FRANCHISE DISCLOSURE DOCUMENT
MACU INTERNATIONAL LLC
dba MACU®

A Washington Limited Liability Company
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This Franchise Disclosure Document (FDD) provides detailed information about the Macu Master Franchise opportunity. This offering is specifically for a master franchise, which grants the right to sublicense the Macu brand and know-how to individual unit franchises within a designated territory. This document contains important information about the franchise system, fees, and legal obligations. Please read it carefully before making any investment decision.

The total investment necessary to begin operation of a MACU® franchised business will range from $1,212,000 to $1,609,000. This includes $847,500 to $1,137,500 that must be paid to the franchisor or affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. 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. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact Hsiu Chuan Chien at Macu International LLC, 800 E Wishkah St. No.1008, Aberdeen, WA 98520, telephone 253-900-2316.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract and this disclosure document to an advisor, such as a lawyer or an accountant.

Becoming 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, DC 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: February 25, 2026

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit C.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit B includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only MACU® business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be MACU® franchisee?	Item 20 or Exhibit C lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees

even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit E.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Washington. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Washington than in your own state.

2. **Financial Conditions.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

3. **Mandatory minimum payments.** You must make minimum royalty, and other payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

MACU INTERNATIONAL LLC
dba MACU®
FRANCHISE DISCLOSURE DOCUMENT

TABLE OF CONTENTS

ITEM 1: THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language, this disclosure document uses "we" or "us" to mean Macu International LLC (hereafter "Macu"). "You" means the individual or entity buying the Macu franchise and become master franchisee (subfranchisor) of your delineated area.

(1) The Franchisor, Parents and Affiliates

We are the franchisor for the Macu franchise system in the United States. Our principal business address is 800 E Wishkah St. No.1008, Aberdeen, WA 98520.

Our parent entity is Macu Company Limited ("Macu-Taiwan"), a Taiwan limited company that does business as MACU®. Macu-Taiwan operates beverage outlets and offers franchises in Taiwan. Macu-Taiwan's principal business address is 2 F., No. 712, Mingcheng 3rd Rd., Gushan Dist., Kaohsiung City 80453, Taiwan.

Macu-Taiwan (and in the future one or more affiliated companies) provides the Macu franchise system with the proprietary food ingredients and other products necessary to prepare MACU® beverages and other menu items. Otherwise, we are not controlled by, controlling, or under common control with any other entity that provides goods or services to our franchisees or that offers franchises in any line of business.

(2) Predecessors

We have no predecessor during the 10-year period immediately before the close of our most recent fiscal year.

(3) Name Used by the Franchisor

We conduct business under the name MACU®. We do not use other name to conduct any business.

(4) Agent for Service of Process

Our agent for service of process is specified in **Exhibit E**.

(5) Business Organization Used by the Franchisor

We are a limited liability company registered on January 18, 2022, with Washington

Secretary of State.

(6) Franchisor's Business

We act solely as a franchisor of MACU® franchise. We have never franchised our brand to any franchisees. We do not operate businesses of the type being franchised in this state and we do not engage in other business activities.

(7) Master Franchise Offering

This disclosure document is for the offering of a master franchise. As a master franchisee, you will have the rights to sublicense the Macu brand, systems, and know-how to individual unit franchisees within a specified territory. This includes the responsibility to support and oversee the operations of the unit franchises within your territory.

(8) Separate Unit Franchise Offering

Please note that we also offer unit franchises under a separate Franchise Disclosure Document (FDD). The unit franchise offering is distinct from this master franchise offering and is intended for individuals or entities interested in operating a single Macu-branded tea shop. For more information on the unit franchise opportunity, please refer to the separate FDD specific to unit franchises.

(9) Offer of Master Franchises (Subfranchises)

We are the Franchisor of the MACU® franchise, and we are selling master franchises (subfranchises) in this state. For consideration paid to us, you will be granted rights related to granting unit franchises to third parties or entities in a delineated geographic area. You will be a party to a Master Franchise Agreement with us specifying the territory where you may license the franchise business under a minimum opening schedule. You are also required to open at least one outlet. You do not need to sign an agreement with us concerning the outlet. The outlet will work as a training center for your Unit Franchisees. Unless otherwise exempted, you will need to register your Franchise Disclosure Document with the state before offering to sell or sell a franchise. You will also be a party to Unit Franchise Agreements with third parties to sell unit franchises. You are not required to use our form of the unit franchise agreement, and you will be obligated to provide support services to those Unit Franchisees.

The minimum number of outlets that must be sold is given during the term of the Master Franchise Agreement, and you must sell at least one outlet per year after you sign the

Agreement with us. The consequence of failure to meet the development schedule is that we reserve the right to terminate the Agreement.

(10) General Market for Franchised Products and Services

The general market franchisees will operate the business involving retail tea and coffee shops and other restaurants offering specialty teas and other food products like MACU® Products. The market for MACU® Products is all individuals within reasonable proximity to the Outlet. This type of business is fully developed and is not seasonal. Our initial approach to the marketing of our business is to grant the Master Franchise right in areas where the population of ethnic Taiwanese and other Asians is most significant and where potential customer awareness of the brand is most likely. After establishing franchises in those areas, we will expand our marketing efforts to other regions of the United States, which will not involve sales primarily to a particular group.

(11) Industry Specific Laws or Regulations

You will need business licenses and reseller's permits to comply with federal, state, and local laws that apply to the operation and licensing of our type of business. You will also need to obtain all appropriate health permits and inspections and approvals by municipal, county, or state health departments that regulate food handling and foodservice operations. Franchisee's MACU® Outlet must also meet applicable municipal, county, state, and federal building codes, and handicap access codes.

The U.S. Food and Drug Administration, the U.S. Department of Agriculture, and state and local health departments administer and enforce food preparation and service regulations. State and local agencies inspect restaurants and other retail food service providers to comply with these laws and regulations.

(12) Competition

To offer the franchise to potential Unit Franchisees, you will face competition against other Franchisors or Master Franchisees in this catering business. Those Unit Franchisees who intend to enter or expand their business in the field may consider other franchises that also sell tea-based drinks and coffees. The market for this type of service is very competitive because there are many brand names out there that are well-known in this field. You must consider carefully or consult some franchise experts before deciding to be our Master Franchisee.

All our outlets of MACU® franchise will compete with other tea shops, coffee shops, and restaurants that offer and sell specialty teas and tea drink combinations. Competitors include franchised operations, national and regional chains, and independent operators that offer specialty teas, tea drink combinations, and other products comparable to the MACU® Products.

(13) Prior Experience of Franchisor and Predecessors

In 2013, our parent entity, Macu-Taiwan, was formed to sell tea-based beverages to customers. In 2014, Macu-Taiwan started to license the franchise to franchisees in Taiwan.

We have not previously offered any franchises providing the type of business you will operate. Nor have we ever offered franchises in other lines of business. We do not operate businesses of the type being franchised, and we do not engage in other business activities.

We have no affiliates that offer franchises in any line of business. However, Macu-Taiwan will provide you with products and services.

ITEM 2: BUSINESS EXPERIENCE

Hsiu Chuan Chien: President

Hsiu Chuan Chien is our Founder, and she was named our President since our inception on January 18, 2022. Our company address is 800 E Wishkah St. No.1008, Aberdeen, WA 98520. She also serves as the President of our parent entity, Macu-Taiwan, from October 2, 2013. Macu-Taiwan is located at 2 F., No. 712, Mingcheng 3rd Rd., Gushan Dist., Kaohsiung City 80453, Taiwan.

ITEM 3: LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4: BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5: INITIAL FRANCHISE FEES AND OTHER ESSENTIAL FEES

(1) Initial Master Franchise Fee

The Initial Master Franchise Fee for your delineated area is $350,000 to $500,000. The

Fee will be affected by your territory's space. On or before executing the Master Franchise Agreement, you will pay us the Initial Master Franchise Fee.

The Initial Master Franchise Fee is due and payable in full by cashier's check or money order or wire transfer to our bank account under the Master Franchise Agreement.

(2) Security Deposit

When you sign the Master Franchise Agreement, you must pay us a $80,000 security deposit. Suppose you default in performing any Agreement requirement or any other agreement between you and us or our affiliates. In that case, we may use the security deposit, or any portion of it, to cure the default or to compensate us or our affiliates for all damages or expenses we incur because of your default, including damages we suffer because you purchase unapproved materials or your use of poor-quality raw material in preparing and serving MACU® Products. We may also use the security deposit to pay any late charges, interest, penalties, fees, and any costs and expenses due to us for performing obligations that you do not fulfill. We are entitled to perform for you. If monies are owed, or become due, to us on or after termination or expiration of the Agreement, we may use all or any part of the security deposit to pay those sums. If we use any part of the security deposit before the end of the Agreement term, you will have to restore the balance of the security deposit to $30,000. Suppose you are not in default to perform under the Agreement with us or any of our affiliates on the date the Agreement expires or is terminated for any other reason. In that case, we will return to you within 30 days after the expiration or effective date of termination of the Agreement the remaining balance of the security deposit.

(3) Single Outlet Fee

You have to pay us the Single Outlet Fee of $12,500 per outlet during the franchise term. You have an obligation to develop at least 30 outlets in your territory. The Single Outlet Fee is $375,000. You must pay $187,500 for the first 15 outlets on or before executing the Master Franchise Agreement, and the remainder shall be paid right before each outlet is under operation.

(4) Know-How Transfer Fee

In return for receiving the know-how, techniques, and necessary operational skills to manage MACU®, you must pay us a non-refundable Know-How Transfer Fee before receiving the first stage training. The fee will range from $150,000 to $250,000**.**

(5) Equipment and Inventory Fee

Before opening your outlet, you must purchase equipment and inventory from us. The estimated expenditure of purchasing equipment and inventory for the first three months of operation of the outlet will range from $80,000 to $120,000.

The equipment includes a refrigerator(s), icemaker(s), teapresso(s), sealing machine(s), induction cooker(s), measure, chairs, tables, and any other equipment necessary to provide the food and beverage service at your outlet. The inventory includes various kinds of tea leaves, tapiocas, sugar, syrup, jams, cups, straws, milk, fresh fruits, and any other items to make beverages specified in our menu.

(6) Refundability of Fees

All initial fees described in this Item, including any fees payable to us or our affiliates, are payable in a lump sum at the time specified above, unless otherwise expressly stated. We do not permit payment of initial fees in installments, except as disclosed herein.

By way of clarification, the Single Outlet Fee is partially payable upon execution of the Master Franchise Agreement and thereafter payable on a per-outlet basis as specified above. The Security Deposit is also payable in a lump sum upon execution of the Master Franchise Agreement and is refundable under the conditions described in this Item.

Excepted as disclosed under this item, there are no other initial fees or payments for services or goods received from us or our affiliates before you open your franchise business.

ITEM 6: OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Service Fee (Royalty)[1]	$1,000 per outlet	You shall pay the Service Fee on or before 10th of January, April, July, and October for the following three months.	The Service Fee (Royalty) is collected on a flat basis, it will not change depending on gross sales or revenue of your franchise business. *See Section 3.4 of the Master Franchise Agreement*.
First Stage Training[1]	$1,000 if you fail the	Before the extended First	At the end of the First Stage Training, the trainees shall receive a training evaluation.

	evaluation of the Training	Stage Training starts	If the one or more of the trainees fail the evaluation, the First Stage Training shall extend additional five days. Master shall bear the cost of $1,000. *See Section 5.1 of the Master Franchise Agreement*.
Second Stage Training[1]	$2,800 for each trainer if you asked us to extend the Second Stage Training	When you request the extended Second Stage Training[3]	Before the first day of trial operation and during an outlet's initial opening, we will dispatch two (2) trainers and perform on-site training for twenty-one days. The Second Stage of Training is free of charge, but if request us provide extended Second Stage Training, the fee is $2,800 for each trainer for fourteen days. *See Section 5.2 of the Master Franchise Agreement.*
Optional Training	$3,500 for each trainer	When we demand you to receive the Optional Training	During the franchise term, we may request you take the Optional Training, which will consist of a fourteen-day training course. You need to bear the cost of $3,500 for each trainer. *See Section 5.3 of the Master Franchise Agreement.*
Renewal Fee[1]	50% of Initial Master Franchise Fee	Before you sign the Renewal Agreement	You are qualified for renewal if all fees due us are paid and you are not in breach of any terms or conditions under the Agreement. You must give us a notice of the intent to renew ninety days before the end of the franchise term. *See Section 3.7 of the Master Franchise Agreement.*
Design Fee	$5/ft^2 if you ask us to provide the outlet design, no less than $5,000	Before we start to design	We will provide you with floor, three-dimensional, and constructional plans in for the first outlet. You may design from the second outlet without asking us. If you ask us to design for you, the Design Fee is $3/ft^2. *See Section 3.5 of the Master Franchise Agreement.*
Shipping Fee	Varies. Franchisee must pay the actual shipping costs	70% due upon order confirmation, 30% due 5 days prior to scheduled	Franchisee shall pay seventy percent (70%) of the purchase price upon confirmation of the order. The remaining thirty percent (30%) shall be paid no later than five (5) days prior to the scheduled shipment date.

	charged by the carrier or supplier, as reflected on the applicable invoice.	shipment date	
De-identification Fees	$2,000/day	When violation occurs	Within thirty days after expiration, termination, or rescission of the Master Franchise Agreement, you should remove any signs, printing, and publicity materials attached with our intellectual property rights. If you fail to remove, you will be responsible for $2,000/day until the date of removal. *See Section 8.2 of the Master Franchise Agreement*.
Late Fees	0.1% per day	When violation occurs	If you are in arrear of the payments required under the Master Franchise Agreement, you will be liable for 0.1% for the delayed fee. *See Section 3.9 of the Master Franchise Agreement*.

(1) All fees are imposed and collected by and are payable only to us. Except as indicated in Item 5 or otherwise in the table above, all fees are non-refundable. All fees areuniformly imposed.

(2) This fee may be adjusted by changes since the effective date of the Subfranchise Agreement in the annual average of the Consumer Price Index for All Urban Consumers ("CPI"), or the highest similar future index if these figures become unavailable.

(3) If any payment is not paid when due, you must pay a late charge of 5% of the amount past due plus interest on the unpaid amount at an annual percentage rate ("APR") of 18% (or the highest APR allowed by the law of the state where the Outlet is located, if that APR is lower), and you must reimburse us immediately upon demand for all reasonable costs of collection relating to delinquent amounts. Interest begins from the date payment was due.

ITEM 7: ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of expenditure	Amount	Method of	When due	To whom payment

		payment		is to be made
Initial Master Franchise Fee[1,2]	$350,000 to $500,000	Lump sum	When you sign the Master Franchise Agreement	Us
Security Deposit[1,2]	$80,000	Lump sum	When you sign the Master Franchise Agreement	Us
Single Outlet Fee[1]	$375,000	Lump sum	50% when you sign the Master Franchise Agreement, and the remainder will be paid as incurred	Us
Know-How Transfer Fee[1]	$150,000 to $250,000	Lump sum	When you sign the Master Franchise Agreement	Us
Equipment and Inventory Fee[2,8]	$80,000 to $120,000	Lump sum	Before we ship the equipment and inventory	Us
Lease[4]	$5,000 To $15,000	As incurred	As arranged	Landlord
Training Fee[3]	$40,000 to $60,000	As incurred	As arranged	Arline companies, hotels, and restaurants
Point of sale system[2,5]	$5,000 to $8,000	As incurred	As arranged	Suppliers and vendors
Interior and Exterior Signs and Graphics[2,6]	$10,000 to $15,000	As incurred	As arranged	Suppliers and vendors
Professional Fees[2,7]	$10,000 to $20,000	As incurred	Before and during operation	Attorneys, accountants, and other professionals
Business Licenses and Permits[2,4]	$3,000 to $6,000	Lump sum	As arranged	Government
Advertisement[2,9]	$2,000 to $5,000	As incurred	Before you start the franchise business	Advertisers and other suppliers
Business insurance[2,10]	$2,000 to $5,000	Lump sum	As arranged	Insurance companies

Additional Funds – 3 months[11]	$100,000 to $150,00	As incurred	As incurred	Employee, suppliers, utilities
TOTAL[11]	$1,212,000 to $1,609,000			

(1) You must pay the fees in full at the time indicated. To be eligible to sign the Master Franchise Agreement, you must provide us with reasonable proof of your financial ability to make the initial investment described above. You must authorize us to conduct a credit check to confirm your financial ability to purchase develop the Outlet.

(2) Although we cannot assure you this will happen, if you do not open for business, you may receive a refund from us for any remaining Security Deposit and from other suppliers for unused inventory, unspent advertising, and canceled insurance. Otherwise, the payments listed in the table above are nonrefundable. After the expiry or early termination of the Master Franchise Agreement, we will refund the Security Deposit less any unpaid fees or damages you owe. Other than the remainder of the Security Deposit, all the fees and payments listed in the table above are nonrefundable after expiry or early termination of the Master Franchise Agreement.

(3) The First Stage Training and the Second Stage Training are free of charge unless you fail the evaluation at the end of the First Stage Training or request us to provide an extension to the Second Stage Training. These expenses represent the travel and living expenses and your staff during training.

(4) The rent or lease deposit amount will vary depending on the location and outlet space. A security deposit and first month's rent are standard requirements to execute a commercial lease.

(5) This includes the Point of Sale ("POS") system with a cash register, receipt printer, computer system, and credit card reading/charging equipment. We do not specify a specific brand of POS system or computer for you to use in operating your Outlet. You can choose from local providers without any restrictions.

(6) The quantity, size, type, and cost of signs will vary substantially per lease space and under stipulations of each landlord and local governmental regulations. These estimates include the average filing fees for obtaining the necessary sign permits.

(7) This includes professional legal and accounting fees to review the franchise agreement, leasing agreements, and set up the Outlet.

(8) You must buy initial proprietary tea, fruit jam, and other proprietary ingredients needed to make MACU® beverages, proprietary administrative supplies, including flyers, recruitment canvas strips, grand opening canvas strips, sale trial canvas strips, and advertising sign stand

including promotion rack from us immediately before opening the franchise business.

(9) We will provide promotions for you free of charge through our uniformed website and social media accounts. Still, we recommend you advertise or promote your business by using online advertising providers before starting the franchise business.

