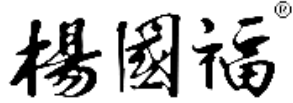


FRANCHISE DISCLOSURE DOCUMENT



CAPTAIN BUSINESS MANAGEMENT CO., LIMITED

1521 Concord Pike, Suite 201

Wilmington, DE 19803

(+86) 021-80121276

Fei.feng@yangguofu.global

<http://www.ygfchina.com>

You will operate a restaurant under the name “YGF” and/or “YANGGUOFU” that provides “Malatang”, a widely known Chinese fast cuisine and related products.

The total initial investment necessary to begin the operation of a YGF restaurant (“Restaurant,” “YGF Restaurant,” or “YANGGUOFU Restaurant”) ranges from \$338,000 to \$789,700. This amount includes payments that range from ~~\$18,000~~ to ~~\$24,900~~ that must be paid to us or an affiliate of ours.

This Disclosure Document summarizes certain provisions of our franchise agreement and other information in plain English. Undefined capitalized terms used in this disclosure document have the meaning assigned to them in the Franchise Agreement attached as Exhibit B. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale or grant. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive this Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the franchise development office at 1521 Concord Pike, Suite 201, Wilmington, DE 19803, at (+86) 021-80121276.

The terms of your franchise agreement will govern our franchise relationship. Do not rely on this Disclosure Document alone to understand your franchise agreement. Read the franchise agreement and all your other contracts carefully. Show the franchise agreement and all your other contracts 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, D.C. 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: July 1, 2024

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ITEM 2
BUSINESS EXPERIENCE

Xingyu Yang – Director and President

Mr. Yang has served as our Executive Director and President since our formation. He has also been the Chief Executive Officer and an Executive Director of our affiliate Shanghai Yang Guofu Enterprise Management (Group) Co. (“SYGEM”), since May 2019 and November 2021, respectively, responsible for its brand operation, informatization management, and management and coordination of various departments. From October 2017 to June 2019, he served as a deputy general manager of SYGEM. From January 2016 to April 2017, he served as the manager of the procurement department of SYGEM.

Fei Feng – Director of Marketing

Ms. Feng has served as our Director of Marketing since our formation. She has been the Chief Global Marketing Officer of SYGEM since August 2023, responsible for overseas franchise development, coordination of overseas supplies of products and goods, as well as implementation of overseas expansion strategies. From November 2018 to July 2023, she was a Regional Manager of 36Kr. From July 2017 to November 2018, she was a Marketing Director of MeetBest.

Ying Li – Training Manager

Ms. Li has served as our Training Manager since our formation. She has been the Chief Training Officer of our affiliate Xinxu since April 2024, responsible for training of Chinese YGF restaurants personnel and System standards. From May 2022 to April 2024, she was a Senior Manager of Sichuan Baicha Baidao Industrial Co., Ltd. From January 2021 to May 2022, she was the General Manager of the Company Business School of Sichuan Shi Da Wu Catering Co., Ltd. From June 2020 to January 2021, she was a Department Head of Guoquan Food Shanghai Co., Ltd. From June 2007 to June 2020, she was a Regional Manager of Yum China Holdings, Inc.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

You must pay us an initial franchise fee for the right to establish a single YGF Restaurant under a Franchise Agreement. We may elect franchise fee arrangement in either a Fixed Fee Arrangement or a Variable Fee Arrangement. If we elect the Fixed Fee Arrangement, you must pay a lump sum fee ranging from \$10,224 to \$16,600 as the initial franchise fee. If we elect the Variable Fee Arrangement, you must pay a lump sum fee of \$10,000 as the initial franchise fee. The initial franchise fee is not refundable under any circumstances.

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**ITEM 6
OTHER FEES**

All of the fees listed below are not refundable, are paid to us unless otherwise noted. We reserve the right to require you to pay the fees and other amounts due to us via electronic funds transfer (ACH) or similar means.

Type of fee	Amount or Estimated Range	Due date	Refund	Remarks
Successor franchise fee	\$16,600 per year	Upon execution of the successor franchise agreement	Non-refundable	(Note 1)
Additional Site Assistance	Actual costs	As incurred	Non-refundable	(Note 2)
Opening Assistance	Actual costs	As incurred	Non-refundable	(Note 3)
Additional Training Fee	Actual costs	Prior to training	Non-refundable	(Note 4)
Subsequent Franchise Fee	Fixed Fee Arrangement: from \$10,224 to \$16,600	The first and second anniversary of the execution of the Franchise Agreement	Non-refundable	(Note 5)
	Variable Fee Arrangement: varies based on monthly Gross Sales from \$2,000 to no more than 8% of the Gross Sales	Monthly	Non-refundable	
Deposit	\$8,000 to \$8,300	Upon signing of Franchise Agreement	Refundable	(Note 6)
Late fee; interest on delinquent payments	Late fee of \$1,400 per month; as well as an interest of 18% per annum or the highest rate permitted by laws, whichever is less	Upon demand	Non-refundable	(Note 7)
Supplier approval process fee	Actual costs	As incurred	Non-refundable	Actual cost of the inspection and its actual cost of

