

KID CASTLE EDUCATIONAL CORPORATION LETTER OF TRANSMITTAL

PLEASE READ THIS LETTER OF TRANSMITTAL AND THE ACCOMPANYING INSTRUCTIONS CAREFULLY BEFORE COMPLETING, SIGNING AND DELIVERING.

This Letter of Transmittal is being sent to you in connection with the Reverse Stock Split of Kid Castle Educational Corporation. You are entitled to receive \$0.18 per share outstanding as of the effective time of the Reverse Stock Split. In order to receive the payment due to you in connection with the Reverse Stock Split, sign this Letter of Transmittal in Box 1 (with respect to your tendered securities) and in Box 2 (for your IRS Form W-9) and mail or deliver this completed Letter of Transmittal, or a copy of it, in accordance with the instructions on the next page, together with the certificates or certificates representing your shares of Kid Castle Educational Corporation, to:

**SECURITIES TRANSFER CORPORATION
PO BOX 701629
DALLAS, TEXAS 75370**

I (or we or it, as applicable), the undersigned, surrenders to Securities Transfer Corporation the Kid Castle common stock identified in Box 3 below for exchange for \$0.18 per share. I certify that I have complied with all requirements set forth in the instructions below, I am the registered holder of the Kid Castle stock represented by the enclosed certificate(s), and/or Affidavit of Lost, Missing or Destroyed Certificate(s) and Agreement of Indemnity. I certify that the Kid Castle stock surrendered is free and clear of all liens, restrictions, adverse claims and encumbrances.

The undersigned acknowledges and agrees that the surrender of the Kid Castle stock is unaffected by, and will survive, the death or incapacity of the undersigned and any obligations of the undersigned hereunder will be binding upon the heirs, legal representatives, successors and assigns of the undersigned.

1 Signature: This form must be signed by the registered holder(s) exactly as their name(s) appears on the certificate(s) or by person(s) authorized to sign on behalf of the registered holder(s) by documents transmitted herewith.

2 **SUBSTITUTE FORM W-9 (for U.S. Shareholders only)**

Non-U.S. Shareholders should complete Form W-8BEN (see Instruction 2.)
非美國公民 / 居民的股票持有人應填寫BEN表格 (請參照二項)

PLEASE CERTIFY YOUR TAXPAYER ID OR SOCIAL SECURITY NUMBER BY SIGNING BELOW.

NAME (as shown on your income tax return): _____

BUSINESS NAME (if different from above): _____

Check appropriate box:
 Individual/Sole Proprietor Corporation Partnership Other _____

ADDRESS: _____

CITY/STATE/ZIP: _____

<p>PART 1: Taxpayer Identification Number (TIN) – Please provide your TIN in the box at right and certify by signing and dating below. If awaiting a TIN, write "Applied For" in the box at right and certify by signing and dating below, and complete the following "Certificate of Awaiting Taxpayer Identification Number" box below.</p>	<div style="border-bottom: 1px solid black; width: 80%; margin: 0 auto; margin-bottom: 5px;"></div> <p style="margin: 0;">Social Security Number</p> <p style="margin: 0;">OR</p> <div style="border-bottom: 1px solid black; width: 80%; margin: 0 auto; margin-bottom: 5px;"></div> <p style="margin: 0;">Employer Identification Number</p>
--	---

PART 2: For Shareholders Exempt from Backup Withholding – Check the box if you are EXEMPT from backup withholding (see attached Instructions and Guidelines).

PART 3: Certification – Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), **and**

2. I am not subject to backup withholding because: **(a)** I am exempt from backup withholding, or **(b)** I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or **(c)** the IRS has notified me that I am no longer subject to backup withholding, **and**

3. I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. However, if after being notified by the IRS that you were subject to backup withholding you received another notification from the IRS that you are no longer subject to backup withholding, do not cross out item 2 above.

The IRS does not require your consent to any provision of this document other than the certification required to avoid backup withholding.


Signature: _____ **Date:** _____

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer identification number has not been issued to me, and either (1) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate IRS Service Center or Social Security Administration Office, or (2) I intend to mail or deliver an application in the near future. I understand that if I do not provide a taxpayer identification number by the time of payment, 28% of all reportable payments made to me will be withheld.

