

Kinmen Kaoliang Liquor Inc.

Distribution Agreement for Korean International Duty-Free Channel Distributor

Parties to the Agreement:

Kinmen Kaoliang Liquor Inc. (Party A)

_____ (Party B)

Based on the principles of equality, mutual benefit, and good faith cooperation, Party A and Party B have reached the following agreement regarding the exclusive distribution of Kinmen Kaoliang Liquor, produced by Party A, as an international duty-free product in South Korea. This Agreement shall serve as the basis for compliance and execution by the Parties:

Article 1: Contract Duration and Division of Periods

1. The Distribution Agreement shall have a duration of one (1) year.
2. The contract period shall commence on _____ (MM/DD/YYYY) and end on _____ (MM/DD/YYYY).
3. Each year shall be divided into four (4) quarters, with each quarter consisting of three (3) months.
4. The Agreement may be renewed only once for an additional one (1) year, subject to the Company's evaluation and approval, provided that the renewal process is initiated within thirty (30) days prior to the expiration of the contract period.

Article 2: Scope of Distribution Territory

1. The distribution territory shall include duty-free shops located within the Republic of Korea, including but not limited to international airports, onboard international flights, downtown areas, ports, border areas, and online duty-free platforms.
2. Party B shall ensure that the distributed products are made available for sale in Korean duty-free shops within sixty (60) days from the date of shipment of the first order. Relevant supporting documentation shall be provided. If the products are not made available for sale within the specified period, Party B shall provide a written explanation to Party A. Failure to comply with these requirements shall

be deemed a violation of the agreed distribution territory scope, and Party A shall have the right to evaluate and, at its discretion, terminate the Agreement and confiscate the full amount of the performance bond.

Article 3: Distributed Products, Pricing, and Specifications

1. Please see the details as set forth in the “Kinmen Kaoliang Liquor Inc. Price List of Products for Korean International Duty-Free Channels.”
2. In addition to the liquor products listed in the aforementioned table, Party A may, in accordance with market demand, add new products for distribution. Such products shall be incorporated into the Agreement for sale and included in the calculation of the annual distribution amount. The distribution prices for the additional products shall be governed by a separate supplementary agreement between the Parties.
3. During the term of the Agreement, should Party A request a price adjustment due to market conditions, wholesale price index fluctuations, raw material cost changes, or other relevant factors, Party B shall cooperate accordingly. The adjusted pricing terms shall be set forth in a separate supplementary agreement executed by the Parties.
4. If Party B is unable to accommodate Party A's requested price adjustment, Party A may terminate the Agreement and refund the performance bond in full, provided that Party B has committed no other breach of contract.

Article 4: Minimum Annual Distribution Amount

1. The minimum annual distribution amount shall be: USD _____.
2. Party B shall independently assess both the anticipated benefits and potential unforeseen losses arising from this Distribution Agreement. Party B shall evaluate the feasibility of achieving the aforementioned minimum distribution amount by considering all foreseeable and unforeseeable market factors, including but not limited to potential future economic variables, and shall assess any associated risks and losses. Party B shall not, during the performance of the Agreement, request a reduction in the annual distribution amount, nor shall Party B, for any reason whatsoever, claim any compensation or damages from Party A.

Article 5: Provisions Regarding the Distribution Amount

1. The distribution amount referred to in this Agreement shall be calculated based on the product items and quantities ordered by Party B, and shall be recognized only upon Party A's actual receipt of all of the total payment from Party B for such orders.
2. Party A shall endeavor to supply ordered products in batches based on Party B's order quantities and Party A's actual production capacity. If Party A is unable to supply sufficient quantities due to production limitations, adjustments in export pricing, changes in production plans resulting in the discontinuation of a product, or due to causes not attributable to Party A, force majeure, or changes in government policy, Party B shall not claim breach of contract by Party A, nor seek any compensation from Party A.
3. If Party B fails to meet the minimum annual distribution amount, Party A may, without prior notice, terminate the Agreement and confiscate the entire performance bond as punitive liquidated damages. Party A also reserves the right to claim additional damages if any loss has occurred.
4. If Party B refuses to perform the Agreement, or if its conduct is deemed a refusal to perform, Party A may terminate this Agreement and confiscate the entire performance bond as punitive liquidated damages. Party A shall also be entitled to claim damages for any resulting losses.

