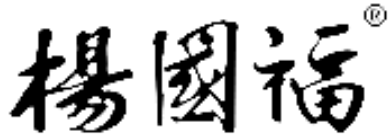


FRANCHISE DISCLOSURE DOCUMENT



CAPTAIN BUSINESS MANAGEMENT CO., LIMITED

1521 Concord Pike, Suite 201

Wilmington, DE 19803

~~(929) 977-6123~~ (302) 252-8920

americas.Fei.feng@yangguofu.global

http://www.ygfehinaygfus.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 franchise is~~ \$346,600 to \$774,000. This amount includes ~~payments that range from~~ \$57,600 to \$76,000 that must be paid to ~~us~~ the franchisor 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, ~~(929) 977-6123~~ (302) 252-8920.

The terms of your contract will ~~govern our~~ govern your franchise relationship. Do not rely on this Disclosure Document alone to understand your contract. Read all ~~of your contracts~~ of your contract carefully. Show ~~all your contracts~~ your contract and this Disclosure Document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as “*A Consumer’s Guide to Buying a Franchise*,” which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, 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: March 31, ~~2025~~ 2026

CAPTAIN BUSINESS MANAGEMENT CO., LIMITED
FRANCHISE DISCLOSURE DOCUMENT

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EXHIBITS

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Exhibit B	Franchise Agreement and Exhibits
Exhibit C	List of Franchisees
Exhibit D	List of Franchisees Who Have Left System
Exhibit E	Financial Statements
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Exhibit H	Sample of Product Supply Agreement
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ITEM 1
THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

In this Disclosure Document, we refer to the person or entity that will be signing the Franchise Agreement (defined below) as “you,” “your,” or “franchisee,” which includes all franchise owners and partners, if you are a corporation, partnership or other entity.

The Franchisor

Captain Business Management Co., Limited (referred to in this Disclosure Document as “YGF,” “YANGGUOFU,” “we,” “us,” “our,” or “franchisor” and where the context requires also includes our affiliates) was formed as a Delaware ~~limited liability company~~ corporation on April 8, 2024. Our principal place of business is 1521 Concord Pike, Suite 201 Street, New Castle, Wilmington, Delaware 19803, ~~and we do business under our corporate name and the Marks as described below.~~ We began offering YGF franchises in 2024~~In this Disclosure Document, we refer to the person or entity that will be signing the Franchise Agreement (defined below) as “you,” “your,” or “franchisee,” which includes all franchise owners and partners, if you are a corporation, partnership or other entity.~~

The Franchisor

~~We plan to begin offering YGF franchises in 2024. YGF franchises will sell “Malatang”, a widely known Chinese fast cuisine and related products under our proprietary Marks. We do not own or operate any businesses of the type being franchised. We have not offered franchises in any other line of business, and we do not engage in any other business activity.~~

Our agents for service of process are listed in Exhibit A.

Our Parents, Predecessors and Affiliates

We have no predecessor. Our parent, YGF Blessing Pte. Ltd., a Singapore private company limited by shares, was formed on October 27, 2023, and has the registered office address at ~~346C King George’s Avenue, King George’s Building, 8 BURN ROAD, #04-04, TRIVEX, SINGAPORE 369977.~~ It owns and operates four corporate-owned restaurants outside the United States, located in Hong Kong and Singapore (208577). It does not own or operate a business of the type being franchised in the United States, it has never offered franchises in this or any other line of business, and it is not an approved supplier of any product or service you must purchase or lease.

~~We have four relevant affiliates. Our first affiliate, Xinxu (Shanghai) Information Technology Service Co., Ltd. (“Xinxu”), a Chinese limited liability company, was formed in January 2019 and has the registered office at Room 1504-3, 1065 West Zhongshan Road, Changning District, Shanghai, China. As of December 31, 2023, Xinxu is the licensor of 6,518 YGF restaurants located in China. Xinxu will be responsible for training and the majority of pre-opening obligations to our franchisees.~~

~~Xinxu has previously granted licenses to others to operate under the YGF name and offer the same products and services as YGF restaurants. As of the issuance December 31, 2024, there are eight (8) licensee locations currently open and operating. The above YGF licenses are not considered franchises since no substantial assistance has or will be provided by Xinxu to these licensees and it does and will not substantially control their operations.~~

~~Our second~~We have four relevant affiliates.

Our first affiliate, Shanghai Yuelan Food and Beverages Management Co., Ltd. (“Yuelan”), a Chinese limited liability company, was formed on March 17, 2015, and has its registered office at Room 333, Block E, 753 Yuyuan Road, Building A (Building 1), No. 155 Wuyi Road, Changning District, Shanghai, China. As of December 31, 2025, Yuelan is the licensor of 5,945 YGF restaurants located in China. Yuelan owns and operates ~~two~~five YGF restaurants located in Shanghai, China. It does not own or operate a business of the type being franchised, and it has never offered franchises in this or any other line of business. Yuelan is responsible for training and the majority of pre-opening obligations to our franchisees.

Our ~~third~~second affiliate, ~~Sichuan Yang Guofu Food~~Shanghai Angzheng Trading Co., Ltd. (“~~SCYGF~~Angzheng”), a Chinese limited liability company, was formed on ~~September 14, 2015~~July 10, 2017 and has the registered office at ~~Room 1504-1, No. 716, Yongle Road, Chengde, Sichuan Province, China~~Room 1504-1, No. 716, Yongle Road, Chengde, Sichuan Province, China. ~~SCYGF primarily manufactures YGF proprietary sauces & seasonings~~SCYGF primarily manufactures YGF proprietary sauces & seasonings ~~Shanghai, China. Angzheng is responsible for supplying equipment and related products and sells them to YGF Restaurants in China. SCYGF. It is an approved supplier of certain products or services you must purchase. It does not own or operate a business of the type being franchised, and has never offered franchises in this or any other line of business.~~

Our third affiliate, Tianjin Fushunda Supply Chain Management Co., Ltd. (“Fushunda”), a Chinese limited liability company, was formed on August 26, 2025 and has the registered office at Room 4-610, Unit 2, Building 7, Minghai Center, No. 189 Chongqing Road, Dongjiang Comprehensive Bonded Zone, Tianjin Pilot Free Trade Zone, Tianjin, China. Fushunda’s primary activities are the import and export of supplies and merchandise sourced for YGF Restaurants. It is an approved supplier of certain products or services you must purchase. It does not own or operate a business of the type being franchised, and it has never offered franchises in this or any other line of business.

Our fourth affiliate, Shanghai Yuna Supply Chain Management Co., Ltd. (“Yuna”), a Chinese limited liability company, was formed on ~~27~~March 27, 2020 and has its registered office at ~~1650 Lianhang Road, Room 203, No. 1158 Xiehe Road, Minhang District, Shanghai, China~~Room 203, No. 1158 Xiehe Road, Minhang District, Shanghai, China. ~~SCYGF’s~~Yuna’s primary activities are the sale of supplies and merchandise, that are ~~self-manufactured or~~ sourced from third parties, to YGF Restaurants in China. Yuna is an approved supplier of certain products or services you must purchase. It does not own or operate a business of the type being franchised, and it has never offered franchises in this or any other line of business.

Other than as described in Item 1, none of our affiliates have ever offered franchises in this or any other line of business (though they may do so in the future).

Description of The Franchise Offered

We offer franchises for YGF restaurants (“Restaurant,” “YGF Restaurant,” or “YANGGUOFU Restaurant”), offering “Malatang”, a widely known Chinese fast cuisine and related products.

The Restaurants are established and operated under a comprehensive and unique system (the “System” or “YGF System”). The System includes distinctive signage, interior and exterior design, décor and color scheme; special recipes and menu items, including proprietary products and ingredients; uniform standards, specifications, and procedures for operations; quality and uniformity of products and services offered; training and assistance; all of which we may change, improve, and further develop, in our discretion. Certain aspects of the System are more fully described in this Disclosure Document and once developed, our Confidential Operations Manual (the “Manual”), which you should expect to evolve over time, that may be provided to you as a franchisee.

The Restaurants operate under the trade name and mark “YGF” and the additional principal service marks, trademarks, trade names, logos, emblems and indicia of origin identified in Item 13. These principal marks and all other marks which may be designated by us in the future in writing for use with the System are referred to in this Disclosure Document as the “Marks” or “Proprietary Marks”.

Unless we indicate otherwise, all references in this Disclosure Document to a YGF Restaurant will refer to a standard Restaurant that offers Malatang and other related products either operated by ourselves or our franchisees under the System. Each YGF Restaurant must be constructed and operated in compliance with the System as defined above, and use the Marks as defined above.

A business that operates under the System and uses the Marks is referred to in this disclosure document as a “YGF Restaurant.” We franchise the non-exclusive right to use the System in the operation of YGF Restaurants that sell “Malatang” in relevant States of the United States.

We do not have company-owned YGF Restaurants and we only offer franchises to our franchisees for the establishment and operation of YGF Restaurants in the United States.

Franchise Agreement

We offer the right to establish and operate a Restaurant under the terms of a single-unit franchise agreement within a designated location (the “Franchise Agreement”). Our current form of Franchise Agreement is Exhibit B to this Disclosure Document. You may be an individual, corporation, partnership or other form of legal entity. Under the Franchise Agreement, certain parties are characterized as Franchisee’s Owners (referred to in this Disclosure Document as “your Owners”). The Franchise Agreement is signed by us, by you, and by ~~those of your Owners~~ a single individual whom we you designate and we approve to serve as your Managing Owners ~~Owner~~. In most instances, we will designate your principal equity owners, executive officers, and certain affiliated entities as Managing Owners. By signing the Franchise Agreement, your Managing ~~Owners agree~~ Owner agrees to be individually bound by certain obligations in the Franchise Agreement, including covenants concerning confidentiality and non-competition, and to personally guarantee your performance under the Franchise Agreement. Depending on the type of business activities in which you or your Owners may be involved, we may require you or your Owners to sign additional confidentiality and non-competition agreements.

You must designate a general manager who will be the main individual responsible for your business (“General Manager”). Your General Manager does not have to own an equity interest in you or the franchise. The General Manager must sign covenants to maintain the confidentiality of information he/she learns while employed as your General Manager, and your General Manager must sign non-competition covenants.

You must also designate a head chef who will manage the kitchen of the Restaurant (“Head Chef”). The Head Chef must sign covenants to maintain the confidentiality of information he/she learns while employed as your Head Chef, and your Head Chef must sign non-competition covenants.

Market and Competition

The market for restaurants in general is well developed and intensely competitive. You will serve the general public and will compete with a variety of businesses, including locally owned to regional, national and chain restaurants, some of which may be franchise systems. We may establish other Restaurants in your area (if permitted under the Franchise Agreement) and/or sell or license others to sell products in your area. Also, we may sell products through the internet, toll-free telephone numbers,

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~~ From August 2019 to July 2022, he served as the Chief Executive Operating 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, in Shanghai, China. From January 2016 August 2022 to April 2017 May 2024, he served as the manager of Group Chief Executive Officer and General Manager of SYGEM in Shanghai, China. From June 2024 to present, he has served as the procurement department General Manager of SYGEM-, in Shanghai, China.

Fei Feng – Yicao Tan – Head of North America Operations

Mr. Tan Director of Marketing

~~Ms. Feng has served as our Director~~ the Head of Marketing North America Operations since our formation. She has been the Chief Global Marketing Officer of SYGEM since August 2025. He is 2023, responsible for overseas franchise overseeing the Company’s business development, coordination of overseas supplies of products operational management, and goods, as well as implementation of overseas strategic expansion strategies. From November 2018 to July across the North American market, 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 his primary work location is 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. From August 2019 to April 2025, Mr. Tan was a practicing attorney at JunHe LLP in Shanghai, China.~~

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 of \$20,000 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. Our choice of the fee arrangement is at our sole discretion (which will be provided to you no less than 14 days prior to your execution of the Franchise Agreement), and we may consider various commercial factors, such as your qualifications, experiences, financial conditions, and the site selected by you. The initial franchise fee~~ You must pay a lump sum fee of \$20,000 as the initial franchise fee. The initial franchise fee is imposed uniformly on all franchisees and is not refundable under any circumstances.

Prior to opening your Restaurant, and upon signing your Franchise Agreement, you must pay a deposit of \$8,000 (the "Deposit"). The Deposit will be used to offset indemnification, overdue ~~penalties, penalties payments, liquidated damages~~ in the event of noncompliance or violations of System standards, and other liquidated damages or penalties fees, if any. The Deposit is imposed uniformly on all franchisees. 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 free from any interest within ninety (90) days following your completion and satisfaction of the post-termination obligations described in the Franchise Agreement.

Prior to opening your Restaurant, you must pay us or our affiliates for: (1) the purchase of equipment (such as freezer and small wares), signs, and fixtures (such as floor and wall tiles) ranging from \$26,500 to \$32,000; (2) the purchase of opening inventory to include proprietary soup base, sauces, seasonings, paper goods, packing box and other sundries ranging from \$12,400 to \$15,000; and (3) the purchase of uniforms ranging from \$700 to \$1,000. These fees are imposed uniformly on all franchisees and are not refundable under any circumstances.

**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 (Note 1)	Amount or Estimated Range	Due date	Refund	Remarks
Additional Site Assistance	Actual costs	As incurred	Non-refundable	(Note 12)
Opening Assistance	Actual costs	As incurred	Non-refundable	(Note 23)
Additional Training Fee	\$2,000/person	Prior to training	Non-refundable	(Note 34)
Subsequent Franchise Fee	Fixed Fee Arrangement: 3% of your Gross Sales	Monthly	Non-refundable	(Note 4)
<u>Subsequent Franchise Fee</u>	<u>Variable Fee Arrangement: 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</u> 3% of your Gross Sales	Monthly	Non-refundable	
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 5)
Supplier approval process fee	Actual costs	As incurred	Non-refundable	Actual cost of the inspection and its actual cost of testing, or evaluating, including travel costs
Temporary managing fee	3% of the Gross Sales, plus out-of-pocket expenses	As incurred	Non-refundable	(Note 65)

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 7)
Transfer service fee	Actual service fee for transfer	As incurred	Non-refundable	(Note 8)
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 9)
Liquidated Damages	Fees otherwise due for the remainder of the Term	On demand upon termination	Non-refundable	(Note 10)
Damages and Cost of Enforcement	Varies	Upon demand	Non-refundable	(Note 11)
Appraisal	Actual costs. 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	As incurred	Non-refundable	(Note 12)
Indemnification	Varies	Upon demand	Non-refundable	(Note 13)
Damages, cost and attorneys' fees	Varies	Upon demand	Non-refundable	(Note 14)
Replacement of equipment, fixtures, and signs	\$26,500 to \$32,000	As incurred	Non-refundable	(Note 15)

Notes:

~~Note 1~~ Note 1: Fees. All fees paid to us or our affiliates are uniform and not refundable under any circumstances once paid. Fees paid to vendors or other suppliers may be refundable depending on the vendors and suppliers. We currently require you to pay fees and other amounts due to us or our affiliates via electronic funds transfer ("EFT") or other means. All fees are current as of the Issuance Date of this Franchise Disclosure Document. Certain fees that we have indicated may increase over the term of the Franchise Agreement. Also, any fee expressed as a fixed dollar amount is subject to adjustment based on changes to the Consumer Price Index ("CPI") in the United States. We may periodically review and increase these fees based on changes to the CPI (in addition to any other increase), but only if the increase to the CPI is more than 5% higher than the corresponding CPI in effect on: (a) the effective date of your Franchise Agreement (for the initial fee adjustments); or (b) the date we implemented the last fee adjustment (for subsequent fee adjustments). We will notify you of any CPI adjustment at least 60 days

before the fee adjustment becomes effective. We will implement no more than one CPI-related fee adjustment during any calendar 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 costs for such additional services, including per diem charges for travel and living expenses for its personnel.

Note 23: 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 34: 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.

Note 5: 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 6: 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 7: Replacement of Equipment, Fixtures and Signs. Franchisees may be periodically required to undertake remodeling and updating the Restaurant. This includes replacement of fixtures, furnishings, equipment, signs, and décor, some of which are purchased from us or our affiliates. You may be required to pay approximately \$26,500 to \$32,000 to us or our affiliates, which includes: \$1,500 to \$2,000 for signs, \$16,000 to \$20,000 for fixtures such as floor and wall tiles and deco, and \$9,000 to \$10,000 for equipment such as freezer and small wares.

Note:

Note

~~Note Note 4: We, Franchisor, at our sole discretion, may elect to offer you either the Fixed Fee Arrangement or Variable Fee Arrangement, which election will be specified in Appendix A of the Franchise Agreement and will be provided to you no less than 14 days prior to your execution 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 equals to 3% of your monthly Gross Sales. 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. In making our choices between the Fixed Fee Arrangement or Variable Fee Arrangement, we may consider various commercial factors, such as your qualifications, experiences, financial conditions, and the site selected by you.~~

Note 5: 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 6: 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 Note 7: 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 8: 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.