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				testing or evaluating, including travel costs
Technology system fee	Actual costs	As incurred	Non-refundable	(Note 8)
Temporary managing fee	3% of the Gross Sales, plus out-of-pocket expenses	As incurred	Non-refundable	(Note 9)
Minimum Advertising Requirement	Our sole discretion but to not exceed 10% of your Gross Sales	As incurred	Non-refundable	Paid to third-parties vendors
Audit fee	Cost of examination, including legal fees and accountant's fee, plus travel expenses, room and board	As incurred	Non-refundable	(Note 10)
Transfer service fee	Actual service fee for transfer	As incurred	Non-refundable	(Note 11)
Managing fee in case of a material default	No more than 15% of the Gross Sales, plus out-of-pocket expenses	As incurred	Non-refundable	(Note 12)
Liquidated Damages	Fees otherwise due for the remainder of the Term	On demand upon termination	Non-refundable	(Note 13)
Damages and Cost of Enforcement	Varies	Upon demand	Non-refundable	(Note 14)
Appraisal	Varies	As incurred	Non-refundable	(Note 15)
Indemnification	Varies	Upon demand	Non-refundable	(Note 16)
Damages, cost and attorneys' fees	Varies	Upon demand	Non-refundable	(Note 17)

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Notes:

Note 1: Upon the expiration of the Term of your YGF franchise agreement, one of the conditions to obtain a successor franchise is to pay a successor franchise fee in the amount of \$16,600 per year.

Note 2: We will approve and agree to a site of your YGF Restaurant. If you request other guidance, consultation, assistance and on-site evaluation from the Franchisor, we may charge Franchisee ~~the actual~~

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costs for such additional services, including per diem charges for travel and living expenses for its personnel.

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Note 3: If you request, we may (but is not obligated to) offer on-site assistance at the opening of the Restaurant, when the travel costs (including fees for visa, transport, accommodation, etc.) of the personnel Franchisor sends will be borne by you.

Note 4: We will provide Initial Training to up to three (3) trainees at no charge, and we may charge the then current actual costs for each additional trainee, including trainees attending repeated trainings or trainees replacing the original trainees.

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Note 5: We, Franchisor, at our sole discretion, may elect to place you under either the Fixed Fee Arrangement or Variable Fee Arrangement, which election will be specified in Appendix A of the Franchise Agreement. Our choice of the fee arrangement is at our sole discretion, and we may consider various commercial factors, such as your qualifications, experiences, financial conditions, and the site selected by you. Under the Fixed Fee Arrangement, you must pay a Subsequent Fee ranging from \$10,224 to \$16,600 on the first and second anniversary of the date of the execution of this Agreement. Under the Variable Fee Arrangement, you must pay a Subsequent Fee determined based on your monthly Gross Sales. Fee for Gross Sales below \$50,000 is \$2,000; fee for Gross Sales from \$50,000.00 to \$80,000.00 is \$2,000.00 plus 6% of the portion of monthly Gross Sales which exceed \$50,000.00; fee for Gross Sales from \$80,000.01 to \$120,000.00 is \$3,800.00 plus 7% of the portion of monthly Gross Sales which exceed \$80,000.00; fee for Gross Sales above \$120,000.00 is \$6,600.00 plus 8% of the portion of monthly Gross Sales which exceed \$120,000.00.

Note 6: Prior to opening your Restaurant, and upon signing your Franchise Agreement, you must pay a deposit ranging from \$8,000 to \$8,300 (the "Deposit"). The Deposit will be used to offset indemnification, overdue penalties, penalties in the event of violations of System standards, and other liquidated damages or penalties, if any. In the event of the termination or rescission of the Franchise Agreement, we will refund to you the unapplied balance, interest free, of the Deposit within ninety (90) days following your completion and satisfaction of the post-termination obligations described in the Franchise Agreement.

Note 7: If you fail to pay any amounts owed to us or our affiliates or our designated suppliers, you must pay us daily interest, calculated from date such payment was due until Franchisor or its affiliates or the designated supplier receives it, at the rate of 18% per annum or the highest rate permitted by Applicable Laws, whichever is less. In addition, we are entitled to deduct a late fee monthly of \$1,400 for each month (or portion thereof) from the Deposit that any payment is delinquent.

Note 8: We are entitled to require you to obtain, maintain, and use the hardware, software, other equipment, and network connections designated for use by Restaurants (collectively, the "Technology System"). You may be required to obtain certain components of, or upgrades to, the Technology System and maintenance and support services related to the Technology System from us or our Affiliates, and you may be charged actual costs for such products and services. We currently plan to require you to use certain POS system and charge fees including technology system fees.

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Note 9: If the franchised restaurant no longer has a general manager or managing owner and you fail to arrange a properly trained individual to replace the previous general manager or managing owner, or, in the event of your Managing Owner's death or disability, we may, but are not required, on a temporary basis, manage the franchised restaurant, and charge managing fee and out-of-pocket expenses.

Note 10: If you fail to furnish reports, supporting records or other information as required and an inspection or audit is deemed necessary, you will reimburse us for the cost of examination and out-of-pocket expenses.