Article 6: Delivery Location

Delivery shall be made CIF (Cost, Insurance, and Freight) to a port in Korea. Any alternative delivery methods or locations shall be negotiated separately by the Parties.

Article 7: Sales Operations

1. Ordering and Payment:
 - (1) Party B shall place purchase orders at least ninety (90) days prior to the desired delivery date to allow sufficient time for Party A to prepare materials and produce the goods.
 - (2) Upon receipt of Party B's purchase order, Party A shall issue a "Sales

Confirmation” to Party B.

- (3) Upon receipt of the “Sales Confirmation” issued by Party A, Party B shall sign, confirm, and return the confirmation to Party A within five (5) working days, including the date of confirmation.
- (4) If Party B fails to return the signed confirmation within the specified five (5) working days, the relevant order shall automatically become void and shall be considered as not having been placed.
- (5) After Party A ships the liquor products to a Korean port in accordance with the terms of this Agreement, Party B shall remit full payment via wire transfer to the bank account designated by Party A (as set forth below) within thirty (30) days of the goods' arrival at the port.

USD Bank Account:

Bank Name: Land Bank of Taiwan, Kinmen Branch (SWIFT CODE:
LBOTTWTP039)

Account Name: Kinmen Kaoliang Liquor Inc.

Account No.: 039-101-000323.

2. Shipping:

- (1) Upon confirmation of receipt of the “Sales Confirmation” from Party B, Party A shall complete the preparation and shipment of the liquor products within ninety (90) days, and shall issue a “Shipping Notice” to inform Party B of the estimated shipping date.
- (2) Party A shall bear the costs incurred from its warehouse to the Port of Kinmen and onward to the Korean port designated by Party B, in accordance with CIF trade terms.
- (3) Once Party B has confirmed the order, taken delivery, and completed the transaction procedures, Party B shall not arbitrarily request a return of goods.
- (4) All expenses incurred after delivery at the destination port in Korea—including acceptance, import duties, container handling, and freight charges—shall be borne entirely by Party B.

3. Pick-Up Deadline Regulations:

- (1) In accordance with Article 6 of this Agreement, Party A shall arrange shipment accordingly. Party B shall promptly complete the cargo pick-up procedures upon the goods' arrival. Any costs arising from delays in pick-up, failure to pick up, or return shipments shall be borne entirely by Party B. Should Party B refuse to bear such costs, Party A shall have the right to deduct the corresponding amount from the performance bond.
- (2) If Party B violates the above provision and the ordered products are returned, any resulting costs shall be deducted by Party A from the performance bond. In such a case, Party A shall suspend further product orders and shipments until Party B replenishes the deducted amount of the performance bond. Should such circumstances lead to failure in meeting the agreed distribution amount or any other breach of this Distribution Agreement, Party B shall bear full responsibility.

Article 8: Performance Bond

1. Upon receiving notice from Party A to execute the sales agreement, Party B shall remit a performance bond in the amount of USD _____ (calculated as 10% of the annual distribution amount under the agreement) within thirty (30) days of such notice. Failure to execute the agreement within the specified period shall be deemed a forfeiture of the right to contract.
2. The performance bond shall be paid by Party B via wire transfer.
3. Provided that Party B commits no breach of contract during the term of this Agreement, the performance bond shall be returned to Party B without interest upon expiration of the contract period. In the event that Party A is entitled to claim damages or impose punitive liquidated damages in accordance with applicable law or the terms of this Agreement, Party A may deduct such amounts from the performance bond.
4. Any amount deducted from the performance bond pursuant to this Agreement must be replenished by Party B within thirty (30) days of written notice from Party A. Failure to do so shall result in a daily penalty of 0.5% of the outstanding amount. If the accumulated penalty reaches 20% of the original performance

bond and the deficiency remains unreplenished, Party A may terminate this Agreement and forfeit the remaining performance bond.