Note 9: 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 10: 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 11: 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 12: 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 13: 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 14: In the event of a dispute between you and us, the arbitrator has the right to award money damages, attorneys' fees and costs.

Note 15: Replacement of Equipment, Fixtures and Signs. Franchisees may be periodically required to undertake remodeling and updating the Restaurant. This includes replacement of fixtures, furnishings, equipment, signs, and décor, some of which are purchased from us or our affiliates. You may be required to pay approximately \$26,500 to \$32,000 to us or our affiliates, which includes: \$1,500 to \$2,000 for signs, \$16,000 to \$20,000 for fixtures such as floor and wall tiles and deco, and \$9,000 to \$10,000 for equipment such as freezer and small wares.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee (Note 1)	\$20,000	Lump Sum	When sign the Franchise Agreement	Us
Deposit (Note 2)	\$8,000	Lump Sum	When sign the Franchise Agreement	Us
Rent (3 months); Lease; Utility and Security Deposits (Note 3)	\$20,000 to \$40,000	As incurred	As arranged	Landlord; third parties.
Training Related Expenses	\$4,500 - \$5,500 / person	As incurred	As arranged	Third parties (e.g. accommodation, food, transportation, travel, living expenses)
Equipment, Fixtures and Signs (Note 4)	\$100,000 to \$180,000	Lump Sum or financed	As incurred, before opening	Us, our affiliates or third parties (including \$26,500 to \$32,000 paid to us e.g. landlord and/or our affiliates) contractors)
Design & Architect Fees (Note 5)	\$15,000 to \$45,000	As arranged	As arranged	Designer or Architect
Leasehold Improvements (Note 6)	\$50,000 to \$200,000	As arranged	As arranged	Contractor
Business Licenses, Permits, Fees (Note 7)	\$1,500 to \$3,000	Lump Sum	Before opening	Third parties (e.g. government agencies)
POS System Fee (Note 8)	\$4,500 to \$5,500	Lump Sum	As incurred	Third parties

Opening Inventory (Note 97)	\$17,400 to \$20,000	Lump Sum	Before opening	Us, our affiliates and/or third parties (including \$12,400 to \$15,000 paid to the us or our affiliates and \$5,000 paid to third parties).
Uniforms	\$700 to \$1,000	Lump Sum	Before opening	Us or our affiliates
Insurance (Note 108)	\$5,000 to \$16,000	As arranged	As arranged	Insurance Companies
Additional Funds for First 3 Months of Operation (Note 119)	\$80,000 to \$150,000	Lump Sum	Monthly and As Incurred	Us, our affiliates or third parties
Professional Fees (Note 12)	\$20,000 to \$80,000	As arranged	As arranged	Attorney, Accountant
Estimated Total Initial Investment	\$346,600 to \$774,000			

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.

We and our affiliates do not finance any part of the initial investment.

~~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 of \$20,000 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 of \$8,000 (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~~Note 1: 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~~2: 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 knives, food processors, storage containers, etc.), fountain equipment, and office equipment. The variation in the costs of furniture and fixtures is based on differences in size, configuration, and location of the Restaurant site. Typical furniture and fixtures include tables and chairs for both indoor and outdoor (if applicable) seating, and other trade dress that are not included as landlord improvements. Of the total investment range of \$100,000 to \$180,000, approximately \$26,500 to \$32,000 is paid to the franchisor or its affiliates, which includes: \$1,500 to \$2,000 for signs, \$16,000 to \$20,000 for fixtures such as floor and wall tiles and deco, and \$9,000 to \$10,000 for equipment such as freezer and small wares. Except for the items noted, all other equipment and fixtures are paid to third parties of your choice.

Note ~~5~~3: Design and Architect fees. You must construct your Restaurant in accordance with our standards and specifications. This estimate includes the expense of building out a Restaurant, including carpentry, all interior finishes, mechanical, electrical, and plumbing. This estimate also includes fees for architectural and engineering services such as site planning, state approvals and other permits for building, heating and air conditioning, and plumbing, bid review, construction coordination, pay request review, and project closeout. The construction costs for a building will vary significantly depending on many factors including the size of the building, difficulty of site work, labor costs, local taxes and development fees and the availability of financing.

Note ~~6~~4: Leasehold Improvements. A typical leased premises will require build-out. Your landlord may contribute or provide leasehold improvements depending on your lease terms. In addition, you may need installation and setup of phone lines, high speed internet service, and computer equipment. You will need to construct improvements to, or "build out," the premises at which you will operate the Restaurant. These improvements may include, for example, wiring, flooring, sheetrock, plumbing, paint, HVAC, lighting, and décor items which must be constructed according to our specifications. These costs are likely to vary depending upon the size, location, configuration, installation costs, and overall condition of the premises, and may be much higher, if you already have or wish to establish your Restaurant in an area where special requirements of any kind (e.g., historical, architectural, or preservation requirements) will apply. A landlord allowance covering a portion of the costs of constructing the leasehold improvements may be able to be obtained from the landlord. Any allowance will be negotiated between you and the landlord. We cannot estimate the amount, scope or type of allowance that may be available, if any, for a particular site or from any particular landlord. Your actual cost may be more or less than the figures in the chart. There are other variables regarding potential sites that are likely to be site-specific and may impact overall construction and/or operating costs, such as, for example, asbestos or other materials within walls of existing locations, special permitting rules and regulations, special HVAC requirements, or site-

specific design criteria. These situations are site-specific and we cannot estimate the costs; a franchisee should evaluate those potential costs for any specific site that might be considered.

Note 75: Business Licenses, Permits, Fees. This is the estimated cost of the permits and licenses that you must have in order to operate your Restaurant and the costs may vary greatly depending on your state's requirements. Each state establishes its own licensing requirements, and those requirements may change. You are solely responsible for investigating and determining the licensing requirements and costs in your state and taking all necessary actions to ensure that your Restaurant remains in compliance with those requirements at all times. We strongly recommend that you consult with an attorney to determine exactly what permits and licenses you will need and how much those permits and licenses will cost. The amount necessary to obtain a liquor license varies greatly depending on the city, county and state licensing authority involved and may be based on whether a license is available from the licensing authority or must be purchased from a third party.

Note 86: POS System Fee. A fee of between \$4,500 and \$5,500 will be paid to third parties and the variation is due to optional add-ons the franchisees may choose to purchase.

Note 97: Opening Inventory. This is the estimated cost of the opening inventory, which includes \$12,400 to \$15,000 paid to us or our affiliates for proprietary soup base, sauces, seasonings, paper goods, packing box and other sundries, as well as \$5,000 paid to local suppliers for other materials and supplies, meat, dry goods, and produce. The cost listed here does not include shipping cost.

Note 108: Insurance. You must obtain insurance coverage with the limits required by us as described in Item 8 of this Disclosure Document. Your landlord may require additional insurance. The low estimate is for a semi-annual premium and the high estimate is for annual premium.

Note 119: Additional Funds for First 3 Months of Operation. You will need capital to support on-going expenses, such as payroll, interest and principal repayments, marketing materials and services, and utilities, to the extent that your revenue does not cover these costs. A Restaurant is required to have one General Manager (which can be but not required to be you or your Owner) and one Head Chef. A typical Restaurant usually have (but not required) one assist manager and approximately ten staff members. The need for additional funds will vary widely among franchisees. ~~When making this estimate, we relied upon the experience of our affiliates.~~ New businesses usually generate a negative cash flow. Your costs will depend on factors such as: how closely you follow our recommended methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for our product; the prevailing wage rate; competition; and the sales level reached during the initial period. You should review these estimates carefully with an accountant or other Restaurant advisor before making any decision to buy a franchise. When making this estimate, we relied upon the experience of our affiliates.

Note 12: Professional Fees. ~~We recommend that you consult with professionals including an attorney, accountant, and other advisors prior to signing a Franchise Agreement.~~

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

~~You must purchase or lease and install all fixtures, furnishings, equipment (including point of sales system), uniforms, décor items, signs and related items we require, all of which must conform to the standards and specifications stated in our Manual or otherwise in writing, unless you have first obtained our written consent to do otherwise. You may not install or permit to be installed on the Restaurant premises any fixtures, furnishings, equipment, décor items, signs, games, vending machines or other items without our written consent or that do not comply with our specifications.~~

~~To make sure that the highest degree of quality and service is maintained, you must operate the Restaurant in strict conformity with the methods, standards and specifications that we prescribe in the Manual or otherwise in writing. You must maintain in sufficient supply and use and sell at all times only those food and beverage items, ingredients, products, materials, supplies, packaging and paper goods that meet our standards and specifications. All menu items must be prepared in accordance with the recipes and procedures specified in the Manual or other written materials. You must not deviate from these standards and specifications by the use or offer of non-conforming items, or differing amounts of any items, without obtaining our written consent first. We can, and expect to, modify our standards and specifications as we deem necessary. We will provide you notice in the Manual or otherwise in writing (such as via email) of any changes in our standards and/or specifications.~~

~~You must permit us or our agents, during normal business hours, to remove a reasonable number of samples of food or non food items from your inventory or from the Restaurant free of charge for testing by us or by an independent laboratory to determine whether the samples meet our then current standards and specifications. In addition to any other remedies we may have, we may require you to pay our then current evaluation fee and reimburse our costs for the testing if we have not previously approved the supplier of the item or if the sample fails to conform to our specifications.~~

~~You must obtain all food and beverage items, ingredients, supplies, materials, fixtures, furnishings, construction services and materials, décor items, equipment (including point of sale system and communication systems), and other products used or offered and services for sale at the operation of the Restaurant solely from suppliers who demonstrate, to our continuing reasonable satisfaction, the ability to meet our then-current standards or in accordance with our standards and specifications. A complete list of our approved products and suppliers will be included in the Manual and is subject to change over time. We will provide you notice with updates in the Manual or otherwise in writing (such as via email) of any changes to the lists of approved products and approved suppliers. We do not provide material benefits to you based solely on your use of designated or approved sources.~~

~~We and/or our affiliates have developed, and may continue to develop, for use in the System certain products which are prepared from confidential proprietary recipes and other proprietary products which bear the Marks, including our proprietary soup base, sauces and seasonings. Because of the importance of quality and uniformity of production and the significance of those products in the System, it is to your and our benefit that we closely control the production and distribution of those products. Therefore, you will use only our proprietary recipes and other proprietary soup base products and will purchase those items solely from us or from a source designated by us all of your inventory of those products.~~

~~Currently, us and our affiliate(s) are the sole approved supplier for our proprietary soup base, sauces and seasonings, paper goods, certain equipment, fixtures and signs, and uniforms, we have the right to earn a profit from the sale of these items to our franchisees and earn mark up or rebates from third party suppliers. We reserve the right to designate ourselves and our affiliates as a sole supplier for other have the right to derive revenue and profit from the sale or lease of products and services and supplies in the future and to~~

earn a profit from the sale of these items to our franchisees. Based on you, such as marking up the prices (“Revenues”). We also 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 SCYGF’s 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 Revenues and Allowances. We or our affiliates may collect and retain any or all of these Revenues and Allowances without restriction (unless otherwise instructed by the manufacturer, supplier, or distributor).

Based on our unaudited financial statements for 2025, we 2024, it derived approximately \$2,233,444.33 in revenue from franchisees’ required purchases. This is approximately 2.86% of SCYGF’s total revenues for 560,752 2024. Based on our affiliate Yuna’s unaudited financial statements for 2024, it derived approximately \$943,498.48 in revenue from franchisees’ required purchases. This is approximately 62.52 This is approximately 43.12% of our total revenues for 2025. Our affiliate Yuna, is currently the sole supplier for our proprietary food packaging and paper products, uniforms, supplies, and pre-packaged food. Based on Yuna’s unaudited financial statements for 2025, it derived approximately \$252,016.57 in revenue from franchisees’ required purchases. This is approximately 7.53% of Yuna’s total revenues for 2025. As 2024. We have earned a markup of \$563 December 31, 2025, we did not earn any revenue from Yuna’s sale of these items, but reserve the right to do so. As of December 31, 2025, Angzheng and Fushunda did not earn any revenue from franchisees’ required purchases based on SCYGF and Yuna’s sale of these items. This is approximately 4.37% of our total revenues for but reserve the right to do so 2024.

Our Director and President Xingyu Yang has an ownership interest in the above-mentioned approved suppliers. None of the other officers listed in Item 2 has an ownership interest in us or any approved supplier.

We estimate that your purchases from us or approved suppliers, or that must conform to our specifications, will represent approximately 40% to 50% of your total purchases in establishing the Restaurant, and approximately 40% to 50% of your total purchases in the continuing operation of the Restaurant. We currently do not have any purchasing or distribution cooperatives. We may, when appropriate, negotiate purchase arrangements, including price terms, with designated and approved suppliers on behalf of the System. We do not conduct such negotiations for the benefit of franchisees.

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~~ reasonable 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.

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.

We estimate that your purchases from us or approved suppliers, or that must conform to our specifications, will represent approximately 40% to 50% of your total purchases in establishing the Restaurant, and approximately 40% to 50% of your total purchases in the continuing operation of the Restaurant.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

In the table below, the following abbreviations have these meanings: FA means the Franchise Agreement.

Obligation	Article or Section in Franchise Agreement (FA)	Disclosure Document Item
a. Site selection and acquisition/ lease	FA – Section 3	Items 6, 8 and 11
b. Pre-opening purchases/leases	FA – Section 3	Items 6, 7, 8 and 11
c. Site development and other pre-opening requirements	FA – Sections 3 and 4	Items 8 and 11
d. Initial and ongoing training	FA – Section 4	Items 6, 7 and 11
e. Opening	FA – Section 3	Item 11
f. Fees	FA – Sections 2, 3, 4, 5, 6, 7, 8, 12, 13, 14 and 18	Items 5, 6, 7 and 11
g. Compliance with standards and policies/ operating manual	FA – Sections 2, 3, 6, 8, 9, 10, 11 and 12	Items 8, 9, 11, 13 and 14
h. Trademarks and proprietary information	FA – Sections 9 and 10	Items 13 and 14
i. Restrictions on products/services offered	FA – Sections 6	Items 8 and 16
j. Warranty and customer service requirements	FA – Section 6	Not applicable
k. Territorial development and sales quotas	FA – N/A	Not applicable
l. Ongoing product/service purchases	FA – Section 6	Items 6 and 8
m. Maintenance, appearance and remodeling requirements	FA – Sections 3 and 6	Items 6, 11 and 16
n. Insurance	FA – Section 15	Items 6, 7 and 8
o. Advertising	FA – Section 7	Items 6, 8 and 11
p. Indemnification	FA – Section 15	Items 6, 13
q. Owner's participation/ management/staffing	FA – Section 6	Items 1, 11 and 15
r. Records and reports	FA – Section 8	Items 6, 11

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 GE	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.

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 reasonable fee for such additional services, including per diem charges for travel and living expenses for its personnel. ~~If we and you cannot agree on a site, your franchise agreement may be terminated, the initial franchise fee and part of or all of the deposit will be forfeited.~~

We generally do not own the premises and least lease 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.

Opening:

We estimate that the time from when the Franchise Agreement is signed to the opening of the Restaurant will be approximately 6 to 12 months. Your total timeframe may be shorter or longer depending on the time necessary to obtain an accepted site, to obtain financing, to obtain the permits and licenses for the construction and operation of the Restaurant, to complete construction or remodeling as it may be affected by weather conditions, shortages, delivery schedules and other similar factors, to complete the interior and exterior of the Restaurant, including decorating, purchasing and installing fixtures, equipment and signs, and to complete preparation for operating the Restaurant, including purchasing inventory and supplies. We do not provide assistance with conforming the site to local ordinances and building codes, obtaining the permits and licenses for the construction of the Restaurant, completing construction or remodeling, or hiring and training your employees. You must open the Restaurant and begin business within the planned Restaurant opening schedule as agreed by Franchisor in writing after you sign the Franchise Agreement. If you are not able to open your Restaurant within this period, we have the right to terminate your Franchise Agreement or we may extend the period of time for you to open. You may not open your Restaurant for business until we have approved you to do so.

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 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.

We do not provide assistance with equipment, signs, fixtures, opening inventory or supplies except that you must purchase your supply of proprietary sauces and seasonings, food packaging and logoed paper products, uniforms, and other proprietary products and supplies from us or our affiliates, and you may choose to purchase equipment and other items from us, our affiliates, or qualified third-parties. No other assistance is given by us except by our providing a list of approved suppliers in the Manual and by providing our written specifications. We do not deliver or install these items.