Note 11: When you make a transfer of the franchised restaurant, we can collect ~~the actual costs of the service fee for its assistance in the transfer.~~

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Note 12: In case of a material default, we may, but are not required to, directly manage the restaurant, and collect the managing fee, on a temporary basis, and charge a management fee.

Note 13: In the case of a termination by either party, you will pay us all amounts that you would have paid us during what would have been the remainder of the Term had it not been terminated.

Note 14: You will pay to us all damages, costs and expenses, including reasonable attorneys' fees, that we incur after the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provision of the post-term obligations.

Note 15: upon the expiration or termination of the Franchise Agreement, if you elect to sell the Site to us, and the parties cannot agree on the purchase price of the Site, the parties will retain three appraisers to determine the fair market value of the Site. Each party will bear the cost of their own appraisers and share equally the fees and expenses of the third appraiser chosen by the two party-appointed appraisers.

Note 16: You must reimburse the Franchisor for claims and liabilities relating to the franchised restaurant or premise or any debt or obligation of the franchisee, including without limitation, insurance, franchisor's time, reasonable attorneys' fees, damages, other expenses.

Note 17: In the event of a dispute between you and us, the arbitrator has the right to award money damages, attorneys' fees and costs.

Additional Funds for First 3 Months of Operation (Note 9)	\$80,000 to \$150,000	Lump Sum	Monthly and As Incurred	Us, our affiliates or third parties
Professional Fees (Note 10)	\$20,000 to \$80,000	As arranged	As arranged	Attorney, Accountant
Estimated Total Initial Investment	\$338,000 to \$789,700			

Notes:

These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating the Restaurant. Our estimates are based on our experience, the experience of our affiliates and/or their licensees, and our current requirements for YGF Restaurants. The factors underlying our estimates may vary depending on several variables, and the actual investment you make in developing and opening your Restaurant may be greater or less than the estimates given depending upon the location of your Restaurant, and current relevant market conditions. Your costs will also depend on factors such as how well you follow our methods and procedures; your management skills; your business experience and capabilities; local economic conditions; the local market for our products and services; the prevailing wage rates; competition; and sales levels reached during your initial phase of business operations. All expenditures paid to us or our affiliates are uniform and non-refundable under any circumstances once paid. All expenses payable to third parties are non-refundable, except as you may arrange for utility deposits and other payments.

Note 1: Initial Franchise Fee. We may elect a franchise fee arrangement in either a Fixed Fee Arrangement or a Variable Fee Arrangement. Our choice of the fee arrangement is at our sole discretion, and we may consider various commercial factors, such as your qualifications, experiences, financial conditions, and the site selected by you. If we elect the Fixed Fee Arrangement, you must pay a lump sum fee ranging from \$10,224 to \$16,600 as the initial franchise fee. If we elect the Variable Fee Arrangement, you must pay a lump sum fee of \$10,000 as the initial franchise fee. (See Item 5).

Note 2: Deposit. Prior to opening your Restaurant, and upon signing your Franchise Agreement, you must pay a deposit ranging from \$8,000 to \$8,300 (the "Deposit"). The Deposit will be used to offset indemnification, overdue penalties, penalties in the event of violations of System standards, and other liquidated damages or penalties, if any. In the event of the termination or rescission of the Franchise Agreement, we will refund to you the unapplied balance, interest free, of the Deposit within ninety (90) days following your completion and satisfaction of the post-termination obligations described in the Franchise Agreement.

Note 3: Rent. Generally, we require a YGF Restaurant to have a construction area of no less than 60 m² for a street outlet, and no less than 80 m² for a restaurant opened in a shopping mall. Estimated monthly lease expenses vary based on the size, location and character of the space, market conditions. Your landlord may require a security deposit before leasing the premises to you, which is typically equal to one month's rent. Some utility companies also may require a security deposit before commencing services.

Note 4: Equipment, Fixtures and Signs. This amount includes the cost of the equipment for the operation of your Restaurant, including the Restaurant appliances (dishwasher, grill, oven, freezer, walk-in cooler/freezer, ice machine and other similar food service equipment), small wares (pots, pans, kitchen

None of the officers listed in Item 2 has an ownership interest in us or any approved supplier.

If you would like to use any supplies or services that we have not approved or designated, you must submit a written request for approval and provide us with any information that we request. We have the right to inspect the proposed supplier's facilities and test samples of the proposed products and to evaluate the proposed service provider and the proposed service offerings. You will pay us a charge not to exceed the actual cost of the inspection and its actual cost of testing the proposed product or evaluating the proposed service or service provider, including personnel and travel costs, whether or not the item, service, supplier, or service provider is approved. We reserve the right to re-inspect the facilities and products of any approved supplier and to revoke our approval if the supplier fails to continue to meet any of our then-current standards. We will notify you in writing after you have requested our approval whether the proposed product or supplier is, in fact, approved or disapproved. If you do not receive our approval within 90 days after submitting all of the information that we request, our failure to respond will be deemed a disapproval of the request. We are not required to make available to you or to any supplier our criteria for product or supplier approval. We are not obligated to approve any specific product or supplier if we believe that approval of that product or supplier is not in the best interests of the System. We may revoke our prior approval of any product or supplier at any time, and after your receipt of written notice from us regarding our revocation you must stop using that product or stop purchasing from that supplier.