(10) As an independently owned business, you are responsible for all costs or liabilities arising from Outlet's operation, and it is imperative you carry adequate insurance to protect yourself. We recommend you obtain insurance coverage from a local carrier. The currently recommended minimum coverage and insurance limits are (i) general liability insurance with limits of at least $1,000,000 per occurrence and $2,000,000 aggregate and (ii) workers' compensation insurance to meet the statutory coverage of the state where your Outlet is located. To the extent permissible under law, these insurance requirements may be satisfied with a combination of primary, umbrella, and excess policies. All insurance policies will name you as named insured and, except for Workers' Compensation policies, will name us and any of our subsidiaries and affiliates of these companies existing or which may hereafter exist as additional insureds, including their employees, officers, and directors on additional insured endorsement forms. The costs of premiums will vary based on the Outlet location and any prior claim history. The required coverage and limits are subject to change.

(11) The estimate of the "Additional Funds – 3 months" described above is based on our good faith estimate of the funds necessary to cover initial operating expenses for the first three months of operation. In formulating this estimate, we considered our limited operating experience as a franchisor, the experience of our parent company and its affiliates in operating similar beverage businesses, and general industry practices for comparable quick-service beverage operations.

The estimate assumes that the franchise business will operate at a level sufficient to cover a portion of ongoing expenses and includes anticipated costs such as payroll, rent, utilities, inventory replenishment, marketing, and other ordinary operating expenses. The estimate also assumes no unusual or adverse conditions affecting the business.

Because the franchisor has limited operating history in the United States, these figures are based in part on the experience of our parent company and affiliates operating similar businesses in other markets, as well as management's business judgment. Actual costs may vary depending on factors such as location, market conditions, management experience, and the performance of the business.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

(1) Required Purchases of Goods or Services, including Computer and Point of Sale System

Point of Sale (POS) Systems Requirement

As a master franchisee, you are required to purchase, lease, or otherwise obtain Point of Sale (POS) systems exclusively from us or our designated suppliers. The POS systems are essential for the operation of your franchised business, and they include both hardware and software components that facilitate transaction processing, inventory management, customer relationship management, and other operational functions.

Specific Requirements and Conditions:

(a) Approved Suppliers:

You must purchase the POS systems from the franchisor or from suppliers we designate. We have pre-approved certain suppliers to ensure compatibility, quality, and consistency with our franchise system standards. A list of our approved suppliers for POS systems will be provided to you after you sign the master franchise agreement. We reserve the right to modify this list at our discretion.

(b) Specifications and Standards:

The POS systems must meet specific technical and operational standards established by us. These standards ensure that all franchise locations maintain a uniform level of service, data integrity, and operational efficiency. Detailed specifications and standards for the POS systems can be found in the Franchise Operations Manual and are subject to periodic updates.

(c) Installation and Maintenance:

The POS systems must be installed by qualified technicians approved or designated by us. Proper installation is crucial to ensure the systems function correctly and integrate seamlessly with our proprietary software and network. You are responsible for the maintenance and upkeep of the POS systems, including software updates and hardware repairs. Maintenance services may be obtained from our approved suppliers or directly from us.

(d) Costs and Payments:

The cost of the POS systems, including installation and any necessary peripheral equipment, must be borne by you. These costs will be outlined in a separate agreement provided by the supplier or franchisor. Payment terms for the POS systems will be specified in the purchase agreement with the supplier. These terms typically include an initial payment upon order placement and subsequent payments as per the agreed schedule.

(e) Software Licensing and Updates:

The software components of the POS systems are licensed to you on a non-exclusive basis. You must comply with all terms of the software license agreements, including restrictions on copying, modifying, or distributing the software. Regular software updates are mandatory and will be provided by us or our designated suppliers. These updates are necessary to maintain system security, introduce new features, and ensure compliance with operational standards.

(f) Consequences of Non-Compliance:

Failure to purchase, install, or maintain the approved POS systems may result in a breach of your franchise agreement. This breach could lead to termination of your franchise rights, in accordance with the terms outlined in the agreement. We reserve the right to inspect your POS systems at any time to ensure compliance with our standards. Non-compliance may also result in additional corrective measures, including mandatory upgrades or replacements at your expense.

By enforcing these requirements, we aim to maintain a consistent and high-quality customer experience across all franchised locations, protect the integrity of our brand, and ensure the smooth operation of the franchise network. If you have any questions or require further clarification regarding the POS systems requirements, please refer to the Franchise Operations Manual or contact our support team.

You must purchase items bearing our trademarks only from our affiliated companies or other reputable suppliers. Unit Franchisees must purchase items bearing our trademarks only from you. When operating outlets, you must use fixtures, food preparation, storage equipment, display cases, registers, computer systems, storefront, supplies, and signs that we have approved to meet our specifications and standards for appearance, function, and design quality, and performance. You must place or display at the premises of your master franchise business only such signs, emblems, lettering, logos, and display materials that we approve in writing. All equipment leases will be between you and the lessor. Under no circumstances can you sign any lease as you were us or on our behalf.

(2) Franchisor or its Affiliates Acting as Approved Suppliers

You must purchase all proprietary tea, fruit jams, and other raw materials to be used in MACU® products from us, our parent company, or our affiliates, as well as cups, uniforms, and any other items containing the MACU® logo. Otherwise, none of our affiliates sells or leases any goods, services, supplies, or equipment related to establishing or operating the franchised business. Our officer owns an equity interest in our parent company, Macu-Taiwan. Otherwise, there are no suppliers in which any of our officers owns an interest.

(3) Approved Suppliers and Approval of Alternative Suppliers

Manual or otherwise in writing. Designation of a supplier may be conditioned on factors established by us, including performance relating to the frequency of delivery, standards of service, and payment or other consideration to parties or us designated by us. We may designate single or multiple suppliers for any given item or service and may concentrate purchases with one or more suppliers.

The current list of approved products and suppliers is found in the Manual. We may change theses lists or other parts of the Manual, which we will provide to you. Suppose you desire to purchase products other than those provided by approved suppliers. In that case, you must submit a written request for approval of the proposed supplier and such evidence of conformity with our specifications and program specifications as we may reasonably require. We will have the right to demand that our representative be permitted to inspect the supplier's facility and deliver samples from the supplier for evaluation and testing, either to an independent testing facility designated by us or to us. You must pay a charge not to exceed the reasonable costs of assessment and testing. Our criteria for supplier approvals are contained in the Manual. Within 60 days after our receipt of the completed request or completion of the evaluation and testing (if required), we will notify you in writing of our approval or disapproval of the proposed supplier. We will not withhold the approval unreasonably withheld. You must not sell or offer to sell any products or services from a proposed supplier until you receive our written approval of the proposed supplier. If a designated supplier makes payments to us based upon your purchases, it will be based on a certain percentage of your total purchase amount. The percentage will range from 2.5% to 4%.

We may revoke our approval of products or suppliers if we determine in our sole discretion that the products or suppliers no longer meet our standards. Upon receiving written notice of such revocation, you must cease purchasing or selling any disapproved product.

(4) Issuance of Specifications and Standards

We issue specifications and standards regarding authorized MACU® products and services to franchisees through the Manual and other communications in writing or by email. We also issue specifications and standards regarding authorized MACU® products and services to its designated and approved suppliers in writing or by email. We may modify these specifications and standards at any time but only after delivering written notification of the modifications and providing its franchisees or suppliers a reasonable amount of time to implement the modifications.

(5) Revenue from Franchisee's Purchases

In the last twelve (12) months, except as disclosed below, neither we nor any of our affiliates derived revenue, rebates, or other material consideration from required purchases or leases. Our parent company, Macu Company Limited, derives revenue from required purchases or leases by franchisees. In 2025, Macu Company Limited generated revenue of $109,375,000, of which $29,205,148, was derived from mandatory purchases and leases made by franchisees. This accounted for 26.5% of Macu Company Limited's total revenue, emphasizing the significant contribution of required purchases and leases to the company's overall earnings. The revenue of the required purchases and lease is based on the financial statements of Macu Company Limited.

Payments to us and purchases from designated vendors and approved suppliers (i) in establishing your franchise business will range from 28% to 36% of your subfranchisee's total initial investment and (ii) in operating the Outlet will range from 23% to 27% of your total monthly expenses.

(6) Cooperatives

We are not presently involved in establishing purchasing or distribution cooperatives for franchisees.

(7) Negotiated Purchase Arrangements

We do not negotiate purchase arrangements or price terms with suppliers for the benefit of you.

(8) Material Benefits Based on Franchisee's Purchases

We do not provide material benefits to you based on your purchase of particular products or services or use of particular suppliers.

(9) Type and Amount of Insurance

You are required to obtain insurance coverage from a local carrier. The currently recommended minimum coverage and insurance limits are (i) general liability insurance with limits of at least $1,000,000 per occurrence and $2,000,000 aggregate and (ii) workers' compensation insurance to meet the statutory coverage of the state where your Outlet is located. To the extent permissible under law, these insurance requirements may be satisfied with a combination of primary, umbrella, and excess policies. Except for Workers' Compensation policies, all insurance policies will name you as named insured and name us and any of our subsidiaries and affiliates of these companies, including their employees, officers, and directors, on additional insured endorsement forms. The costs of premiums will vary based on the location of the Outlet and any prior claim history.

ITEM 9: FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Master Franchise Agreements. It will help you find more detailed information about your obligations in the agreement and in other items of this disclosure document.

	Obligation	Articles in Master Franchise Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	Exhibit 1	6,11
b.	Pre-opening purchases/leases	2.1	8
c.	Site development and other pre-opening requirements	2.1	6, 7, 11
d.	Initial and ongoing training	5.1-5.4	11
e.	Opening	Exhibit 1, 1.1	11
f.	Fees	3.1-3.10	5, 6
g.	Compliance with standards and policies/ operating manual	Not applicable	11
h.	Trademarks and proprietary information	8.1, 8.2	13,14
i.	Restrictions on products/services offered	1.1	16
j.	Warranty and customer service requirements	Not applicable	11
k.	Territorial development and sales quotas	Exhibit 1, 1.2	12
l.	Ongoing product/service purchases	4.1	8
m.	Maintenance, appearance and remodeling requirements	3.7	11
n.	Insurance	Not applicable	6, 8
o.	Advertising	6.1-6.6	6,11

p.	Indemnification	Not applicable	6
q.	Owner's participation/management/staffing	Not applicable	11,15
r.	Records and reports	7.2	6
s.	Inspections and audits	7.2, 7.3	6,11
t.	Transfer	9.2	17
u.	Renewal	1.3, 3.7	17
v.	Post-termination obligations	11.1-11.3	17
w.	Non-competition covenants	10.1, 10.2	17
x.	Dispute resolution	12.1-12.5	17
y.	Compliance with anti-terrorism and other federal laws	Not applicable	Not applicable

ITEM 10: FINANCING

We do not offer direct, indirect, or any form of financing. We do not guarantee your note, lease or obligation.

ITEM 11: FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, ANDTRAINING

Except as listed below, we are not required to provide you with any assistance.

(1) Our Pre-Opening Obligations

Before you start your subfranchise business, we will:

(A) Assist you in selecting a site for your franchise outlet. We do not own any premises; therefore, we will not lease premises to you. Although we do not typically pre-select the site for your franchise outlet, we must give our final consent to the location before your outlet's operation. You have 180 days after signing the Master Franchise Agreement to locate an acceptable site for your master franchise business. We will review and either consent to or decline the proposed site for your outlet within five business days after you provide us with its address. We will not withhold the consent unreasonably. Instead, as an experienced franchisor in this field of business, we will give you some valuable and professional pieces of advice. If we cannot agree on the location of a site, then we will defer to your decision. If you cannot locate an acceptable site within 180 days, we reserve the right to terminate the subfranchise agreement. The factors that we consider in consenting to a place for the outlet include general location, neighborhood, population demographics, probable awareness of the MACU® brand, traffic patterns, parking, size, physical characteristics of existing buildings, and lease or rental terms. Our review and consent to the outlet's location is no guarantee nor assurance that your master franchise business will be successful there. We will not provide assistance with conforming the premises to local ordinances and building codes and obtaining any required permits, and/or constructing, remodeling, or decorating the premises, and/or hiring and training employees. We do not own the premises and lease it to you.

(B) Designate your territory (*See Exhibit 1 of the Master Franchise Agreement*).

(C) Provide you with initial training and orientation about the MACU® system and how to operate the franchise business (*See the Training Program described below in this Item 11*). Your manager must successfully complete initial training to our satisfaction before you start the franchise business.

(D) Provide you with a general plan for the layout, furnishing, and equipping your franchise outlet, together with a written schedule of all foods, food items, and beverages that must be sold at the outlet. We will provide and deliver raw materials and equipment to you directly, but you must install the equipment by yourself.

(E) Provide you with a copy of, electronic access to, the Manual.

(F) We will assist with providing equipment, signs, fixtures, opening inventory, and supplies to you. We will provide equipment, opening inventory, and supplies to you directly. As for the signs and fixtures, we will provide you with a list of approved suppliers and written specifications for all the items. We will deliver the equipment, opening inventory, and supplies to you, but you have to install the equipment by yourselves.

(2) Length of Time for You to Open the Master Franchise Outlet

We estimate the typical length of time between the signing of the master franchise agreement or the first payment of consideration for the franchise and the opening of the master franchise outlet will be nine months. Factors that may affect the length of time include the satisfactory completion of initial training by your designated attendees, location of an acceptable site, ability to obtain an appropriate lease, financing arrangements, compliance with zoning and local ordinances, weather conditions, shortages, the contractor's ability to complete construction of the outlet, and delivery and installation of equipment, fixtures, and signs. Suppose you do not begin operating your master franchise business within 180 days after we consent to the site or within 365 days after signing the subfranchise agreement. In that case, we can cancel the Master Franchise Agreement. If we do so under those circumstances, we are not obligated to refund the initial franchise fee and other fees as disclosed under item 5.

(3) Our Obligations during the Operation of the Franchise

During the operation of the franchised business, we:

(A) Will provide you with access to the MACU® website, which will list information, contacts, and introduction of your master franchise business.

(B) Will be reasonably available by phone and e-mail for guidance in the operation and management of your franchise business. However, we do not provide you with assistance in hiring employees.

(C) May visit you periodically at no cost to you to provide additional sales and administrative review and assistance, including assistance with establishing and using administrative, bookkeeping, accounting, and inventory control procedures. If you request this assistance and we agree to provide it, you must reimburse us for the cost of our representative's transportation and lodging. We may also, at our discretion, charge an additional training fee for MACU® training courses, seminars, conferences, or other programs that we require you or your representatives to attend. The nature, frequency, and duration of this assistance by our representatives will be at our sole discretion.

(D) In connection with your ongoing obligation to supervise maintenance of the outlets in accordance with our standards, we will notify you if the general state of repair, appearance, cleanliness, fixtures, equipment, or signs do not meet our standards. If that is the case, we will specify the action you must take to correct the deficiency.

(E) May recommend retail prices for MACU® Products for your master franchise outlet. We will notify the products and services we authorize for sale at the outlet in order to enhance uniformity in the delivery of goods and services to customers and strengthen our Marks in inter-brand competition. You may not advertise or promote (whether by telephone, printed materials or any other media, including, without limitation, social media) retail prices that are inconsistent with these recommended prices.

(4) Advertising Program for the Franchise System

We intend to promote the Franchise System through a broad and integrated advertising program that will utilize a variety of media platforms and strategies. At present, our primary focus is on digital media, including Internet-based advertising, search engine optimization, sponsored placements, and the use of social media platforms such as Facebook, Instagram, Twitter, TikTok, and other emerging digital channels. In addition, we will employ targeted print media advertising in trade publications, lifestyle magazines, and other publications that are relevant to our target demographic. In the future, we may also expand our efforts to include traditional channels such as local radio and television broadcasts in order to enhance brand awareness and reach wider consumer groups.

To implement these initiatives, we will use a combination of in-house advertising and marketing personnel, as well as outside professionals. Our in-house team will handle the day-to-day creation, coordination, and execution of advertising campaigns. However, we also intend to engage independent third-party service providers, including national and regional advertising agencies, digital marketing firms, and public relations consultants, to supplement our internal resources. These agencies may be tasked with developing national campaigns that benefit the entire system, regional campaigns that target specific geographic markets, or specialized projects such as product launches, event sponsorships, or crisis management.

Advertising funds, if collected, may therefore be allocated not only to in-house initiatives, but also to third-party national or regional advertising agencies, media buying firms, branding consultants, and public relations companies engaged to promote the Franchise System. These agencies may purchase media placements, develop brand content, coordinate influencer or celebrity endorsements, and implement public relations activities intended to improve the overall reputation and visibility of the brand.

You should understand that while we may, from time to time, direct advertising efforts into your specific territory, we are not obligated to spend any advertising funds in your particular market. The purpose of the advertising fund is to support the brand as a whole, and the allocation of resources will be determined at our discretion, with the objective of promoting and protecting the brand nationally and regionally.

Although we are not obligated to do so, we may provide you with general advertising programs, sales promotion, campaign, and sample advertising materials. You may develop advertising materials for your use at your own cost. But we must approve all advertising materials in advance and writing.

We do not yet have a franchisee's council that advises us on advertising policies, but we may establish one in the future. Each master franchisee will automatically become a member of the council. The council serves in an advisory capacity only. We have the power to form, change, or dissolve the advertising counsel.

We are not presently involved in any advertising cooperatives. However, we reserve the right to create advertising cooperatives in the future. If we do so, MACU® outlets owned by us, you, and subfranchisees will contribute to the cooperative on the same basis as MACU®

franchisees. We will be responsible for administering the cooperative. The cooperative must operate from written governing documents agreed upon by us and all franchisees. The documents will be available for any franchisee to review. The cooperatives will prepare annual or periodic financial statements. The statement will also be available for review by any franchisee. We have the right to require cooperatives to change, dissolve, or merge.

As for the advertising fund, we do not and will not establish it. Therefore, you are not required to participate in any advertising fund.

Advertising Fund – Use of Funds in Most Recently Concluded Fiscal Year

We did not establish or administer a national or system-wide advertising or marketing fund during the most recently concluded fiscal year (ending December 31, 2024). Accordingly, we did not collect any advertising or marketing contributions from franchisees, and therefore no percentages were allocated or spent on production, media placement, administrative expenses, or other uses.

Because no advertising fund exists, there were no unspent or carry-over balances from the prior fiscal year. All marketing and promotional activities for the Franchise System were funded directly by us at our own discretion or by individual franchisees within their local markets, subject to the standards set forth in the Franchise Agreement.

While we reserve the right to establish and administer a Marketing or Advertising Fund in the future, as of the issuance date of this Franchise Disclosure Document we have no current plans to do so.