Signature

Date

3 DESCRIPTION OF SHARES SURRENDERED <i>(Please fill in. Attach separate schedule if needed)</i>		
Name(s) and Address of Registered Holder(s) If there is any error in the name or address shown below, please make the necessary corrections	Certificate No(s)	Number of Shares
	TOTAL SHARES 	

4

AFFIDAVIT OF LOST, MISSING OR DESTROYED CERTIFICATE(S) AND AGREEMENT OF INDEMNITY

THIS AFFIDAVIT IS INVALID IF IT IS NOT SIGNED AND NOTARIZED BELOW. NOTE: FOREIGN OWNERS MUST ALSO INCLUDE APOSTILLE SEAL OR LEGAL EQUIVALENT.

Please Fill In Certificate No(s) if known	Number of Shares
TOTAL SHARES LOST →	
<i>Attach separate schedule if needed</i>	

By signing this form I/We or myself/ourselves swear, depose and state that: I/We or myself/ourselves am/are the lawful owner(s) of the certificate(s) hereinafter referred to as the "Kid Castle common stock" described in the Letter of Transmittal. The stock has not been endorsed, pledged, cashed, negotiated, transferred, assigned, or otherwise disposed of. I/We or myself/ourselves have made a diligent search for the stock certificates and have been unable to find it or them and make this Affidavit for the purpose of inducing the sale, exchange, redemption, or cancellation of the stock, as outlined in the Letter of Transmittal, without the surrender of the original(s). I/We or myself/ourselves hereby agree to surrender the stock certificates for cancellation should I/We or myself/ourselves, at any time, find the certificates.

I/We or myself/ourselves hereby agree for myself/ourselves, my/our heirs, successors, assigns and personal representatives, in consideration of the proceeds of the sale, exchange, redemption or cancellation of the stock, and the aforementioned surety ship, to indemnify, protect and hold harmless Securities Transfer Corporation, Kid Castle Educational Corporation, all of affiliate companies, agents, and employees, from and against any and all loss, costs, and damages including court costs and attorney's fees, which they may be subject to or liable for in respect to the sale, exchange, redemption, or cancellation of the stock without requiring surrender of the original stock certificates. The rights accruing to the parties under the preceding sentence shall not be limited or abridged by their negligence, inadvertence, accident, oversight, breach or failure to inquire into, contest, or litigate any claim, whenever such negligence, inadvertence, accident, oversight, breach or failure may occur or may have occurred.

X Signed by Affiant (stockholder) _____ on this (date) _____
Month / Day / Year

Social Security # _____ Date _____ Notary Public _____

5

Special Transfer Instructions

If you want your check for cash to be issued in **another name**, fill in this section with the information for the new account name.

Name (Please Print First, Middle & Last Name)

Address (Number and Street)

(City, State & Zip Code)

(Tax Identification or Social Security Number)

Medallion Signature Guarantee
(required if giving Special Transfer Instructions)

(Title of Officer Signing this Guarantee)

(Name of Guarantor - Please Print)

(Address of Guarantor Firm)

6

Special Mailing Instructions

Fill in ONLY if mailing to someone other than the shareholder signing above or to an address other than that shown on the front of this form.

Mail check(s) to:

Name (Please Print First, Middle & Last Name)

Address (Number and Street)

(City, State & Zip Code)

7

Election to be paid in Taiwan Dollars
選擇收取新台幣 (務必勾選以下方格)

I would like to receive payment in Taiwan Dollars rather than U.S. dollars (我選擇收取新台幣)

INSTRUCTIONS FOR COMPLETING THE LETTER OF TRANSMITTAL

1. Sign, date and include your daytime telephone number in this Transmittal Form in Section 1. Return this form and your certificates in the enclosed envelope. Your old certificate(s) representing your shares of Kid Castle Educational Corporation and the Letter of Transmittal must be sent or delivered to the Exchange Agent. *Do not send them to the Company.* Delivery of certificates to be surrendered to the Exchange Agent at the address set forth on the front of the Letter of Transmittal is at the option and risk of the surrendering shareholder. Delivery will be deemed effective only when received. **We suggest that certificate(s) be sent by registered mail with return receipt requested and properly insured.** A return envelope is enclosed.
2. Important Tax Information

United States Internal Revenue Service Circular 230 Notice: To ensure compliance with Internal Revenue Service Circular 230, Shareholders are hereby notified that: (a) any discussion of U.S. federal tax issues contained or referred to in this Letter of Transmittal or any document referred to herein is not intended or written to be used, and cannot be used by Shareholders, for the purpose of avoiding penalties that may be imposed on them under the United States Internal Revenue Code; (b) such discussion is written for use in connection with the promotion or marketing of the transactions or other matters addressed herein; and (c) Shareholders should seek advice based on their particular circumstances from an independent tax advisor.