Article 9: Special Provisions Regarding Product Labeling

1. Party B may, in accordance with the relevant regulations of Korea or applicable duty-free requirements, coordinate with Party A to propose supplemental labeling that complies with the requirements of the importing country (or region). Such supplemental labels shall be provided by Party B. If Party B fails to provide such labels, it shall be deemed that there is no such requirement.
2. The supplemental labels provided by Party B must be simple and easy to apply. If application of the labels proves difficult or results in complications, Party A may request reimbursement from Party B for the associated costs.
3. Party B shall ensure the accuracy and legality of the content of the supplemental labels and shall bear all related legal and regulatory responsibilities. The supplemental labels shall in no way negate, obscure, or remove the original labeling as affixed by Party A on the products.

Article 10: Trademarks

1. The trademark associated with the product is the property of Party A. Party B shall not use the trademark on any other products. Any unauthorized use shall subject Party B to legal liability. Unless otherwise stipulated in this Agreement, either Party in breach of the terms or warranties herein shall be liable to compensate the other Party for any resulting damages in accordance with the law.
2. If any third party infringes upon Party A's trademark rights in Party B's distribution territory, Party B shall promptly notify Party A and cooperate with Party A in protecting its trademark rights.

Article 11: Prohibition Against Adulteration, Packaging Alteration, and Sale of Counterfeit (Fake) Liquor

1. Party B shall not adulterate or tamper with the distributed liquor for sale, nor shall Party B alter the packaging without prior consent from Party A.
2. Party B shall not sell any Kinmen Kaoliang Liquor products that have not been

approved by Party A, nor shall Party B distribute counterfeit or fake products that resemble Party A's product packaging or appearance.

3. If Party B is found, either by relevant government authorities or Party A, to have violated Paragraph 1 or 2 of this Article, Party A may terminate this Agreement and forfeit the entire performance bond as punitive liquidated damages. Should Party A incur any further losses as a result, Party B shall be liable for compensation. The same shall apply if any distributor or retailer substantially controlled or affiliated with Party B is found to be engaged in the sale of counterfeit or fake liquor.

Article 12: Sales Prohibition Clause

1. Party B shall operate in accordance with Article 2 of this Agreement and shall not conduct sales in any territories without prior approval from Party A. If Party B violates this provision, and Party A verifies such violation through conclusive evidence such as sales documentation, Party A may terminate the Agreement and forfeit the entire performance bond.
2. After taking delivery of the products, Party B shall, in good faith and through reasonable means, actively engage in the sale of the contracted products. Party B shall not engage in unreasonable hoarding or stockpiling, nor in any other behavior that may harm Party A's market interests. Party A reserves the right, with Party B's accompaniment, to inspect the storage locations or warehouses where Party B keeps the contracted products. Party B shall not unreasonably refuse such inspection or conceal inventory, and shall, upon request, provide Party A with relevant inventory data and stock lists for reference. If Party B violates this clause, Party A may, depending on the severity of the circumstances, terminate the Agreement and confiscate the entire performance bond as punitive liquidated damages. Party A may also claim compensation for any resulting damages.

Article 13: Performance of Contractual Obligations and Notification of Material Events Related to Contract Performance

1. Party B shall not assign this Agreement, or any of its rights or obligations hereunder, in whole or in part, to any third party. Any such assignment shall be

deemed null and void, and Party A shall have the right to terminate the Agreement and forfeit the performance bond.