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We may, when appropriate, negotiate purchase arrangements, including price terms, with designated and approved suppliers on behalf of the System. As of the date of this Disclosure Document, there are no purchasing or distribution cooperatives in which you must participate. When determining whether to grant new, additional or renewal franchises, we consider many factors, including your compliance with the requirements described in this Item 8, but your compliance with these requirements does not automatically give you the right to an additional or renewal franchise.

We may establish strategic alliances or preferred vendor programs with suppliers that are willing to supply some products, equipment, or services to some or all of the Restaurants in our System. We and/or our affiliates may negotiate supply contracts with our suppliers under which we are able to purchase products, equipment, supplies, services and other items at a price that will benefit us and our franchisees. If we do establish those types of alliances or programs, we may limit the number of approved suppliers with whom you may deal, we may designate sources that you must use for some or all products, equipment and services, and we may refuse to approve proposals from franchisees to add new suppliers if we believe that approval would not be in the best interests of the System or the franchised network of Restaurants.

We have the right to collect and retain any and all allowances, rebates, credits, incentives, or benefits (collectively, "Allowances") offered by manufacturers, suppliers, and distributors to you, to us, or to our Affiliate based upon your purchases of products and services from manufacturers, suppliers, and distributors. We or our affiliates will have all of your right, title, and interest in and to any and all of these Allowances. We or our affiliates may collect and retain any or all of these Allowances without restriction (unless otherwise instructed by the manufacturer, supplier, or distributor).

All advertising and promotional plans, materials, design materials and marketing materials (including menus and all forms and stationery used in the Restaurant) and other items we designate must bear the Marks in the form, color, location and manner we prescribe. In addition, you must obtain our prior written approval of all advertising and promotional plans, materials, design materials and marketing materials before use. You will submit all such items to us, and we will promptly decide on the approval/disapproval. If you do not receive written approval within thirty (30) days of our receipt of such items, we will be deemed to have disapproved the items. You may not use any plans, materials or marketing materials that we have not developed or approved, and will promptly discontinue use of any advertising or promotional plans, materials, or marketing materials, whether or not previously approved, upon notice from us. We will have the final

decision on all creative development of advertising and promotional messages. Any advertising and promotional materials you submit to us for our review will become our property.

You must obtain our acceptance of the site for the Restaurant before you acquire the site. You must also obtain our acceptance of any contract of sale or lease for the Restaurant before you sign the contract or lease. You must provide us with a copy of the fully signed lease for the Restaurant premises.

Your Restaurant must be constructed according to plans that we have approved. We will provide you with sample plans and/or our mandatory and recommended specifications for a YGF Restaurant, and we have the right to designate the architect/designer that you must use. We also have the right to approve the contractor you select. You must arrange for construction plans to be created that incorporate our requirements into the size and shape of the approved site for your Restaurant. You may not use the plans or begin building out your Restaurant until we have approved the construction plans, and any changes to the construction plans must also be approved by us before the change may be implemented. Our review is not meant to assess compliance with any applicable laws, regulations or building codes. Our review is only to verify that the construction plans accurately present our trade dress, the Marks and meet our specifications. We reserve the right to inspect your Restaurant while it is being constructed. You may not open your Restaurant for business without our approval. You must certify to us that your Restaurant has been constructed in compliance with the Americans with Disabilities Act.

Before you begin construction of the Restaurant, you must obtain the insurance coverage for the Restaurant that is required by the terms of your lease and applicable law, and that we specify in the Manual or otherwise in writing. Your insurance coverage must be maintained during the term of the Franchise Agreement and must be obtained from a responsible, duly licensed carrier or carriers acceptable to us and having a rating of at least "A" by Best's Insurance Reports (or any similar rating that Franchisor periodically designate). All insurance must be on an "occurrence" basis. Currently you must maintain the following insurance: (a) commercial general liability insurance of \$1,000,000 per occurrence and \$3,000,000 aggregate; (b) liquor liability insurance of \$1,000,000 per occurrence and \$3,000,000 aggregate (if applicable); (c) automobile liability insurance (including owned, hired and non-owned vehicles) of \$1,000,000 per occurrence; (d) business interruption insurance of \$1,000,000; (e) property and building insurance for replacement cost; (f) excess liability insurance of \$3,000,000; (g) employer's liability insurance of \$1,000,000; (h) workers' compensation insurance required by law; (i) any insurance required by the terms of your lease or mortgage agreement; and (j) any insurance coverages we may require in the future.

