outlet's backstage to inspect or monitor the operation of Subfranchisor's direct outlet or subfranchisee/unit franchisee's outlet;

(k) sanatory issues that Franchisor deems to be critical and may adversely affect client's health or brand image of Yi Fang Taiwan Fruit Tea;

(l) any delay in payment, which includes, but is not limit to, Continuing Royalty, fees of raw materials, and design fee;

(m) any violation of obligation imposed by this Agreement;

(n) any other requirement imposed by Franchisor that is not explicitly depicted in this Agreement

"Unauthorized Use" mentioned in Article 11.3 (f) and (g) means that Subfranchisor does not apply to use Franchisor's logo, trademark, trade name, service mark, logo type or other commercial symbol in writing by using Franchisor's then current Application Form, and Franchisor does not grant the approval in writing by email or certified mail with return receipt.

"Any Other Requirement" mentioned in Article 11.3(l) means that any obligation imposed by Franchisor to Subfranchisor via Corporate Notice, Bylaws, Manual, or any other format that is reasonable accessible to or received by Subfranchisor.

XII. DISPUTE RESOLUTION

12.1 Mediation.

(a) Franchisor and Subfranchisor have entered into a long-term franchise relationship which gives rise to an obligation, subject to and consistent with the terms of this Agreement, to endeavor to make the relationship succeed, considering the overall best interests of the entire System, as contemplated by this Agreement. To that end, Subfranchisor and Franchisor acknowledge that Subfranchisor 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 Subfranchisor are important aspects of that obligation. The parties hereby pledge and 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 hereof, including any claim that this Agreement or any part hereof is invalid, illegal or otherwise voidable or void (collectively, "Dispute") by first having Franchisor's executive officers and Subfranchisor's Principal Equity Owners meet in person within five business days after a party notifies the other party that a Dispute has arisen at Subfranchisor's principal executive office (without their respective legal counsel) to conduct a good faith discussion and negotiation of the issues with a view to arriving at a settlement. If a party refuses to participate in the settlement meeting or mediation within the respective time frames set forth in this section 12.1, the other party may immediately commence an arbitration proceeding pursuant to section 12.2 below.

(b) If the parties are unable to settle the Dispute at the settlement conference described in section 12.1 above, within 10 business days after the date this conference took place (or should have taken place), Subfranchisor and Franchisor may submit the dispute to non-binding mediation at a location in California (or another location mutually agreeable to both parties) conducted by a mutually acceptable mediator. If the Dispute is not referred to mediation within 10 business days after the settlement conference took place (or should have taken place), the Dispute may be immediately submitted to binding resolution through arbitration proceedings pursuant to section 12.2 below. Any mediation proceedings should be completed within 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 for any party with respect to 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; provided, however, that evidence which is otherwise discoverable or admissible 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/or its affiliated entities) and Subfranchisor (and/or its Principal Equity Owners or affiliated entities) 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 from the American Arbitration Association in California or if the parties in dispute mutually agree, through binding arbitration by one arbitrator administered by any other mutually agreeable arbitration organization. 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 take place at the American Arbitration Association business location in California.

(c) Either party may present briefs and affidavits of witnesses who are unable to attend hearings. A limited amount of discovery is permitted within the discretion of the arbitrator (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, including 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 THIS 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 IS AGREEING 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 to be self-executing and will remain in full force and effect after 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 and 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 this Agreement; provided, however, that if a court of competent jurisdiction determines that any of such provisions are unlawful in any way, 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 in a situation where there is an imminent threat of harm to the legal rights of a party and damages would not be adequate relief to seek a temporary restraining order and temporary or preliminary injunctive relief from a court of competent jurisdiction in California, without the necessity of first complying with sections 12.1 and 12.2 above or posting any bond, and if bond is nevertheless required by a court of competent jurisdiction, 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). If an arbitration proceeding has already commenced pursuant to section 12.2 above when a party seeks injunctive relief, then the party seeking such injunctive relief agrees to contemporaneously submit the merits of its dispute to the arbitrator. 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 party to seek injunctive relief under this section 12.3. Subfranchisor acknowledges that its failure to comply fully with any of the terms of this Agreement respecting the obligations regarding examinations, audits and the Marks could cause irreparable damage to Franchisor or other affiliated persons or entities, and 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/or 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 prior to or in preparation for or in contemplation of the filing of the action or thereafter. The prevailing party will be determined by the arbitrator or court. This section 12.4 is intended to be expressly severable from the other provisions of this Agreement, 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:

Inkism International Co., LLC
700 Airport Blvd., Suite 270
Burlingame CA 94010

(ii) If to Subfranchisor:

____
____
____
Phone:

(b) Unless previously delivered in person by an agent of the sending party, notices between Area Developer 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 the California govern this Agreement, without regard to conflicts of laws. If any provision of this Agreement is impermissible under the governing law, the provision will be deemed amended to conform to that law while maintaining to the maximum extent possible the original intent of the provision.