(5) Electronic Cash Registers and Computer System Requirements

We commend you for purchasing the POS system from us and allowing us to track and process retail sales for all outlets within your territory. POS systems enable the business transaction between the client and you to be completed. POS system is a computerized network that consists of the leading computer linked with several checkout terminals and supported by different hardware features starting from barcode scanners and ending with card payment terminals. The payment method used, inventory and tax details, and employee productivity are the types of data being generated or stored in the system. We estimate that purchasing the POS systems is between $1,000 to $2,000. You will use this POS system to complete point-of-sale transactions and track your sales. There are no contractual limits on our independent access to the information and data stored on the POS system. You are responsible for all ongoing maintenance and repairs, and upgrades. We anticipate that the annual cost of optional or required maintenance, updating, operating, or support contracts regarding the POS system will range from $500 to $1,000.

We also require you to maintain an e-mail account and communicate with us regularly concerning sales and operations at your Outlet, in the manner we specify in the Manual or otherwise in writing. We estimate that the annual cost of optional or required maintenance, updating, operating, or support contracts regarding the e-mail account is between $200 to $500.

(6) Operating Manual

We will loan you one copy of our Manual (containing 50 pages) and other applicable manuals during the relevant phases of initial training. The Manual contains mandatory and suggested specifications, standards, and procedures for the operation of your Outlet.

We will modify the Manual, and you must comply with these changes when you receive them, but no modification will alter your status and rights under the Master Franchise Agreement. This Manual is confidential and remains our property. Suppose you lose or allow the unauthorized duplication of the Manual, or any other confidential manuals or proprietary materials loaned to you by us. In that case, you will be deemed to violate the Agreement and all other agreements you have with us, and we would be entitled to recover damages from you.

The following is the table of contents of the Operating Manual, including the number of pages devoted to each subject and the total number of pages.

Topic	**Number of Pages**
CHAPTER 1: BRAND ORIGIN AND BUSINESS PHILOSOPHY	3
CHAPTER 2: NEW EMPLOYEE'S TRAINING AND WORKING REGULATIONS	2
CHAPTER 3: RULES AND REGULATIONS	1
CHAPTER 4: EMPLOYEE'S DRESSING CODE	1
CHAPTER 5: THE INTRODUCTION OF THE INGREDIENTS / RAW MATERIALS AND STORAGE METHODS	2
CHAPTER 6: THE INTRODUCTION OF HARDWARE APPLIANCES	5
CHAPTER 7: THE INTRODUCTION OF BEVERAGES	5
CHAPTER 8: STANDARD OPERATION PROCEDURE OF BEVERAGES	7
CHAPTER 9: CALCULATION OF SUGAR LEVEL	1
CHAPTER 10: STANDARD ICE LEVEL OF MACU®	1
CHAPTER 11: STANDARD OPERATING PROCEDURES OF DAILY OPEN	1
CHAPTER 12: STANDARD OPERATING PROCEDURES OF DAILY CLOSE	1

CHAPTER 13: EACH WORKING STATION'S WORKING DETAILS-FRONT DESK AREA	2
CHAPTER 14: EACH WORKING STATION'S WORKING DETAILS-BAR AREA	1
CHAPTER 15: EACH WORKING STATION'S WORKING DETAILS-KITCHEN AREA	3
CHAPTER 16: EQUIPMENT'S SET-UP AND BASIC MAINTENANCE	6
CHAPTER 17: WAYS TO DEVELOP NEW CUSTOMER AND MARKETING STRATEGY	4
CHAPTER 18: PURCHASE ORDER MANAGEMENT	2
CHAPTER 19: EMPLOYEE'S WORKING SCHEDULES	2
Total Pages	**50**

Currently, we have no policy under which we will render services to you not required by the Master Franchise Agreement (or any other agreements you sign with us) or the Manual.

(7) **TRAINING PROGRAM**

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Operation Manual Introduction to Drinks; Quiz on Tea Making & Charts	8	0	Taichung Taiwan
Tea Cooking & Store Opening Procedure Order Taking & Equipment: Operation Practice In-Store Field Work (Position Assignment) Quiz on Flavored & Unflavored Tea; Operation Manual (Supplementary)	8	0	Taichung Taiwan
Store Opening In-Store Field Work (Position Assignment) Quiz on Sugar Cane & Old-Fashioned Drink Operation Manual (Supplementary)	8	0	Taichung Taiwan
Store Opening In-Store Field Work (Position Assignment) Quiz on Fresh Milk Tea & Fruit Tea Operation Manual (Supplementary)	8	0	Taichung Taiwan

Store Opening In-Store Field Work (Position Assignment) Quiz on Fresh Milk Tea & Winter Drinks Operation Manual (Supplementary)	8	0	Taichung Taiwan
Store Opening In-Store Field Work (Position Assignment) Drinks Final Exam Operation Manual (Supplementary)	8	0	Taichung Taiwan
Operation Manual (Teaching on Profit/Loss Calculation) Machine Operation Practice In-Store Field Work (Position Assignment) Store Closing	8	0	Taichung Taiwan
Operation Manual Drinks Final (Timed Drink Making) Machine Operation Practice In-Store Field Work (Position Assignment) Store Closing	8	0	Taichung Taiwan
Supplementary Material End of Training Assessment (written) In-Store Field Work (Position Assignment)	8	0	Taichung Taiwan
Make-up Written Test Practical Implementation Practice Drinks Final Exam (Practical Implementation Practice) Make-up Test	8	0	Taichung Taiwan
Operational Training. Preparation of Cold Drinks and Hot Drinks; Customer Service at an Operational Outlet	0	40	Taichung Taiwan
Total	80	40	

The training program above is effective as of the date of this disclosure document. Initial classroom training is typically provided within 60 days before starting the franchise business and is generally scheduled not more frequently than monthly. All classroom training takes place in Taichung, Taiwan, or another training center designated by us. All on-the-job training takes place at our outlet in Taiwan so that your personnel will be familiar with the on-field operation.

The instructional material consists of appropriate handouts and information directly from the

Manual. Our principal instructor is Hsiu Chuan Chien, our President. She is the founder of us and our affiliated company. She develops the Macu business, which includes the recipe to make Macy beverages and the franchise training program. She has provided the training program since 2013 with our affiliated company. All instructors will have one-year minimum training.

We do not charge for this training or service for the designated Manager and any other Principal Equity Owners. You must pay all travel and living expenses of persons you send to training.

Your designated Manager's successful completion of initial training to our satisfaction is a condition to your opening of an Outlet to the public. If your designated Manager fails to complete initial training satisfactorily, you will have the option of sending a replacement approved by us to initial training. We will issue a Certificate of Completion upon successful completion of the training.

After your master franchise outlet is opened, and upon reasonable notice, we may require your designated personnel to attend training courses, seminars, conferences, or other programs other than Initial Training or mandatory meetings that we deem relevant or appropriate to the operation of the Franchised Business. You expressly agree in the Agreement that only persons we train or under your supervision will have overall responsibility for the outlet's operation and conduct of the franchised business there. You will send your store manager to us for additional training if we request this. We may, at our discretion, charge you an additional training fee for MACU® training courses, seminars, conferences, or other programs that we require you or your representatives to attend. We will not initiate additional training unless we receive requirements from you or customer complaints about the poor quality of goods and service provided at the outlets.

You must pay all the expenses incurred by your trainees and attendees in connection with the training program and any other training, conferences, conventions, or other meetings your trainees attend, including, for example, their salaries, transportation costs, meals, lodging, and other living expenses.

We may periodically conduct an annual conference, convention, or training session, and if we do, we will determine its duration, curriculum, and location. At these meetings, attendance of at least one Principal Equity Owner will be mandatory (and is highly recommended for your other Principal Equity Owners).

ITEM 12: TERRITORY

Non-Exclusive Territory

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

The territory granted to you for the operation of your Macu master franchise business is non-exclusive. We retain the right to: (a) Operate, or license others to operate, similar businesses under different trademarks or trade names within the same territory; and (b) Operate, or license others to operate, additional Macu franchise businesses under the same trademark within the same or nearby territories.

The master franchise is for a territory agreed under the Master Franchise agreement, and the Territory extends to non-traditional venues.

The minimum Territory granted to you will at least encompass a 5 million population. We will not approve the relocation of your master franchise territory because it will affect other master franchisees or unit franchisee's Territory, which we cannot change simply because of our sole decision.

You will not receive any rights of first refusal or similar rights to acquire additional franchises. We grant you a Territory that is specified under the Agreement. The continuation of the franchise right does not depend on achieving a specific sales volume, market penetration, or other contingency. We will not alter your Territory. There will be requirements under the Agreement that you must meet. For instance, you will be required to open or license at least thirty outlets during the term of the Agreement. We reserve the right not to renew the Agreement if you fail to meet the requirement. Under no circumstances are we able to modify your territorial rights. Once we agree upon the Territory under the Agreement, we will have no right to modify, change, or alter unilaterally.

We and our affiliates do not operate or plan to operate or franchise businesses under a different trademark that will sell goods or services that are the same as or similar to those you will sell.

We may solicit or accept orders from consumers inside your Territory. We are not required to pay you any compensation for soliciting or accepting orders within your Territory through the aforementioned channels or venues. This includes any revenue generated by us or our affiliates from the sale of San Chen products or services within your Territory through channels other than your franchised Outlets, any benefits or goodwill derived from our marketing and advertising efforts within your Territory, and sales made by third parties authorized by us to sell San Chen products or services within your Territory. We and our affiliate reserve the right to use other distribution channels, such as the internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your Territory using our principal trademarks.

We and our affiliate do not reserve the right to use other distribution channels, such as the internet, catalog sales, telemarketing, or other direct marketing, to make sales within your Territory of products or services under trademarks different from the ones you will use under the Agreement.

Other Brands and Competing Businesses

Neither we nor any of our affiliates currently operate, and we have no present plans to operate or franchise, any business under a different trademark that offers goods or services that are the same as or similar to those offered by MACU franchisees.

We prohibit you from soliciting or contacting potential Unit Franchisees outside your Territory, and all outlets must be within your Territory. You cannot use other distribution channels, such as the internet, catalog sales, telemarketing, or other direct marketing, to make sales outside your Territory.

We and our affiliate do not operate any franchise business under another trademark.

ITEM 13: TRADEMARKS

Trademark	Registration Number	Registration Date
MACU 麻古茶坊	7172497	September 26, 2023
MACU	6990225	February 28, 2023

You are licensed to operate and identify the master franchise outlets under the principal trademark MACU®, and logotype displayed on the cover of this disclosure document and other current or future trademarks. You are also licensed to advertise as the Master Franchisee of MACU® and begin to sell the franchise to Unit Franchisees.

On January 24, 2022, Hsiu Chuan Chien, our President, filed the principal trademark MACU® with the United States Patent and Trademark Office ("USPTO"), for registration on the Principal Register in class 43 (for restaurant services), serial number 97234337. This trademark is registered on the Principal Register as U.S. Registration No. 6,990,225, with a registration date of February 28, 2023.

On January 25, 2022, Hsiu Chuan Chien, our President, filed the principal trademark MACU®

with the United States Patent and Trademark Office ("USPTO"), for registration on the Principal Register in class 43 (for restaurant services), serial number 97236473. This trademark is registered on the Principal Register as U.S. Registration No. 7,172,497, with a registration date of September 26, 2023.

All required maintenance filings for these registrations have been timely made and the registrations are in full force and effect. All registrations have been renewed.

You do not have any rights to compensation or otherwise under the franchise agreement if we require you to modify or discontinue using the trademark.

There are presently no effective determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court, nor any pending interference, opposition or cancellation proceedings involving our parent company's trademarks. There are no agreements currently in effect that significantly limit our rights to use or license the use of trademarks listed in this Item in a manner material to the franchise. There is no pending material federal or state court litigation regarding our use or ownership rights in the trademarks. All required affidavits have been filed.

All trademarks are owned by Hsiu Chuan Chien, our President, who granted us the trademark license (the "Trademark License") and the right to use the principal trademarks and related trademarks, service marks, trade names, logos and symbols (collectively the "Marks") related to MACU®. We are authorized to franchise the Marks to any persons or entities. The trademark license will continue for 10 years from the issuance date of this franchise disclosure document. If the trademark license agreement were to be terminated, you will continue to have the right to use the Marks till the end of the subfranchise agreement.

You must follow our rules when you use the Marks. You cannot use our principal trademark as part of a corporate name or with modifying words, designs or symbols except for those which we license to you. You may not use the trademarks in connection with the sale of any unauthorized product or service, or in any manner that we have not authorized in writing.

We have the right to control any administrative proceedings or litigation involving a trademark licensed to you by us. You must notify us promptly when you learn about an alleged infringement, unfair competition, unauthorized third-party use of or challenge to your use of the trademarks. We then will promptly take the action we think appropriate. We will indemnify you for any action against you by a third party based solely on alleged infringement, unfair competition or similar claims about the trademarks. But we have no obligation to defend or indemnify you if the claim against you relates to your use of the trademarks in violation of the subfranchise agreement.

If you learn that any third-party whom you believe is not authorized to use our trademarks is using them or any variant of them, you must promptly notify us. We will determine whether to take any action against the third party.

You must modify or discontinue the use of a trademark if we or the trademark owners modify or discontinue it. You must not directly or indirectly contest our or the trademark owners' rights to the trademarks, trade secrets or business techniques that are part of our business.

Except for the proprietary rights of Hsiu Chuan Chien in the Marks, there are no infringing uses or superior previous rights known to us that can materially affect your use of the Marks in this state or any other state in which the franchised business is to be located.

ITEM 14: PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

(1) Patents and Copyrights

We do not own rights in, or licenses to, patents or copyrights that are material to the franchise and you do not receive the right to use any item covered by a patent or copyright. However, we assert a common law copyright on the contents of the Manual (and only you or your authorized employees can have access to and use the proprietary information in the Manual). You will have the obligation of not to reveal the contents of the Manual to any third-party that is outside your organization or unnecessary to your operation the business.

We do not currently have any pending patent applications that are material to the franchise.

(2) Our Proprietary Rights in Other Confidential Information

You may never reveal any of our confidential proprietary information or trade secrets to another person or use it for another person or business. You may not copy any of our confidential proprietary information or disclose it to a third party except as we authorize. You must also promptly tell us when you learn about unauthorized use of any of our confidential proprietary information. We are not obligated to take any action but will respond to your notification of unauthorized use as we think appropriate. In general, we will initiate legal action to protect ours and your right to use confidential proprietary information, if that is the case, we may require your assistance to the action taken. The assistance includes, but is not limit to, presenting relevant evidence, participating in the litigation, or presenting testimony in front of appropriate authority. Under no circumstances will we require you to bore any fees arising out of or relating to such legal action shall we decide to purse by ourselves.

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

We are seeking Master Franchisee whose principal owner plans to actively participate in the direct licensing, management, and operation of the franchise business. Additionally, you must employ at least one designated Manager (if you are a sole proprietor, this will be you, and if you are an entity, this will be a Principal Equity Owner of at least 50% of the Master Franchisees' entity) who has successfully completed our initial training program.

You must disclose the identity of the Manager to us and if for any reason the Manager is no longer acting in this capacity; you must notify us immediately and in writing. The Store Manager cannot have an interest or business relationship with any of our business competitors. The Manager must devote full time during normal business hours to the management, operation and development of the Franchised Business.

(1) Personal Guaranty

Franchisees, owners, partners, or spouses will not need to be personally liable for any obligation under the Master Franchise Agreement, Area Representative Offering, or any other agreements.

(2) Confidentiality

Franchisees, owners, partners, or spouses shall not disclose confidential information, trade secrets, recipes, list of suppliers, operational manual, and training materials to any third party during the term of the Master Franchise Agreement, Area Representative Offering, or any other agreements. or within three years after termination of expiry of the Agreements.

(3) Non-Competition

Franchisees, owners, partners, or spouse shall not operate or invest in same or similar business that is competing directly with our brand within the same geographic area for three years in accordance with our practice. Direct competition means that the business is selling tea-based drinks and beverages.

ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell within your designated territory only MACU® franchise and other goods and services that we select as required or have approved otherwise. You have to sell all goods or services authorized by us.

We have the right to change and add other authorized goods and services that franchise businesses will be required to offer. There are no limits on our right to do so except that the additional investment requires equipment, supplies, and initial inventory exceeding $5,000 per year.

There are no restrictions on you to whom you may sell MACU® franchise and menu beverages.

ITEM 17: RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.