You must maintain the condition and appearance of the Restaurant (including adjacent parking areas and grounds that are part of the Restaurant premises), as we prescribe in the Manual. You must, at your own expense, replace worn out, broken and obsolete fixtures, equipment, furniture, signs, décor items, flooring and trade dress, purchase any additional equipment, and other items necessary for the operation of the Restaurant as we prescribe, repair the interior and exterior of the Restaurant, and regularly clean and maintain the Restaurant.

Grand Opening Marketing:

We have no grand opening marketing requirement. If you choose to do so, you must submit all marketing plans and materials for our approval.

National or Regional Marketing Fund:

We currently have no national or regional marketing program or fund, but reserve the rights to establish such.

~~If and when we establish a national or regional fund, the fund received will be used for national and regional advertising, marketing, publicity and promotional activity relating to our business and to maintain our websites. We will determine, in our fully unrestricted discretion, the manner in which the fund will be spent. Some portion of the fund may be used for creative concept production, marketing surveys, test marketing and related purposes.~~

~~If and when we establish a national or regional fund, we will have the right to direct all advertising activities with sole discretion over creative concepts, materials and media used, as well as their placement and allocation. We may conduct advertising activities in-house, or hire national or regional agencies. We also will have the right to determine, in our sole discretion, the composition of all geographic and market areas for the implementation of these advertising and promotional activities. The fund may be used to meet any and all costs of maintaining, administering, directing and preparing national and/or regional advertising materials, programs and public relations activities (including, without limitation, the cost of preparing and conducting television, radio, magazine, billboard, newspaper, direct mail and other media programs and activities, for conducting marketing surveys, test marketing, employing advertising agencies to assist therewith, and providing promotional brochures, coupons and other marketing materials to all franchisees of the System). The fund is intended to maximize general public recognition in all media of the Marks and patronage of YGF Restaurants and we have no obligation to ensure that expenditures of the fund in or affecting any geographic area are proportionate or equivalent to payments of any fund contribution by franchisees operating in that geographic area, or that any Restaurant will benefit directly or in proportion to the fund contribution paid for the development of advertising and marketing materials or the placement of advertising. We have no obligation to spend any amount on advertising in your territory. No amount of the fund will be spent for advertising that is principally a solicitation for the sale of franchises.~~

~~If and when we establish a national or regional fund, we will have the right to reimburse ourselves out of the fund for the total costs (including indirect costs such as salaries for our employees who devote time~~

~~and effort to fund related activities and overhead expenses) of developing, producing and distributing any advertising materials and collecting the fund contribution (including attorneys', auditors' and accountants' fees and other expenses incurred in connection with collecting any fund contribution). We also reserve the right to use a portion of the fund to subsidize the cost of presenting refresher training and/or a franchisee meeting. We do not intend to use any portion of the fund to solicit new franchise sales.~~

~~If and when we establish a national or regional fund, we will prepare, and furnish to you upon written request, an annual statement of funds collected and costs incurred. We are not required to have any fund statement audited, but if we choose to have the fund audited it will be at the fund's expense.~~

Cooperative Marketing:

We currently do not have and do not anticipate forming, or approving the formation of, marketing cooperatives. You will not be required to participate in, or contribute to, a marketing cooperative.

Local Marketing:

You must spend in each quarter of the Term a reasonable percentage of the Restaurant's Gross Sales from the prior quarter as we, in our sole discretion, determine, to advertise and promote your Restaurant. In no event this percentage shall exceed 10%. You must submit to us quarterly marketing and advertising expenditure reports accurately reflecting all local advertising expenditures for the preceding quarter and year-to-date by the marketing categories that we specify.

We must approve all marketing materials before you use them. You must not advertise or use our Marks in any fashion on the world wide web or via other means of advertising through telecommunication, including social media, without our express written consent. 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.

Website:

We alone may establish, maintain, modify or discontinue all internet, world wide web and electronic commerce activities pertaining to the System.

Any websites or other modes of electronic commerce that we establish or maintain, including but not limited to any mobile applications ("apps") that we may introduce, may – in addition to advertising and promoting the products, programs or services available at YGF Restaurants – also be devoted in part to offering YGF Franchises for sale and be used by us to exploit the electronic commerce rights which we alone reserve.

You may not maintain your own website; otherwise maintain a presence or advertise on the internet or any other mode of electronic commerce in connection with your Restaurant; establish a link to any website we establish at or from any other website or page; or at any time establish any other website, electronic commerce presence or URL which in whole or in part incorporates the "YANGGUOFU" name or any names confusingly similar to the Proprietary Marks.

You are not permitted to promote your Restaurant or use any of the Proprietary Marks in any manner on any social or networking websites, such as Facebook, Foursquare, Instagram, LinkedIn or Twitter, without our prior written consent. We will control all social media initiatives. You must comply with our System standards regarding the use of social media in your Restaurant's operation, including prohibitions on your and the Restaurant's employees posting or blogging comments about the Restaurant or the System, other than on a website established or authorized by us ("social media" includes personal blogs, common social

networks like Facebook, Foursquare, Instagram, LinkedIn and MySpace, professional networks like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio and video- sharing sites, and other similar social networking or media sites or tools). We currently do not have but reserve the right to establish branded social media pages/handles/assets. We reserve the right to conduct collective/national campaigns via local social media on your behalf.

~~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:

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 select for the System (the "POS System"). You are currently not required to license software used in the operation of the Restaurant from us, an affiliate, or a third party, but we reserve the rights to require so in the future.

As of the issuance date of this Disclosure Document, we require you to purchase the POS System from a third-party Approved Supplier. You will be charged a one-time fee ~~ranging from approximately~~ between \$4,500 to \$5,500.

We do not provide maintenance for your computer and POS System and we have no obligation to upgrade and update 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, including the POS System, at your own expenses. You are responsible for ensuring that the POS System remains compatible with our specifications and for timely implementing all required updates, upgrades, patches, and security fixes mandated by us or our Approved Supplier(s). We estimate the maintenance for your computer hardware and software to be between \$2,500 to \$3,000 per year.

The types of data generated, captured and stored within the POS System may include transaction data, inventory data, customer data, employee data, payment data, and other types of data. ~~o~~

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~~ a reasonable amount of technology system fee.

~~We currently and our affiliates will have no access to your operational and financial information and data. We reserve through 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:

ITEM 12 **TERRITORY**

We grant to you the right to operate a YGF Restaurant at a specific street address known as the “Site”. The Site will be subject to our written approval, which will not be unreasonably withheld. You may not operate the Restaurant from any location other than the Site without our prior written consent.

There will be no minimum territory granted to you. You will not receive an exclusive territory and may only operate at the Site. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

You may sell our menu items to customers who live anywhere but who choose to dine at or from your Restaurant. You may not engage in any promotional activities or sell products or services, whether directly or indirectly, through or on the internet, the world wide web, or any other similar proprietary or common carrier electronic delivery system; through catalogs or other mail order devices sent or directed to customers or prospective customers located anywhere; or by telecopy or other telephonic or electronic communications, including toll-free numbers, directed to or received from customers or prospective customers located anywhere. You may place advertisements in printed media and on television and radio that advertising your Site.

There are no restrictions on us from soliciting or accepting orders in the approximate of your Site.

You have no options, rights of first refusal, or similar rights to acquire additional franchises. You may not sell any products to any business or other customer at wholesale.

We reserve all rights not expressly granted to you by the Franchise Agreement. Without limitation and without regard to proximity to the Restaurant, we and our Affiliates reserve the right to:



- (1) establish or license franchised and/or company-owned businesses offering similar or identical products and services, and using YGF System or elements of YGF System (i) under the Marks or (ii) under names, symbols, or marks other than the Marks anywhere outside of the Site;
- (2) develop or become associated with other concepts (including other franchise systems), whether or not using YGF System and/or the Marks, and/or award franchises under such other concepts for locations anywhere;
- (3) acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not) with units located anywhere and, (i) convert the other businesses to YGF Restaurants and Marks and to allow them to operate as part of YGF System, (ii) permit the other businesses to continue to operate under another name, and/or (iii) permit the businesses to operate under another name and convert existing Restaurants to such other name;
- (4) advertise, or authorize others to advertise, using the Marks anywhere, including inside and outside of the Site; or
- (5) market and sell products and services identified by the Marks or other trademarks, logos, marks, commercial names or symbols to customers located anywhere (in or out of the Site) through any alternative distribution channels (other than Restaurant(s) located at the Site,

ITEM 13
TRADEMARKS

The Franchise Agreement grants you the right to use certain trademarks, trade names, service marks, symbols, emblems, logos and indicia of origin designated by us (“Marks”). These Marks may be used only in the manner we authorize and only for the operation of your Franchised Business.

You may not use the Marks as a part of your corporate or other legal name, and you must comply with our instructions in filing and maintaining trade name or fictitious name registrations. You must sign any documents we require to protect the Marks or to maintain their continued validity and enforceability. In addition, you may not directly or indirectly contest the validity of our ownership of or our rights in and to the Marks.


We own the following principal Marks which have been registered with the U.S. Patent and Trademark Office (“USPTO”) on the Principal Register:

Mark	U.S. Serial Registration Number	Registration Date
YGF	873803195482202	May 29, 2018
	791815345066495	October 25, 2016
	791798955070668	November 1, 2016

We intend to file all affidavits and other documents required to maintain our interest in and to the Marks. There is no agreement that limits our right to use or license the use of the Marks related to the franchise, and we know of no superior prior rights or infringing uses that could materially affect your use of the Marks in any state. There are no currently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, no pending infringement, opposition or cancellation proceedings and no pending litigation involving any of the Marks that may significantly affect the ownership or use of any Mark listed above.

We are currently applying for the following Federal registered service marks and the applications are pending with USPTO. ~~We do not have a federal registration of these principal trademark. Therefore, our trademarks below do not have many legal benefits and rights as a federally registered trademark. If your right to use the trademarks is challenged, you may have to change to alternative trademarks which may increase your expenses.~~ with the following application numbers:

Mark	Application Number
YANGGUOFU	98578904

<p style="text-align: center;">楊國福</p>	<p style="text-align: center;">98578893</p>
<p style="text-align: center;"></p>	<p style="text-align: center;">98578852</p>

You must immediately notify us of any apparent infringement of the Marks or challenge to your use of any of the Marks or claim by any person of any rights in any of the Marks. You and your Managing Owners are not permitted to communicate with any person other than us, or any designated affiliate, our counsel and your counsel involving any infringement, challenge or claim. We can take action and have the right to exclusively control any litigation or USPTO or other administrative or agency proceeding caused by any infringement, challenge or claim or otherwise relating to any of the Marks. You must sign any and all documents, and do what may, in our counsel’s opinion, be necessary or advisable to protect our interests in any litigation or USPTO or other administrative or agency proceeding or to otherwise protect and maintain our interests and the interests of any other person or entity (including any affiliate) having an interest in the Marks.

We will indemnify you against and reimburse you for all damages for which you are held liable for your use of any of the Marks, provided that the conduct of you and your Managing Owners in the proceeding and use of the Marks is in full compliance with the terms of the Franchise Agreement.

Except as provided above, we are not obligated by the Franchise Agreement to protect any rights granted to you to use the Marks or to protect you against claims of infringement or unfair competition with respect to them. Although we are not contractually obligated to protect the Marks or your right to use them, as a matter of corporate policy we intend to defend the Marks vigorously.

We may require you, at your expense, to discontinue or modify your use of any of the Marks or to use one or more additional or substitute trade names, service marks, trademarks, symbols, logos, emblems and indicia of origin if we determine that an addition or substitution will benefit the System.

The license to use the Marks granted in the Franchise Agreement is non-exclusive to you. We have and retain all rights in the Marks.

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

When you sign your agreement, you must designate and retain at all times an individual to serve as the “General Manager”. We do not require you to be the General Manager. If you are not actively involved in the daily operation of your Restaurant, then we may communicate with and rely on the decisions made by your General Manager and you must still make sure that your Restaurant is being operated according to the terms of your Franchise Agreement and the Manual. The kitchen of the Restaurant must be managed by a Head Chef. You must also retain other personnel as are needed to operate and manage the Restaurant.

Your General Manager must devote his or her full working time and best efforts to the day-to-day, on-premises operation of the Restaurant, must have satisfactorily completed the Initial Training Program, subsequent training and additional training or a comparable training program at your Restaurant that we have approved, and should not engaged in any other business endeavor except passive investments which do not interfere with the performance of his or her duties as General Manager. We do not require that any of your managers have an ownership interest in you. While your Restaurant is open, you must have at least one General Manager on-site. If you for any reason no longer employ a General Manager, you must notify us within twenty-four (24) hours of the change in circumstances, and arrange for an individual who has been properly trained to temporarily manage the Restaurant or, in our sole discretion, allow us, on a temporary basis, to assume the management of the Restaurant or appoint a third party to manage the Restaurant.

The General Manager must satisfy our educational and business criteria as provided to you in the Manual or other written instructions, must be individually acceptable to us, and must be approved by us to act as a General Manager. The General Manager must be responsible for the supervision and management of the Restaurant, and must devote full time and best efforts to this activity. The General Manager also must satisfy the applicable training requirements in the Franchise Agreement. If the General Manager cannot serve in the position or does not meet the requirements, he or she must be replaced within thirty (30) days after the General Manager stops serving or no longer meets the requirements.

You must have all of your personnel sign covenants that they will maintain the confidentiality of information they receive or have access to based on their relationship with you. You must ensure that your General Manager and Head Chef agree to comply with the restrictions in Sections 10 (Confidential Information), 11 (Non-Compete), and 14 (Effect of Termination or Expiration) of the Franchise Agreement, except that they shall not be required to agree to comply with Section 11.C post-term non-compete provision. Employees without access to our confidential information are not required to sign a confidentiality covenant.

Each of your owners owning, directly or indirectly, at any time during the Term of the Franchise Agreement, 15% or more of the legal or beneficial interests in you must sign and deliver to us our standard form of Owner’s Guaranty undertaking to be bound jointly and severally by all provisions of the Franchise Agreement and any other agreements between the Parties.

You will designate a single non-Entity Owner to serve as the “Managing Owner,” with the responsibility of supervising the daily operations of the Restaurant and the power to bind you in their dealings with us. We have the right to approve the Managing Owner, and you will promptly inform us of any proposed changes to the Managing Owner. We may, in our sole discretion permit you to appoint an individual who is not an Owner to serve in the role of Managing Owner.

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

Provision	Section in Franchise Agreement	Summary
a. Length of the Franchise Term	FA – Section 2.A	5 years commencing on the Effective Date
b. Renewal or extension of the Term	FA – Section 2.B	1 additional consecutive 5 years’ term
c. Requirements for you to renew or extend	FA – Sections 2.B, 2.C	Written notice, compliance with Franchise Agreement, satisfaction of monetary obligations, sign the then current Franchise Agreement, pay the then current franchise fees, release us, satisfaction of new criteria, remodel, and others. The new agreement that you must sign may contain terms and conditions that are materially different than the original contract.
d. Termination by you	FA – Section 13.A	You may terminate the Franchise Agreement 30 days after notice of Franchisor’s material breach if we fail to remedy the breach(es) within 30 days. (Subject to applicable state law.)
e. Termination by us without cause	Not Applicable	
f. Termination by us with cause	FA – Sections 13.B and 13.C	Each of your obligations under the Franchise Agreement is a material and essential obligation, the breach of which may result in termination.
g. “Cause” defined – curable defaults	FA – Sections 13.B.(23)-(27) and 13.C.(1).(ab)	We may terminate you for cause if you fail to cure certain defaults within 30 days of a notice of default, including: failure to respond to customer complaints; refusal to cooperate with inspection or information requests; failure to compel with other provisions of the Franchise Agreement; failure to maintain system standards; failure to obtain our approvals, and others. See FA – Sections 13.B(23)-(27) and 13.(C).(1).(ab) of the Franchise Agreement.

h. “Cause” defined - non-curable defaults	FA – Sections 13.B.(1)-(22) and 13.C.(1).(ba)	Misrepresentation of application; failure relating to Site; failure relating to personnel; violation relating to Marks; bankruptcy; abandonment; violation of covenants, and others; see FA – Sections 13.B.(1)-(22) of the Franchise Agreement. (Under the U.S. Bankruptcy Code, we may be unable to terminate the agreement merely because you make a bankruptcy filing.)
i. Your obligations on termination/nonrenewal	FA – Section 14.A	Cease operating Restaurant, payment of amounts due, return of manuals and other materials, deliver records, cancel assumed names, and others. See FA – Section 14.A of the Franchise Agreement.
j. Assignment of contract by us	FA – Section 12.A	There are no limits on our right to assign the Franchise Agreement.
k. “Transfer” by you – defined	FA – Section 12.B.(1)	Includes transfer of any interest.
l. Our approval of transfer by you	FA – Section 12.B.(2)	We have the right to approve or disapprove all proposed transfers.
m. Conditions for our approval of transfer	FA – Section 12.B.(4)	Full compliance with Franchise Agreement, release us, transferee must sign new Franchise Agreement, pay transfer fee, and others; see FA – Section 12.B.(4) of the Franchise Agreement.
n. Our right of first refusal to acquire your business	FA – Section 12.B.(6)	We have a right of first refusal. If the Franchisee or one or more of the Franchisee’s Owners wish to make a Transfer pursuant to any bona fide binding offer received from a third party to purchase that interest, then the proposed seller shall promptly notify the Franchisor in writing of the offer, and provide any additional information and documentation relating to the offer that the Franchisor requires. Franchisor has 30 days to notify the transferee of its intent to acquire the Restaurant.
o. Our option to purchase your business	FA – Section 14.A.(5)	We have the option, within 60 days of termination or expiration, to purchase your tangible and intangible assets relating to the Restaurant, including the Restaurant premises and to an assignment of the lease at fair market value.