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 breach or series of breaches or defaults in performance by

Subfranchisor 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 of Subfranchisor's obligations under this Agreement, will constitute a waiver of the provisions of this Agreement with respect to 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, law, ordinance, regulation or judicial decision, contrary to which the parties have no legal right under this Agreement, the latter will prevail, but 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. If any part, article, section, sentence or clause of this Agreement is held to be indefinite, invalid or otherwise unenforceable, the indefinite, 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.

This Agreement is not intended to benefit any other person or entity except the named parties hereto and no other person or entity (other than financing sources to whom Franchisor has granted or consented to a collateral assignment of this Agreement) 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 Subfranchisor contained herein, this Agreement is binding upon (i) Franchisor and inures to the benefit of its successors and assigns and (ii) Subfranchisor and inures to the benefit of its successors and assigns.

14.9 Counterparts.

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

14.10 Entire Agreement.

(a) This Agreement contains all the terms and conditions agreed upon by Subfranchisor and Franchisor regarding the subject matter hereof, provided however, that nothing in this Agreement or in any related agreement is intended to disclaim the representations made in the Shuang Jiang Cream in Tea 1986 franchise disclosure document that was provided to Subfranchisor. No other agreements oral or otherwise will be deemed to exist or to bind any of the parties hereto and all prior agreements and understandings are superseded hereby. Subfranchisor acknowledges that it executed this Agreement without reliance upon any unauthorized representation or promise.

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

[SIGNATURE PAGE FOLLOWS]

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

SUBFRANCHISOR:

____

By:_______________________
Name: ____________________
Title: ______________________

SUBFRANCHISOR'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 an entity Subfranchisor of all duties and obligations of the Subfranchisor under this Agreement)*

By:_______________________
Name: ____________________

By:_______________________
Name: ____________________

FRANCHISOR:
Inkism International Co., LLC.

By: ______________________
Name: Tzu-Kai Ko
President and CEO

EXHIBIT 1 - SUBFRANCHISE SCHEDULE

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

State of California, United States.

Subfranchisor must offer and sell (and thereafter maintain) Stores to Subfranchisees in accordance with the following schedule:

NUMBER OF STORE	DATE BY WHICH STORE MUST BE OPENED
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

The number of stores indicated in the above column shall not be interpreted as a limit to Subfranchisor's right to sublicense more than 10 stores. Subfranchisor is required to subfranchise or open direct store(s) on or before specific date indicated above.

SHUANG JIANG CREAM IN TEA 1986

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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 Inkism International Co., LLC., a California limited liability company ("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 understanding 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: Inkism International Co., LLC
700 Airport Blvd., Suite 270
Burlingame, CA 94010
Attn: Amber Lai
Telephone: (415) 917-6450

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:
Inkism International Co., LLC.
a California limited liability company

By: ____________________________
Name: __________________________
Title: __________________________

FRANCHISEE:
____
____

By: ____________________________
Name: __________________________
Title: __________________________

SHUANG JIANG CREAM IN TEA 1986

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FINANCIAL STATEMENTS

EXHIBIT B

SHUANG JIANG CREAM IN TEA 1986

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LIST OF FRANCHISE OUTLETS

EXHIBIT C

LIST OF FRANCHISE OUTLETS

As of December 31, 2019, no Shuang Jiang Cream in Tea 1986 franchisee had an outlet opened or operated.

SHUANG JIANG CREAM IN TEA 1986

LIST OF TERMINATED FRANCHISES

EXHIBIT D

LIST OF TERMINATED FRANCHISES

As of December 31, 2019, no Shuang Jiang Cream in Tea 1986 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.

SHUANG JIANG CREAM IN TEA 1986

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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:
Commissioner of Business Oversight, Department of Business Oversight
1515 K St., Ste. 200, Sacramento, CA 95814
1-866-275-2677

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 Business Oversight, Department of Business Oversight
1515 K St., Ste. 200, Sacramento, CA 95814
1-866-275-2677

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:
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:
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

SHUANG JIANG CREAM IN TEA 1986

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STATEMENT OF SUBFRANCHISOR

EXHIBIT F

STATEMENT OF SUBFRANCHISOR

Inkism International Co., LLC and you are entering into a Subfranchise Agreement under the terms of which you will be authorized to sell and offer Shuang Jiang Cream in Tea 1986 franchise outlets to Subfranchisees. The purposes of this Statement of Subfranchisor are (i) to verify compliance with franchise disclosure legal requirements and (ii) to determine whether any statements or promises were made to you that we did not authorize or that may be untrue, inaccurate or misleading. ***This Statement of Subfranchisor must be completed, signed and dated on the same day you sign your initial SHUANG JIANG CREAM IN TEA 1986 Subfranchise Agreement.***

This statement must be completed when you sign your initial Shuang Jiang Cream in Tea 1986 Subfranchise Agreement.