	Provision	Section in Master Franchise Agreement	Summary
a.	Length of the franchise term	1.3	The initial term of the Agreement is six years.
b.	Renewal or extension of the term	3.7	Under the Agreement, you can add additional 6-year term upon written notice delivered to us not less than 90 days before the end of existing term.
c.	Requirements for renewal or extension	3.7	Sign Renewal Agreement (or addendum to existing Agreement extending its term), supervise your Unit Franchisees to remodel the Outlets (if necessary), pay renewal fee that equals to 50% of the Initial Master Franchise Fee. The Renewal Agreement you sign at renewal may have materially different terms and conditions than your original Agreement.
d.	Termination by franchisee	11.3	You may terminate the Agreement if we file bankruptcy, assign for the benefit of creditors, voluntarily abandons the franchise business, or are convicted or plead guilty.
e.	Termination by franchisor without cause	N/A	
f.	Termination by franchisor with cause	11.1	Franchisor may, at its sole discretion and without prejudice to any other remedies it may have at law or in equity, terminate this Agreement immediately upon written notice

			to Master Franchisee.
g.	"Cause" defined – curable defaults	11.1(h)-(o), 11.2	Master fails to substantially comply with, or perform, any obligation, duty, or promise under this Agreement (including but not limited to the Master Franchise Development Schedule, training obligations, quality standards, or reporting duties), and such failure continues unremedied for ten (10) days after written notice from Franchisor (or such shorter or longer period as Franchisor may specify if the default is not reasonably curable within ten (10) days, provided Master commences to cure within such period and diligently prosecutes such cure to completion). Master fails to pay when due any sums owed to Franchisor or its designees and does not cure such default within seven (7) days after receiving written notice from Franchisor.
h.	"Cause" defined – non-curable defaults	11.1(a)(2)-(11), 11.1(a)(13)-(19)	Failure to Develop Outlets. Master fails to open and commence operations of any franchised outlet(s) in accordance with the Development Schedule. In addition to constituting a material breach, this failure shall entitle Franchisor to immediately (i) terminate this Agreement, (ii) confiscate and retain the security deposit, and (iii) demand and receive from Master an additional liquidated damages amount of $20,000, which Master acknowledges is a fair and reasonable pre-estimate of Franchisor's damages due to Master's breach. Bankruptcy or Insolvency. Master files a voluntary petition in bankruptcy or insolvency, is adjudicated bankrupt or insolvent, admits insolvency, seeks any arrangement or composition under any present or future bankruptcy or insolvency law, or makes an assignment for the benefit of creditors or any other similar disposition of assets. Assignment for the Benefit of Creditors. Master assigns for the benefit of creditors or otherwise disposes of the assets of the franchise business in a manner not previously approved by Franchisor. (5) Abandonment. Master voluntarily abandons or ceases to operate the franchise business for three (3) or more consecutive days without Franchisor's prior written consent. Criminal Conduct. Master (or its principals) is convicted of or pleads guilty or no contest to a felony or any crime related to, or adversely affecting, the franchise business, Franchisor's

			reputation, or the goodwill of Franchisor's Marks. Unauthorized Suppliers. Master purchases, uses, or otherwise acquires raw materials, equipment, or supplies from suppliers not previously approved in writing by Franchisor. In addition to constituting a material breach, this failure shall entitle Franchisor to immediately (i) terminate this Agreement, (ii) confiscate and retain the security deposit, and (iii) demand and receive from Master an additional liquidated damages amount of $20,000, which Master acknowledges is fair and reasonable. Inappropriate Public Statements. Master publishes or makes any statements concerning politics, religion, ethics, or any other subject that, in Franchisor's sole judgment, may adversely affect Franchisor's reputation, goodwill, or brand image. Trademark Infringement. Master files or attempts to register any trademark, service mark, or trade name that is identical or confusingly similar to Franchisor's Marks, or otherwise infringes or dilutes any of Franchisor's intellectual property rights. Unauthorized Domain or Company Name Registration. Master uses, registers, or attempts to register Franchisor's Marks (or any confusingly similar mark) as a domain name, corporate name, or business entity name without Franchisor's prior written consent. Denial of Access. Master refuses or fails to provide Franchisor or its authorized representatives with unlimited and immediate access to the Point-of-Sale (POS) system or other business records. Impairment of Goodwill. Master engages in any conduct that, in Franchisor's sole judgment, may impair the goodwill associated with Franchisor's Marks, trade names, service marks, logotypes, or other commercial symbols. Unauthorized Advertising/Promotion. Master uses, disseminates, or publishes any promotional or advertising materials (including online content) without first obtaining Franchisor's prior written consent, or continues to use such materials after being instructed to cease by Franchisor. Unrelated Products. Master sells or offers for sale any products, goods, or services (including food and beverages) inside or through MACU® outlets (or online stores associated with Macu that have not been expressly approved by Franchisor in writing. Unsatisfied

			Judgments/Levies/Foreclosures. Master fails to satisfy judgments or levies, becomes subject to foreclosure proceedings, or encounters other significant financial instability that, in Franchisor's reasonable opinion, jeopardizes Master's ability to operate the franchise business in accordance with this Agreement. Unauthorized Disclosure of Confidential Information. Master, whether intentionally or negligently, discloses or permits disclosure of any part of Franchisor's trade secrets or confidential information to any unauthorized person. Health and Safety Violations. Master violates or fails to comply with local, state, or federal health and safety regulations in a manner that endangers public health or safety, or fails to promptly comply with any mandatory product recall or directive from Franchisor or applicable public health officials. Refusal to Inspection Master Franchisee shall permit the Franchisor, or its designated representatives, to conduct inspections of any and all franchised outlets under the Master Franchise Agreement, including but not limited to the warehouse, kitchen, storage areas, and any other relevant locations, at any time during normal business hours, with or without prior notice. Master Franchisee shall fully cooperate during such inspections and shall provide Franchisor with access to all operational, financial, and inventory records necessary to verify compliance with this Agreement. In the event that Master Franchisee refuses, obstructs, or otherwise prevents the Franchisor from conducting an inspection, such action shall constitute a material breach of this Agreement. Upon such breach, the Franchisor shall have the right to: Terminate this Agreement with immediate effect, without any requirement for prior notice or cure period; Confiscate any security deposit provided by the Master Franchisee, which shall be deemed non-refundable and forfeited as liquidated damages; Impose a liquidated damages fee of Thirty Thousand U.S. Dollars (USD $30,000), which the Master Franchisee shall pay to the Franchisor within seven (7) days of the Franchisor's written demand. Master Franchisee acknowledges and agrees that this amount represents a reasonable estimate of the damages suffered by the Franchisor due to non-compliance and is not

			a penalty. Franchisor's rights under this clause shall be in addition to any other legal or equitable remedies available under this Agreement or applicable law.
i.	Franchisee's obligations on termination or non- renewal	11.4	You should (1) remove banners advertisement, and stop all business activities; and (2) delete social media accounts and websites that associate with MACU® franchise; and (3) relinquish the right to manage, operate, and participate in an identical or similar food and beverage business in the same or adjacent territory within three years after termination; and (4) notify all Unit Franchisees within in ten days after termination that the right to supervise MACU® franchise will be reverted to Franchisor; and (5) negotiate a reasonable price with Franchisor to sell its outlets to Franchisor.
j.	Assignment of contract by franchisor	9.1	We may assign the franchise right in our sole discretion without your consent.
k.	"Transfer" by franchisee– defined	9.2	You may transfer the Agreement to an entity that is (1) organized to operate as a Master Franchisee to offer and sell MACU® franchise; and (2) entirely owned by Master.
l.	Franchisor's approval of transfer by franchisee	9.2	You do not need our approval to transfer the franchise business if you give us a thirty-day prior notice about the matter.
m.	Conditions for franchisor approval of transfer	9.2	There is no conditions to the approval, but the transferee must agree to assume all the obligations under the Master Franchise Agreement.
n.	Franchisor's right of first refusal to acquire franchisee's business	None	
o.	Franchisor's option to purchase franchisee's business	None	
p.	Death or	9.3	If you are deceased or disabled to operate the MACU®

	disability of franchisee		franchise business, the franchise right shall be assigned by the estate to an approved buyer within six months after the incident occurs.
q.	Non-competition covenants during the term of the franchise	10.1-10.2	During the term of the Agreement, you and each of your "Principal Equity Owners" (persons owning more than 20% of Subfranchisor) must comply with the non-competition covenants. You shall not invest, operate, or manage same or similar products or service within the same specified area.
r.	Non-competition covenants after the Franchise Agreement is terminated or expires	10.1-10.2	You shall not invest, operate, or manage same or similar products or services within the same specified area for three years after expiration or termination of the Agreement.
s.	Modification of the agreement	14.2	No modifications generally, but Manual subject to change. Modification shall be effective only by mutual agreement between you and us.
t.	Integration and merger clause	14.10	Only the terms of the Agreement are binding (subject to state and federal law). Any representations or promises outside of the franchise disclosure document and the Agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	12.1	The parties agree in the Agreement to submit disputes (not including your failure to pay us sums due under the Agreement, or an act of yours allowing us to immediately terminate the Agreement) initially to a meeting in person of our executive officers and your Principal Equity Owners at our principal executive office (without our respective legal counsel) within five business days after a dispute arises to conduct a good faith discussion and negotiation of the issues with a view to arriving at a settlement. If this meeting does not result in a settlement of the dispute (or the meeting does not take place), within ten business days after the date the meeting took place (or should have taken place), the parties may submit the dispute to non-binding mediation in Washington. If a mediation takes place but does not resolve the dispute, or no mediation takes place, the dispute will be resolved by arbitration by American Arbitration

			Association in Washington. Or if the parties mutually agree, the dispute may be submitted to arbitration by and before another mutually acceptable arbitration organization. The provisions of this Section 12 are subject to the Chapter 658A of Uniform Arbitration Act. This section is subject to state laws.
v.	Choice of forum	12	Arbitration proceedings must take place in Washington. Any mediation proceeding will take place at a mutually agreed location. Any litigation proceedings will be filed in an appropriate court in Washington. This section is subject to applicable state laws. (see the Addendum attached as Exhibit H of this disclosure document).
w.	Choice of law	14.1	The Federal Arbitration Act (9 U.S.C. §1 *et seq.*) governs the arbitration of disputes under the Subfranchise Agreement. Otherwise, the laws of Washington and the Uniform Arbitration Act governs the Subfranchise Agreement. This section is subject to applicable state laws.

ITEM 18: PUBLIC FIGURES

We do not currently pay or provide any other benefit to a public figure for the right to use their name to promote the sale of MACU® franchises, but we may do so in the future.

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 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 possible performance at a particular location or under particular circumstances.

We do not make any representation 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 your subfranchisee is purchasing an existing outlet, however, we may provide your subfranchisee 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 our President, Hsiu Chuan Chien, Macu International LLC, 800 E Wishkah Street

#1008, Aberdeen, WA 98520, telephone 253 900 2316; the Federal Trade Commission; and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISE INFORMATION

The outlets disclosed under this item are subfranchise outlets, not unit franchise outlets.

Table No. 1
Systemwide Outlet Summary For years 2023 to 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	1	1	0
	2024	1	1	0
	2025	1	1	0
Company-Owned	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Total Outlets	2023	1	1	0
	2024	1	1	0
	2025	1	1	0

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2023 to 2025

State	Year	Number of Transfers
Totals	2023	0
	2024	0
	2025	0

Table No. 3
Status of Franchised Outlets For years 2023 to 2025

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
	2023	1	0	0	0	0	0	1

CA	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Totals	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1

Table No. 4
Status of Company-Owned Outlets For years 2023 to 2025

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Totals	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0

Table No. 5
Projected New Franchised Outlets as of December 31, 2025

State	Franchise Agreements Signed but Outlets Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
CA	0	2	0
WA	0	2	0
Totals	0	4	0

All franchise data presented in the tables under this Item pertain exclusively to Master Franchises. The information reflects the status and numbers of Master Franchise agreements granted, rather than individual Unit Franchises or outlets operated under those Master Franchises.

Exhibit C lists, as of December 31, 2025, (i) the names, addresses, and telephone numbers of all open and operating MACU® franchise outlets around the world, and (ii) the names, addresses, and telephone numbers of all subfranchisors and franchisees who signed the Master Franchise Agreement or Franchise Agreements but have not yet opened their MACU® Outlets around the world.

Exhibit D lists, as of December 31, 2025, the contact information of every franchisee that had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under its franchise agreement during our most recently completed fiscal year or that has not communicated with us within the ten weeks ending on the date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

We have not signed any agreements with current or former franchisees during the last three fiscal years that included confidentiality clauses.

We have not created, sponsored, or endorsed any trademark-specific franchisee organizations associated with the MACU® franchise being offered. No independent franchisee organizations have asked to be included in this disclosure document.

ITEM 21: FINANCIAL STATEMENTS

Exhibit B to the disclosure document contains our audited financial statements ended December 31, 2025, 2024 and 2023. Our fiscal year end is December 31.

ITEM 22: CONTRACTS

Exhibit A – Master Franchise Agreement
Exhibit A-1 - Form of General Release

ITEM 23: RECEIPTS

You will find copies of a detachable receipt in Exhibit H at the very end of this disclosure document.

MASTER FRANCHISE AGREEMENT

MACU INTERNATIONAL LLC

800 E WISHKAH ST #1008
ABERDEEN, WASHINGTON 98520

EXHIBIT A

MASTER FRANCHISE AGREEMENT

This Master Franchise Agreement (“Agreement”) is made on_____________, 2022 (the “Effective Date”) by and between MACU INTERNATIONAL LLC, a Washington limited liability company doing business as “MACU” (“Franchisor”), and ___________________________ (“Master”), a ______________________ company.

Master or its affiliated company is concurrently entering into the Agreement with Franchisor, under the terms of which the Master is being granted a right to offer and sell a MACU® franchise, collect fees and royalties, and provide training service and support to Unit Franchisees under MACU® trademarks and in accordance with Franchisor’s business format.

In consideration of the mutual promises, covenants, agreements, and conditions contained in the Agreement, and other good and valuable consideration, Master and Franchisor hereby agree as follows.

I. MASTER FRANCHISE RIGHT

1.1 Master’s Rights

(a) Subject to the terms and conditions contained herein, Franchisor now grants to Master the right to, and Master now agrees to, offer and sell franchise under the Development Schedule.

(b) Master has a franchise right within its territory. Franchisor will not grant franchise rights to other persons or entities if Master fulfills all of its obligations mandated under the Agreement and the Development Schedule.

(c) Master’s rights under the Agreement do not extend to a Non-Traditional Venue. The Non-Traditional Venue means the franchise business is located within another primary business, in conjunction with other businesses, or at institutional settings. The primary businesses include toll roads, stadiums, airports, colleges and universities, schools, hospitals, military, governmental facilities, and office facilities.

(d) Suppose Franchisor becomes insolvent, declares bankruptcy, or is no longer authorized to offer and sell franchises in Master’s state because of a lapse of applicable franchise registration or other reasons. Master will continue to have the right to offer and sell MACU® franchise under this Agreement unless a state or federal court issues an order otherwise.

1.2 Unit Franchise Agreement

(a) When Master authorizes a Unit Franchisee to open a MACU® outlet, Master must enter into a Unit Franchise Agreement with the Unit Franchisee. Master must submit a draft of the Unit Franchise Agreement to Franchisor for its review. Master shall not negotiate or consent to any terms or conditions outside Franchisor's franchise policy.

(b) Master shall reach a mutual consent to the raw materials, equipment, and supply's price with Franchisor before executing any written consent or memorandum with Unit Franchisees.

(c) Each Unit Franchise Agreement executed pursuant hereto will provide that Master and its affiliates may not open or operate, franchise, or license the operation of any other MACU® outlets within the protected Territory of the Store.

1.3 Term

The term of the Agreement commences on the Effective Date and, unless sooner terminated hereof, will continue six (6) years or until termination as provided in Article XI hereof. There will be no extensions or renewal periods relating to the Master Franchise right unless done so in writing.

II. MASTER'S OBLIGATIONS

2.1 Obligations

(a) Master shall offer and sell the franchise to Unit Franchisees and allow Unit Franchisees to construct, equip, and open outlets under the Development Schedule. Master shall supervise and monitor the operation of Franchisees' Outlets during the franchise term.

(b) Master shall open and operate at least fifty percent (50%) of outlets under the Development Schedule within three (3) years from the execution of the Agreement. If Master does not fulfill the obligation, Franchisor has the right to terminate the Agreement.

sub

(c) Master shall not sell a franchise to any Unit Franchisee that exceeds the Franchisor's policy. Master shall confirm with Franchisor the terms and conditions to sell a franchise.

(d) Master shall submit operation report, date of gross sales, numbers of customers and cups, and all other outlet details to Franchisor on or before 10th date of each month. Master shall purchase Point of Sale ("POS") System from Franchisor and give Franchisor unlimited access to review and confirm sales data. Master or Unit Franchisees shall bear all the costs relating to establish the POS system.

(e) Master shall purchase all raw materials, equipment, and supply from Franchisor or designated suppliers. Franchisor may give written consent to Master to purchase certain raw materials, equipment, and supply from local suppliers or manufacturers. Master shall submit local supplier's name and contact information, along with the list of raw materials or supply that it intends to acquire locally. Franchisor will give written consent to Master if the materials and supply pass the evaluation process. Master shall acquire Franchisor's written permission regarding the retail prices to all raw materials, equipment, and supply before selling to Unit Franchisees.

(f) Master shall submit the business registration of MACU® outlet for Franchisor's review within thirty (30) days after outlet's opening. Master shall be solely responsible for costs of company registration, franchise registration, import registration, fire and hygiene permit, business tax declaration, and employment compliances.

(g) Master shall be responsible for recruiting, training, and supporting sub-franchisees. This includes providing initial training programs, ongoing operational support, and assistance with marketing and advertising.

(h) Master shall ensure that all sub-franchise units within their territory comply with the Franchisor's brand standards, operational guidelines, and quality control measures.

(i) Master shall implement marketing and promotional activities within their territory to promote the franchised business and attract customers. This may include local advertising campaigns, promotions, and events.

(j) Insurance Requirement

(1) Insurance Coverage Requirements: Master agrees to obtain, maintain, and ensure that all insurance policies required under this Agreement are placed with reputable and qualified local insurance carriers. The Master shall secure and maintain the following minimum insurance coverages:

(i) General Liability Insurance: Coverage shall have limits of not less than One Million Dollars ($1,000,000) per occurrence and an aggregate limit of not less than Two Million Dollars ($2,000,000).

(ii) Workers' Compensation Insurance: Coverage shall meet the statutory requirements of the state in which the Master's Outlet is located, providing coverage for all employees as required by applicable state law.

(2) The aforementioned insurance requirements may, to the extent permitted by law, be met through a combination of primary, umbrella, and/or excess insurance policies.

(3) Additional Insured: The policies, with the exception of Workers' Compensation, shall name the Master as the named insured; include the Franchisor, its subsidiaries, affiliates, and any third party required by the Franchisor to be named, along with their employees, officers, and directors, as additional insureds on an additional insured endorsement form.

(4) Notification of Cancellation: The Master shall ensure that the Franchisor and all additional insureds will be given at least thirty (30) days prior written notice of cancellation, non-renewal, or material change in coverage.

(5) Proof of Insurance:

(i) Initial Proof: Prior to the commencement of operations under this Agreement, the Master must provide the Franchisor with certificates of insurance as proof of the coverage required herein.

(ii) Renewals: At least thirty (30) days before the expiration of any policy, the Master shall provide the Franchisor with certificates of insurance evidencing renewal of all required insurance coverages.

(iii) Upon Request: Within five (5) business days of a request by the Franchisor, the Master shall furnish copies of the actual insurance policies for examination.

(6) Cost of Premiums: The Master acknowledges that the cost of premiums for the required insurance coverages may vary based on the geographical location of the Outlet and any prior claims history associated with the Master or the Outlet.

(7) Compliance: The Master agrees to promptly comply with all terms and conditions of the required insurance policies and with all reasonable requests by the Franchisor related to the insurance coverage, certificates of insurance, or any endorsements required under this Agreement.