ITEM 18
PUBLIC FIGURES

We currently do not use any public figure to promote the sale of our franchises but reserve the right to do so.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor owned outlets, if there is a reasonable-basis for the information, and if the information is included in the Franchise Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Fei Feng Yicao Tan, 1521 Concord Pike, Suite 201, Wilmington, DE 19803, phone number: (929) 977-6123(302) 252-8920, and email: fei.fengtanyicao@yangguofu.global, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

**Table 1
Systemwide Outlet Summary
For Years ~~2022~~2023 to ~~2025~~2024**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022 2023	0	0	0
	2024 2023	0	07	0+7
	2024 2025	07	723	+716
Company Owed	2022 2023	0	0	0
	2023 2024	0	0	0
	2024 2025	0	0	0
Total Outlets	2023 2022	0	0	0
	2024 2023	0	07	0+7
	2024 2025	07	723	+716

**Table 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years ~~2022~~2023 to ~~2025~~2024**

State	Year	Number of Transfers
All	2023 2022	0
	2023 2024	0
	2025 2024	0

Table 3
Status of Franchised Outlets
For Years ~~2022~~2023 to ~~2025~~2024

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS OTHER REASONS	OUTLETS AT END OF YEAR
California	2023 2022	0	0	0	0	0	0	0
	2024 2023	0	0 3	0	0	0	0	0 3
	2025	3	7	0	0	0	0	10
Florida	2023 2024	0	3 0	0	0	0	0	3 0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Georgia	2023 2022	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Illinois	2023	0	0	0	0	0	0	0
	2024	0	1 0	0	0	0	0	1 0
	2025	0	1	0	0	0	0	1
Indiana	2023 2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Massachusetts	2023 2022	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Nevada	2023	0	0	0	0	0	0	0
	2024	0	1 0	0	0	0	0	1 0
	2025	0	1	1	0	0	0	0
New York	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	3	0	0	0	0	3
Texas	2022 2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Washington	2023	0	0	0	0	0	0	0
	2024	0	1 0	0	0	0	0	1 0
	2025	0	4	0	0	0	0	4
Totals	2022 2023	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	7	0	0	0	0	7
	2025	7	17	1	0	0	0	23

Table 4
Status of Company-Owned Outlets
For Years ~~2022~~2023 to ~~2024~~2025

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEES	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEES	OUTLETS AT END OF YEAR
All	2022 2023	0	0	0	0	0	0
	2024 2023	0	0	0	0	0	0
	20242025	0	0	0	0	0	0
Totals	2022 2023	0	0	0	0	0	0
	2024 2023	0	0	0	0	0	0
	20242025	0	0	0	0	0	0

Table 5
Projected Openings for Year ~~2025~~2026 as of December 31, ~~2024~~2025

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets In The Next Calendar Year	Projected New Company Owned Outlets In The Next Calendar Year
Washington	0	4	0
California	0 3	4 18	0
Massachusetts -Florida	0	0 1	0
<u>Georgia</u>	<u>1</u>	<u>1</u>	<u>0</u>
<u>Illinois</u>	<u>0</u>	<u>1</u>	<u>0</u>
Indiana	0	1	0
<u>Maryland</u>	<u>0</u>	<u>1</u>	<u>0</u>
<u>Massachusetts</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Michigan</u>	<u>0</u>	<u>1</u>	<u>0</u>
<u>Minnesota</u>	<u>0</u>	<u>1</u>	<u>0</u>
<u>Nevada</u>	<u>0</u>	<u>1</u>	<u>0</u>
New York	0	2	0
<u>Pennsylvania</u>	<u>1</u>	<u>1</u>	<u>0</u>

<u>Texas</u>	<u>1</u>	<u>4</u>	<u>0</u>
<u>Virginia</u> Illinois	0	1	0
<u>Washington</u>	<u>0</u>	<u>2</u>	<u>0</u>
Georgia <u>Washington,</u> <u>D.C.</u>	0	1	0
Total	<u>06</u>	<u>1937</u>	0

The name, address, and telephone number of all franchisees as of December 31, ~~2024~~2025 is included as Exhibit C.

The name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who has not communicated with the franchisor within 10 weeks of the issuance date of this Disclosure Document appear at Exhibit D. If you buy a Franchised Business, your contact information may be disclosed when you leave the franchise system.

During the last three fiscal years, we have not had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the YGF System.

There are no trademark-specific organizations formed by our franchisees that are associated with the YGF System.

ITEM 21
FINANCIAL STATEMENTS

Included as Exhibit E are our audited financial statements since our establishment on April 8, 2024 to December 31, 2025. 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 December 31, 2024.~~

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
Sample of Product Supply Agreement – Exhibit H

ITEM 23
RECEIPTS

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

EXHIBIT A TO THE DISCLOSURE DOCUMENT

AGENTS FOR SERVICE OF PROCESS AND STATE ADMINISTRATORS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. Where we are registered to sell franchises, we have appointed the state agency, or as noted below, a state officer, as our agent for service of process in the state. We may not yet be registered to sell franchises in any or all of the states listed. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

<p><u>CALIFORNIA</u> Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (866) 275-2677 Agent: California Commissioner of Financial Protection and Innovation</p>	<p><u>NORTH DAKOTA</u> North Dakota Securities & Insurance Department 600 East Boulevard Avenue State Capitol Fifth Floor Dept. 414401 Bismarck, North Dakota 58505-0510 (701) 328-47122910 Agent: North Dakota Securities Insurance Commissioner</p>
<p><u>HAWAII</u> Commissioner of Securities Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722 Agent: Commissioner of Securities of the State of Hawaii</p>	<p><u>OREGON</u> Department of Finance and Corporate Securities Labor and Industries Building <u>Division of Financial Regulation</u> 350 Winter Street NE, Room 410 Salem, Oregon 97301-3881 (503) 378-4387 Agent: Director of Oregon Department<u>Division of Insurance and Finance</u>Financial Regulation</p>
<p><u>ILLINOIS</u> Franchise Division Bureau Office of Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465 Agent: Illinois Attorney General</p>	<p><u>RHODE ISLAND</u> Department of Business Regulation Division of Securities 1511 Pontiac Ave. John O. Pastore Complex Building 69-1 Cranston, RI 02920 (401) 462-95009527 Agent: Director of Business Regulation</p>
<p><u>INDIANA</u> Franchise Section Indiana Securities Division Room E-111 302 West Washington Street Indianapolis, Indiana 46204 (317) 232-6681 Agent: Indiana Secretary of State Indiana Securities Division 201 State House Indianapolis, IN 46204</p>	<p><u>SOUTH DAKOTA</u> Department of Labor and Regulation Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563 Agent: Director, Division of Insurance-Securities Regulation</p>

<p><u>MARYLAND</u> <u>Securities Division</u> Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360 Agent: Maryland Securities Commissioner 200 St. Paul Place <u>Baltimore, Maryland 21202-2020</u></p>	<p><u>VIRGINIA</u> State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051 Agent: Clerk of the State Corporation Commission <u>1300 E Main St., 1st Fl. Richmond, VA 23219</u> <u>Tel: (804) 371-9733</u></p>
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APPENDIXES

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Captain Business Management Co., Limited
Franchise Agreement

This Franchise Agreement (“Agreement”) is made and entered into as of _____ (the “Effective Date”) by and between Captain Business Management Co., Limited, a Delaware Corporation, with its registered office in the State of Delaware at 1521 Concord Pike, Suite 201-Street, in the City of Wilmington, County of New Castle (19803) (“Franchisor”), and _____, _____ (Passport No. [*] /Registration No. [*]), [a _____,company/an individual], with its [registered office / residential address] in _____ (“Franchisee”).

RECITALS

A. Franchisor and its Affiliates have developed a valuable and proprietary business model and system (collectively, “YGF System” “YANGGUOFU System”, or “System”) used in developing and operating franchised restaurants (“Restaurant(s)”, “YGF Restaurant(s)”, or “YANGGUOFU Restaurant(s)”) that operate under the trademarks “楊國福[®]” (Chinese character “YANGGUOFU”), “”, “YGF YGF” and other related trademarks, logos, marks, product names and commercial symbols owned by Franchisor or its Affiliates (the “Mark(s)”, including those identified in Appendix D).

B. The core product of YGF System is “Malatang” (a Chinese dish); the distinguishing characteristics of YGF System include, but are not limited to, using unified Marks, as well as unified Restaurant decorations, designs and identification schemes (“Trade Dress”), standard food production process and flavors, conducting unified trainings, applying integrated procurement of certain featured materials, operation models and management system, and following the same franchise operation manuals (“Manuals”) and mandatory/recommended policies, processes, standards, specifications, rules and requirements set out in other written documents (“YGF System Standards”). Franchisor may change, improve, add to, and further develop the elements of YGF System from time to time.

C. Franchisor has the right to license others to establish and operate one or more Restaurant(s) within defined territories. Franchisee is willing to obtain and has applied for a franchise to operate a single unit Restaurant at a location that Franchisee selects and Franchisor approves, and Franchisor wishes to grant Franchisee such a franchise under the terms and conditions contained in this Agreement.

D. As used in this Agreement, an “Affiliate” of a natural/legal person or entity means any natural/legal person or entity directly or indirectly owned or controlled by, under common

completed and signed by Franchisor, will be the “Site” referred to in this Agreement. A site is not accepted until Franchisee has received its acceptance in writing, as indicated by the delivery of the completed and signed Appendix A. If Franchisee requests other guidance, consultation, assistance and on-site evaluation from the Franchisor, the Parties may reach an additional agreement accordingly, and Franchisor may charge Franchisee a reasonable fee for such additional services, including *per diem* charges for travel and living expenses for its personnel.

- (2) Change of the Site. If Franchisee needs to change the Site out of any reasons, it should propose a Substitute Site and obtain Franchisor’s approval within three (3) months before the change. In particular, Franchisee must deliver to Franchisor for its review a complete change of site proposal and other materials and information Franchisor requests for the proposed site in advance. Franchisor will use reasonable standards to review and accept or reject a change of site proposal within fifteen (15) days after receiving the complete change of site proposal and other materials Franchisor requests. If Franchisor does not accept the proposed site within such 15-day period, the proposal is deemed rejected.
- (3) No Warranty. Franchisee acknowledges and agrees that Franchisor’s acceptance or proposal of a proposed site is not a warranty or representation, express or implied, as to the potential success or profitability of Franchisee’s Restaurant. While Franchisor may provide assistance and guidance, it is solely Franchisee’s responsibility to select a suitable site for the Restaurant. **Franchisor is not responsible if the Site Franchisor recommends or accepts fails to meet Franchisee’s expectations.** Franchisee’s acceptance of the Site is based on its own independent investigation of, or agreement in the future to investigate, the Site's suitability.

3.B. Site Acquisition.

- (1) Obtain Approval. Franchisee must present to Franchisor for Franchisor’s review and approval, which Franchisor will not unreasonably withhold, each letter of intent, lease, sublease, or purchase agreement (and any renewals and amendments thereof) that will govern Franchisee’s acquisition, occupancy and/or lawful possession of the Site (collectively, “**Site Agreements**”) at least thirty (30) days before Franchisee intends to sign it. Franchisor may (but has no obligation to) provide Franchisee guidance or assistance relating to the Site Agreement and its negotiation. Franchisee may not sign any Site Agreement unless it contains the terms that Franchisor requires in accordance with this Section and until Franchisee has received a written approval of the Site Agreement(s) from Franchisor. If Franchisor has not approved a Site Agreement in writing within ten (10) Business Days after Franchisor ~~receives~~receives a complete clean copy of the Site Agreement from Franchisee (containing all negotiated terms and in

signature-ready form), then it will be deemed disapproved. A “**Business Day**” means any day other than Saturday, Sunday or a legal ~~German~~ holiday in the United States. Franchisee must sign and deliver to Franchisor a fully-executed copy of the approved Site Agreement for the Site within two (2) months from the Effective Date of this Agreement.

- (2) No Warranty. Franchisee acknowledges and agrees that Franchisor’s guidance, assistance (at Franchisor’s option) and approval of a Site Agreement is not a warranty or representation, express or implied, as to the potential success or profitability of Franchisee’s Restaurant, or that the terms of the Site Agreement are/are not suitable for Franchisee’s commercial purposes.

3.C. Development of the Restaurant.

- (1) Franchisor will provide Franchisee with mandatory and recommended design standards, plans and specifications, which may include the corporation image identification system (“**CI System**”) unified by Franchisor, or other mandatory requirements and recommendations on the layout, design, interior decorations, position of the equipment, furniture, fixtures, outdoor signboard, identification schemes, colors, etc. of the Restaurants.
- (2) **Franchisor has the right to require Franchisee to employ architectural or construction team or contractor designated or approved by Franchisor to develop and furnish the Restaurant. Franchisee must obtain prior written consent from Franchisor before using a team or contractor that areis not approved by Franchisor. Provided that Franchisee has obtained Franchisor’s prior written consent, Franchisee shall prepare all necessary construction drawings and specifications according to the design standards and plans provided by Franchisor, and make sure that these drawings and specifications comply with all applicable legal requirements.** Franchisee must, before commencing development of the Restaurant, provide Franchisor with complete space plans, architectural drawings, construction plans and specifications for Franchisor’s review written approval of them. Any changes that Franchisee makes to the space plans, architectural drawings, construction plans or specifications to comply with Applicable Laws or for other reasons must be provided to Franchisor for its prior review and written approval (including via e-mail). Franchisee may not begin construction of its Restaurant without written approval from Franchisor concerning the final plans and specifications. Upon completion of construction, Franchisee must provide Franchisor with "as built" plans for the Restaurant.
- (3) Franchisor may inspect the Site anytime while Franchisee is developing the Restaurant, and may offer any construction assistance to Franchisee at Franchisor’s own discretion.

- (4) Any review of Franchisee's construction plans and specifications will be limited to ensuring their compliance with Franchisor's design and other requirements for the Restaurants. **Franchisor will not assess Franchisee's compliance with any Applicable Laws, rules, regulations, or ordinances ("Applicable Laws"), related to the development or construction of the Restaurant, of which the liability and responsibility are borne solely by Franchisee solely.**

3.D. Opening of the Restaurant. Franchisee expects to open Restaurant within six (6) months upon execution of this Agreement. If there is any delay in the preparation of Restaurant opening, Franchisee shall notify in writing to Franchisor such circumstance and its plans to eliminate effects of such circumstance within two (2) days upon its recognition of such circumstance; provided, however, the Restaurant shall not be opened for business until Franchisee has obtained written consent from Franchisor to do so. Franchisor will not unreasonably withhold its consent for the opening of the Restaurant, provided Franchisee has (i) requested in writing for Franchisor's approval to open the Restaurant upon at least thirty (30) days' prior written notice of the Restaurant's planned opening date and provided Franchisor with written notice of when the Restaurant is ready for inspection, (ii) complied in all material respects with all applicable provisions of this Agreement relating to the development of Franchisee's Restaurant, **and** (iii) have satisfied the following conditions:

- (1) Franchisee ~~have~~has secured all financing it requires to develop and operate the Restaurant;
- (2) Franchisee has delivered to Franchisor a copy of the fully executed Site Agreement(s);
- (3) Franchisee has purchased or leased and installed all required equipment, fixtures, furniture, and signs for the Restaurant according to the requirements set out in this Agreement and YGF System Standards;
- (4) Franchisee has purchased an initial inventory of required, authorized, and approved featured materials and other supplies;
- (5) Franchisor has inspected and approved the Restaurant as having been developed in accordance with the approved construction plans, Trade Dress and other written instruments. As an alternative, or in addition, to our physical inspection of the Restaurant, Franchisor may require Franchisee to send Franchisor digital video and/or photographs of the Restaurant. **Franchisor's inspection and approval are limited to ensuring Franchisee's compliance with the standards and specifications applicable to the Restaurants, although Franchisor's approval is not a representation that the Restaurant complies with its standards and specifications or a waiver of its right to enforce any provision of this Agreement. Franchisor's inspection and approval**

are not designed to assess compliance with Applicable Laws, as compliance with such laws is Franchisee's responsibility and obligation;

- (6) Franchisee's Managing Owner, General Manager and Head Chef have completed the Initial Training Program described in Section 4 (Training and Assistance) to Franchisor's satisfaction;
- (7) Franchisee ~~have~~has satisfied all bonding, licensing, and other legal requirements for the lawful operation of its Restaurant, and Franchisee ~~have~~has delivered to Franchisor copies of all business registrations, permits and approvals for its Restaurant required by Applicable Laws;
- (8) All amounts due to Franchisor, our Affiliates, and/or designated third parties have been paid;
- (9) Franchisor has received Deposit required by Section 5.B of this Agreement; and
- (10) Franchisee has signed and delivered to Franchisor a completed opening checklist/request for opening, in the form Franchisor specifies, certifying to Franchisor that all of the requirements in (1) through (9) above have been satisfied.