2. Following the execution of this Agreement, if Party B encounters any material event concerning its operations or financial condition, any significant change in management or ownership, or any other matter materially affecting its ability to fulfill its contractual obligations, it shall promptly notify Party A.
3. In the event of any of the aforementioned circumstances, the following provisions shall apply:
 - (1) If Party B experiences a material operational or financial incident, and Party A reasonably believes that Party B may be unable to perform its obligations under this Agreement (including payment of goods), Party A may request Party B to execute a supplemental agreement to guarantee its ability to perform, unless Party A agrees to the explanation and documentation provided by Party B. If the Parties fail to reach an agreement regarding such guarantees, Party A may terminate the Agreement and confiscate the performance bond.
 - (2) For other events under the preceding paragraph that materially affect Party A's anticipated benefits under this Agreement, and where such situations are remediable in nature, Party A may notify Party B to remedy the issue within a specified period. If Party B fails to do so within the time limit, Party A may, at its sole discretion, terminate the Agreement and forfeit the performance bond. If the event is not remediable in nature and Party A reasonably believes it significantly affects Party B's ability to fulfill the Agreement, the provision of the preceding subparagraph shall apply *mutatis mutandis*.

Article 14: Miscellaneous Provisions

1. For each order placed by Party B, Party A shall supply the goods in batches based on the contractual quantity and actual production capacity. If the products listed in Article 3 of this Agreement cannot be supplied due to reasons not attributable to Party A, force majeure, or changes in government policy, Party B shall not claim any compensation.

2. Any issues Party B may encounter in market promotion shall be unrelated to Party A, except for those obligations expressly stipulated in this Agreement that require Party A's performance. Party B shall bear all foreseeable and unforeseeable adverse or obstructive market factors that result in excessive losses or unsold inventory, and may not request a reduction or modification of any obligations or burdens it is required to perform under this Agreement.
3. When promoting or marketing alcoholic products, Party B shall comply with all relevant local laws and regulations and shall refrain from engaging in any false or misleading advertising, deceptive practices, or actions that could mislead consumers. Should any act by Party B damage Party A's reputation or interests, Party A may pursue all applicable legal remedies and claim compensation for damages.
4. Party A may, from time to time, dispatch personnel to audit Party B's operations related to Party A's products and review relevant sales and management reports. Party A may also require Party B to submit regular reports, and may assign personnel to accompany Party B's sales staff to its distribution channels to understand product display and sales performance in the market. Party B shall fully cooperate.

Article 15: Contract Validity and Amendments

1. All provisions of this Agreement shall be construed as complementary to one another. In the event of any ambiguity, the interpretation of Party A shall prevail.
2. When necessary, Party A may propose amendments to the Agreement through mutual consultation with Party B. Upon receiving such notice, Party B shall independently assess whether to accept the proposed amendments. Any amendments shall take effect only upon execution of a written document prepared by Party A and signed or sealed by the Parties. If Party B is unable to cooperate with Party A's request, Party A may terminate the Agreement, and, provided that Party B has not committed any breach, the performance bond shall be refunded in full.
3. Any matters not provided for in this Agreement, or any unclear provisions, shall be amended or supplemented only upon mutual agreement by the Parties in

writing, and such written amendments or supplements shall be deemed an integral part of this Agreement.

Article 16: Supplementary Provisions on Contract Termination and Rescission

Unless otherwise provided in this Agreement, should Party B fall under any of the following circumstances, Party A may, in addition to suspending further deliveries, unilaterally terminate or revoke the Agreement in writing without prior notice or regular reminders. In such case, Party A shall be entitled to forfeit the full amount of the performance bond as liquidated damages. If additional damages are incurred, Party A may also seek compensation:

1. Party B unjustifiably suspends the performance of this Agreement or seriously delays in fulfilling its obligations.
2. Party B's performance deviates from the terms of the Agreement and fails to rectify the situation within the period specified by Party A following notice.
3. Party B fails to perform its obligations under this Agreement except when prevented by force majeure (such as natural disasters or extraordinary events) or causes not attributable to Party B.
4. Party B participates in the tender using false or misleading files, data, or documents.
5. Party B is found to have forged or altered the contract or any related performance documents.
6. Party B disseminates false information or materials that significantly damage Party A's products, corporate image, or commercial reputation.
7. Party B experiences a significant event rendering it incapable of continuing to perform this Agreement.
8. Party B engages in any infringing acts (including trademark, portrait, or property rights) of a serious nature.