A. The following dates are true and correct:

1. _____________, 20___ ________
(Date) (Initials)
The date on which I received a Franchise Disclosure Document ("FDD") about the Shuang Jiang Cream in Tea 1986 Franchise.

2. _____________, 20___ ________
(Date) (Initials)
The date on which I signed the Shuang Jiang Cream in Tea 1986 Subfranchise Agreement (must be at least 15 days after the date in A.1)

3. _____________, 20___ ________
(Date) (Initials)
The earliest date on which I delivered cash, check or other consideration to a Shuang Jiang Cream in Tea 1986 Franchise sales representative (must be at least 15 days after the date in A.1)

B. Representations:

1. No oral, written or visual claim or representation which contradicted or was not disclosed in the Shuang Jiang Cream in Tea 1986 FDD was made to me, except:
____ Initial: _______
(If none was made, you must write "none")

2. Inkism International Co., LLC made no oral, written or visual claim or representation which stated or suggested any financial performance, sales, income or profit levels to me, except: Initial: _______
(If none was made, you must write "none")

I/we certify the above is true and correct to the best of my/our knowledge.

Subfranchisor

By:______________________ Date: ________________

By:______________________ Date: ______________

SHUANG JIANG CREAM IN TEA 1986

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STATE SPECIFIC ADDENDA

EXHIBIT G

INKISM INTERNATIONAL CO., LLC
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 Inkism International Co., LLC for use in the State of California shall be amended as follows:

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

2. Item 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. 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.

7. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www. DBO.ca.gov.

INKISM INTERNATIONAL CO., LLC
ADDENDUM TO SUBFRANCHISE AGREEMENT
REQUIRED BY THE STATE OF CALIFORNIA

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

1. Article 3.8 of the Agreement under the heading "Subfranchise 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.

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

INKISM INTERNATIONAL CO., LLC	**SUBFRANCHISOR**
By: ______________________________	By: ______________________________
Name: Tzu Kai Ko	Name: ____________________________
Title: President and CEO	Title: _____________________________
Date: ____________________________	Date: _____________________________

SHUANG JIANG CREAM IN TEA 1986

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STATE EFFECTIVE DATES

EXHIBIT H

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 exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Not registered
Hawaii	Not registered
Illinois	Not registered
Indiana	Not registered
Maryland	Not registered
Michigan	Not registered
Minnesota	Not registered
New York	Not registered
North Dakota	Not registered
Rhode Island	Not registered
South Dakota	Not registered
Virginia	Not registered
Washington	Not registered
Wisconsin	Not registered

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

SHUANG JIANG CREAM IN TEA 1986

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RECEIPTS

EXHIBIT I

RECEIPT

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

If Inkism International Co., LLC. 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.

Michigan, Oregon, and Washington require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Inkism International Co., LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agency listed on Exhibit E.

The franchisor is Inkism International Co., LLC, located at 700 Airport Blvd., Suite 270, Burlingame, California 94010. Its telephone number is (415) 917-6450.

Issuance Date: January 1, 2020

The franchise seller for this offering is Yu-Wen Lai, Vice President, Inkism International Co., LLC, 700 Airport Blvd., Suite 270, Burlingame, California 94010, (415) 917-6450.

Inkism International Co., LLC authorizes the respective state agencies identified on Exhibit E to receive service of process for it in the particular state.

I receive a disclosure document dated January 1, 2020 that included the following Exhibits:

A. Subfranchise Agreement
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 Addenda
H. State Effective Dates
I. Receipts

DATED: ______________________________ ______________________________
(Do not leave blank) 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 Subfranchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Inkism International Co., LLC. 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.

Michigan, Oregon, and Washington require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Inkism International Co., LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agency listed on Exhibit E.

The franchisor is Inkism International Co., LLC, located at Inkism International Co., LLC, 700 Airport Blvd., Suite 270, Burlingame, California 94010. Its telephone number is (415) 917-6450.

Issuance Date: January 1, 2020

The franchise seller for this offering is Yu-Wen Lai, Vice President, Inkism International Co., LLC, 700 Airport Blvd., Suite 270, Burlingame, California 94010, (415) 917-6450.

Inkism International Co., LLC authorizes the respective state agencies identified on Exhibit E to receive service of process for it in the particular state.

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A. Subfranchise Agreement
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E. State Franchise Administrators and Agents for Service of Process
F. Statement of Subfranchisor
G. State Specific Addenda
H. State Effective Dates
I. Receipts

DATED: ________________________________ (Do not leave blank)

____
Signature of Prospective Subfranchisor

____
Print Name

You may return the signed receipt either by signing, dating, and mailing it to Inkism International Co., LLC, at 700 Airport Blvd., Suite 270, Burlingame, California 94010, or by e-mail to amber@inkism.com.tw.