All insurance policies, except for workers' compensation, shall name us, our affiliates and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, as additional named insureds. Each insurance policy must contain a waiver of all subrogation rights against Franchisor and its Affiliates, and their successors and assigns. These insurance policies must provide for thirty (30) days' prior written notice to Franchisor of a policy's material modification, cancellation or expiration. You must provide us with a certificate of insurance showing that you have obtained the required policies before construction of your Restaurant begins and upon each policy's renewal. We have the right to require that you obtain from your insurance company a report of claims made and reserves set against your insurance. We reserve the right to change our insurance requirements during the term of your Franchise Agreement, including the types of coverage and the amounts of coverage, and you must comply with those changes. If you do not obtain any insurance as required, we have the right (but not the obligation) to purchase insurance on your behalf and you must reimburse our costs related to this purchase plus ~~the actual services fee,~~

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s. Inspections and audits	FA – Section 8	Items 6, 8 and 11
t. Transfer	FA – Section 12	Items 6 and 17
u. Renewal	FA – Section 2	Items 6 and 17
v. Post-termination obligations	FA – Sections 9, 10, 11 and 14	Items 6 and 17
w. Non-competition covenants	FA – Section 11 and Appendix C	Item 17
x. Dispute resolution	FA – Section 18	Items 6 and 17
y. Liquidated damages	FA – Sections 5, 8, 13, 14 and Appendix G	Item 6
z. Personal Guaranty	FA – Section 1 and Appendix B	Items 1 and 15

**ITEM 10
FINANCING**

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligations.

**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

Before the opening of a Restaurant, we will provide the following assistance and services:

1. We will use reasonable standards to review and accept or reject a site proposal of your proposed site. We will insert a description of the specific site in Appendix A of the Franchise Agreement when we have accepted the site for your Restaurant (Franchise Agreement, Section 3.A.)
2. At ~~the then current~~ fee and our per diem cost payable by you, we may provide other guidance, consultation, assistance and on-site evaluation for your proposed site, as we deem appropriate. (Franchise Agreement, Section 3.A.)
3. We will provide you with mandatory and recommended specifications and layouts for building and furnishing the Restaurant, which you will use to have site plans and build-out plans prepared, at your expense. We have the right to require you to use the architect/designer we designate and to inspect your Restaurant during its construction. (Franchise Agreement, Section 3.C.)

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4. Upon your request, we may (but is not obligated to) offer on-site assistance at the opening of the Restaurant. You will be responsible for the costs (such as travel, lodging, and meals) of the personnel we send. (Franchise Agreement, Section 3.E.)
5. We will provide an initial training program in person or online for up to three trainees free of charge. You must be responsible for the trainees' expenses such as travel, lodging, and meals. (Franchise Agreement, Section 4.A.)
6. We will provide you with access to our Manuals which we may revise during the term of your Franchise Agreement. (Franchise Agreement, Section 4.H.) We may provide all or a portion of the Manual to you electronically, such as via a password-protected website.

Continuing Obligations

During the operation of a Restaurant, we will provide the following assistance and services:

1. At our sole discretion, we may from time to time, provide the Restaurant with training programs concerning management and techniques. (Franchise Agreement, Section 4.C.)
2. We may update the Manuals from time to time, at our sole discretion. (Franchise Agreement, Section 4.H.)
3. We will review and approve all advertising materials and marketing plans for the Restaurant. At our sole discretion, we may also provide additional assistance to you such as finished advertising materials, including advertising posters, WeChat postings, advertising product pictures and pictures on delivery platforms, etc. (Franchise Agreement, Section 7.B.)

Site Selection:

You will select the site for the Restaurant subject to our acceptance. You must obtain our acceptance of the site for the Restaurant before you acquire the site. You must deliver to us for our review a complete site proposal and other materials and information we request for the proposed site. We will use reasonable standards to review and accept or reject a site proposal within fifteen (15) days after receiving the complete site proposal and other materials we request. If we do not accept the proposed site within such 15-day period, the proposed site is deemed rejected. If you request other guidance, consultation, assistance and on-site evaluation from us, we may charge you a fee for such additional services, including per diem charges for travel and living expenses for its personnel.

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We generally do not own the premises and least it to you. Once the location for your Restaurant has been determined, your Restaurant may not be relocated without our prior written consent. You must provide us with a copy of the signed lease for your Restaurant location.

The factors we consider in approving sites include safety, building appearance, visibility and ease of access, parking, size, layout, demographics, business in the area, traffic, and building condition. Our acceptance or proposal of a proposed site is not a warranty or representation, express or implied, as to the potential success or profitability of your Restaurant. While we may provide assistance and guidance, it is solely your responsibility to select a suitable site for the Restaurant.

We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any website we establish and maintain.

Advisory Council:

We currently do not maintain a franchisee advertising advisory cooperative to advise us on advertising policies.

Computer and Point of Sale Systems:

We currently do not require a specific computer and POS System to be used in the Restaurant. However, at your own expense, you must use in the Restaurant a computer system that includes point-of-sale and reporting software, including all existing or future communication or data storage systems, components thereof and associated service, which we may develop or select for the System (the “POS System”). You may be required to license software used in the operation of the Restaurant from us, an affiliate, or a third party in the future. You also may be required to pay a software licensing or user fee and support fee in connection with your use of software.

As of the issuance date of this Disclosure Document, we do not have an Approved Supplier for the computer and POS System, but we reserve the right to do so in the future. We plan to require you to purchase required POS System from Approved Suppliers including us or our affiliates and collect relevant one-time and periodic technology system fees.

We do not provide maintenance for your computer and POS System. You should determine for yourself whether or not any third-party supplier from whom you purchase any component of your computer system is obligated to provide ongoing maintenance, repairs, upgrades or updates to any component of your computer system, and determine the additional cost for the services. Our computer hardware and software requirements will periodically change and you will be required to upgrade your computer hardware and software.