3.E. Assistance at the Opening. Upon Franchisee's request, Franchisor 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 Franchisee.

3.F. Initial Inventory. Prior to opening the Restaurant, Franchisee must purchase an initial inventory of featured materials specified in Manuals and other materials ("**Materials**") from Franchisor or the suppliers designated/approved by Franchisor. **Franchisor may specify the type and quantity of items that Franchisee must purchase for its pre-opening inventory.** Franchisee may submit a request to Franchisor or the suppliers designated/approved by Franchisor for procurement of the Materials only after the development of the Restaurant is completed and reviewed and approved by Franchisor.

4. TRAINING AND ASSISTANCE.

4.A. Initial Training Program. Franchisor will furnish at its corporate headquarters in China and/or other designated location an initial training program (the "**Initial Training Program**") for Franchisee who signs this Agreement. The Initial Training Program will last approximately four (4) days, for which the schedules, designed by Franchisor, may include the dishes producing process for the chefs, daily operation management of the Restaurant, etc. The Managing Owner, the General Manager and the Head Chef of Franchisee's Restaurant are required to attend the Initial Training Program. Franchisor will train up to three (3)

and comprehend the Franchisor's Corporate Culture Values during inspection of the Restaurant;

- (4) ~~Franchisor~~Franchisee must replace any managing staff and/or Head Chef who cannot complete the training to Franchisor's satisfaction, and the newly appointed managing staff and/or Head Chef must complete the designated training program to Franchisor's satisfaction before taking the position.

4.F. Employee Training. Franchisee must train all its personnel in accordance with the Franchisor's training content, and equip the Restaurant with a sufficient number of trained staffs, which shall at least include a managing staff and a Head Chef who have completed the Initial Training Program to Franchisor's satisfaction.

4.G. Online Training. For any training programs that Franchisor holds, it may supplement or replace portions of the in-person training with online training modules.

4.H. Manuals and YGF System Standards. Franchisor will provide Franchisee access during the Term to one set of the Franchise Manuals of YGF System, in both physical and digital forms, which include business policies, YGF System Standards, and information relating to Franchisee's other obligations under this Agreement. The Manuals may be modified from time to time, at Franchisor's sole discretion, to reflect changes in YGF System Standards, and Franchisor will communicate any required changes to Franchisee. Where any discrepancy arises between Manuals in different versions, the Franchisor's master copy shall prevail. Franchisee agrees to keep its copy of the Manuals current and in a secure location at the Restaurant. If Franchisor provides Franchisee with online access to the Manuals, Franchisee will be responsible for periodically monitoring the site for any updates to the Manuals or YGF System Standards, and responsible for protecting the confidentiality of any passwords and other digital identifications necessary to access the Manuals on such site. Franchisor and its Affiliates are the sole owners of the copyright and all other rights in and to the Manuals, and Franchisee may not reproduce or use them for any purpose other than in connection with Franchisee's performance under this Agreement.

5. FEES.

5.A. Franchise Fee.

~~at its sole discretion, may elect to place~~Initial Franchise Fee. Franchisee ~~under either the Fixed Fee Arrangement or Variable Fee Arrangement, as specified in Appendix A.~~

- (1) ~~Fixed Fee Arrangement. Under the Fixed Fee Arrangement, you must pay~~ Franchisor a lump sum fee of ~~\$20~~USD20,000 as the Initial Franchise Fee upon the execution of this Agreement. This Initial Franchise Fee is due, and fully earned by Franchisor, when

Franchisee signs this Agreement. You must also pay a Subsequent Fee at 3% of your monthly Gross Sales. ~~The Franchise Fee is not refundable unless otherwise required by Applicable Laws.~~

(2) ~~Variable Fee Arrangement. Under the Variable Fee Arrangement, you must pay a lump sum fee of \$10,000 as the Initial Subsequent Franchise Fee upon the execution of this Agreement. This Initial Franchise Fee is due, and fully earned by Franchisor, when Franchisee signs this Agreement. You must also pay a Subsequent Fee determined as follows:~~

Monthly Gross Sales	Subsequent Fee
Less than \$50,000.00	\$2,000.00
\$50,000.00 to \$80,000.00	\$2,000.00 plus 6% of the portion of monthly Gross Sales which exceed \$50,000.00
\$80,000.01 to \$120,000.00	\$3,800.00 plus 7% of the portion of monthly Gross Sales which exceed \$80,000.00
More than \$120,000.00	\$6,600.00 plus 8% of the portion of monthly Gross Sales which exceed \$120,000.00

Franchise Fee at 3% of your monthly Gross Sales. ~~The franchise fee~~ **Franchise Fee is not refundable unless otherwise required by Applicable Laws.**

5.B. Deposit.

- (1) To prompt Franchisee to cherish and protect Franchisor’s commercial brand and corporation image in operation of the Restaurant, Franchisee shall have submitted a **Deposit of USD8,000** to Franchisor upon execution of this Agreement ~~as specified in Appendix A.~~
- (2) The above-mentioned Deposit will be kept in the account of Franchisor, and Franchisor will not pay any interest to Franchisee on the Deposit.
- (3) During the Term, Franchisor may deduct liquidated damages, loss or costs from the Deposit if any of the following event occurs. Notwithstanding the deduction from the Deposit, Franchisor reserves the rights to other available claims and remedies, including but not limited to claiming damages from the Franchisee:

5.C. Payments of Fees. All fees are due to Franchisor at the times and in the manner that Franchisor specifies from time to time in this Agreement, the Manuals or otherwise. Franchisee must also sign and deliver to Franchisor the documents Franchisor periodically requires to enable such payments. Except for the Franchise Fee, all other fees and payments due hereunder must be paid within ten (10) days of Franchisee's receipt of an invoice from Franchisor and/or its Affiliates, the designated supplier, or as otherwise specified in the Manuals.

5.D. Interest on Delinquent Payments; Late Fees. If Franchisee fails to pay (or make available for withdrawal from its account) any amounts Franchisee owes Franchisor or its Affiliates or its designated suppliers, including amounts for Franchise Fee, whether such amounts are reflected as due on any report Franchisee submits to Franchisor or are subsequently determined by verification, examination or audit to have been due, Franchisee must pay Franchisor daily interest on the amount owed at the rate of 18% per annum or the highest rate permitted by Applicable Laws, whichever is less, calculated from the date such payment was due until Franchisor or its Affiliates or the designated supplier receive it. In addition, Franchisor is entitled to deduct a late fee monthly of \$1,400 for each month (or portion thereof) from the Deposit that any payment is delinquent. Late fees and interest charges are nonrefundable. This provision does not mean that Franchisor accepts or condone late payments, nor does it indicate that Franchisor is willing to extend credit to, or otherwise finance, the operation of Franchisee's Franchise. Franchisee's failure to pay all amounts when due constitutes a Default under this Agreement. Apart from the interests and late fees, Franchisor reserves the rights to other available claims and remedies.

5.E. Taxes. All ~~sums~~ amounts payable to the Franchisor under or in connection with this Agreement ~~shall bear~~ exclusive of any taxes. ~~Apart from paying the above sums excluding taxes, duties, or surcharges. The Franchisee shall bear and pay the cost of the all such taxes (including GST/VAT where applicable VAT (which shall be calculated) in accordance with the addition to the amounts payable. If any withholding or deduction for taxes (including any withholding tax) is required by applicable VAT rate and specified in law, the Franchisee shall: (i) make the required withholding or deduction and pay it to the relevant invoice). The Parties shall each be authority by the due date; and (ii) pay such additional amounts to the Franchisor so that the Franchisor receives the full amount it would have received absent such withholding or deduction (gross-up). Each Party remains responsible for all other taxes and surcharges as required under the applicable tax laws its own taxes that are imposed on it by reference to its net income, profits, or overall gains.~~

5.F. Currency Option.

- (1) The currency for all fees, deposits, liquidated damages, payments, and other monetary obligations under this Agreement shall be US Dollars (USD) as specified herein, unless otherwise agreed in writing by Franchisor.
- (2) Franchisor reserves the right to adjust the currency for monetary obligations upon prior written notice to Franchisee.
- (3) If the currency is adjusted pursuant to Section 5.F.(2), the Franchisee shall convert the amounts to the new currency using a commercially reasonable exchange rate available in the market on the date of the notice.
- (4) The Franchisee's payment obligations shall be discharged in the currency specified by the Franchisor from time to time. Any foreign exchange gains or losses, and any costs or charges arising from currency conversion, shall be borne solely by the Franchisee.

6. OPERATION OF RESTAURANT AND YGF SYSTEM STANDARDS.

6.A. Compliance with YGF System Standards and Applicable Laws.

- (1) Responsibility. Franchisee is solely responsible for operating the Restaurant in full compliance with all Applicable Laws and YGF System Standards, as each may be modified from time to time. Franchisee is solely responsible for obtaining any and all applicable permits, qualifications, licenses, and approvals required under local law for the operation of the business as contemplated hereunder. Franchisee shall provide a copy of such permits, qualifications, licenses, and approvals to Franchisor upon our request.
- (2) YGF System Standards. Except as otherwise provided in this Agreement, YGF System Standards may regulate any aspect of the operation and maintenance of Restaurants, including any one or more of the following:
 - (a) the CI System collectively designated and authorized by Franchisor, and the design, layout, décor, appearance and lighting of the Restaurant, including the dedicated display area for Franchisor's brand, corporation image or designated advertisements on a visible spot of the Restaurant's walls, and uniform advertisement stands, ultra-thin light box, wall decoration boards/paintings, etc. installed and used in the Restaurants;
 - (b) periodic maintenance, cleaning and sanitation; periodic remodeling; and replacement of obsolete or worn-out leasehold improvements, fixtures, furnishings, equipment and signs;

reasonable time periods Franchisor specifies. Franchisee acknowledges that any modifications to YGF System Standards may obligate Franchisee to invest additional capital in the Restaurant and/or to incur higher operating costs and that there is no limit on the cost or frequency of such modifications. Modifications may include (at Franchisor's discretion) those needed to modernize the premises of the Restaurant, and other changes to the Materials, signs, interior and exterior décor items, fixtures, furnishings, supplies, equipment and other products and materials required for new Restaurants.

6.B. Product and Service Offerings.

- (1) Products and Services Franchisee May Offer. Franchisee may offer in the Restaurant to customers only Malatang and other products and services that Franchisor have approved in writing, which must conform to the standards Franchisor specifies. In addition, Franchisee must offer Malatang and other specific products and services that Franchisor requires in the Manuals or otherwise in writing. Franchisor may change these specifications periodically, and designate specific products or services as optional or mandatory. Franchisee must offer all products and services that Franchisor designates as mandatory. Franchisee may sell products and services only in the varieties, forms, and packages that Franchisor have approved in accordance with YGF System Standards. Franchisee must maintain a sufficient supply of required products to meet the inventory standards Franchisor prescribes in the Manuals (or to meet reasonably anticipated customer demand, if Franchisor ~~have~~has not prescribed specific standards. **Without Franchisor's prior written approval, Franchisee may not contract with or allow any third party, including any licensee, lessee, consultant or other independent contractor (a "Contractor"), to perform any business operations provided in the Restaurant. Also, Franchisee may not post or place any signs, advertisements, promotional materials etc. irrelevant to the Franchise hereunder or perform any irrelevant business or activity in the Restaurant without Franchisor's prior written approval.**

If Franchisee intends to provide any product or service that has not been designated or approved by Franchisor in the Restaurant, it shall submit prior written request to Franchisor, and Franchisor will decide on the approval/disapproval at its sole discretion.

- (2) Procurements of Materials and equipment.
 - (a) Before the opening and during the Term, **Franchisee must purchase required featured Materials as described in Manuals from Franchisor, its Affiliates or designated third-party suppliers, and may not purchase the Materials from other third party without Franchisor's prior written approval.** Franchisee will purchase the featured Materials pursuant to a separate Supply Agreement between the Parties.

pursuant to Section 6.B.(4)-(5) herein. Franchisee should be solely responsible for the ~~repairment~~ repair, replacement, etc. of these equipment and materials, and Franchisor will not assume any liability for the purchased equipment and materials other than the featured Materials specified in Manuals.

- (3) Distribution and Resale. Franchisee may not sell or provide any featured Materials purchased under this Agreement or the Supply Agreement, and any product consists of these Materials outside the Restaurant, unless Franchisor approves in writing. Franchisee may not make any sales of products or services identical to those provided by the Restaurant outside the Restaurant, or use vendor relationships that Franchisee establishes through its association with Franchisor or the YGF Marks or System for any other purpose besides the operation of the Restaurant, unless Franchisor approves in writing. Franchisee agrees to purchase featured Materials and processed products solely for resale to retail customers, and not for resale or redistribution to any other party, including other YGF franchisees. Franchisee may not offer products or services in connection with the Marks on any website on the Internet or any other electronic communication network unless Franchisor approves in writing.
- (4) Approval Process. If Franchisee would like to offer products or services, or use any supplies or services that Franchisor has not approved or designated or to purchase or lease from a supplier or service provider that Franchisor has not approved or designated, Franchisee must submit a written request for approval and provide Franchisor with any information that Franchisor requests. Franchisor has 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. Franchisor may require the proposed supplier or service provider to visit Franchisor's headquarters to evaluate the proposed supplier or service provider in person. Franchisee agrees to pay Franchisor a charge not to exceed the reasonable 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. Franchisor has the rights to grant, deny, or revoke approval of products, services, suppliers, or service providers based solely on its judgment. –Franchisor will notify Franchisee in writing of its decision as soon as practicable following its evaluation. If Franchisee does not receive Franchisor's approval within ninety (90) days after submitting all of the information that Franchisor requests, Franchisor's failure to respond will be deemed a disapproval of the request. Franchisee acknowledges that the products and services that Franchisor approves for Franchisee to offer in Franchisee's Restaurant may differ from those that Franchisor permits or requires to be offered in other Restaurants.

(5) Revocation of Approval. Franchisor reserves the right to reinspect the facilities and products of any approved supplier and to reevaluate the services provided by any service provider and to revoke approval of the item, service, supplier, or service provider if any failure to meet any of Franchisor's then-current criteria. If Franchisee receives a notice of revocation of approval, Franchisee agrees to cease purchasing or leasing the formerly-approved item or service or any items or services from the formerly-approved supplier or service provider and Franchisee must dispose of its remaining inventory of the formerly-approved items and services as Franchisor directs. If Franchisor revokes approval of a previously-approved product that Franchisee ~~have~~has been selling to customers or service that Franchisee has been offering to customers, Franchisee must immediately discontinue offering the service and may continue to sell the product only from its existing inventory for up to thirty (30) days following Franchisor's disapproval. Franchisor has the right to shorten this period if, in its opinion, the continued sale of the product would prove detrimental to its reputation. After the 30-day period, or such shorter period that Franchisor may designate, Franchisee must dispose of its remaining formerly-approved inventory as Franchisor directs.

6.C. Business Hours. Franchisee shall comply with the requirements on business hours set out in YGF System Standards or otherwise specified by Franchisor. If Franchisor considers that Franchisee's Restaurant is located at an important landmark, Franchisee agrees not to cease operation during the important holidays in China and the United States, unless the operation will be inappropriate due to local laws or public order on the holiday. If Franchisee, due to personal reasons or that the Restaurant is located on campus, is unable to operate normally during a period of seven (7) to sixty (60) days, it shall inform Franchisor in writing at least thirty (30) days in advance and make an explicit commitment to the date of resuming normal operation.

6.D. POS System. Franchisees 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 select for the System (the "POS System"). You must execute the documents and consents required by our designated vendors and us to implement and operate the POS System. You must execute and maintain in effect all authorizations, consents, and data-sharing agreements we require to enable our direct, read-only access to your POS System and related data feeds, including access provided by our Approved Supplier(s). Our access and use of data will comply with applicable U.S. laws, including privacy, data security, payment card, and employment laws. You must provide legally sufficient notices to and, where required by law, obtain consents from employees and customers regarding data collection and processing. You must implement and maintain administrative, technical, and physical safeguards designed to protect the security, confidentiality, and integrity of POS System data, comply with Payment Card Industry Data Security Standard (PCI DSS) for cardholder data, and promptly notify us

of any suspected or actual data incident or breach affecting POS System data. Nothing in this paragraph limits our right to access POS System data as otherwise provided herein.