Under U.S. federal income tax law, a U.S. Shareholder who receives payments from the exchange agent (Securities Transfer Corporation) pursuant to the Reverse Stock Split is required to provide his, her or its correct Taxpayer Identification Number ("TIN") and to certify that the TIN provided is correct by completing the Substitute Form W-9 in Box 2. If the correct TIN is not provided, the Shareholder may be subject to a US\$50 penalty imposed by the Internal Revenue Service ("IRS"). In addition, such payments that are made to such Shareholders with respect to the Reverse Stock Split may be subject to backup withholding (as described below) and information reporting requirements. Failure to comply truthfully with the backup withholding requirements also may result in the imposition of criminal and/or civil fines and penalties.

Exempt Shareholders (including, among others, all corporations) are not subject to these backup withholding and information reporting requirements. Non-U.S. Shareholders are generally exempt from these backup withholding and information reporting requirements, but may be required to complete IRS Form W-8BEN or an appropriate other form to establish such exemption. Exempt Shareholders, other than Non-U.S. Shareholders, should furnish their TIN, check the "Exempt" box in Part 2 of the Substitute Form W-9, and sign, date and return the Substitute Form W-9 to the exchange agent.

If backup withholding applies, 28% of any payments made pursuant to the Reverse Stock Split to such Shareholder is required to be withheld. Backup withholding is not

an additional U.S. federal income tax. Rather, the U.S. federal income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a credit or refund may be obtained pursuant to IRS procedures. Securities Transfer Corporation cannot refund amounts withheld by reason of backup withholding. Shareholders are urged to consult their tax advisors to determine the application of these backup withholding and information reporting requirements to them.

Purpose of Substitute Form W-9. To prevent backup withholding on payments made with respect to the Reverse Stock Split, a U.S. Shareholder is required to notify Securities Transfer Corporation of his, her or its correct TIN by completing the Substitute Form W-9 in Box 2 above, certifying that the TIN provided on the Substitute Form W-9 is correct (or that such Shareholder is awaiting a TIN), that the Shareholder is a U.S. person and that (1) such Shareholder is exempt from backup withholding, (2) such Shareholder has not been notified by the IRS that it is subject to backup withholding as a result of a failure to report all interest or dividends, or (3) the IRS has notified the Shareholder that such Shareholder is no longer subject to backup withholding (see Part 3 of Substitute Form W-9). See the enclosed “Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9” for additional instructions. Shareholders are urged to consult their tax advisors for further advice.

Non-U.S. Shareholders and Form W-8BEN. Non-U.S. Shareholders are generally exempt from backup withholding and information reporting requirements. To establish such exemption, Non-U.S. Shareholders may be required to complete IRS Form W-8BEN or an appropriate other form, and NOT Substitute Form W-9. Such forms are available on the IRS website at www.irs.gov. Shareholders are urged to consult their tax advisors for further advice.

非美國公民/居民之股票持有人一般可享有所得稅免於美國繳納預扣稅以及部分資訊申報的義務減免。欲取得前述之權力，非美國居民之股票持有人應填寫美國本坡國稅局 -8BEN 表格或其他適當的表格，而不是替代表格 -9W。完整的 W8BEN 表格可於美國稅務局網站 www.irs.gov 取得。股票持有人應諮詢個人的稅務顧問已獲得更進一步的個人稅務建議以及填寫此項表格的稅務資訊。

What Number to Give Securities Transfer Corporation. A U.S. Shareholder is required to give Securities Transfer Corporation such Shareholder’s TIN (e.g., social security number or employer identification number). If the Shareholder has not been issued a TIN and has applied for a number or intends to apply for a number in the near future, such Shareholder should write “Applied For” in the space provided for the TIN in Part 1, and sign and date the Substitute Form W-9. Notwithstanding that “Applied For” is written in Part 1, Securities Transfer Corporation will withhold on all payments made prior to the time a properly certified TIN is provided to it. If “Applied For” is written in Part 1 and Securities Transfer Corporation is not provided with a TIN by the time of payment, Securities Transfer Corporation will withhold 28% on all such payments received pursuant to the Reverse Stock Split until a properly certified TIN is provided to Securities Transfer Corporation. A tendering U.S. Shareholder who writes “Applied For” in Part 1 in lieu of furnishing his, her or its TIN should furnish Securities Transfer Corporation with such Shareholder’s TIN as soon as it is received.

