

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

| Issued: _____, 2018~~7~~

Sharetea USA

| January ~~2017-2018~~ FDD

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrators listed in Exhibit C for information about the franchisor or about franchising in your state. MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT INCLUDES A PROVISION FOR LIQUIDATED DAMAGES IN THE AMOUNT OF US\$10,000. YOU MUST MODIFY OR DISCONTINUE USE OF A SHARETEA TRADEMARK AT YOUR OWN EXPENSE IF SHARETEA MODIFIES THE TRADEMARK OR DISCONTINUES ITS USE.
2. THE FRANCHISE AGREEMENT HAS A TERM OF 3 YEARS. YOU MAY BE ASKED TO SIGN A RENEWAL AGREEMENT WITH MATERIALLY DIFFERENT TERMS AND YOU MUST PAY A US\$10,000 RENEWAL FEE.
3. YOU WILL NOT RECEIVE AN EXCLUSIVE TERRITORY. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM OUTLETS THAT WE OWN, OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS THAT WE CONTROL.
4. THIS FRANCHISOR HAS BEEN OFFERING FRANCHISES FOR A SHORT PERIOD OF TIME. THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT.
5. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM US\$260,500.00 TO US\$~~363,436,200~~400.00. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF DECEMBER 31, 2017, WHICH IS \$~~15463,783~~019.
6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Our own agent for service of Process is InCorp Services, Inc., One Commerce Center – 1201 Orange Street #600, Wilmington, Delaware 19899.

CALIFORNIA LAWS SUPERSEDE THESE FRANCHISE AGREEMENT PROVISIONS. CALIFORNIA STATE ADDENDUM REQUIRE THE SUPERSEDING PROVISIONS TO APPEAR IN ADDENDUM D IN THIS DISCLOSURE DOCUMENT.

Our URL address is: <http://www.sharetea.com.tw/>. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS.

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