6.D.6.E. Refurbishing and Renovations. Franchisee shall maintain good condition of the Site, the appearance and equipment of the Restaurant. Franchisee agrees to take, without limitation, the following actions during the Term at its expense at intervals of every five (5) years for the same Site: (i) thorough cleaning, repainting and redecorating of the interior and exterior of the Restaurant; (ii) interior and exterior repair of the Restaurant; and (iii) repair or replacement of damaged, worn-out or obsolete equipment, fixtures and other facilities in the Restaurant. Upon Franchisor's written request, Franchisee must refurbish the Restaurant at its expense to conform the decor, Trade Dress, color schemes, signage, and presentation of the Marks to the then-current designated image. **Without Franchisor's written consent, Franchisee shall not modify the decor, Trade Dress, color schemes, signage, and presentation of the Marks.** Such refurbishing may include, as Franchisor deems necessary, remodeling, redecoration, and other modifications to existing improvements and updating or replacing any equipment. Franchisee acknowledges that this obligation could result in significantly remodeling and renovating the Restaurant, and/or in its spending substantial amounts for new equipment, and Franchisee agrees to incur, without limitation, any capital expenditures required in order to comply with this obligation and Franchisor's requirements (even if those expenditures cannot be amortized over the remaining Term).

6.E.6.F. Technology System. Franchisor is entitled to require Franchisee to obtain, maintain, and use the hardware, software, other equipment, and network connections, including the hardware, software, other equipment, and network connections necessary to operate the designated cashier system, CCTV system, and other technology systems that are designated for use by Restaurants (collectively, the "**Technology System**"). Franchisee must replace, upgrade, or update at Franchisee's expense the Technology System as Franchisor may require periodically without limitation. Franchisor will establish reasonable deadlines for implementation of any changes to our Technology System requirements. Franchisee 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 Franchisor, its Affiliates, or designated third party suppliers, and Franchisee may be charged –for such products and services. If Franchisee would like to purchase Technology System or its components or upgrades from suppliers that have not been designated/approved, it shall obtain Franchisor's written approval pursuant to Section 6.B.(4)-(5) herein. Franchisee should be solely responsible for the ~~repairment~~repair, etc. of these systems, and Franchisor will not assume any liability on the systems.

6.F.6.G. Management and Personnel.

- (4) Employment Matters. Franchisee shall ensure all Restaurant personnel have integrity and pay attention to details related to corporation image, i.e. proper speech, behaviors, personal sanitation and dress, etc., to show a good image to the consumers. While Franchisor may provide additional employment-related guidance, Franchisee is responsible for making all hiring and employment decisions as the owner of the Restaurant. This includes, but is not limited to, employee selection, hiring, training, promotion, termination, hours worked, rates of pay, benefits, work assigned, supervision, discipline, and working conditions. Franchisor does not assume any responsibility for the persons employed by Franchisee.

6.G.6.H. Consumer Relationship.

- (1) Consumer Complaints. Franchisee shall be solely responsible for dealing with consumer complaints. Franchisee shall promptly deal with consumer complaints pursuant to the provisions on consumer complaints in YGF System Standards and the agreements between the Parties, and use its best efforts to avoid expansion of the issue. If the complaint is in fact due to defects in the Restaurant's management and service details, Franchisee shall promptly offer compensation and make apologies timely. If severe dispute occurs between Franchisee and the consumer, Franchisee shall notify Franchisor, and resolve the issue as Franchisor directs. If consumers directly file complaints to Franchisor, then Franchisor may request Franchisee to resolve the issue in a designated manner, and Franchisee may not refuse to comply.
- (2) Market Surveys. Franchisor may periodically coordinate or conduct market research studies and similar programs for the Restaurant network, and Franchisee must assist Franchisor in collecting information (including by distributing surveys to Franchisee's Restaurant's consumers and encouraging consumers to complete surveys on YGF System Website (defined in Section 7.D (Digital Marketing))).

6.H.6.I. Privacy Requirements. To the extent applicable, Franchisee must at its own expense abide by all applicable standards, laws, rules, regulations or any equivalent thereof that related to electronic payments, data privacy, personal information, health information, and data protection, and any privacy policies or data protection and breach response policies Franchisor periodically may establish (collectively, "**Privacy Requirements**").

- (1) Franchisee must provide adequate notice as set out in Section 6.H.(2) to any consumer, visitor, employee, or individual (collectively "**Data Subjects**") whose personal information will be collected, processed, stored, shared (including sharesharing with Franchisor), transferred (including overseas transfer to Franchisor and its Affiliates), or disclosed (collectively "**Processed**", "**Processing**", or "**Process**"), and obtain explicit consent from the Data Subjects for such Processing.

- (2) Franchisee must notify the Data Subjects of the information regarding the following: (i) Franchisee's identity; (ii) purposes and types of personal information being Processed; (iii) retention and disposition of personal information; (iv) ~~share~~sharing, transfer (including cross-border transfer to Franchisor and its Affiliates), and disclosure of personal information; (v) Data Subjects' rights, including the right to access, copy, correct, and ~~deletion~~delete, and how to exercise their rights; (vi) data security measures and capabilities; and (vii) protection of minors' personal information.
- (3) Franchisee is solely responsible to comply with requirements in relation to any cross-border data transfer, including without limitation: (i) obtaining explicit consent from the relevant Data Subjects; (ii) conducting any security assessment before the cross-border data transfer; and (iii) retaining a copy of the such Privacy Data in China.
- (4) Franchisor may require Franchisee to (i) use vendors that Franchisor designates or approves to provide security services that are consistent with the Privacy Requirements; (ii) maintain specific security measures; (iii) provide evidence of compliance with Privacy Requirements upon Franchisor's request; and/or (iv) use vendors that Franchisor approves or designates to conduct periodic security audits to ensure that personal information, health information, and/or payment data (collectively "**Privacy Data**") is adequately protected and provide Franchisor with copies of any audits, scanning results, or related documentation relating to such compliance or audits.
- (5) Franchisee shall adopt appropriate technical and organizational precautions measures to ensure the confidentiality and integrity of the Privacy Data, and protect the Privacy Data from any breaches, losses, or damages. Franchisee shall not disclose any Privacy Data that is prohibited from disclosure.
- (6) If Franchisee suspects or knows of a security breach (including the breach of personal information), Franchisee must immediately give Franchisor notice of such security breach and promptly identify and remediate the source of any compromise or security breach at Franchisee's expense. Franchisee assumes, at its expense, all responsibility for complying with applicable data breach notification laws, providing all notices of breach or compromise to the regulatory authority and to the individuals, and monitoring credit histories and transactions for all impacted individuals.
- (7) Franchisee is obliged to proceed with any actions or execute any documents necessary to ensure Franchisor and its Affiliates' compliance with Privacy Requirements, as Franchisor and/or its Affiliates may require from time to time.

6-I-6.J. Delivery Service. Franchisee shall provide, and/or contract with third parties whom Franchisor designates or approves to provide, Delivery Service from the Restaurant in accordance with all applicable terms and conditions of this Agreement and YGF

- (1) Franchisee (or any of its Owners) has made or makes any material misrepresentation or omission in connection with Franchisee's application for and acquisition of the Franchise or operation of the Restaurant, including but not limited to by intentionally, or through gross negligence, understating the Restaurant's Gross Sales for any period, breaching the representations and/or covenants under this Agreement, etc.;
- (2) Franchisee fails to obtain Franchisor's approval of the Site, to secure the approved Site under a lease or sublease that Franchisor approves, or Franchisee fails to develop, open and begin operating the Restaurant in accordance with YGF System Standards within the planned Restaurant opening schedule as agreed by Franchisor in writing;
- (3) Franchisee fails to assign its Managing Owner, General Manager and/or Head Chef to complete the Initial Training Program, subsequent training and additional training as required by Franchisor;
- (4) Franchisee, without prior written approval of Franchisor, changes the Site of the Restaurant, opens additional restaurant or branch under the name of "Yangguofu Malatang" or using the Marks, or transfers, lends or licenses third party to use the Marks which Franchisor permits it to use within the Restaurant;
- (5) Franchisee fails to renovate or refurbish the Restaurant as Franchisor directs, or changes the Trade Dress, coloring schemes, décor, signages and the Marks without Franchisor's written consent;
- (6) during the Term, Franchisee conducts business activities which are irrelevant to Franchisor and Franchisor has not approved within the Site, without Franchisor's written approval;
- (7) Franchisee's transferee fails to assume the duties in accordance with Section 12.B.(3)(d);
- (8) the shortage of the proportion of the featured Materials used by the Restaurant is over 50%, and Franchisee fails to correct the Default at Franchisor's satisfaction within the period designated by Franchisor;
- (9) Franchisee, without Franchisor's prior written approval, (i) abandons or fails to actively operate the Restaurant offering malatang products to its customers during all of the hours Franchisor specifies for five (5) or more consecutive days, or for ten (10) or more days during any calendar month, (ii) asserts, in writing, its intention to permanently close the Restaurant prior to the end of the Term, or (iii) otherwise engages in acts that would cause Franchisor to reasonably conclude that Franchisee ~~have~~has abandoned the Restaurant; provided, however, that Franchisee may close the Restaurant for up to seven (7) days for remodeling and repairs which Franchisor has pre-approved in writing;

the amounts Franchisor specifies. Franchisor may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage (including reasonable excess liability insurance) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. The insurer under any required policy must at all times maintain at least an “A” rating or better as rated by Best’s Insurance Reports (or any similar rating that Franchisor periodically designate). All insurance policies, except for workers’ compensation, shall name Franchisor, Franchisor’s affiliates and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, as additional named insureds. These insurance policies must provide for thirty (30) days’ prior written notice to Franchisor of a policy’s material modification, cancellation or expiration. Each insurance policy must contain a waiver of all subrogation rights against Franchisor and its Affiliates, and their successors and assigns. Franchisee must routinely furnish Franchisor copies of its certificates of insurance or other evidence of its maintaining this insurance coverage and paying premiums. Franchisee must notify Franchisor of any lawsuits filed against Franchisee within five (5) Business Days after Franchisee ~~have~~has notice of such lawsuits, whether or not Franchisee ~~have~~has tendered them to its insurance company for defense and/or coverage. If Franchisee fails or refuses to obtain and maintain the insurance Franchisor specifies, in addition to Franchisor’s other remedies (including termination), Franchisor may (but need not) obtain such insurance for Franchisee and its Restaurant on its behalf, in which event Franchisee must cooperate with Franchisor and reimburse Franchisor for all premiums, costs and expenses Franchisor incurs in obtaining and maintaining the insurance, plus a reasonable fee for Franchisor’s time incurred in obtaining such insurance.

16. REPRESENTATIONS AND ACKNOWLEDGEMENTS.

16.A. Acknowledgments. Franchisee acknowledges and agrees that:

- (1) Franchisee understands and accepts the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain YGF System’s high standards of quality and service and the uniformity of those standards at each Restaurant and to protect and preserve the goodwill of the Marks;
- (2) Franchisee has conducted an independent investigation of the business venture contemplated by this Agreement and recognize that, like any other business, the nature of the business conducted by a Restaurant may evolve and change over time;
- (3) an investment in a Restaurant involves business risks;
- (4) Franchisee’s business abilities and efforts are vital to the success of the venture;

IN WITNESS THEREOF, the Parties have executed and delivered this Agreement to be effective as of the Effective Date and binding the Parties, regardless of the dates listed below.

Franchisor:

Franchisee:

**CAPTAIN BUSINESS
MANAGEMENT CO., LIMITED**

By: _____

By: _____

Name: ~~_____ Xingyu~~ ~~_____ YangFan~~ _____ Zhang

Name: _____

Title: _____

Title: ~~_____~~ Director _____

Date: _____

Date: _____

APPENDIX A

FRANCHISEE-SPECIFIC TERMS

1. **Effective Date:** _____

2. **Franchisee's Name:** _____

3. **Residential or Registered Address of Franchisee:** _____

4. **Franchisee's Legal Representative:** _____ **Authorized Signatory:** _____

5. **No. of Franchisee's Business License/Other ID Certification:**

6. **Ownership of Franchisee:**

If Franchisee is an Entity (as defined in this Agreement), the following persons constitute all of the owners of a legal and/or beneficial interest in Franchisee (the "Owners", including all the shareholders and actual controllers, collectively):

Shareholder's Name	Description of Interest	% of Shares	ID Number	Phone Number	Email	Address
Actual Controller's Name	Description of Interest	Control	ID Number	Phone Number	Email	Address

7. **Managing Owner:** _____

8. **The Site:** _____

9. **Contract Period:** _____

10. Franchise Fee (Section 5.A): _____

Election of ~~A. Fixed Fee Arrangement~~ or ~~B. Variable Fee Arrangement~~

~~**A. Amount for Fixed Fee Arrangement:**~~

Time	Amount	Payment Due Date
Initial Franchise Fee	\$20,000	[●], 2025
Subsequent Franchise Fee	Per Section 5.A	<u>Monthly</u>

~~**B. Amount for Variable Fee Arrangement:**~~

Time	Amount	Payment Due Date
Initial Franchise Fee	\$10 20,000	[●], 2025 <u>2026</u>
Subsequent Franchise Fee	Per Section 5.A 3% of Gross Sales	<u>Monthly</u>

11. Deposit (Section 5.B.): _____ USD8,000 _____

12. Franchisee's Contact Information for Notices (Section 19.D): _____

13. Additional Terms; Inconsistent Terms (if any) (Section 17.F): None

[signatures to Appendix A]

Franchisor:

Franchisee:

**CAPTAIN BUSINESS
MANAGEMENT CO., LIMITED**

By: _____

By : _____

Name: ~~Xingyu Yang~~ Fan Zhang

Name: _____

Title: - Director _____

Title: _____

Date: _____

Date: _____

i. own, manage, engage in, be employed by, advise, make loans to, act as lessor to, otherwise support (other than as a customer), interfere with our or any other Restaurant owner's relationship with any vendors or suppliers; or have any other interest in any Competitive Business located or operating: (a) at the site of the Restaurant; (b) within a ~~20-kilometer~~12.5-mile radius of the Restaurant; or (c) within a ~~20-kilometer~~12.5-mile radius of any other YGF Restaurant in operation or under development as on the effective date of termination or expiration your association with us; or

ii. interfere with our, Franchisor's, Franchisor's Affiliates', or other YGF franchisees' relationships with any vendor or supplier;

iii. direct, or attempt to direct, any prospective or existing business or economic opportunities away from us, Franchisor, our or Franchisor's Affiliate, the Restaurant or any other YGF Restaurant to a Competitive Business; or

iv. perform any act prejudicial or injurious to the goodwill associated with the Marks.

7. Remedies. If you breach or threaten to breach this Agreement, you agree that we will be entitled to injunctive relief (without posting bond) as well as a suit for damages.

8. Severability. You acknowledge and agree that (i) the restrictive covenants contained in Paragraphs 5 and 6 are essential elements of this Agreement and that without their inclusion, we would not have associated with you; (ii) the time, territory, and scope of the covenants provided in Paragraphs 5 and 6 are reasonable and necessary for the protection of our legitimate business interests; (iii) you have 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 you are in violation of the provisions of those covenants or any period of time required for enforcement of those covenants. If any part of this Agreement is declared invalid for any reason, the invalidity will not affect the remaining provisions of this Agreement. If a court finds any provision of this Agreement to be unreasonable or unenforceable as written, you agree that the court can modify the provision to make it enforceable and that you will abide by the provision as modified.

9. Independent Agreement. This Agreement is independent of any other obligations between you and us. This means that it is enforceable even if you claim that we breached any other agreement, understanding, commitment or promise.

10. Third Party Right of Enforcement. You are signing this Agreement not only for our benefit, but also for the benefit of Franchisor and its affiliates. We, Franchisor, and our and its Affiliates have the right to enforce this Agreement directly against you.

11. Not An Employment Agreement. This is not an employment agreement. Nothing in this Agreement creates or should be taken as evidence of an agreement or understanding by us, express or implied, to continue your association with us for any specified period.

12. Modification and Waiver. Your obligations under this Agreement cannot be waived or modified except in writing.

13. Governing Law. This Agreement is governed by Delaware law.

14. Attorneys' Fees. If we have to take legal action to enforce this Agreement, we will be entitled to recover from you all of our costs, including reasonable attorney's fees, to the extent that we prevail on the merits.

15. Representation. You certify that you have read and fully understood this Agreement, and that you entered into it willingly.