3. In Box 3, please give your mailing address and list the certificate number(s) and number of shares for all stock that you are surrendering.
4. If your certificate(s) has been lost, stolen, misplaced or destroyed, please complete the affidavit in Box 4 and return it to Securities Transfer Corporation together with this form. Please note that the affidavit is a sworn statement, made under penalty of perjury, and must be signed in the presence of a notary public or other person similarly authorized to administer oaths.
5. If you want your check for cash to be issued to someone other than the record shareholder, fill in Box 5. If you complete Box 5, the signatures on this Letter of Transmittal must be guaranteed by a firm that is a bank, broker, dealer, credit union, savings association or other entity which is a member in good standing of the Securities Transfer Agents' Medallion Program (each an "Eligible Institution"). If the surrendered certificate(s) are registered in the name of a person other than those signing in Box 3, if the check is to be made out to a person other than those signing in Box 3, or if the check is to be made out to a person other than the name on the stock certificate(s), then the surrendered certificate(s) must be endorsed or accompanied by duly executed stock powers, in either case signed exactly as the name(s) of the registered owners appear on such certificate(s), with the signatures on the certificate(s) guaranteed by an Eligible Institution as provided above. If payment is to be made to a person other than the person in whose name the surrendered certificate is registered, the person(s) signing in Box 3 is required to pay any transfer or other taxes required by reason of the payment to a person other than the registered holder of the surrendered certificate(s) or establish to the satisfaction of the exchange agent that such tax has been paid or is not applicable.
6. Fill in Box 6 if mailing to someone other than the person signing in Box 3 or to an address other than that shown in Box 1.
7. Check Box 7 if you desire to receive payment in Taiwan Dollars rather than U.S. Dollars. The applicable exchange rate will be the closing Taiwan Dollar – U.S. Dollar exchange rate published by The Wall Street Journal on its web site for the date when the Reverse Stock Split is effective.

QUESTIONS?

**For assistance in English contact
Securities Transfer Corporation**

Tel: (469) 633-0101

Email:

Address:

**P.O. Box 701629
Dallas, TX 75370**

**For assistance in Mandarin, contact
the Company at:**

如果您需要中文語言協助，
請利用以下聯絡方式聯絡公司專員

曾小姐

Tele: 886-2-2218-5996

Email: Emma@kidcastle.com

Address: 台北縣新店市民權路 98號8樓
8th Floor, No.98, Min Chuang Rd. Hsien Tien.
Taipei Taiwan, ROC.

**GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION
NUMBER ON SUBSTITUTE FORM W-9**

Guidelines For Determining the Proper Identification Number to Give the Payer – Social Security Numbers (“SSNs”) have nine digits separated by two hyphens: i.e., 000-00-0000. Employer Identification Numbers (“EINs”) have nine digits separated by only one hyphen: i.e., 00-0000000. The table below will help determine the number to give the payer. All “section” references are to the Internal Revenue Code of 1986, as amended. “IRS” is the Internal Revenue Service.

For this type of account:	Give the NAME and SOCIAL SECURITY NUMBER or EMPLOYER IDENTIFICATION NUMBER of–	For this type of account:	Give the NAME and EMPLOYER IDENTIFICATION NUMBER of–
1. Individual	The individual	6. Disregarded entity not owned by an individual	The owner
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account(1)	7. A valid trust, estate, or pension trust	Legal entity(4)
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor(2)	8. Corporation or LLC electing corporate status on Form 8832	The corporation
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee(1)	9. Association, club, religious, charitable, educational or other tax-exempt organization	The organization
b. The so-called trust account that is not a legal or valid trust under State law	The actual owner(1)	10. Partnership or multimember LLC	The partnership or LLC
5. Sole proprietorship or disregarded entity owned by an individual	The owner(3)	11. A broker or registered nominee	The broker or nominee
		12. Account with the Department of Agriculture in the name of a public entity (such as a State or local government, school district, or prison) that receives agricultural program payments	The public entity

- (1) List first and circle the name of the person whose SSN you furnish. If only one person on a joint account has an SSN, that person’s number must be furnished.
- (2) Circle the minor’s name and furnish the minor’s SSN.
- (3) You must show your individual name and you may also enter your business or “doing business as” name on the second name line. You may use either your SSN or EIN (if you have one). If you are a sole proprietor, the IRS encourages you to use your SSN.
- (4) List first and circle the name of the legal trust, estate or pension trust. (Do not furnish the taxpayer identification number of the personal representative or trustee unless the legal entity itself is not designated in the account title). Also see special rules regarding partnerships, on the IRS Form W-9 available at www.irs.gov.