2.2 Force Majeure.

(a) The term "*Force Majeure*" means natural disasters (such as tornadoes, earthquakes, hurricanes, floods, fires or other natural catastrophes); strikes, lockouts or other industrial disturbances; war, terrorist acts, riot, or other civil disturbance; epidemics; or other similar forces which Franchisor could not by the exercise of reasonable diligence have avoided; provided however, that neither an act or failure to act by any federal, state, county, municipal and local governmental and quasi-governmental agency, commission or authority, nor the performance, non-performance or exercise of rights under any agreement with Franchisor by any lender, landlord, or other person will be a *Force Majeure*, except to the extent that such act, failure to act, performance, non-performance or exercise of rights results from an act that is otherwise a *Force Majeure*. For the avoidance of doubt, Franchisor's financial inability to perform or Franchisor's insolvency will not be a *Force Majeure* hereunder.

(b) Franchisor will not be liable to Master for any consequential damages, including lost profits, interest expense, increased construction or occupancy costs, or other costs and expenses incurred by Master due to any conduct not due to Franchisor's gross negligence or intentional misfeasance.

III. FEES

3.1 Initial Master Franchise Fee

(a) In consideration of Master receiving the opportunity to offer or sell MACU® franchise, Master shall pay to Franchisor, upon execution of this Agreement, an initial, non-recurring, non-refundable Initial Master Franchise Fee in the amount of $____________. The Initial Master Franchise Fee shall be deemed to be fully earned by the Franchisor upon Execution of this Agreement by Franchisor. Master shall not be entitled to a refund of any part thereof, regardless of the date of expiration or termination of this Agreement, excepted as specifically provided herein.

(b) Master shall pay the Initial Master Franchise Fee on or before execution of the Agreement.

3.2 Security Deposit.

(a) Master shall pay Franchisor $____________as a deposit to guarantee its performance of an obligation under the Agreement. Nevertheless, Franchisor shall return the deposit without interest attached after expiration or termination of this Agreement. If Franchisor terminates the Agreement because Master breached the Agreement, Franchisor may deduct a reasonable deposit fee as compensation or damages unless specified otherwise under the Agreement.

(b) Master may use part or all Security Deposit during the franchise term if Master breaches the terms and conditions under the Agreement. Master shall reimburse the insufficient Security Deposit to its original amount within seven (7) days after Franchisor's notice.

3.3 Single Outlet Fee.

(a) Master shall pay Franchisor $____________of the Single Outlet Fee per MACU® outlet, including Master's outlet and Unit Franchisee's outlet. The first two outlets shall be Master's outlets, and Master shall not franchise the MACU® system to any persons or entities without first passing MACU's franchise evaluation. Franchisor will not initiate any franchise evaluation before one hundred and eighty (180) days after opening the first outlet.

(b) Master shall open, operate, and develop the MACU® outlets under the Development Schedule. Master should develop at least thirty (30) outlets during the franchise term. Master shall pay the Unit Franchise Fee for at least fifteen (15) outlets, which equals $_____________ on or before the execution of the Agreement.

(c) Master shall pay the Single Outlet Fee before executing an outlet leasing agreement or confirming the outlet's location for its outlet from the sixteenth (16^{th}) outlet.

(d) Master shall pay the Single Outlet Fee on or before executing each Unit Franchise Agreement, Memorandum of Understanding, or Letter of Intent with a Unit Franchisee from the sixteenth (16^{th}) outlet.

(e) If Master fails to notify Franchisor as to outlet's opening, it becomes a material breach and Franchisor may terminate the Agreement immediately without giving any notice. Franchisor will not return the Security Deposit, and Master will be accountable for additional compensation and damages.

3.4 Service Fee (Royalty)

(a) In return for the ongoing rights and privileges granted to Master, Master shall pay to Franchisor, throughout the term of this Agreement, a Service Fee of $________ per outlet per month.

(b) Master may receive Service Fee of 5% of gross revenue from Unit Franchisees, nevertheless, the Service Fee may not exceed $________ per outlet per month.

(c) Master shall pay the Service Fee on or before 10^{th} of January, April, July, and October for the following three months. The Service Fee shall occur after outlet's opening.

(d) Master hereby authorizes Franchisor to initiate debit entries to Master's checking or savings account and authorizes any depository of such accounts to debit such accounts for the payment of the Royalty Fees and other amounts owed by Master to Franchisor arising from or relating to this Agreement.

3.5 Design and Construction

(a) Master shall bear the Design Fee of $________/ft^2. The Design includes the outlet’s whole area, including the kitchen and toilet. Master shall make the payment before Franchisor initiates the Design. The minimum Design Fee is $5,000 per outlet.

(b) Franchisor will aid Master in developing a necessary layout workflow design, offering equipment specifications, finishes, materials, furniture, counter, and décor recommendations for the Master’s Location layout. Master is responsible for engaging a local architect to create final drawings, including shop layout, equipment arrangement, and necessary construction documents. Master must obtain prior written consent from Franchisor for their selected local architect. Franchisor will not withhold approval unless the architect lacks sufficient expertise in commercial retail design. If Franchisor disapproves of Master’s architect, Master may need to engage an architect designated by Franchisor. Franchisor will provide consultation on construction documents as deemed necessary, and Master must obtain Franchisor’s written consent for any premises conversion, improvements, design, or decoration before construction. Once final plans are approved by Franchisor, changes require prior written approval. Master must submit approved materials to the relevant governmental authority and landlord, if applicable, for permits and approvals. Deviations from initial workflow design and equipment specifications provided by Franchisor require approval before submission. Master is solely responsible for preparing architectural designs, mechanical drawings, site plans, blueprints, and construction plans to suit the Franchised Location's dimensions and ensure compliance with all relevant laws and agreements, including the Americans with Disabilities Act. Master acknowledges that Franchisor’s assistance and approval of any construction documents do not guarantee the suitability or profitability of the Franchised Location.

(c) Signs. Master is responsible for procuring signs for use at the Franchised Location in accordance with Franchisor’s standards. Master must ensure that all signs comply with relevant local ordinances, mall regulations, building codes, and zoning regulations. Any modifications to Franchisor's sign standards due to local regulations require prior written approval from Franchisor. Master acknowledges that the use of the Marks or any other identifying marks on signs is subject to Franchisor's standards and requires prior written approval.

3.6 Know-How

In return for receiving the know-how, techniques, and necessary skills to run the MACU® franchise business, Master shall pay to Franchisor a non-refundable fee for Know-How of

$___________ before receiving the First Stage Training.

3.7 Renewal

(a) Upon written noticed of renewal is delivered to Franchisor not less than ninety (90) days before the end of franchise term, Master may renew its right granted under the Agreement for additional three (3) years commencing on the expiration date of previous term if Master passes Franchisor's evaluation and fulfill other renewal obligations.

(b) On or before execution of renewal Master Franchise Agreement, Master shall pay Franchisor a "Renewal Fee" of fifty percent (50%) of the Initial Master Franchise Fee.

(c) If Master fails to comply with the renewal conditions, Franchisor shall have to right to purchase Master outlets price at reasonable price. If Master and Franchisor could not reach a mutual consent to the price within thirty (30) days after expiry of the term, Master shall pay $35,000 as Unit Franchise Fee to Franchisor for additional three (3) years to operate one outlet. Franchisor shall retain the right to supervise and monitor Unit Franchisee's outlets.

(d) Suppose both Parties agree on the renewal of the franchise. In that case, Master shall renew and upgrade the design for the exterior and interior, products, equipment, banners, and all other reasonable items to meet the latest design of the MACU® franchise within ninety (90) days after executing the Renewal Master Franchise Agreement.

3.8 Optional Research and Development

(a) Master may request Franchisor to research and develop new drinks and beverages for local use. Franchisor shall bear the cost of Research and Development of drinks and beverages. Master shall bear the cost of providing raw materials and shipment. Franchisor shall remain the sole owner and intellectual proprietor of the result of the Research and Development.

(b) Master may request Franchisor to research and develop merchandise or other items for local use. Master shall bear the cost of Research and Development of the merchandise and other items.

3.9 Late Fees

If Master defaults on making payments on time, it shall be liable for all late fees. The calculation of late fees shall be zero-point one percent (0.1%) per day.

3.10 Taxes and Other Fees

(a) Withholding taxes, goods and service taxes, charges, or any other payment required by law in terms of all payment payable to Franchisor under this Agreement, including but not limited to, Initial Master Franchise Fee and Service Fee, which are net of such taxes and charges, shall be the sole responsibility of Master.

(b) Master shall bear all costs of remittance and other fees charged by financial institutions. Master shall remit all the fees mandated under the Agreement from Master's Account. If Master is an organization or entity, it shall remit the fees from the organization or entity's bank account.

(c) Franchisor reserves the right to adjust the Master's purchase of required raw materials, equipment, and supply. Franchisor may notify Master in advance if the international currency exchange fluctuates more than three percent (3%) within one season.

IV. SUPPLY AND OPERATION

4.1 Ingredients, Materials, and Management Procedures

To ensure product quality and service, Master shall assist Unit Franchisees in ordering specified raw ingredients and materials. Master shall establish appropriate store procurement and inventory management procedures for Unit Franchisees. Master shall implement the management procedures after the Franchisor's prior written consent.

4.2 Safety of Ingredients and Materials

(a) Franchisor shall provide relevant information for raw materials, and the Master shall understand the requirement to import raw materials and give Franchisor prior written notice. Suppose the local rules and regulations prevent Franchisor from exporting certain raw materials and Master fails to inform or disclose such information to Franchisor. In that case, Master shall bear the cost relating to importing, custom clearance, and destroying illegal goods and raw materials.

(b) Master shall give Franchisor written notice within fourteen (14) days after clearing the customs concerning the safety of ingredients and raw materials.

4.3 Prohibition to Alter Goods or Service Provided

Master shall not alter the price, name of goods or service provided or will be provided to customers or combine the goods or service with other types of goods or service that it offers to customers without prior written consent by Franchisor.

4.4 Point of Sale System

Master shall install the Point of Sale ("POS") system designated by Franchisor. Additionally, Master shall be liable for all fees arising out of or relating to the implementation and operation of the POS system.

4.5 Shipment Term-Free on Board

(a) The shipping term of ingredients, raw materials, equipment, and supply is Free on Board ("FOB") at Franchisor's designated port. FOB means that Franchisor shall be liable for the cost of transportation to any port in Taiwan. Master shall be responsible for insurance and transportation fee of the goods once the goods are delivered to freight carriers.

(b) Franchisor shall deliver Master's order within forty-five (45) working days after receiving seventy percent (70%) of payment. Master shall pay the remaining thirty percent (30%) to Franchisor when the order arrives at Port of Loading.

(c) Master shall place orders only on the 15^{th} or 30^{th} date of each month under Taiwan's date.

(d) The forty-five (45) working days requirement under Section 4.5(b) is subject to adjustment owing to unforeseeable situations. Unforeseeable situations mean natural disasters, strikes, lockouts, or other industrial disturbances; war, terrorist acts, riot, or other civil disturbance; epidemics; or other similar forces which Franchisor could not by the exercise of reasonable diligence have avoided. However, that neither an act nor failure to act by any federal, state, county, municipal and local governmental and quasi-governmental agency, commission or authority, nor the performance, non-performance or exercise of rights under any agreement with Franchisor by any lender, landlord, or other people will be the unforeseeable situations.

V. TRAINING

5.1 First Stage Training

(a) Master shall dispatch up to five (5) trainees to Franchisor's place (located in Taiwan) to receive a twenty-one (21) day training. The trainees shall be responsible for instructing and training Unit Franchisees locally. The twenty-one (21) day training includes six (6) days off.

(b) Master shall communicate with Franchisor thirty (30) days before training to facilitate and ascertain details of the training program. Master shall bear the cost of the trainees' accommodation, transportation, and meals.

(c) At the end of the First Stage Training, the trainees shall receive a training evaluation. If the one or more of the trainees fail the evaluation, the First Stage Training shall extend additional five (5) days. Master shall bear the cost of $1,000. If the trainees fail the training evaluation again after the additional five (5) day training, they shall retake the training until passing the evaluation.

5.2 Second Stage Training

(a) Before the first day of trial operation and during an outlet's initial opening, Franchisor shall dispatch two (2) trainers to the Master's outlet and perform on-site training for twenty-one (21) days. The twenty-one (21) day training includes six (6) days off. The Second Stage Training starts from the first date Franchisor's trainers leave Taiwan.

(b) Master shall provide the trainers with accommodation of four-star hotels, transportation, and meals.

(c) If the Master requests the trainers to provide additional training, each extension shall be fourteen (14) days, and Master shall bear the cost of $2,800 for each trainer. The Second Stage Training includes four (4) days off.

5.3 Optional Training

During the franchise term, Master may request Franchisor provide the Optional Training, which will consist of a fourteen (14) day training course. The Optional Training includes four (4) days off. Master shall bear the cost of $3,500 for each trainer. Master shall provide the trainers with accommodation of four-star hotels, transportation, and meals.

5.4 Periodic Training

(a) Franchisor may request Master receive the five (5) days Periodic Training depending on actual operation situation. The Period Training could occur at Franchisor's office or a local outlet.

(b) Master shall bear the cost of the trainees' accommodation, transportation, and meals if the Periodic Training takes place at the Franchisor's Office. Master shall pay the cost of the trainers' accommodation, transportation, and meals if the Periodic Training takes place at the Master's Office.

VI. MARKETING

6.1 Design Guidelines

Franchisor shall provide Master with a digital copy of Design Guidelines, nevertheless, Master shall be solely responsible for print out of the Design Guidelines.

6.2 Activities and Projects

(a) Master may perform marketing activities or projects within its territory; however, Master is obligated to notify Franchisor thirty (30) days before the promulgation of marketing activities or projects.

(b) Master shall submit all promotional and advertising content for Franchisor's review. The content includes all materials used in fan clubs, delivery platforms, webpages, and media exposure. Master shall bear the cost of all promotional and advertising activities and projects.

(c) Franchisor is the sole proprietor of all derivative goods and products relating to promotional and advertising materials. Master shall not make, produce, or manufacture the goods and products without first obtaining Franchisor's prior written consent.

6.3 Restrictions of Marketing Activities

Master's advertising materials or content shall not violate local laws or regulations; if a violation occurs and Master encounters litigations, Master shall be responsible solely. Franchisor may terminate the Agreement if its brand, trademark, or reputation is damaged because of Master's illegal activities.

6.4 Unified Advertising Campaign

Franchisor may promulgate a unified advertising campaign at its sole discretion; Master shall cooperate and execute accordingly to the campaign.

6.5 Social Media

Master may establish and manage its own Social Media Homepage. Any fees arising out of or relating to the management and maintenance of the Social Media homepage shall be borne only by the Master.

6.6 Portrait Rights

Master shall respect the Portrait Rights of all public figures. Any violation of laws or regulations shall be attributed to Master, and Franchisor shall not be responsible to it.

6.7 Requried Advertising Expenditure

Starting from commencement date Master shall spend during each calendar year 2% of its gross sales for advertising. The Required Advertising shall be in television, radio, newspapers, tabloids, direct mailings or other media covering the trade area. The Required Advertising may include electronic media (such as Master boosting a comment/ad on Facebook, banner ad buys on any websites, or paying for an email blast by buying the list of names), but the costs of creating and maintaining a web/internet/social media presence, such as Master's website, Facebook page or Twitter account shall not satisfy the Required Advertising.

VII. OPERATION

7.1 Supervision

Master shall supervise all operations of all outlets within its territory. Master shall provide a monthly and seasonal report to Franchisor. Additionally, Master shall grant unlimited access to Franchisor the right to monitor the POS system and supervise sales turnover at each store. Master shall bear any fee arising out of and relating to the access to the system.

7.2 Outlet Inspection

Franchisor may dispatch personnel to outlets and its ancillary building during business hours for operational inspection. The inspection scope includes display of goods, inventory storage, order and stock, management of raw ingredients and materials, facility, logistics, apparatus, manufacture and techniques, service content, health and safety, and management matters operation. To inspect, audit, and provide appropriate advice, Franchisor may conduct an inspection, sampling, recording, filing, and demand the outlet to provide relevant goods, files, reports, accounting documents, and other records. Master shall not refuse, hide, or obstruct Franchisor's right mandated in the Article.

7.3 Hygiene

Franchisor may dispatch inspectors to an outlet to inspect goods; alternatively, Master may provide samples of goods and send them to Franchisor's specified institution or entity for further inspection. The inspection standard shall follow laws and regulations of hygiene standards mandated by local authorities. Master shall bear the fees arising out of or relating to inspection and re-inspection.

VIII. TRADEMARK

8.1 Prohibition of Unauthorized Use

Master shall not use the same or similar trademark, alternative trademark, Franchisor's name, as the name of Master's company. Master shall not register a domain name or social media account under Franchisor's trademark, tradename, or logo without first acquiring Franchisor's prior written consent.

8.2 Removal

(a) Suppose Master cannot reach an agreement with Franchisor to transfer an outlet's ownership to Franchisor or execute another Unit Franchise Agreement within twenty (20) days after the expiration or termination of the Agreement. Within thirty (30) days after expiration, termination, or rescission of this Agreement, Master shall, at its own expense, remove any signs, printing and publicity materials, business system supplies, symbols, names, equipment, and other articles and documents attached with Franchisor's intellectual property rights, including but not limited to licensed trademark, other trademarks, service marks, copyrights, patents, or enterprise identification system.

(b) If Master fails to remove within the required period, it shall be responsible for the sum of $2,000 per day until the date of complete removal. At its discretion, the Franchisor may remove the signs, printing, and publicity materials after expiration, termination, or rescission of the Agreement. Master shall be liable for the fees.

IX. TRANSFER OR ASSIGNMENT

9.1 Assignability.

(a) Franchisor has executed this Agreement in reliance upon and considering the personal qualifications, trust, and confidence in Master. Accordingly, although Master may assign the franchise rights, Master may not assign any rights under the Agreement except as provided in Section 9.2 below.

(b) Franchisor may assign the franchise right in Franchisor's sole discretion without Master's consent. Master acknowledges that Franchisor is permitted to do so without any liability or obligation. Master expressly and specifically waives any claims, demands, or damages arising from or related to any such assignment. Notwithstanding the foregoing, any assignment under this section 9.1(b) will not relieve Franchisor or any assignee from liability imposed by local state laws.

9.2 Transfers from Master to an Affiliated Entity.

(a) Upon not less than thirty (30) days prior written notice to Franchisor, Master may transfer this Agreement to an entity that is

(i) organized to operate as a Master to offer and sell MACU® franchise; and

(ii) entirely owned by Master.

(b) Any assignment and transfer to an affiliated entity must be evidenced by a written instrument, in a form reasonably satisfactory to Franchisor, under the terms of which said business entity expressly assumes all of Master's obligations hereunder. The assignee agrees to be bound by all the terms and provisions of the Agreement. A copy of the said instrument, executed by both Master and said business entity, must be delivered to Franchisor before the effective date of the transfer.