WITNESS

YOU

-Name

Name: _____

- Date: _____

- Address for Notices:

E-Mail: _____

EXHIBIT C TO THE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES

California

Frice Inc.

14698 CENTRAL AVE CHINO, CA 91710
(206) 291-3428

Luxtyle Inc.

7317 Clairemont Mesa Blvd, San Diego CA 92111
(510) 861-7657

Haoyang Zhong

4288 Dublin Blvd.,#110, Dublin, CA 94548
(510) 422-6666

Dandan

1311 S. Baldwin Ave, #A, Arcadia, Los Angeles, California
Malaspicy2025@gmail.com
(646)705-8181

Yue Yin

11688 South St #101, Artesia CA
ygfartesia@gmail.com

Guangbin Zhuang

3626-M Grand Ave, Chino Hills, CA 91709
ygfchinohills@gmail.com

Fei Han

2626 Dupont Drive, Suite A090 Irvine, California 92612
2526 S Figueroa St, Los Angeles, CA 90007
a758300155@gmail.com / 78722737han@gmail.com

Bo Ding

1745 Fullerton Rd, Rowland Heights, CA 91748
baoding666@gmail.com

Zijing Wang

540 Barber Ln, Milpitas, CA 95035
Rozanne0913@gmail.com

Ning Nie

72b Serramonte Center, Daly City, CA 94015
niening1643@gmail.com

Qi Dong

19672 Stevens Creek Blvd, Cupertino, CA 95014
doratripgroup@gmail.com

Florida

Tao Jiang
5600 W Colonial Dr #316, Orlando, FL, 32808
jiangtao817@gmail.com

Georgia

Zhiqiang Liu
6035 Peachtree Rd Suite C-113&114, Doraville, GA 30360
(607) 727-0355
re.zachliu@gmail.com

Illinois

Huanpeng Liu
611 E Green St, Champaign, IL 61820
huanpengliudxh@gmail.com

Indiana

~~Bocheng Du~~
4005 Huanpeng Liu
110 S Chauncey Ave, STE 110, West Lafayette, IN 479047906
(312) 221-1989
huanpengliudxh@gmail.com

Massachusetts

~~Almighty Brother LLC~~
Ran Gao
137 Massachusetts Ave, Boston MA 02115
(781) 912-9458

New York

Boran Chen
13505 40th Rd, Flushing, NY 11354
92 3rd Ave New York, NY 10003
213 W 35th St, New York
kathyjiang@dalongyinyc.com

Texas

~~Capstone Capital LLC~~
Xinquan Liu
23015 Colonial Parkway. STE #107. Katy. TX. 77449
(346) 400-6376
ygfmalatangkaty1015@gmail.com

Washington

Tifan Zhao
16860 Southcenter Pkwy, Tukwila, WA 98188
ygftukwila@gmail.com

Yiyi Song

4730 Univercity Way NE Suite #103, Seattle, WA 98105

683&687 156th Ave SE Bellevue, WA 98007

116 Central Way, Kirkland, WA

songyiyi1121@gmail.com

EXHIBIT D TO THE FRANCHISE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES WHO LEFT SYSTEM

Below is a list of franchisees who have had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the issuance date of this Disclosure Document. If you buy a YGF franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

~~None.~~

Nevada

Haoyang Zhong

haoyangzhong0919@gmail.com

EXHIBIT H TO THE FRANCHISE DISCLOSURE DOCUMENT

SAMPLE OF PRODUCT SUPPLY AGREEMENT

This PRODUCT SUPPLY AGREEMENT (the “**Agreement**”) is made and entered into as of [Date] ~~2024~~2026 (“**Effective Date**”), by and between Captain Business Management Co., Limited, formed as a Delaware ~~limited liability company~~ corporation on April 8, 2024 with its office address at 1521 Concord Pike, Suite 201-~~Street~~, New Castle, Wilmington, Delaware 19803 (“**Captain**”), and [name of purchaser], [a _____, company / an individual], with its [registered office ~~in~~ residential address] at _____ (“**Purchaser**”). (Captain and Purchaser are collectively referred to as the “**Parties**” and each individually referred to as a “**Party**”).

RECITALS

WHEREAS, Captain and/or its Affiliates are engaged in the business of development, production and sales of ingredients and food, including without limitation edible oil, oil containing products, spices, seasonings, hot pot condiments, instant food and vegetable products, pre-packaged food, as well as other agricultural products;

WHEREAS, Purchaser is engaged to operate one franchised restaurant using YGF system and relevant marks pursuant to the franchise agreement separately entered into by and between Captain and the Purchaser;

WHEREAS, Purchaser desires to purchase from Captain, and Captain is willing to supply to Purchaser certain ingredients and food for the operation of the franchised restaurant (“**Products**”), as defined in Section 1.4 of the Agreement),² all in accordance with the terms and conditions set forth in this Agreement;

NOW THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, Parties agree as follows:

**Article 1
DEFINITIONS**

For purposes of this Agreement, the following definitions shall apply to the terms set forth below wherever they appear:

Section 1.1 Affiliate. “Affiliate” of a Party means any entity controlled by controlling, or under common control with such Party where “control” in any of the foregoing forms means ownership, either direct or indirect, of more than 50% of the equity interest entitled to vote for the election of directors or equivalent governing body. An entity shall be considered an Affiliate only so long as such entity continues to meet the foregoing definition.

Section 1.2 Business Day. “Business Day” means ~~the days between and holding from Monday through Friday, and do not include~~ a day other than a Saturday, Sunday, or a public holidays or

~~weekends~~holiday.

Section 1.3 Standard Product Warranty. “Standard Product Warranty” means the standard warranty terms and conditions offered by Captain in relation to the Products in accordance with FDA food safety standards.

Section 1.4 Products. “Products” means ingredients and food produced or processed by Captain or its Affiliates, including, without limitation, edible oil, oil containing products, spices, seasonings, hot pot condiments, instant food, vegetable products, pre-packaged food and agricultural products ~~etc.~~, needed for the operation of franchised business.

Section 1.5 Intellectual Property Rights or IPR. “Intellectual Property Rights” or “IPR” means any intellectual property rights that a Party may own, license, adopt, use or register, including but not limited to:

(a) all rights in any original works of authorship or any part thereof that are within the scope of any applicable copyright law, including all rights of authorship, use, publication, reproduction, creation of derivative works, distribution, dissemination on the information network, performance, moral rights, and rights of ownership of copyrightable works, and all rights to register and to obtain renewals, extensions, revivals and resuscitations of any such copyright registrations;

(b) trademarks, service marks, trade names, service names, trade dress, logos, domain names, and other identifiers of source, including all goodwill connected with the use thereof and symbolized thereby, and any and all common law rights, and registrations and applications for registration thereof, all rights therein provided by international treaties or conventions, and all reissues, extensions and renewals of any of the foregoing;

(c) trade secret and confidential and proprietary information, including trade secrets and confidential processes, methodologies for index creation, composition and calculation, compositions, formulas, customer information, operational data, processing quality control procedures, research and development studies, engineering information, invention reports, technical reports, research and development archives, pricing information and know-how;

(d) patents, patent applications (including patents issued thereon) and statutory invention registrations, including reissues, divisions, continuations, continuations in part, extensions and reexaminations thereof, and all rights therein provided by international treaties or conventions;

(e) all other intellectual and industrial property rights (of every kind and nature and however designated), including logos, “rental” rights and rights to remuneration, whether arising by operation of law, contract, license, or otherwise; and

(f) any additional applicable intangible property (whether or not in documentary form and whether or not patentable, copyrightable or otherwise protectable under applicable laws).

Section 1.6 Person. “Person” means and includes any individual, ~~company~~, trust, estate,

partnership, joint venture, company, association, league, governmental bureau or agency, or any other entity regardless of the type or nature.

Section 1.7 Purchase Price. “Purchase Price” means the price to be paid by Purchaser to Captain for the purchase of Products based on calculation method agreed to by the Parties pursuant to this Agreement.

Section 1.8 Seller. “Seller” means Captain.

Section 1.9 Territory. “Territory” means the defined specific street address known as the “Site” as defined in the franchise agreement separately entered into by and between Captain and Purchaser.

Section 1.10 Third Party. “Third Party” means any individual, corporation, trust, estate, partnership, joint venture, company, association, league, governmental bureau or agency, or any other entity regardless of the type or nature, which is not a Party or an Affiliate.

~~Article 3~~**Article 2**
PURCHASE AND SUPPLY OF PRODUCTS

~~Section 3.1~~Section 2.1Purchase and Supply of Products. Starting on the Effective Date and throughout the term of this Agreement, the Parties agree that Purchaser shall purchase Products set forth in Schedule A, as necessary, from Captain and/or its Affiliates and Captain and/or its Affiliates shall supply to Purchaser Products in accordance with the product quality agreed in this Agreement for the operation of the franchised restaurant.

~~Article 4~~**Article 3**
PURCHASE ORDER

~~Section 4.1~~Section 3.1Order Placement. Captain shall make Products available to Purchaser pursuant to written orders placed by Purchaser during the term of this Agreement. Purchase order shall include, among others, the type, quantity and quality standards of Products, as well as delivery date, destination and terms of delivery. Each purchase order will be governed by and be deemed to incorporate all the terms and conditions of this Agreement. In the event of any discrepancy between a purchase order and any provisions of this Agreement, the purchase order shall prevail.

~~Section 4.2~~Section 3.2Quality standards. Purchaser shall specify in purchase orders, if the quality of Products required thereof is different from Standard Product Warranty offered by Captain.

~~Section 4.3~~Section 3.3Order Acceptance. Upon receipt of a purchase order, Captain and/or its Affiliates shall notify Purchaser within seven (7) Business Days in writing indicating acceptance or rejection of such purchase order. If Captain and/or its Affiliates does not confirm acceptance in writing within seven (7) Business Days after receipt of purchase order, the purchase order shall be deemed to have been rejected by Captain. Where a purchase order is accepted, Captain and/or its Affiliates shall use commercially reasonable efforts to complete the production and delivery of Products as specified in the purchase order.

~~Section 4.4~~Section 3.4Cancellation. The purchase order shall come into effect upon acceptance. If Purchaser needs to cancel the purchase order for any reason after acceptance, it shall notify Captain

and/or its Affiliates in writing of cancellation within one (1) calendar day after acceptance, and compensate Captain and/or its Affiliates for any production and shipment costs incurred for this connection with such purchase order.

~~Article 5~~Article 4 DELIVERY

~~Section 5.1~~Section 4.1 Labeling and Packaging. Both ~~The~~ Parties agree that the Products shall be produced based on the terms of this Agreement and accepted purchase orders, packaged based on requirements from Purchaser, and labeled with trademark(s) of Captain and/or its Affiliates.

~~Section 5.2 Delivery.~~ The Products hereunder will be delivered according to the conditions set forth in purchase order. Delivery shall be deemed to have been completed, and title, ownership and risk of loss shall be transferred to Purchaser upon products arriving at the first carrier, or by terms stipulated in the purchase order.

~~Section 5.3 Customs Clearance.~~ Captain and its Affiliates shall be responsible for all clearance procedures in relation to importing the Products into the destination. Purchaser shall be responsible for the payment, including but not limited to registration, payment of import duties, sales taxes, use taxes, consumption taxes, value-added taxes, excise taxes, property taxes, withholding taxes, or any other tax, and related penalties or interest.

~~Section 5.4~~Section 4.2-Inspection and Product Acceptance. Captain shall arrange customs clearance and may request assistance from Purchaser from time to time as appropriate. Purchaser shall arrange inspection in a timely manner after the Products arrive at the ~~first carrier,~~entry at the destination or the designated person at the designated location specified by terms stipulated in the purchase order~~Purchaser,~~ and shall notify Captain in writing ~~in relation to its~~of the completion of inspection and acceptance within one (1) calendar day. If Captain has not received any written notification from Purchaser within one (1) calendar day, the Products ~~are~~shall be deemed to be accepted at the end of the time limit. In case of product quality failure, packaging damage or any other defects ~~that,~~ Purchaser shall notify Captain in writing within the aforesaid time limit. In this case, ~~both~~the Parties shall negotiate in good faith regarding the return and replacement of Products ~~separately.~~ Purchaser shall not reject Products for any other reason not specified above.

~~Article 6~~Article 5 DUTIES OF PURCHASER

~~Section 6.1~~Section 5.1 General Conduct. ~~Captain~~Purchaser shall, in accordance with ~~Section 4~~of this Agreement and purchase orders, timely ~~handle the import customs clearance procedures after Products arrive at the entry at the destination~~pay all amounts due.

~~Section 6.2~~Section 5.2 Quality Standard. Purchaser shall specify the quality standard of Products in each purchase order, especially when the quality standard required is higher than Standard Product Warranty offered by Captain.

~~Section 6.3~~Section 5.3 Assumption of Certain Risks and Indemnification.

(a) Purchaser shall assume all risks of loss in relation to Products after Products reach the ~~first carrier, or by terms stipulated in the purchase order~~ destination or the designated person at the designated location specified by Purchaser.

(b) Purchaser shall assume all risks and expenses in relation ~~to the failure of the~~ Products meeting to meet the required product quality standard, if Purchaser fails to specify the required quality standard in the purchase order (especially when the quality standard required is higher than Standard Product Warranty offered by Captain), and indemnify Captain for all economic losses incurred.

~~Article 7~~Article 6
DUTIES OF SELLER

~~Section 7.1~~Section 6.1 General Conduct. Captain shall produce Products as stipulated in this Agreement and purchase orders, and timely deliver Products to the ~~first carrier or by terms stipulated in the purchase order~~ designated location.

~~Section 7.2~~Section 6.2 Warranty. Captain shall assume related warranty obligations, including warranty service responsibility and associated costs, for the Products sold to Purchaser; provided that, the warranty obligations are limited to Standard Product Warranty and quality standard specified in purchase orders. Within this scope, if Purchaser incurs any costs due to Captain's product quality failure or due to assisting Captain to perform warranty obligations, Purchaser is entitled to claim such reasonable and documented direct costs incurred from Captain. In no event the total costs that Purchaser may claim from Captain shall exceed the purchase price of the defective products.

~~Section 7.3~~ Assumption of Certain Risks and Indemnification.

~~()~~ — Captain shall assume all risks relating to order processing errors, mistakes in communication of Products specifications and late delivery under this Agreement, and indemnify Purchaser for all economic losses incurred.

~~()~~ — Captain shall assume all quality risk relating to Products within the scope of Standard Product Warranty and quality standards specified in purchase orders. Within this scope, if Purchaser requests to return or replace the Products due to quality problems, Captain shall bear all expenses in relation to returning or replacing the products.

Section 6.3 Limitation of Liability.

(a) Except for fraud or willful misconduct, Captain's total aggregate liability arising out of or in connection with this Agreement shall not exceed the total Purchase Price paid for the Products giving rise to the claim.

(b) In no event shall Captain be liable for any indirect, incidental, consequential, punitive or special damages, including but not limited to loss of profits, loss of revenue, loss of business opportunity or business interruption.

(c) The foregoing limitations shall apply notwithstanding any other provision of this Agreement.

~~Article 8~~Article 7
PRICE CALCULATION AND PAYMENT

~~Section 8.1~~Section 7.1 Purchase Price. The Parties agree that Purchaser shall pay an arm's length Purchase Price to Captain and/or its Affiliates based on the price calculation method agreed by the Parties and specified in the purchase order in consideration for the Products supplied to Purchaser by Captain under this Agreement.

~~Section 8.2~~Section 7.2 Payment. Purchaser shall make payment at least three (3) calendar days before the Products shipping for each order, unless otherwise agreed by ~~both the~~ Parties. If the payment is not made on the date agreed in this Agreement, Purchaser shall bear the interest ~~during the overdue period~~ at the rate of nine percent (9.00%) per ~~annum~~ or the maximum rate permitted by applicable law, whichever is lower.

~~Section 8.3~~Section 7.3 Currency of Payment. All payments to Captain and/or its Affiliates shall be made in United States ~~dollar~~ dollars (USD), ~~Singapore dollar (SGD), Renminbi (CNY)~~ or any other currency as mutually agreed by the Parties.

~~Section 8.4~~Section 7.4 Value Added Taxes ("VAT"). ~~Amount~~ Amounts payable pursuant to this Agreement are exclusive of any VAT properly chargeable. If there is any VAT payable on the amount, Purchaser shall be responsible for and bear such tax burden where VAT. Purchaser shall pay ~~any VAT~~ the applicable VAT at the prevailing rate to ~~government~~ the relevant taxation authorities, and ~~gross up the Purchase Price shall be grossed up to be include such VAT so that the net amount received from Purchaser by Captain is not reduced by reason of VAT.~~

~~Section 8.5~~Section 7.5 Custom Customs Duty and Tax. ~~Amount~~ Amounts payable pursuant to this Agreement are exclusive of any ~~custom~~ customs duty or tax. If Purchaser ~~needs is required~~ to pay ~~custom~~ any customs duty or tax for the imported Products, the Parties agree that such ~~tax burden~~ duties and taxes should be ~~paid borne~~ by Purchaser ~~on top of in addition to~~ the Purchase Price.