If we (a) establish and maintain any Websites or intranet systems for YGF franchisees and for the promotion of YGF Restaurants; (b) modify or upgrade our proprietary software that we now or in the future may create and license to you; and (c) provide ongoing maintenance and support services associated therewith, then you must pay ~~the Actual costs~~ of technology system fee.

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We currently have no access to your operational and financial information and data. We reserve the right to obtain independent access to operational and financial information and data produced by your POS System. There are no contractual limitations on our right to access the information and data.

Training:

Prior to the Restaurant’s grand opening, up to three trainees (including you, your General Manager and Head Chef) must have completed, to our satisfaction, our mandatory initial training program. We will conduct this training at our affiliate’s training center in China, or at another location we designate including online locations. Our initial training program lasts for approximately four (4) days.

We will provide instructors and training materials for three trainees (the cost of which is included in the initial franchise fee). You may also have additional personnel trained by us for the Restaurant, at your expense. We will determine whether your trainees have satisfactorily completed initial training. If you, the General Manager and the Head Chef do not satisfactorily complete the initial training program or if we determine that these persons cannot satisfactorily complete the training program, you must designate a

replacement to satisfactorily complete the training before you will be permitted to open your Restaurant. If the replacement General Manager or Head Chef cannot complete the initial training program to our satisfaction, we have the right to terminate your Franchise Agreement.

Any General Manager or Head Chef subsequently designated by you must also receive and complete the initial training program to our satisfaction, even if this requires sending that General Manager or Head Chef to our headquarters training program, at your expense. You must pay to us ~~the then current~~ training fee for the initial training we provide to a replacement or successor General Manager or Head Chef. You must also pay for all expenses your trainees incur for any training program, including costs of travel, lodging, meals and applicable wages.

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If you request that we provide additional training or assistance on-site at your Restaurant and if we determine that additional training or assistance is necessary, you must pay our then-current weekly fee for each trainer we provide, and you must reimburse us for any expenses our trainers incur, such as costs of travel, lodging, and meals.

During the term of your Franchise Agreement, at our sole discretion, we may from time to time provide the Restaurant with training programs concerning management and techniques. The Managing Owner, the General Manager and the Head Chef of Franchisee’s Restaurant are required to attend the additional training programs.

The instructional materials used in the initial training include our Manual, marketing and promotion materials, videos, online resources, training manuals and workbooks, and any other materials that we believe will be beneficial to our franchisees in the training process.

The training schedule and activities of the initial training program are described below:

TRAINING PROGRAM

Subject	Classroom Hours	On-the-Job Training Hours	Location
Introduction to Our Brand	0.50	Not applicable	Shanghai, China / Online
Restaurant Daily Operation	1.00	3.00-4.00	Shanghai, China / Online
Services and Customer Complaints	1.00	2.00-3.00	Shanghai, China / Online
Pre-opening Preparation	0.50	Not applicable	Shanghai, China / Online
Basic Knowledge of Food Safety	1.00	Not applicable	Shanghai, China / Online
Food Safety Laws	1.00	Not applicable	Shanghai, China / Online
Basic Knowledge of Restaurant Management	1.00	Not applicable	Shanghai, China / Online
Beef Bone Procurement	0.25	Not applicable	Shanghai, China / Online
Beef Bone Processing	0.25	Not applicable	Shanghai, China /

			Online
Beef Bone Soup Making	0.25	Not applicable	Shanghai, China / Online
Ready-made Soup Making	1.00-1.50	3.00-4.00	Shanghai, China / Online
Ingredients Preparation	1.00-1.50	2.00-3.00	Shanghai, China / Online
Food Display Knowledge	1.00-1.50	Not applicable	Shanghai, China / Online
Seasonings in Bowl Bottom	1.50	2.00-3.00	Shanghai, China / Online
Dish cooking	1.50	2.00-3.00	Shanghai, China / Online
TOTAL	12.75-14.25	14-20	

The instructors conducting our initial training program primarily include the field learning team. Each of our instructors has at least one to two years of experience relevant to the subjects they are teaching and with us and/or our affiliates.

The entire training program is subject to change due to updates in materials, methods, manuals and personnel without notice to you. The subjects and time periods allocated to the subjects actually taught to a specific franchisee and its personnel may vary based on the individual needs and/or experience of those persons being trained.

We may choose to hold refresher training courses, and we may designate that attendance at refresher training is mandatory for your General Manager, Head Chef and/or other Restaurant personnel. We do not anticipate charging a fee for refresher training, but you will pay for all of the expenses incurred by your trainees, including travel, lodging, meals and wages.

ITEM 21
FINANCIAL STATEMENTS

We have not been in business for three years or more and cannot include all the financial statements required by the Rule for its last three fiscal years. Our fiscal year ends December 31. Included as Exhibit E are our audited financial statements since our establishment on April 8, 2024 to July 1, 2024, and unaudited financial statements for the period of April 8, 2024, to December 31, 2024.

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ITEM 22
CONTRACTS

Attached to this Disclosure Document are the following agreements with exhibits:

Franchise Agreement (with Exhibits) – Exhibit B
Form of General Release – Exhibit F

ITEM 23
RECEIPTS

The Receipt pages are located on the last two pages of this Disclosure Document.