9.3 Death or Disability

If Master is deceased or disabled to operate the MACU® franchise business, the franchise right shall be assigned by estate to approved buyer within six (6) months after the incident occurs.

X. NON-COMPETITION

10.1 Restriction on Competitive Activities

During the term of the Agreement and for two (2) years after it is terminated or expires, Master and each of its "Principal Equity Owners" (persons owning more than 20% of Master) must comply with the non-competition covenants. Master and each of its "Principle Equity Owner" shall not invest, operate, or manage same or similar products or services within the same specified area for two (2) years after expiration or termination of the Agreement.

XI. DEFAULT AND TERMINATION

11.1 General.

(a) Grounds for Termination.

Franchisor may, at its sole discretion and without prejudice to any other remedies it may have at law or in equity, terminate this Agreement immediately upon written notice to Master Franchisee ("Master") if any one or more of the following events occur (each, a "Default"):

(1) Failure to Perform.

Master fails to substantially comply with, or perform, any obligation, duty, or promise under this Agreement (including but not limited to the Master Franchise Development Schedule, training obligations, quality standards, or reporting duties), and such failure continues unremedied for ten (10) days after written notice from Franchisor (or such shorter or longer period as Franchisor may specify if the default is not reasonably curable within ten (10) days, provided Master commences to cure within such period and diligently prosecutes such cure to completion).

(2) Failure to Develop Outlets.

Master fails to open and commence operations of any franchised outlet(s) in accordance with the Development Schedule. In addition to constituting a material breach, this failure shall entitle Franchisor to immediately (i) terminate this Agreement, (ii) confiscate and retain the security deposit, and (iii) demand and receive from Master an additional liquidated damages amount of $20,000, which Master acknowledges is a fair and reasonable pre-estimate of Franchisor's damages due to Master's breach.

(3) Bankruptcy or Insolvency.

Master files a voluntary petition in bankruptcy or insolvency, is adjudicated bankrupt or insolvent, admits insolvency, seeks any arrangement or composition under any present or future bankruptcy or insolvency law, or makes an assignment for the benefit of creditors or any other similar disposition of assets.

(4) Assignment for the Benefit of Creditors.

Master assigns for the benefit of creditors or otherwise disposes of the assets of the franchise business in a manner not previously approved by Franchisor.

(5) Abandonment.

Master voluntarily abandons or ceases to operate the franchise business for three (3) or more consecutive days without Franchisor's prior written consent.

(6) Criminal Conduct.

Master (or its principals) is convicted of or pleads guilty or no contest to a felony or any crime related to, or adversely affecting, the franchise business, Franchisor's reputation, or the goodwill of Franchisor's Marks.

(7) Unauthorized Suppliers.

Master purchases, uses, or otherwise acquires raw materials, equipment, or supplies from suppliers not previously approved in writing by Franchisor. In addition to constituting a material breach, this failure shall entitle Franchisor to immediately (i) terminate this Agreement, (ii) confiscate and retain the security deposit, and (iii) demand and receive from Master an additional liquidated damages amount of $20,000, which Master acknowledges is fair and reasonable.

(8) Inappropriate Public Statements.

Master publishes or makes any statements concerning politics, religion, ethics, or any other subject that, in Franchisor's sole judgment, may adversely affect Franchisor's reputation, goodwill, or brand image.

(9) Trademark Infringement.

Master files or attempts to register any trademark, service mark, or trade name that is identical or confusingly similar to Franchisor's Marks, or otherwise infringes or dilutes any of Franchisor's intellectual property rights.

(10) Unauthorized Domain or Company Name Registration.

Master uses, registers, or attempts to register Franchisor's Marks (or any confusingly similar mark) as a domain name, corporate name, or business entity name without Franchisor's prior written consent.

(11) Denial of Access.

Master refuses or fails to provide Franchisor or its authorized representatives with unlimited and immediate access to the Point-of-Sale (POS) system or other business records.

(12) Default in Payment.

Master fails to pay when due any sums owed to Franchisor or its designees and does not cure such default within seven (7) days after receiving written notice from Franchisor.

(13) Impairment of Goodwill.

Master engages in any conduct that, in Franchisor's sole judgment, may impair the goodwill associated with Franchisor's Marks, trade names, service marks, logotypes, or other commercial symbols.

(14) Unauthorized Advertising/Promotion.

Master uses, disseminates, or publishes any promotional or advertising materials (including online content) without first obtaining Franchisor's prior written consent, or continues to use such materials after being instructed to cease by Franchisor.

(15) Unrelated Products.

Master sells or offers for sale any products, goods, or services (including food and beverages) inside or through MACU® outlets (or online stores associated with MACU®) that have not been expressly approved by Franchisor in writing.

(16) Unsatisfied Judgments/Levies/Foreclosures.

Master fails to satisfy judgments or levies, becomes subject to foreclosure proceedings, or encounters other significant financial instability that, in Franchisor's reasonable opinion, jeopardizes Master's ability to operate the franchise business in accordance with this Agreement.

(17) Unauthorized Disclosure of Confidential Information.

Master, whether intentionally or negligently, discloses or permits disclosure of any part of Franchisor's trade secrets or confidential information to any unauthorized person.

(18) Health and Safety Violations.

Master violates or fails to comply with local, state, or federal health and safety regulations in a manner that endangers public health or safety, or fails to promptly comply with any mandatory product recall or directive from Franchisor or applicable public health officials.

(19) Refusal to Inspection

Master Franchisee shall permit the Franchisor, or its designated representatives, to conduct inspections of any and all franchised outlets under the Master Franchise

Agreement, including but not limited to the warehouse, kitchen, storage areas, and any other relevant locations, at any time during normal business hours, with or without prior notice. Master Franchisee shall fully cooperate during such inspections and shall provide Franchisor with access to all operational, financial, and inventory records necessary to verify compliance with this Agreement. In the event that Master Franchisee refuses, obstructs, or otherwise prevents the Franchisor from conducting an inspection, such action shall constitute a material breach of this Agreement. Upon such breach, the Franchisor shall have the right to: Terminate this Agreement with immediate effect, without any requirement for prior notice or cure period; Confiscate any security deposit provided by the Master Franchisee, which shall be deemed non-refundable and forfeited as liquidated damages; Impose a liquidated damages fee of Thirty Thousand U.S. Dollars (USD $30,000), which the Master Franchisee shall pay to the Franchisor within seven (7) days of the Franchisor's written demand. Master Franchisee acknowledges and agrees that this amount represents a reasonable estimate of the damages suffered by the Franchisor due to non-compliance and is not a penalty. Franchisor's rights under this clause shall be in addition to any other legal or equitable remedies available under this Agreement or applicable law.

(b) Immediate Effect of Termination; Remedies.

Upon termination of this Agreement for any of the reasons set forth above, Franchisor may exercise any or all of the following remedies (in addition to any other remedies available at law or in equity):

(1) Retain the entirety of any security deposit paid by Master to Franchisor, without offset or refund.

(2) Demand and collect from Master liquidated damages of USD $20,000 for any of the material breaches designated in Sections 1(b) and 1(g), or other amounts as set forth in this Agreement, which the Parties acknowledge represent a fair and reasonable pre-estimate of Franchisor's damages.

(3) Immediately cease providing any ongoing services to Master, including but not limited to use of Franchisor's Marks, access to Franchisor's proprietary systems, recipes, or trade secrets.

(4) Notify any relevant suppliers, government agencies, or other third parties of the termination of this Agreement.

(5) Require Master to de-identify any outlet(s) and remove all signage, branding, trademarks, or other intellectual property belonging to or associated with Franchisor, all at Master's cost.

(c) No Waiver of Other Rights.

The rights and remedies set forth in this Section are cumulative and in addition to all other rights or remedies provided under this Agreement or by law. No waiver by Franchisor of any breach or series of breaches shall be deemed a waiver of any subsequent or other breach.

(d) Acknowledgment of Reasonable Restrictions.

Master agrees that each of the grounds set forth in this Section constitutes a reasonable basis for immediate termination of this Agreement given the importance of preserving Franchisor's brand, reputation, and system standards. Master further acknowledges that the specified liquidated damages are fair, reasonable, and not a penalty, as actual damages resulting from Master's breach would be difficult or impracticable to ascertain.

(e) Survival of Certain Obligations.

Upon termination or expiration of this Agreement, any provisions regarding confidentiality, trade secrets, non-competition, indemnification, or any other terms which by their nature are intended to survive shall remain in full force and effect in accordance with their terms.

11.2 Notice of Termination

Franchisor shall give Master a written Notice of Violation and allows Master to cure the default within ten (10) days after receiving the Notice under Sections 11.1(h) to 11.1(o). For other violations specified in Section 11.1, Franchisor may terminate the Agreement immediately without giving any notice to Master. Franchisor's right to terminate the Agreement does not relieve Master from additional damages and penalties.

11.3 Master's Right to Terminate

Master may terminate the Agreement for the following conditions:

(a) Franchisor files bankruptcy or insolvency with the state; or

(b) Franchisor assigns for the benefit of creditors or similar disposition of the assets of the franchise business; or

(c) Franchisor voluntarily abandons the franchise business; or

(d) Franchisor is convicted or plead guilty or no contest to a charge of violating any law relating to the franchise business; or

11.4 Obligations after Termination

Master shall comply with the following conditions after Franchisor terminates the Agreement:

(a) Remove banners advertisement, and stop all business activities that relate to the MACU® franchise; and

(b) Delete social media accounts and websites that associate Master with MACU® franchise; and

(c) Relinquish the right to manage, operate, and participate in an identical or similar food and beverage business in the same or adjacent territory within three (3) years after termination.

(d) Master shall notify all Unit Franchisees within in ten (10) days after termination that the right to supervise MACU® franchise will be reverted to Franchisor.

(e) Master shall negotiate a reasonable price with Franchisor to sell its outlets to Franchisor. If both parties could not reach an agreement, Master shall pay Franchisor $30,000 as the Unit Franchise fee per one outlet. The term to operate each outlet will extend for three (3) years from the date of termination.

11.5 Punitive Damages

(a) Master is liable for the punitive damages of $10,000 under Sections 11.1(a) to 11.1(g) and Sections 11(p) to 11(r). Master is liable for the punitive damages of $5,000 for violations stated under Sections 11.1(n) and 11.1(o).

(b) Franchisor may deduct the Punitive Damages from the Security Deposit.

XII. DISPUTE RESOLUTION

12.1 Mediation

(a) Franchisor and Master have entered into a long-term franchise relationship which gives rise to an obligation, subject to and consistent with the terms of the Agreement, to endeavor to make the relationship succeed, considering the overall best interests of the entire System, as contemplated by the Agreement. To that end, Master and Franchisor acknowledge that Master and Franchisor need to attempt to resolve disagreements or disputes before such disagreements or disputes negatively impact the relationship. Good faith communications between Franchisor and Master are essential aspects of that obligation. As a result of this pledge, the parties agree that they will first attempt to resolve any dispute, claim, or controversy arising out of or relating to this Agreement or any alleged breach. Franchisor's executive officers and Master's Principal Equity Owners shall meet in person within five (5) business days after a party notifies the other party that a Dispute has arisen to conduct a good-faith discussion and negotiation of the issues to arrive at a settlement. Suppose a party refuses to participate in the settlement meeting or mediation within the respective time frames outlined in this Section 12.1. In that case, the other party may immediately commence an arbitration proceeding according to section Section 12.2 below.

(b) If the parties are unable to settle the Dispute within ten (10) business days after the conference date, Master and Franchisor may submit the Dispute to non-binding mediation at a location in Washington (or another location mutually agreeable to both parties) conducted by a mutually acceptable mediator. Suppose the Dispute is not referred to mediation within ten (10) business days after the settlement conference (or should have taken place). In that case, either party may submit the Dispute to a binding resolution through arbitration proceedings according to section 12.2 below. Any mediation proceedings should be completed within sixty (60) days following the date either party first gives notice of mediation. The fees and expenses of the mediator will be shared equally by the parties. The mediator will be disqualified as a witness, expert, or counsel concerning the Dispute and any related matter.

(c) Mediation is a compromise negotiation and will constitute privileged communications under the law governing this Agreement. The entire mediation process will be confidential, and the conduct, statements, promises, offers, views, and opinions of the mediator and the parties will not be discoverable or admissible in any legal proceeding for any purpose. However, otherwise discoverable or admissible evidence will not be excluded from discovery or admission because of its use in the mediation. The fees charged by a mediator and any other related fees and costs will be divided equally between the parties.

12.2 Arbitration

(a) Any Dispute between Franchisor and Master not settled through the procedures described in Section 12.1 above, or any determination of the scope or applicability of this Agreement to arbitrate, will be resolved through binding arbitration by one arbitrator. It is

explicitly agreed by each of the parties hereto that no arbitration of any Dispute may be commenced except in accordance with this section 12.2.

(b) All hearings and other proceedings will occur in Washington.

(c) Either party may present briefs and affidavits of witnesses who cannot attend hearings. A limited amount of discovery is permitted within the arbitrator's discretion (including affidavits, interrogatories, and depositions). The arbitrator will have the right to award or include in the award any relief that the arbitrator deems proper in the circumstances. The award includes money damages (with interest on unpaid amounts from the date due), specific performance, and injunctive relief, provided that the arbitrator will not have the right to declare any Mark generic or otherwise invalid or to award punitive damages. If either party fails to appear or participate in the arbitration proceeding, the other party will be entitled to a default judgment award. The arbitration award will be final and binding on the parties, and judgment on the award may be entered in any federal or state court having jurisdiction.

(d) TO THE MAXIMUM EXTENT PERMITTED BY LAW, ALL CLAIMS BROUGHT UNDER THE AGREEMENT WILL BE BROUGHT IN AN INDIVIDUAL CAPACITY. THIS AGREEMENT MAY NOT BE CONSTRUED TO ALLOW OR PERMIT THE CONSOLIDATION OR JOINDER OF OTHER CLAIMS OR CONTROVERSIES INVOLVING ANY OTHER FRANCHISEES OR PERMIT SUCH CLAIMS OR CONTROVERSIES TO PROCEED AS A CLASS ACTION, CLASS ARBITRATION, COLLECTIVE ACTION, OR ANY SIMILAR REPRESENTATIVE ACTION. NO ARBITRATOR WILL HAVE THE AUTHORITY UNDER THIS AGREEMENT TO ORDER ANY SUCH CLASS OR REPRESENTATIVE ACTION. BY SIGNING BELOW, FRANCHISEE ACKNOWLEDGES FRANCHISEE AGREES TO WAIVE ANY SUBSTANTIVE OR PROCEDURAL RIGHTS THAT FRANCHISEE MAY HAVE TO BRING AN ACTION ON A CLASS, COLLECTIVE, REPRESENTATIVE, OR OTHER SIMILAR BASIS. ACCORDINGLY, FRANCHISEE EXPRESSLY AGREES TO WAIVE ANY RIGHT FRANCHISEE MAY HAVE TO BRING AN ACTION ON A CLASS, COLLECTIVE, REPRESENTATIVE, OR OTHER SIMILAR BASIS.

(e) TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE PARTIES WAIVE ALL RIGHTS THEY MAY HAVE TO SEEK PUNITIVE DAMAGES FROM ONE ANOTHER. ACCORDINGLY, THE ARBITRATOR WILL HAVE NO POWER TO ASSESS PUNITIVE DAMAGES AGAINST EITHER PARTY.

(f) This arbitration provision is deemed self-executing and will remain in full force and effect after the expiration or termination of this Agreement. If either party fails to appear at

any properly noticed arbitration proceeding, an award may be entered against such party by default or otherwise notwithstanding said failure to appear.

(g) The provisions of this Section 12.2 are intended to benefit and bind certain third-party non-signatories. They will continue in full force and effect after (and notwithstanding) the expiration or termination of this Agreement. Furthermore, this section 12.2 will be construed as independent of any other covenant or provision of the Agreement. Suppose a court of competent jurisdiction determines that any of such provisions are unlawful in any way. In that case, the court is respectfully requested to modify or interpret such provisions to the minimum extent necessary to comply with the law.

12.3 Injunctive Relief

Any party has the right where there is an imminent threat of harm to the legal rights and damages would not be adequate relief to seek a temporary restraining order and preliminary injunctive relief from a court of competent jurisdiction. Under the situation, neither party must first comply with sections 12.1 and 12.2 above or post any bond. Suppose a court nevertheless requires a bond of competent jurisdiction. In that case, the parties agree that the sum of $1,000 will be a sufficient bond (this amount may be adjusted by changes in the Consumer Price Index since the Effective Date). Suppose an arbitration proceeding has already commenced according to section 12.2 above when a party seeks injunctive relief. In that case, the party seeking such injunctive relief agrees to submit the merits of its Dispute to the arbitrator contemporaneously. The existence of a proceeding commenced under section 12.1 or 12.2 above will in no event abate or otherwise affect the ability of the party to seek injunctive relief under this section 12.3. Master acknowledges that its failure to comply fully with any of the terms of the Agreement respecting the obligations regarding examinations, audits, and the Marks could cause irreparable damage to Franchisor or other affiliated persons or entities. Franchisor or Franchisor’s affiliates are empowered to seek injunctive relief to protect the Marks. This covenant is independent, severable, and enforceable, notwithstanding any other rights or remedies that any party may have.

12.4 Legal Fees and Expenses

The prevailing party in any arbitration or litigation to resolve a dispute between any of the parties hereto will be entitled to recover from the losing party reasonable legal fees (and incurred costs of the prevailing party’s counsel) and all other expenses incurred by the prevailing party in bringing or defending such arbitration, action or proceeding and enforcing any resulting award or judgment (including without limitation arbitration or court filing fees, expert and other witness fees, discovery expenses, and compensation payable to the arbitrator), whether incurred before or in preparation for or contemplation of the filing of the action or after that. The arbitrator or court will determine the prevailing party. This section 12.4 is intended to be expressly severable from the other provisions, is intended to survive any judgment, and is not to be deemed merged into the judgment.

12.5 Survival

The terms of this Article XII survive termination, expiration, or cancellation of this Agreement.

XIII. NOTICES

13.1 Notices.

(a) All notices that the parties hereto are required or may desire to give under or in connection with this Agreement must be in writing and (unless personally delivered by an agent of the sending party) must be sent by reliable overnight courier, for delivery on the next business day and addressed as follows:

(i) If to Franchisor:

(ii) If to Master:

____

____

(b) Unless previously delivered in person by an agent of the sending party, notices between Master and Franchisor will be deemed given the next business day after deposit with a reliable overnight courier, properly addressed and marked for delivery on the next business day.