Article 17: Confidentiality Obligations

1. The Parties shall strictly maintain the confidentiality of the provisions of this Agreement and any related matters agreed upon separately due to this Agreement, and shall not disclose such information to any third party without

authorization.

2. Any trade secrets acquired or held by either Party in connection with this Agreement shall be kept confidential. Without prior consent of the disclosing Party, such confidential information shall not be used for any purpose other than the performance of this Agreement, nor disclosed to any third party.
3. The confidentiality obligations set forth in this Article shall remain in effect even after the expiration, termination, or revocation of this Agreement. However, such obligations shall not apply to information that becomes public through no fault or breach by the receiving Party.

Article 18: Dispute Resolution

In the event of any disputes arising between Party A and Party B in connection with the performance of this Agreement, the Parties shall make every effort to resolve the issue through negotiation in accordance with the applicable laws and the terms of the Agreement. If no resolution is reached, the dispute may be handled in one of the following ways:

1. In accordance with the provisions of the Agreement or other mutually agreed-upon methods.
2. By filing a civil lawsuit.

Article 19: Performance Handling After Dispute Arises

In the event of a dispute between Party A and Party B regarding the performance of the Agreement, the following principles shall apply to the handling of performance matters:

1. Portions of the performance unrelated to or unaffected by the dispute shall continue to be performed. However, this does not apply if Party A agrees otherwise.
2. If Party B suspends performance due to the dispute and the suspension is later determined to be without valid reason, Party B shall not request an extension of the performance deadline or be exempted from contractual responsibilities for the portion of the performance that was suspended.

Article 20: Governing Law and Jurisdiction

All disputes arising from this Agreement shall be governed by the laws of the Republic of China (Taiwan). The Parties agree that the court of first instance for any dispute arising from this Agreement shall be the Fuchien Kinmen District Court.

Article 21: Supplementary Provisions

1. This Agreement is executed in both Chinese and English. In case of any discrepancies, the Traditional Chinese version shall prevail.
2. The annexes to this Agreement (such as the "Kinmen Kaoliang Liquor Inc. Price List of Products for Korean International Duty-Free Channels") shall have the same legal effect as the main Agreement.

Article 22: Amendments or Supplements

1. Unless otherwise stipulated, the commencement date of the performance period shall not be included. If the final day of the performance period falls on a Sunday, national holiday, or other day of rest, the following business day shall be deemed the final day of the period, ending at Party A's close of business hours on that day.
2. Any matters not covered in this Agreement shall be handled in accordance with relevant laws and regulations. In the event of a violation of the laws of the Republic of China or amendments to such laws, the Parties shall negotiate to amend the Agreement to comply with the applicable legal provisions.
3. If any provision of this Agreement is declared invalid by a competent authority, the Parties agree that the validity of the remaining provisions shall not be affected thereby.
4. This Agreement is executed in two (2) original counterparts each in Chinese and English, with each Party retaining one (1) original. Party A shall affix the required revenue stamp in accordance with applicable regulations. Three (3) additional copies shall be retained by Party A for record-keeping purposes.

Parties to the Agreement:

Party A: Kinmen Kaoliang Liquor Inc.

Representative: 000

Address: No.1, Taoyuan Rd., Jinning Township, Kinmen County, ROC (Taiwan)

Telephone: (082) 325628

Unified Business Number: 16436466

Party B: 000000000000

Representative: 000

Address: 000000000000

Telephone: 00000000

Unified Business Number: 00000000

Month / Day / Year