- (1) own, manage, engage in, be employed by, advise, make loans to, act as lessor to, otherwise support (other than a customer), or have any other interest in any Competitive Business located or operating anywhere;
- (2) interfere with Franchisor's, its Affiliates', or any Restaurant's owner's relationship with any vendors or suppliers;
- (3) direct, or attempt to direct, any prospective or existing business or economic opportunities away from Franchisor, its Affiliates, the Restaurant or any other Restaurant to a Competitive Business; or
- (4) perform any act prejudicial or injurious to the goodwill associated with the Marks.

11.C. After Termination, Expiration, or Transfer. For two (2) years after the expiration or termination of this Agreement or an approved Transfer to a new franchisee, Franchisee and its Owners may not, without Franchisor's prior written consent, either directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any other person or Entity:

- (1) own, manage, engage in, be employed by, advise, make loans to, act as lessor to, otherwise support (other than a customer), or have any other interest in any Competitive Business located or operating: (A) at the Site; (B) within a 12.5-mile radius of the Site; or (C) within a 12.5-mile radius of any other Restaurant in operation or under development on the effective date of termination or expiration of this;
- (2) interfere with Franchisor's, its Affiliates', or any Restaurant's owner's relationship with any vendors or suppliers;
- (3) direct, or attempt to direct, any prospective or existing business or economic opportunities away from Franchisor, its Affiliates, the Restaurant or any other Restaurant to a Competitive Business; or
- (4) perform any act prejudicial or injurious to the goodwill associated with the Marks.

11.D. Enforcement of Covenants. Franchisee acknowledges and agrees that (i) the restrictive covenants contained in this Section 11 are essential elements of this Agreement and that without their inclusion, Franchisor would not have entered into this Agreement; (ii) the time, territory, and scope of the covenants provided in this Section 11 are reasonable and necessary for the protection of Franchisor's legitimate business interests; (iii) Franchisee has received sufficient and valid consideration in exchange for those covenants; (iv) enforcement of the same would not impose undue hardship; and (v) the period of protection provided by these covenants will not be reduced by any period of time during which Franchisee is in violation of the provisions of those covenants or any period of time required for enforcement

Captain Business Management Co., Limited

Balance Sheet

As of December 31, 2024

	US\$		US\$
ASSETS		LIABILITIES AND SHAREHOLDER'S EQUITY	
Current Assets		Current liabilities:	
Bank and Cash	596,095.40	Short-term loan	
Short-time investment		Bills payable	
Notes receivable		Accounts payable	322,410.00
Account receivable	2,709.47	Accounte received in advance	54,201.46
Prepayment		Payroll payable	24,134.08
Dividend receivable		Taxes payable	
Interest receivable		Interest payable	
Other receivable	70,921.36	Dividend payable	
Inventory	321,982.00	Other payable	876,909.45
Including: raw material		Other current liability	
unfinished products		Total current liability	1,277,654.99
stock goods	321,982.00	Non-current liabilities:	
Turnover material		Long-term loans	
Other current assets		Long-term payable	
Total current assets	991,708.23	Deferred income	
Non-current Assets:		Other non-current liabilities	
Long-tem debt investment		total non-current liabilites	
Long-term equity investment	96,309.23	Total liabilities	1,277,654.99
Original Value of fixed assets			
Less: accumulated depreciation			
Net value of fixed assets			
Construction in progress			
Construction materials			
Disposal of fixed assets			
Biological assets		Owner's equity (or shareholder equity)	
Intangible assets	488,453.36	Paid-in capital	100,000.00
R&D expenses		Capital reserves	450,000.00
Long-tem deferred expenses		Surplus reserves	
Other non-cucurrent assets		Retained earnings	-251,184.17
Total non-current assets	584,762.59	Total owner's equity (or shareholder's equity)	298,815.83
Total assets	1,576,470.82	Total liabilities and owner's equity	1,576,470.82

Captain Business Management Co., Limited	
Statement of Cash Flows	
For the period from establishment date (April 8, 2024) to December 31, 2024	
US\$	
Cash Flow from Operating Activities	
Cash received from sales of goods or rendering services	28,678.62
Cash received relating to other operating activities	221,511.98
Cash paid for raw material, goods or receiving services	
Cash paid to employees	
Tax payments	
Cash paid relating to other operating activities	204,095.20
Net Cash Flow from Operating Activities	46,095.40
Cash Flow from Investing Activities	
Cash received from return of investments or loans	
Cash received from investments income	
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	
Cash paid to short-term investments and long-term investment	
Cash paid to acquire fixed assets, intangible assets and other long-term assets	
Net Cash Flow from Investing Activities	
Cash Flow from Financing Activities	
Cash received from borrowings	
Cash received by investors	550,000.00
Repayments of borrowings	
Repayments of interests	
Dividends paid, profit distributed paid	
Net Cash Flow from Financing Activities	550,000.00
Effect of Foreign Currency Translation	
Net Increase (Decrease) in Cash and Cash Equivalents	596,095.40
Add: opening balance	
Ending balance	596,095.40