(c) Any change in the addresses listed in section 8.1(a) above must be sent to the other party as soon as practicable after the change occurs by reliable overnight courier or in person by an agent of the sending party.

XIV. GENERAL TERMS AND PROVISIONS

14.1 Governing Law

The laws of Washington govern the Agreement without regard to conflicts of laws. Suppose any provision of this Agreement is impermissible under the governing law. In that case, the condition will be deemed amended to conform to that law while maintaining the original intent of the requirement to the maximum extent possible.

14.2 Modification

This Agreement cannot be modified or changed except by a written instrument signed by all of the parties hereto.

14.3 Waiver and Delay

No waiver by Franchisor of any Master's breach or defaults and no failure, refusal, or neglect by Franchisor either to exercise any of its rights hereunder or to insist upon strict compliance with or performance, will constitute a waiver of the provisions of this Agreement concerning any subsequent breach thereof or a waiver by Franchisor of its right at any time thereafter to require exact and strict compliance with the provisions thereof.

14.4 Severability; Partial Invalidity

Nothing contained in this Agreement will be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provisions of this Agreement and any present or future statute, rule, ordinance, regulation, or judicial decision, contrary to which the parties have no legal right under this Agreement, the latter will prevail. Still, in such event the provision of this Agreement thus affected will be curtailed and limited only to the extent necessary to bring it within the requirements of the law. Suppose any part, article, section, sentence, or clause of the Agreement is held to be indefinite, invalid, or otherwise unenforceable. In that case, the infinite, invalid, or unenforceable provision will be deemed appropriately modified, and the remaining parts thereof will continue in full force and effect.

14.5 Titles for Convenience Only

Section titles used in this Agreement are for convenience only and will not be deemed to affect the meaning or construction of any of the terms, provisions, covenants or conditions of this Agreement.

14.6 No Third-Party Beneficiaries

The Agreement is not intended to benefit any other person or entity except the named parties. No other person or entity will be entitled to any rights hereunder under so-called "third party beneficiary rights" or otherwise.

14.7 Survival of Covenants

The covenants contained in this Agreement that by their terms require performance by the parties after the expiration or termination of this Agreement will be enforceable notwithstanding said expiration or other termination of this Agreement for any reason whatsoever.

14.8 Successors and Assigns

Subject to the restrictions on any assignment by Master contained herein, the Agreement is binding upon

(a) Franchisor and inures to the benefit of its successors and assigns; and

(b) Master and inures to benefit its successors and assignees.

14.9 Counterparts

This Agreement may be executed in any number of copies, each of which will be deemed an original, and all of which together will be deemed one and the same instrument.

14.10 Entire Agreement.

(a) This Agreement contains all the terms and conditions agreed upon by both parties regarding the subject matter hereof, provided that nothing in the Agreement or any related agreement is intended to disclaim the representations made in the MACU® franchise disclosure document. No other agreements, oral or otherwise, will be deemed to exist or bind any of the parties hereto, and all prior agreements and understandings are superseded hereby. Master acknowledges that it executed this Agreement without reliance upon any unauthorized representation or promise.

(b) This Agreement cannot be modified or changed except by a written instrument signed by all the parties hereto.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties executed this Agreement as of the Effective Date.

FRANCHISOR

Macu International LLC__________________________
By:
Name:
Title: President and CEO

MASTER

By:_______________________
Name: ____________________
Title: _____________________

MASTER'S PRINCIPAL EQUITY OWNERS:
(*Note: each Principal Equity Owner is signing below as a party to this Agreement, and is individually obligated to perform or guarantee the performance by Master under this Agreement)*

By:_______________________
Name: ____________________

By:_______________________
Name: ____________________

EXHIBIT 1 - SUBFRANCHISE SCHEDULE

All Store will be opened at sites located in the “Master Area” described as follows:

Master must offer and sell (and thereafter maintain) outlets to Unit Franchisees or open its own outlets in accordance with the following schedule:

NUMBER OF STORE	DATE BY WHICH STORE MUST BE OPENED
1-15	
16-30	
30 and more	

The number of outlets indicated in the above column shall not be interpreted as a limit to Master’s right to sell or open more than certain numbers. Master is required to sell a franchise or open it outlets on, or before specific date indicated above.

FORM OF GENERAL RELEASE

MACU

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EXHIBIT A-1

FORM OF GENERAL RELEASE

MUTUAL RELEASE AGREEMENT

This Mutual Release Agreement (the "Agreement") is made and entered into this day of____________ 20__(the "Effective Date"), by and between Macu International LLC., a California limited liability company ("Franchisor"), ___________________ , a ______________ [insert state of incorporation, formation or organization of franchisee entity] and ________________ [insert name of owner or owners of the franchisee entity], individually (collectively, the "Franchisee"; reference to "Franchisee" in this Agreement shall include the parties individually and collectively). Capitalized terms used but not defined herein shall have the meanings attributable to them under the Franchise Agreement (defined below).

RECITALS:

Franchisor and Franchisee entered into a Franchise Agreement ("Franchise Agreement") dated __________ under which Franchisee obtained the right to establish and operate one (1) Franchised Business (the "Business") under the System and Marks.

In connection with the [termination; non-renewal; transfer] of the Franchise Agreement, Franchisor and Franchisee desire to enter into this Mutual Release Agreement.

NOW, TFIEREFORE, in consideration of the mutual covenants set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby conclusively acknowledged, the parties agree as follows:

1. Franchisee's Release and Covenant Not to Sue.

a. Release. As of the Effective Date of this Agreement, Franchisee and its respective officers, directors, employees, successors, assigns, heirs, personal representatives, and all other persons acting on its behalf or claiming under it ("Franchisee Covenantors"), hereby release and forever discharge Franchisor, its predecessors, parents, subsidiaries, and affiliates and their respective officers, directors, shareholders, employees, successors, and assigns, past and present ("Franchisor Released Parties"), from any claims, debts, liabilities, demands, obligations, actions, and causes of action, known or unknown, vested or contingent, which any of them have ever had, now has, or may hereafter have by reason of any event, transaction, or circumstance arising out of or relating to the Franchise Agreement from the beginning of the world through the date of this Agreement, except for the obligations of the Franchisor under this Agreement.

b. Covenant Not To Sue. Franchisee further covenants and agrees for itself and for

Franchisee Covenantors not to bring or allow to be brought on behalf of any Franchisee Covenantor, any action, cause of action, suit or other proceeding of any kind, which has accrued or which may ever accrue, whether based in the Constitution, common law or statute, contract, tort, or in equity, for actual or punitive damages or other relief, against the Franchisor Released R2I-20I7 Parties arising out of, resulting from, or in any manner related to the matters released in Paragraph 1. a.

2. Franchisor's Release and Covenant Not to Sue.

a. Release. As of the Effective Date of this Agreement, Franchisor, its affiliates and their respective officers, directors, employees, successors, assigns, heirs, personal representatives, and all other persons acting on their behalf or claiming under them ("Franchisor Covenantors"), hereby release and forever discharge Franchisee, and its respective predecessors, parents, subsidiaries, and affiliates and their respective officers, directors, employees, successors, and assigns, past and present ("Franchisee Released Parties"), from any claims, debts, liabilities, demands, obligations, actions, and causes of action, known or unknown, vested or contingent, which any of them have ever had, now has, or may hereafter have by reason of any event, transaction, or circumstance arising out of or relating to the Franchise Agreement from the beginning of the world through the date of this Agreement, except for the obligations of Franchisee under this Agreement and those obligations of Franchisee that survive the expiration, transfer or termination of the Franchise Agreement (including, without limitation, the confidentiality of proprietary information, the surrender of customer lists, indemnification, and the covenants against competition and the diversion of business).

b. Covenant Not To Sue. Franchisor further covenants and agrees for itself and for all Franchisor Covenantors not to bring or allow to be brought on behalf of any Franchisor Covenantor, any action, cause of action, suit or other, proceeding of any kind, which has accrued or which may ever accrue, whether based in the Constitution, common law or statute, contract, tort, or in equity, for actual or punitive damages or other relief, against the Franchisee Released Parties arising out of, resulting from, or in any manner related to the matters released in Paragraph 2.a.

3. Continuing Liability of Franchisee. Notwithstanding anything to the contrary in this Agreement, following the Effective Date, Franchisee will continue to be responsible for the following:

a. Unpaid Fees. All accrued but unpaid royalty fees, marketing development fees or contributions, and other amounts owed to Franchisor or its affiliates as of the Effective Date, as detailed on Attachment A to this Agreement.

b. Indemnity. All of its respective obligations and/or liabilities to Franchisor arising under the Franchise Agreement through the Effective Date, including, without limitation, the obligation to indemnify Franchisor for any claims arising from the operation of the Business through the Effective Date.

c. Covenants Against Competition and Use of Confidential Information. All of its respective obligations that survive the termination, expiration or transfer of the Franchise Agreement, including, without limitation, the covenants against competition and use of Franchisor's confidential information set forth in the Franchise Agreement.

4. Franchisee's Acknowledgements and Agreements. By affixing its signature to this Agreement, Franchisee represents, warrants, acknowledges and agrees that:

a. Knowing and Voluntary Release. Franchisee has carefully read and fully understands the provisions of this Agreement, including, specifically, Franchisee's release of claims and covenant not to sue set forth in Paragraphs 1 .a. and 1 .b. of this Agreement, and that the release of such claims and covenant not to sue is knowing and voluntary.

b. No Assignment of Claims. Franchisee has not assigned or transferred, or purported to assign or transfer, to any person or entity, any suit, claim, controversy, liability, demand, action, or cause of action released under Paragraph 1. of this Agreement, and since the date of the Franchise Agreement, there has been no assignment or transfer, and no purported assignment or transfer, to any person or entity of the franchised business, the Franchise Agreement, or any rights or interests therein or in the Franchisee.

c. Complete Defense. This Agreement and the release in Paragraph l.a. above shall be a complete defense to any claim released under Paragraph 1 .a. and Franchisee hereby consents to the entry of a temporary dr permanent injunction to end the assertion of any such claim.

d. California Waiver. If Franchisee is in California, Franchisee expressly waives and relinquishes all rights and benefits which Franchisee may now or in the future have under and by virtue of California Civil Code Section 1542. Franchisee does so understand the significance and consequence of such specific waiver. Section 1542 provides that "[a] general release does not extend to claims which the creditor does not know, or suspect exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor." For the purpose of implementing a general release and discharge as described in Paragraph l.a. above. Franchisee expressly acknowledges that this Agreement is intended to include in its effect, without limitation, all claims described in Paragraph 1 .a. above which the parties do not know or suspect to exist in their favor at the time of execution hereof, and that this Agreement contemplates the extinguishment of any such claims.

5. Indemnification. Franchisee agrees to indemnify Franchisor, its predecessors, parents, subsidiaries, and affiliates and their respective officers, directors, shareholders, employees, successors, and assigns, past and present, for any losses, damages, liability, costs and expenses (including reasonable attorneys' fees and disbursements and court costs) (i) incurred as a result of any breach by Franchisee of any of the representations and/or warranties contained in this Agreement, or (ii) incurred in defending against, or seeking an injunction to end the assertion of, any claim released under Paragraph 1 .a. above, or (iii) arising out of, resulting from, or related in any way to the Business or of any other business conducted by Franchisee in connection with the Business or the Franchise Agreement or because of any act or omission by Franchisee under the Franchise Agreement.

6. General Provisions.

a. Amounts Due. Franchisee warrants and represents that all fees and other amounts payable to Franchisor or its affiliates under the Franchise Agreement are current as of the date of this Agreement.

b. Attorneys' Fees. In the event that Franchisor institutes legal proceedings of any kind to enforce this Agreement, Franchisee agrees to pay all costs and expenses associated therewith, including, but not limited to, all attorneys' fees.

c. Entire Agreement. This Agreement, when fully executed, supersedes all previous negotiations, representations, and discussions by the parties hereto concerning the subject matter hereof and integrates the whole of all of their agreements and understandings concerning the subject matter hereof No oral representations or undertakings concerning the subject matter hereof shall operate to amend, supersede, or replace any other terms or conditions set forth herein.

d. Authority. By their signatures below, the parties hereto represent and warrant to each other that they have all necessary authority to enter into this Agreement. Each party hereto represents and warrants that the party is entering into this Agreement solely for the purposes and consideration set forth herein, and further warrants that this Agreement is being executed without reliance on any representation of any kind or character not expressly set forth herein. Each party warrants that it has read this Agreement and has had the opportunity to consult with legal counsel as to its effect.

e. Counterpart Execution. This Agreement may be executed in multiple counterparts, each of which shall be fully effective as an original.

f Survival. All covenants, representations, warranties, and agreements of the parties shall survive execution and delivery of this Agreement and shall continue until such time as all the obligations of the parties hereto shall have lapsed in accordance with their respective terms or shall have been discharged in full.

g. Notices. Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered personally or sent by certified, registered or express mail, postage prepaid to the parties at their respective addresses set forth below or to such other address as any party may hereafter specify in writing and deliver in accordance with this Paragraph 6.g. Any such notice shall be deemed given when so delivered personally or sent by facsimile transmission or, if mailed, three (3) days after the date of deposit in the United States mail, to;

If to Franchisee: ____________________
____
____
____
Telephone: __________

If to Franchisor: Macu International LLC

h. Gender. All references herein to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, where applicable.

i. Confidentiality. Franchisee shall at all times treat as strictly confidential and refrain from disclosing the terms and conditions of this Agreement to any third party, except Franchisee's attorney. If Franchisee violates this Paragraph 8.i., Franchisor shall be entitled to seek all legal and equitable remedies, including, without limitation, the return of the full Agreed Amount and any additional damages, as well as injunctive relief

j. Further Assurance. The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the intent of this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the Effective Date.

FRANCHISOR:
Macu International LLC
a Washington limited liability company

By: ____________________________
Name: __________________________
Title: __________________________

FRANCHISEE:
____
____

By: ____________________________
Name: __________________________
Title: __________________________

FINANCIAL STATEMENTS

MACU
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EXHIBIT B

MACU INTERNATIONAL LLC

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

KAIZEN CPA PLLC
CERTIFIED PUBLIC ACCOUNTANTS
UNITED STATES
WWW.KAIZENCPA.COM

MACU INTERNATIONAL LLC

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

CONTENTS

(EXPRESSED IN UNITED STATES DOLLARS)

Independent Auditor's Report
To the Member of MACU INTERNATIONAL LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MACU INTERNATIONAL LLC, which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of income, changes in member's equity, and cash flows for the years then ended, and the related notes to the financial statements. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of MACU INTERNATIONAL LLC as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of MACU INTERNATIONAL LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about MACU INTERNATIONAL LLC's ability to continue as a going concern within one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

In performing an audit in accordance with GAAS, our responsibilities are to:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of MACU INTERNATIONAL LLC's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about MACU INTERNATIONAL LLC's ability to continue as a going concern for a reasonable period of time.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Kaizen CPA PLLC

Kaizen CPA PLLC
502 W 7TH ST STE 100
ERIE, PA 16502-1333
Date: February 25, 2026

MACU INTERNATIONAL LLC
Statement of Income
For the Year Ended December 31, 2025

	Note	2025 US$	2024 US$
Revenue	3	198,346	388,517
Administrative Expenses		(213,507)	(170,069)
(Loss) / Income from Operations		(15,161)	218,448
Non-operating Income			
Sundry Income		576	415
Written Off of Trade Deposit Received		20,000	-
Net Non-operating Income		20,576	415
Income before Taxes		5,415	218,863
Income Tax Expenses	4	(58,739)	(36,878)
Net (Loss) / Income		(53,324)	181,985

The accompanying Notes to the Financial Statements form an integral part of, and should be read in conjunction with, these financial statements.

MACU INTERNATIONAL LLC
Balance Sheet
As of December 31, 2025

	Note	2025 US$	2024 US$
ASSETS			
Current Assets:			
Cash and Cash Equivalents		606,805	485,340
Accounts Receivables		5,170	-
Other Receivables		3,389	3,389
Deposit Paid		10,625	10,625
Total Assets		625,989	499,354
LIABILITIES AND MEMBER'S EQUITY			
Current Liabilities:			
Amount due to the Sole Member	5	6,727	6,553
Trade Deposit Received		170,020	144,980
Deferred Revenue	6	57,864	-
Total Current Liabilities		234,611	151,533
Non-current Liability:			
Deferred Revenue	6	96,881	-
Total Non-current Liability		96,881	-
Total Liabilities		331,492	151,533
Member's Equity			
Contributed Capital		100,000	100,000
Retained Earnings		194,497	247,821
Total Member's Equity		294,497	347,821
Total Liabilities and Member's Equity		625,989	499,354

The accompanying Notes to the Financial Statements form an integral part of, and should be read in conjunction with, these financial statements.

MACU INTERNATIONAL LLC
Statement of Changes in Member's Equity
For the Year Ended December 31, 2025

	Contributed Capital US$	Retained Earnings US$	Total US$
At January 1, 2024	100,000	65,836	165,836
Net Income	-	181,985	181,985
At December 31, 2024 and January 1, 2025	100,000	247,821	347,821
Net Loss	-	(53,324)	(53,324)
At December 31, 2025	100,000	194,497	294,497

The accompanying Notes to the Financial Statements form an integral part of, and should be read in conjunction with, these financial statements.

MACU INTERNATIONAL LLC
Statement of Cash Flows
For the Year Ended December 31, 2025

	2025	2024
	US$	US$
Cash Flows from Operating Activities		
Net Income before Tax	5,415	218,863
Changes in Operating Assets and Liabilities:		
Account Receivables	(5,170)	3,695
Other Receivables	-	(3,389)
Accounts Payable	-	(182)
Accrued Expenses	-	(10,432)
Amount due to the Sole Member	174	-
Trade Deposit Received	25,040	45,000
Deferred Revenue	154,745	-
Cash Generated from Operations	180,204	253,555
Tax Paid, Net	(58,739)	(80,061)
Net Cash Generated from Operating Activities and Net Increase in Cash and Cash Equivalents	121,465	173,494
Cash and Cash Equivalents, Beginning of the Year	485,340	311,846
Cash and Cash Equivalents, End of the Year	606,805	485,340

The accompanying Notes to the Financial Statements form an integral part of, and should be read in conjunction with, these financial statements.