~~Section 8.6~~Section 7.6 Other Taxes. Each Party to this Agreement shall be responsible for any ~~other tax~~ taxes (including but not limited to income taxes and government surcharges ~~etc.~~) levied within ~~their~~ its respective ~~tax jurisdiction as a result of the performance of their respective activities~~ obligations under this Agreement.

~~Article 9~~ Article 8 INTELLECTUAL PROPERTY RIGHTS

~~Section 9.1~~Section 8.1 Acknowledgment. ~~Both~~ The Parties hereby acknowledge and confirm all rights, ~~ownership~~ ownership and interests of the other Party in all Intellectual Property Rights ~~involved in~~ related to this Agreement.

~~Section 9.2~~Section 8.2 Assistance. ~~One~~ Each Party shall promptly notify the other Party of: (a) any claims or objections that its use of the other Party's Intellectual Property Rights ~~for in~~ performing this Agreement may or will infringe the patent, copyright, trademarks, trade names, or other proprietary rights of another Person; and (b) ~~one Party is aware of any infringements, imitations, illegal~~ unauthorized use or misuse by any Person of the other Party's Intellectual Property Rights. ~~One of which it becomes aware.~~ Each Party shall provide all reasonable assistance in connection with any matter pertaining to the protection of the other Party's Intellectual Property Rights, whether in the courts, administrative agencies, or otherwise, at the ~~cost~~ expense of the other Party.

~~Article 12~~**Article 9**
TERM AND TERMINATION

~~Section 12.1~~Section 9.1 Term. This Agreement shall ~~enter into effect~~become effective on the Effective Date and shall remain in full force and effect for a term of one (1) year from the Effective Date (the “**Initial Term**”). After the Initial Term, the Agreement shall ~~be automatically renewed on an annual basis thereafter (all such renewal periods~~renew for successive one-year terms (together with the Initial Term, the “**Term**”), unless terminated by either Party upon thirty (30) days prior written notice to the other Party.

~~Section 12.2~~Section 9.2 Termination on Default. If either Party defaults in the performance of its material obligations hereunder, the other Party shall have the right to deliver written notice to the defaulting ~~party to express~~Party specifying such default and expressing the non-defaulting ~~party's~~Party's desire to terminate this Agreement ~~subject to the defaulting party's remedy, if such default is not remedied.~~ If within thirty (30) days after receipt of such ~~notice of termination~~, the defaulting ~~party~~Party has not remedied the default, the Parties shall consult in good faith for an additional thirty (30) days to develop a plan to remedy such default and if such default is not corrected after such thirty (30) day period, then this Agreement shall terminate.

~~Section 12.3~~Section 9.3 Termination on Insufficient Order. If Purchaser’s cumulative orders fail to reach the agreed ~~upon~~quantity within ~~the~~any six (6) consecutive months, ~~which and such failure is not corrected at Captain’s satisfaction~~remedied within the designated period, Captain ~~is~~shall be entitled to terminate this Agreement in accordance with this Section 9 herein.

~~Section 12.4~~Section 9.4 Termination in the Event of Bankruptcy. This Agreement may be terminated by either Party on written notice; (i) upon the institution by the other Party of insolvency, receivership or bankruptcy proceedings or any other proceedings for the settlement of the debts, (ii) upon the institution of such proceedings against the other Party, which are not dismissed or otherwise resolved in such Party’s favor within sixty (60) days thereafter, (iii) upon the other Party's making a general assignment for the benefit of creditors, or (iv) upon the other Party's dissolution or ceasing to do business in the normal course.

~~Section 12.5~~Section 9.5 Termination on Force Majeure. A “Force Majeure Event” is one of the following events which is not caused by, influenced or contributed to by, or within the control of a ~~party~~Party (using all lawful means available to such ~~party~~Party to exert control over such event): fire, hurricane, tornado, typhoon, flood (other than a flood caused by a defect in the ~~party's~~Party's premises), earthquake, other natural disaster, pandemic, war, riot, confiscation by or order of any governmental authority. If a Force Majeure Event renders a ~~party's~~Party's performance of its obligation under this Agreement impossible (not merely more costly or more inconvenient), such affected ~~party~~Party shall notify the other ~~party~~Party in writing ~~within 24 hours~~as soon as possible after the occurrence of a Force Majeure Event, that a Force Majeure Event has occurred, the manner and extent to which such ~~party's~~Party's obligations have been impacted, and the estimated period during which the ~~party's~~Party's performance of such obligations is expected to be impacted. The affected ~~party~~Party shall take any reasonable measures to mitigate the loss, and resume performance of this Agreement immediately after the elimination of the Force Majeure Event. A Force Majeure Event shall not suspend a ~~party's~~Party's payment obligations for monies ~~owed~~owed or any other obligations that are not rendered impossible by the Force Majeure Event. The Term shall not be suspended during, or extended as a result of, a Force Majeure Event.

~~Section 12.6~~ Section 9.6 ~~No Survival of Payment Due Upon Termination Obligations.~~
Termination of this Agreement for any reason whatsoever shall not relieve Purchaser of its obligations to pay all outstanding ~~payment~~ payments due under this Agreement.

~~Article 13~~ Article 10
GOVERNMENTAL REGULATION

~~Section 13.1~~ Section 10.1 In General. In the exercise of Purchaser's rights, and the performance of Purchaser's obligations, under this Agreement, Purchaser shall comply with all applicable laws, regulations and governmental orders. Without limiting the generality of this Section 10.1, each Party shall obtain, and shall maintain in full force and effect throughout the ~~continuance~~ term of this Agreement, all licenses, permits, authorizations, approvals and ~~government~~ governmental filings and registrations necessary or appropriate for the exercise of its rights and the performance of its obligations hereunder.

Section 10.2 ~~P.R.C.~~ PRC Export Controls. Without limiting the generality of Section 10.1 (In General) hereof, Purchaser hereby acknowledges and agrees that the Products, and all of the Confidential Information, may be subject to export controls under the laws and regulations of ~~P.R.C.~~ the People's Republic of China ("PRC"). In the exercise of its rights, and the performance of its obligations under this Agreement, Purchaser shall comply strictly with all such ~~Chinese~~ PRC export control laws and regulations which may be applicable to the Products and Confidential Information, and shall not export, re-export, transfer, divert or disclose any such Products or Confidential Information, or any direct product thereof, to any destination, end use or end-user, restricted or prohibited under ~~P.R.C.~~ PRC export ~~controls~~ control laws, or to any national or resident thereof, except in accordance with all ~~P.R.C.~~ applicable PRC export ~~controls~~ control laws and regulations. Purchaser's obligations under this Section 10.2 (~~P.R.C.~~ PRC Export Controls) shall survive the termination of this Agreement for any reason whatsoever.

~~Article 14~~ Article 11
GOVERNING LAW AND DISPUTE RESOLUTION

~~Section 14.1~~ Section 11.1 Governing Law. This Agreement shall be governed by the laws of ~~the~~ state of Delaware, without ~~reference~~ regard to its conflict of laws principles.

~~Section 14.2~~ Section 11.2 Dispute Resolution. All disputes arising out of this Agreement shall be settled through friendly consultation. If such dispute cannot be so resolved within fourteen (14) days from the date that either Party gives ~~the other~~ written notice of such dispute to the other Party, such dispute shall be resolved by arbitration administered by the American Arbitration Association ("AAA") in Delaware or Captain's then-current principal place of business, by a single arbitrator, in accordance with the rules of the AAA for the time being in force (which rules are deemed to be incorporated by reference in this clause). The language of the arbitration shall be Chinese. The arbitration award shall be final and binding upon ~~both~~ the Parties.

~~Article 15~~ Article 12
GENERAL PROVISIONS

~~Section 15.1~~ Section 12.1 Notices. Any notice which any Party desires or is obligated to give to the other shall be given in writing or by ~~facsimile~~ email with confirmation of receipt and sent to the

appropriate address or addresses as may from time to time be supplied to each other. Except as otherwise expressly provided herein, notice shall be deemed to have been received on the earlier of the date when actually received or ten (10) days after being deposited in the mail, postage prepaid, registered or certified mail, return receipt requested, or within one (1) day if by facsimile, promptly confirmed in writing, properly addressed to the recipient.

~~Section 15.2~~ Section 12.2 Non-Waiver. The failure of either Party at any time to require performance by the other Party of any provision hereof shall not affect in any way, or act as a waiver of, the right to require the other Party to perform in accordance with this Agreement at any other time, nor shall the waiver of either Party of a breach of a provision of this Agreement be held or taken to be a waiver of the provision itself.

~~Section 15.3~~ Section 12.3 Partial Invalidity. If any provision in this Agreement shall be found or be held to be invalid or unenforceable in any jurisdiction in which this Agreement is being performed, then the meaning of said provision shall be construed, to the extent feasible, so as to render the provision enforceable, and if no feasible interpretation would save such provision, it shall be severed from the remainder of this Agreement which shall remain in full force and effect. In such event, the Parties shall negotiate, in good faith, a substitute, valid and enforceable provision which most nearly ~~effects~~ reflects the Parties' intent in entering into this Agreement.

~~Section 15.4~~ Section 12.4 Assignment. No Party may assign, delegate or otherwise transfer any or all of its rights or obligations under this Agreement without the prior written consent of the other Party, and any purported assignment, delegation or other transfer without such consent shall have no force or effect. Notwithstanding the foregoing, the prior written authorization of one of the Parties hereto shall not be required for the other Party to assign any of its rights, or delegate or subcontract any of its obligations under this Agreement to an Affiliate of that Party. Subject to the foregoing, this Agreement shall bind and inure to the benefit of the respective ~~parties~~ Parties hereto and their successors and assigns.

~~Section 15.5~~ Section 12.5 Entire Agreement. This Agreement and the Schedule contain the Parties' entire understanding with respect to the matters contained herein. There are no promises, covenants or undertakings other than those set forth herein, and neither Party is relying upon any representations or warranties except as set forth herein. This Agreement may not be modified except by a writing signed by the Parties.

~~Section 15.6~~ Section 12.6 Headings; Counterparts. Headings to Sections of this Agreement are ~~to facilitate~~ for reference purposes only, do not form a part of this Agreement, and shall not in any way affect the interpretation hereof. This Agreement may be executed in two or more counterparts or duplicate originals, each of which shall be deemed an original, and all of which together shall be regarded as constitute one and the same instrument, ~~and which shall be the official and governing version in the interpretation of this Agreement.~~

[Signature page follows]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first written above.

**CAPTAIN BUSINESS
MANAGEMENT CO., LIMITED**

[~~name~~Name of Purchaser]

By: _____

By: _____

Name:

Name:

Title:

Title:

Date: _____

Date: _____

Schedule A
List of Products Supplied by Captain

物料编码 (<u>Products Code</u>)	物料名称 (<u>Product Name</u>)	规格 (<u>Specification</u>)
0101037	YGF冬阳功火锅底料500g(升级款) (<u>YGF Tom Yum Hotpot Seasoning 500g (Upgraded Version)</u>)	500g*42袋/箱 (<u>bags/carton</u>)
0101020	YGF火锅底料 (番茄味) (<u>YGF Hotpot Seasoning(Tomato Flavor)</u>)	1kg*20袋/箱 (<u>bags/carton</u>)
0102093	YGF油辣椒 (辣) (<u>YGF Fried Chili Oil (Spicy)</u>)	1kg*16袋/箱 (<u>bags/carton</u>)
0102110	YGF双椒调味油 (外卖装) (<u>GF Sichuan Pepper & Sichuan Green Pepper Oil(takeaway)</u>)	10g*200袋/箱 (<u>bags/carton</u>)
0102109	YGF油辣椒 (外卖装) (<u>YGF Fried Chili Oil(takeaway)</u>)	15g*200袋/箱 (<u>bags/carton</u>)
0102104	YGF食用植物调和油 (<u>YGF Edible Vegetable Blending Oil</u>)	5L*4桶/箱 (<u>jugs/carton</u>)
0102080	YGF麻辣拌 (复合调味粉) (<u>YGF Compound Seasoning Powder(Malaban)</u>)	1kg*20袋/箱 (<u>bags/carton</u>)
0102105	YGF牛骨汤粉调味料 (<u>YGF Beef Bone Soup Powder Seasoning</u>)	1kg*16袋/箱 (<u>bags/carton</u>)
0102118	YGF椰子汤粉 (<u>YGF Coconut Soup Powder</u>)	630g*20袋/箱 (<u>bags/carton</u>)
0102101	YGF双椒调味油 (<u>YGF Sichuan Pepper & Sichuan Green Pepper Oil</u>)	900ml*16瓶/箱 (<u>bottles/carton</u>)
0101034	YGF花胶鸡火锅底料500g (<u>YGF Fish Maw Chicken Hotpot Seasoning 500g</u>)	500g*42袋/箱 (<u>bags/carton</u>)
0101013	YGF火锅底料 (<u>YGF Hotpot Seasoning</u>)	1kg*20袋/箱 (<u>bags/carton</u>)
0102058	YGF复合香辛调味料 (<u>YGF Compound Spice Seasoning</u>)	1.1kg*8袋/箱 (<u>bags/carton</u>)
0101039	YGF咖喱火锅底料500g (<u>YGF Curry Hotpot Seasoning 500g</u>)	500g*42袋/箱 (<u>bags/carton</u>)
0102122	YGF复合调味粉 (<u>YGF Compound Seasoning (Powder)</u>)	1.15kg*12包/箱 (<u>packs/carton</u>)
0101051	YGF爆香红油 (<u>YGF Fragrant Red Chili Oil</u>)	1kg*16袋/箱 (<u>bags/carton</u>)

**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~~ corporation, 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

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
North Dakota	April 19, 2025 Pending
New York	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	April 29, 2025 Pending
Wisconsin	April 18, 2025 Pending

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

RECEIPT
(Your Copy)

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If ~~we offer~~ Captain Business Management Co., Limited offers you a franchise, ~~we~~ it must provide this disclosure document to you: (a) 14 calendar days before you sign a binding agreement with, or make a payment to, ~~us~~ it or an affiliate in connection with the proposed franchise sale, or (b) Under New York, and Rhode Island law, if applicable, at the earlier of (i) your first personal meeting to discuss the franchise, or (ii) 10 business days before you sign a binding agreement with, or make payment to us or an affiliate in connection with the proposed franchise sale, or (c) Michigan and Oregon require that ~~we~~ Captain Business Management Co., Limited give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If ~~we do~~ Captain Business Management Co., Limited does not deliver this Disclosure Document on time or if it contains a false or misleading statement or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state administrator identified on Exhibit A to this Disclosure Document.

The name, principal business address and telephone number of each franchise seller offering the franchise is: ~~Fei Feng~~ Yicao Tan, 1521 Concord Pike, Suite 201, Wilmington, DE 19803; ~~(+86) 021-80121276~~ (302) 252-8920 (Phone) and ~~Fei.fengtanyicao@yangguofu.global~~ tanyicao@yangguofu.global (email). Or

The issuance date of this Disclosure Document is March 31, ~~2025~~ 2026.

~~We authorize~~ Captain Business Management Co., Limited authorizes the respective state agencies identified on Exhibit A to receive service of process for us in the particular state.

I received a Disclosure Document dated March 31, ~~2025~~ 2026, (certain state effective dates appear on the State Cover Page) that included the following Exhibits:

Exhibit A	List of State Administrators and Agents for Service of Process
Exhibit B	Franchise Agreement and Exhibits
Exhibit C	List of Franchisees
Exhibit D	List of Franchisees Who Have Left System
Exhibit E	Financial Statements
Exhibit F	Form of General Release
Exhibit G	Table of Contents to Operations Manual
Exhibit H	Sample of Product Supply Agreement
Exhibit I	State Specific Addenda

DATE: _____

SIGNATURE: _____

PRINT NAME: _____

(Retain this copy)

RECEIPT
(Franchisor Copy)

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If ~~we offer~~ Captain Business Management Co., Limited offers you a franchise, ~~we~~ it must provide this disclosure document to you: (a) 14 calendar days before you sign a binding agreement with, or make a payment to, ~~us~~ it or an affiliate in connection with the proposed franchise sale, or (b) Under New York, and Rhode Island law, if applicable, at the earlier of (i) your first personal meeting to discuss the franchise, or (ii) 10 business days before you sign a binding agreement with, or make payment to us or an affiliate in connection with the proposed franchise sale, or (c) Michigan and Oregon require that ~~we~~ Captain Business Management Co., Limited give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

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DATE: _____

SIGNATURE: _____

PRINT NAME: _____

(Return this copy to franchisor)