NOTE: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9

Page 2

Purpose of form

A person who is required to file an information return with the IRS must get your correct taxpayer identification number (“TIN”) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an individual retirement account. Use Substitute Form W-9 to give your correct TIN to the requester (the person requesting your TIN) and, when applicable, (i) to certify the TIN you are giving is correct (or you are waiting for a number to be issued), (ii) to certify you are not subject to backup withholding, or (3) to claim exemption from backup withholding if you are an exempt payee. The TIN provided must match the name given on the Substitute Form W-9.

How to Get a TIN

If you do not have a TIN, apply for one immediately. To apply for an SSN, obtain Form SS-5, Application for a Social Security Card, at the local office of the Social Security Administration or get this form on-line at www.socialsecurity.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by calling 1-800-TAXFORM (1-800-829-3676) or from the IRS web site at www.irs.gov.

If you do not have a TIN, write “Applied For” in Part 1, sign and date the form, and give it to the payer.

Note: Writing “Applied For” on the form means that you have already applied for a TIN or that you intend to apply for one soon. As soon as you receive your TIN, complete another Form W-9, include your TIN, sign and date the form, and give it to the payer.

CAUTION: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Payees Exempt from Backup Withholding

Individuals (including sole proprietors) are NOT exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note: If you are exempt from backup withholding, you should still complete Substitute Form W-9 to avoid possible erroneous backup withholding. If you are exempt, enter your correct TIN in Part 1, check the “*Exempt*” box in Part 2, and sign and date the form. If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8, Certificate of Foreign Status.

The following is a list of payees that may be exempt from backup withholding and for which no information reporting is required. For interest and dividends, all listed payees are exempt except for those listed in item (9). For broker transactions, payees listed in (1) through (13) and any person registered under the Investment Advisers Act of 1940 who regularly acts as a broker are exempt. Payments subject to reporting under sections 6041 and 6041A are generally exempt from backup withholding only if made to payees described in items (1) through (7). However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: (i) medical and health care payments, (ii) attorneys’ fees, and (iii) payments for services paid by a federal executive agency. Only

payees described in items (1) through (5) are exempt from backup withholding for barter exchange transactions and patronage dividends.

1. An organization exempt from tax under section 501(a), or an individual retirement account (“IRA”), or a custodial account under section 403(b)(7), if the account satisfies the requirements of section 401(f)(2).
2. The United States or any of its agencies or instrumentalities.
3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities.
4. A foreign government, a political subdivision of a foreign government, or any of their agencies or instrumentalities.
5. An international organization or any of its agencies or instrumentalities.
6. A corporation.
7. A foreign central bank of issue.
8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States.
9. A futures commission merchant registered with the Commodity Futures Trading Commission.
10. A real estate investment trust.
11. An entity registered at all times during the tax year under the Investment Company Act of 1940.
12. A common trust fund operated by a bank under section 584(a).
13. A financial institution.
14. A middleman known in the investment community as a nominee or custodian.
15. A trust exempt from tax under section 664 or described in section 4947.

Certain payments that are not subject to information reporting are also not subject to backup withholding. For details, see sections 6041, 6041A, 6042, 6044, 6045, 6049, 6050A and 6050N, and their regulations.

Privacy Act Notice. Section 6109 of the Internal Revenue Code requires you to give your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA or Archer MSA or HSA. The IRS may use the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. possessions to carry out their tax laws. The IRS may also disclose this information to other countries under a tax treaty, or to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividends, and certain other payments to a payee who does not give a TIN to a payer. The penalties described below may also apply.

Penalties

Failure to Furnish TIN. If you fail to furnish your correct TIN to a payer, you are subject to a penalty of US\$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil Penalty for False Information With Respect to Withholding. If you make a false statement with no reasonable basis which results in no imposition of backup withholding, you are subject to a penalty of US\$500.

Criminal Penalty for Falsifying Information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the payer discloses or uses TINs in violation of federal law, the payer may be subject to civil and criminal penalties.

FOR ADDITIONAL INFORMATION, CONTACT YOUR TAX ADVISOR OR THE INTERNAL REVENUE SERVICE.