Captain Business Management Co., Limited**Statement of Operations**

For the period from establishment date (April 8, 2024) to December 31, 2024

	US\$
Revenue	12,892.94
Less: Cost of Sales	428.00
Sales Tax	
Sales Expenses	97,139.75
Including: Product maintenance cost	
Marketing expenses	
G&A expense	170,573.04
Including: organization expenses	
Business entertainment expenses	
R&D expenses	
Finance expense	-7,754.45
Including: interests expense	
Asset impairment losses	
Credit impairment loss	
Inventory impairment loss	
Fixed assets impairment loss	
Add: investment income	-3,690.77
Add: other investment income	
Operating income	-251,184.17
Add: Non-operating income	
Including: government subsidy income	
Less: Non-operating expense	
Including: bad-debt losses	
Non-recoverable long-term bond investment loss	
Non-recoverable long-term equity investment loss	
Loss caused by natural disasters and force majeure factors	
Tax delay charge	
Profit before tax	-251,184.17
Less: Income tax	
Net Profit	-251,184.17

**STATE OF MINNESOTA
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT**

Item 13 of the Franchise Disclosure Document, under the heading "Trademarks," shall be supplemented by the addition of the following paragraph:

The Minnesota Department of Commerce requires that a franchisor indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the franchisee's use of the franchisor's trademark infringes upon the trademark rights of the third party. The franchisor does not indemnify against the consequences of a franchisee's use of a franchisor's trademark except in accordance with the requirements of the franchise agreement, and as the condition to an indemnification, the franchisee must provide notice to the franchisor of any such claim immediately and tender the defense of the claim to the franchisor. If the franchisor accepts tender of defense, the franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim. You must cooperate in the defense in any reasonable manner we prescribe with any direct cost of such cooperation to be borne by us.

The following paragraphs are added to the end of Item 17 of the Franchise Disclosure Document:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) of the Franchise Agreement and 180 days' notice for non-renewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to injunctive relief, liquidated damages, termination penalties, or judgment notes. In addition, nothing in the Franchise Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

Minnesota Rule 2860.4400(K) prohibits a franchisor from requiring a security deposit except for the purpose of securing against damage to property, equipment, inventory, or leaseholds.

Any release required as a condition of renewal, sale, and/or transfer/assignment will not apply to the extent prohibited by applicable law with respect to claims arising under Minn. Rule 2860.4400D.

No statement, questionnaire, or acknowledgement signed or agreed to by you in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

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The Commissioner of Commerce for the State of Minnesota (the “Commissioner”) has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from Minnesota franchisees until we have completed all of our pre-opening obligations and you are open for business.

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**ADDENDUM TO THE FRANCHISE AGREEMENT REQUIRED BY
THE STATE OF MINNESOTA**

This **ADDENDUM TO THE FRANCHISE AGREEMENT (this "Addendum")** is entered into this ____ day of _____, _____ (the "Effective Date"), by and between Captain Business Management Co., Limited, a Delaware limited liability company, with its principal place of business located at 1521 Concord Pike, Suite 201, Wilmington, DE 19803 ("Franchisor," "we," or "us"), and the following individual(s) and/or entity: _____

(individually or collectively referred to as "Franchisee" or "you"), in recognition of the requirements of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01 through 80C.22 (the "Minnesota Act"), and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930 (the "Minnesota Rules"), to revise and amend said Franchise Agreement as follows.

1. Sections 2.B(5), 12.B(4)(i), and 14.A(5)(f) of the Agreement shall be amended by adding the following:

Notwithstanding the above language, any release signed under this Section will exclude any claims that you may have that arise under the Minnesota Act or the Minnesota Rules.

2. Section 2.B(5) of the Agreement shall be supplemented by adding the following:

Minnesota law provides franchisees with certain non-renewal rights. In sum, Minn. Stat. § 80C.14 (subd. 4) currently requires, except in certain specified cases, that a franchisee be given 180 days' notice of non-renewal of this Agreement.

3. Section 13.C of the Agreement shall be amended by adding the following:

Minnesota law provides franchisees with certain termination rights. In sum, Minn. Stat. § 80C.14 (subd. 3) currently requires, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) of the Franchise Agreement.

4. Section 18 of the Agreement shall be amended by adding the following:

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

5. Section 5.B of the Agreement shall be amended by adding the following:

Minnesota Rule 2860.4400(K) prohibits a franchisor from requiring a security deposit except for the purpose of securing against damage to property, equipment, inventory, or leaseholds.

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6. The following is added to the end of both Section 5.A(1) and Section 5.A(2):

Notwithstanding the foregoing, the collection of the Initial Franchise Fee is deferred from Minnesota franchisees until we have completed all of our pre-opening obligations and you are open for business.

7. As to Sections 10.A and 10.B of APPENDIX A of the Franchise Agreement (FRANCHISEE-SPECIFIC TERMS), on the first row of the tables, the Payment Due Date of Initial Franchise Fee is changed to "Day of Opening."

8. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Act or the Minnesota Rules are met independently without reference to this Amendment.

9. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

10. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

11. This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

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Franchisor:

Franchisee:

**CAPTAIN BUSINESS MANAGEMENT
CO., LIMITED**

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By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____