1. Corporate Information

MACU International LLC (“the Company") was organized under the Washington Limited Liability Company Act. The Company is franchising its brands that offer gourmet coffees, teas, coffee or tea-based beverages, compatible fold products and desserts in the United States of America.

2. Significant Accounting Policies

(1) Basis of Presentation

The financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America.

The financial statements are presented in United States Dollars.

(2) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the financial statement date and reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

(3) Subsequent Events

The Company has evaluated subsequent events for recognition and disclosure through February 25, 2026, the date that these financial statements were available to be issued. There were no subsequent events that required adjustment or disclosure in the accompanying financial statements.

(4) Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. The carrying account of cash equivalents approximates fair value.

2. Significant Accounting Policies (Cont'd)

(5) Revenue Recognition

The Company recognizes revenue to depict the transfer of promised goods or services to franchisees in an amount that reflects the consideration to which the Company expects to be entitled.

- Initial Franchise Fees: These fees are generally received upon the signing of a franchise agreement. The Company has elected the practical expedient available under ASU 2021-02 for private companies. Under this election, the Company accounts for certain pre-opening services—including site selection assistance, training of personnel, and facilities preparation—as a single performance obligation that is distinct from the franchise license. Revenue from these pre-opening services is recognized at a point in time when the services are substantially completed, typically when the franchise location opens.

- Franchise License: The portion of the initial fee allocated to the franchise license is recognized on a straight-line basis over the term of the franchise agreement, as it represents a right to access the Company's intellectual property over time.

- Royalties and Advertising Fees: Sales-based royalties and advertising fund contributions are recognized when the related franchisee sales occur, as they represent variable consideration that relates specifically to the franchisee's use of the license.

(6) Account Receivables

Account receivable primarily represents receivables from franchisee who received the services. An allowance of the expected credit losses for account receivable is calculated using an aging schedule that calculated based on how long a receivable has been outstanding. While management used the best information available to make its evaluation, future adjustments to the allowance may be necessary if there are significant changes in economic conditions.

2. Significant Accounting Policies (Cont'd)

(7) Income Taxes

The Company has elected to be taxed as a corporation for federal and state income tax purposes. Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are computed for differences between the financial statements and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the year plus or minus the change during the year in deferred tax assets and liabilities. Adjustments to prior year's income tax liabilities are added to or deducted from the current year's tax provision.

The Company follows authoritative guidance under ASC No. 740, "Income Taxes" on uncertain tax positions and has analyzed its filing positions in all the federal and state jurisdictions where it is required to file income tax returns, as well as all open tax years in those jurisdictions. The Company files income tax returns in the US federal and state jurisdictions where it conducts business. The Company believes that its income tax filing positions and deductions will be sustained on audit and does not anticipate any adjustments that will result in a material adverse effect on its financial position, results of operations, or cash flows. Therefore, no reserves for uncertain tax positions have been recorded. The Company does not expect its unrecognized tax benefits to change significantly over the next twelve months.

The Company's policy for recording interest and penalties associated with any uncertain tax positions is to record such items as a component of income before taxes. Penalties and interest paid or received, if any, are recorded as part of other operating expenses in the statement of income.

(8) Fair Value of Financial Instruments

The Company utilizes the three-level valuation hierarchy for the recognition and disclosure of fair value measurements. The categorization of assets and liabilities within this hierarchy is based upon the lowest level of input that is significant to the measurement of fair value. The three levels of the hierarchy consist of the following:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2: Inputs to the valuation methodology are quoted prices for similar assets and liabilities in active markets, quoted prices in markets that are not active or inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the instrument.

Level 3: Inputs to the valuation methodology are unobservable inputs based upon management's best estimate of inputs market participants could use in pricing the asset or liability at the measurement date, including assumptions.

2. Significant Accounting Policies (Cont'd)

(8) Fair Value of Financial Instruments (Cont'd)

As of December 31, 2025, the carrying value of cash and cash equivalents, account receivables, other receivables, deposit paid, amount due to the sole member, deferred revenue and trade deposit received approximated their fair values due to the short-term nature of these financial instruments. There were no outstanding derivative financial instruments as of December 31, 2025.

(9) Concentrations of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist of cash and cash equivalents. The Company maintains cash and cash equivalents at financial institutions. Bank accounts at U.S. institutions are insured up to US$ 250,000 by the U.S. Federal Deposit Insurance Corporation (FDIC). As of December 31, 2025, the total balance of cash in U.S. institutions exceeded the amount insured by the FDIC for the Company by approximately US$ 356,805 (2024: US$ 235,340).

(10) New Standards and Interpretations Not Yet Adopted

A number of new standards, amendments to standards and interpretations have been issued since December 31, 2025 up to the date of authorization of the financial statements which are not yet effective and, have not been applied in preparing these financial statements. None of these new standards or amendments to standards when effective is expected to have a material effect on the financial statements of the Company.

3. Revenue from Contracts with Customers

Disaggregation of Revenue

The following table provides a breakdown of revenue by type for years ended December 31, 2025 and 2024:

	2025	2024
	US$	US$
Revenue Category		
Initial Franchise Fees (Pre-opening services)	88,911	-
Amortization of Franchise License Fees	103,755	-
Overstatement of Franchise License Fees in Prior Years	(211,500)	-
Sales-based Royalties	217,180	-
Franchise Income	-	388,517
Total Revenue	198,346	388,517

3. Revenue from Contracts with Customers (Cont'd)

Contract Balances

Contract liabilities consist of deferred initial franchise that are recognized as revenue over the franchise term or upon the completion of pre-opening services.

- Opening Balance (Jan 1, 2025): US$ 0
- Revenue recognized from prior periods: US$ 0
- Ending Balance (Dec 31, 2025): US$154,745

Significant Judgments

The Company uses judgment to allocate the transaction price to separate performance obligations based on their relative standalone selling prices. For pre-opening services, the Company has elected to treat them as a single performance obligation under the ASU 2021-02 practical expedient, simplifying the allocation process.

4. Income Tax Expenses

Income tax expenses for the years ended December 31, 2025 and 2024 consisted of the following:

	2025 US$	2024 US$
Current		
Provision for the Year		
- Federal Tax Expense	43,444	27,340
- State Tax Expense	-	12,162
Under / (Over) provision in respect of Prior Year		
- Federal Tax Expense	16,104	(2,600)
- State Tax Expense	(809)	(24)
Net Income Tax Expense	58,739	36,878

Deferred
No deferred tax has been provided in the financial statements as the recovery of the carrying amount of the Company's asset and settlement of the carrying amount of Company's liabilities will not materially affect any taxable profit.

5. Amount due to the Sole Member

The amount due is unsecured, interest-free and repayable on demand.

6. Deferred Revenue

As of December 31, 2025 and 2024, deferred revenue consisted of the following:

	2025 US$	2024 US$
Unearned Franchise Revenue	154,745	-
Less: Current Portion	(57,864)	-
Non-currnet Portion	96,881	-

MACU INTERNATIONAL LLC

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

KAIZEN CPA PLLC
CERTIFIED PUBLIC ACCOUNTANTS
UNITED STATES
WWW.KAIZENCPA.COM

MACU INTERNATIONAL LLC

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

CONTENTS

(EXPRESSED IN UNITED STATES DOLLARS)

Independent Auditor's Report
To the Member of MACU INTERNATIONAL LLC

We have audited the accompanying financial statements of MACU INTERNATIONAL LLC, which comprise the balance sheet as of December 31, 2024, and the related statement of income, changes in member's equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MACU INTERNATIONAL LLC as of December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Kaizen CPA PLLC

Kaizen CPA PLLC
202 Canal Street, Suite 303, 3/F.,
New York, NY 10013, USA
Date: February 27, 2025

KAIZEN CPA PLLC
KAIZEN CPA LIMITED
202 Canal Street, Suite 303, 3/F,
New York, NY 10013, USA
T +1 646 850 5888
www.kaizencpa.com

MACU INTERNATIONAL LLC
Statement of Income
For the Year Ended December 31, 2024

	Note	2024 US$	2023 US$
Revenue			
Franchise Income		388,517	318,314
Administrative Expenses		(170,069)	(170,414)
Income from Operations		218,448	147,900
Non-operating Income			
Sundry Income		415	6,066
Net Non-operating Income		415	6,066
Income before Taxes		218,863	153,966
Income Tax Expenses	3	(36,878)	(43,183)
Net Income		181,985	110,783

The accompanying Notes to the Financial Statements form an integral part of, and should be read in conjunction with, these financial statements.

MACU INTERNATIONAL LLC
Balance Sheet
As of December 31, 2024

	Note	2024 US$	2023 US$
ASSETS			
Current Assets:			
Cash and Cash Equivalents		485,340	311,846
Accounts Receivable		-	3,695
Other Receivables		3,389	-
Deposit Paid		10,625	10,625
Total Assets		499,354	326,166
LIABILITIES AND MEMBER'S EQUITY			
Current Liabilities:			
Accounts Payable		-	182
Accrued Expenses		-	10,432
Amount due to Sole Member	4	6,553	6,553
Trade Deposit Received		144,980	99,980
Tax Payables		-	43,183
Total Liabilities		151,533	160,330
Member's Equity			
Contributed Capital		100,000	100,000
Retained Earnings		247,821	65,836
Total Member's Equity		347,821	165,836
Total Liabilities and Member's Equity		499,354	326,166

The accompanying Notes to the Financial Statements form an integral part of, and should be read in conjunction with, these financial statements.

MACU INTERNATIONAL LLC
Statement of Changes in Member's Equity
For the Year Ended December 31, 2024

	Contributed Capital US$	(Accumulated Losses)/ Retained Earnings US$	Total US$
At January 1, 2023	100,000	(44,947)	55,053
Net Income	-	110,783	110,783
At December 31, 2023 and January 1, 2024	100,000	65,836	165,836
Net Income	-	181,985	181,985
At December 31, 2024	100,000	247,821	347,821

The accompanying Notes to the Financial Statements form an integral part of, and should be read in conjunction with, these financial statements.

LILIAN USA LLC
Statement of Cash Flows
For the Year Ended December 31, 2024

	2024 US$	2023 US$
Cash Flows from Operating Activities		
Net Income before Tax	218,863	153,966
Changes in Operating Assets and Liabilities:		
Accounts Receivable	3,695	(3,695)
Other Receivable	(3,389)	-
Deposit Paid	-	(5,000)
Accounts Payable	(182)	182
Accrued Expenses	(10,432)	5,432
Amount due to Sole Member	-	6,553
Trade Deposit Received	45,000	69,980
Operating Lease Liability	-	(603)
Cash Generated from Operations	253,555	226,815
Tax Paid	(80,061)	-
Net Cash Generated from Operating Activities and Net Increase in Cash and Cash Equivalents	173,494	226,815
Cash and Cash Equivalents, Beginning of the Year	311,846	85,031
Cash and Cash Equivalents, End of the Year	485,340	311,846

The accompanying Notes to the Financial Statements form an integral part of, and should be read in conjunction with, these financial statements.

1. Corporate Information

MACU International LLC (the "Company") was organized under the Washington Limited Liability Company Act. The Company is franchising its brands that offer gourmet coffees, teas, coffee or tea-based beverages, compatible fold products and desserts in the United States of America.

2. Significant Accounting Policies

(1) Basis of Presentation

The financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America.

The financial statements are presented in United States Dollars.

(2) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the financial statement date and reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

(3) Subsequent Events

The Company has evaluated subsequent events for recognition and disclosure through February 27, 2025, the date that these financial statements were available to be issued. There were no subsequent events that required adjustment or disclosure in the accompanying financial statements.

(4) Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. The carrying account of cash equivalents approximates fair value.

2. Significant Accounting Policies (Cont'd)

(5) Revenue Recognition

The Company adopted the provisions of ASU 2021-02: Revenue from Contracts with Customers (Topic 606) and the principal versus agent guidance within the revenue standard.

The Company recognized revenue from fees from franchised restaurants operated by conventional franchisees. Franchise revenue included initial licensing franchise fees and know-how fees.

Revenue from franchise agreement is generally recognized, net of an allowance for uncollectible amounts.

When an individual franchise agreement is made, the Company agrees to provide certain services to the franchisee. Generally, these services include advisory and assistance in site selection, training personnel, and implementation of an operating and quality control program. Initial licensing franchise fees are recognized when the services are completed.

After the franchised restaurants started operation, royalty income is paid by franchisees to the Company for brand maintenance, new product development and consulting services. Continuing royalties, which are either fixed amount per month or as a percentage of net sales of the franchisee, are recognized as revenue when earned and become receivable from the franchisee.

(6) Income Taxes

The Company has elected to be taxed as a corporation for federal and state income tax purposes. Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are computed for differences between the financial statements and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the year plus or minus the change during the year in deferred tax assets and liabilities. Adjustments to prior year's income tax liabilities are added to or deducted from the current year's tax provision.

The Company follows authoritative guidance under ASC No. 740, "Income Taxes" on uncertain tax positions and has analyzed its filing positions in all the federal and state jurisdictions where it is required to file income tax returns, as well as all open tax years in those jurisdictions. The Company files income tax returns in the US federal and state jurisdictions where it conducts business. The Company believes that its income tax filing positions and deductions will be sustained on audit and does not anticipate any adjustments that will result in a material adverse effect on its financial position, results of operations, or cash flows. Therefore, no reserves for uncertain tax positions have been recorded. The Company does not expect its unrecognized tax benefits to change significantly over the next twelve months.

2. Significant Accounting Policies (Cont'd)

(6) Income Taxes (Cont'd)

The Company's policy for recording interest and penalties associated with any uncertain tax positions is to record such items as a component of income before taxes. Penalties and interest paid or received, if any, are recorded as part of other operating expenses in the statement of income.

(7) Fair Value of Financial Instruments

The Company utilizes the three-level valuation hierarchy for the recognition and disclosure of fair value measurements. The categorization of assets and liabilities within this hierarchy is based upon the lowest level of input that is significant to the measurement of fair value. The three levels of the hierarchy consist of the following:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2: Inputs to the valuation methodology are quoted prices for similar assets and liabilities in active markets, quoted prices in markets that are not active or inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the instrument.

Level 3: Inputs to the valuation methodology are unobservable inputs based upon management's best estimate of inputs market participants could use in pricing the asset or liability at the measurement date, including assumptions.

As of December 31, 2024, the carrying value of cash and cash equivalents, other receivables, deposit paid, amount due to sole member and trade deposit received approximated their fair values due to the short-term nature of these financial instruments. There were no outstanding derivative financial instruments as of December 31, 2024.

(8) Concentrations of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist of cash and cash equivalents. The Company maintains cash and cash equivalents at financial institutions. Bank accounts at U.S. institutions are insured up to US$ 250,000 by the U.S. Federal Deposit Insurance Corporation (FDIC). As of December 31, 2024, the total balance of cash in U.S. institutions exceeded the amount insured by the FDIC for the Company by approximately US$ 235,340 (2023: US$ 61,846).

(9) New Standards and Interpretations Not Yet Adopted

A number of new standards, amendments to standards and interpretations have been issued since December 31, 2024 up to the date of authorization of the financial statements which are not yet effective and, have not been applied in preparing these financial statements. None of these new standards or amendments to standards when effective is expected to have a material effect on the financial statements of the Company.

3. Income Tax Expenses

Income tax expenses for the years ended December 31, 2024 and 2023 consisted of the following:

	2024 US$	2023 US$
Current		
Provision for the Year		
- Federal Tax Expense	27,340	31,359
- State Tax Expense	12,162	11,824
Over-provision in respect of Prior Year		
- Federal Tax Expense	(2,600)	-
- State Tax Expense	(24)	-
Net Income Tax Expense	36,878	43,183

No deferred tax has been provided in the financial statements as the recovery of the carrying amount of the Company's asset and settlement of the carrying amount of Company's liabilities will not materially affect any taxable profit.

4. Amount due to Sole Member

The amount due is unsecured, interest-free and repayable on demand.

MACU INTERNATIONAL LLC

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

KAIZEN CPA PLLC
CERTIFIED PUBLIC ACCOUNTANTS
UNITED STATES
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MACU INTERNATIONAL LLC

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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(EXPRESSED IN UNITED STATES DOLLARS)

KAIZEN 启源

Independent Auditor's Report
To the Member of MACU INTERNATIONAL LLC

We have audited the accompanying financial statements of MACU INTERNATIONAL LLC, which comprise the balance sheet as of December 31, 2024, and the related statement of income, changes in member's equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MACU INTERNATIONAL LLC as of December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Kaizen CPA PLLC

Kaizen CPA PLLC
202 Canal Street, Suite 303, 3/F.,
New York, NY 10013, USA
Date: February 27, 2025

KAIZEN CPA PLLC
KAIZEN CPA LIMITED
202 Canal Street, Suite 303, 3/F.
New York, NY 10013, USA
T: +1 646 850 5888
www.kaizencpa.com

MACU INTERNATIONAL LLC
Statement of Income
For the Year Ended December 31, 2024

	Note	2024 US$	2023 US$
Revenue			
Franchise Income		388,517	318,314
Administrative Expenses		(170,069)	(170,414)
Income from Operations		218,448	147,900
Non-operating Income			
Sundry Income		415	6,066
Net Non-operating Income		415	6,066
Income before Taxes		218,863	153,966
Income Tax Expenses	3	(36,878)	(43,183)
Net Income		181,985	110,783

The accompanying Notes to the Financial Statements form an integral part of, and should be read in conjunction with, these financial statements.

MACU INTERNATIONAL LLC
Balance Sheet
As of December 31, 2024

	Note	2024 US$	2023 US$
ASSETS			
Current Assets:			
Cash and Cash Equivalents		485,340	311,846
Accounts Receivable		-	3,695
Other Receivables		3,389	-
Deposit Paid		10,625	10,625
Total Assets		499,354	326,166
LIABILITIES AND MEMBER'S EQUITY			
Current Liabilities:			
Accounts Payable		-	182
Accrued Expenses		-	10,432
Amount due to Sole Member	4	6,553	6,553
Trade Deposit Received		144,980	99,980
Tax Payables		-	43,183
Total Liabilities		151,533	160,330
Member's Equity			
Contributed Capital		100,000	100,000
Retained Earnings		247,821	65,836
Total Member's Equity		347,821	165,836
Total Liabilities and Member's Equity		499,354	326,166

The accompanying Notes to the Financial Statements form an integral part of, and should be read in conjunction with, these financial statements.

MACU INTERNATIONAL LLC
Statement of Changes in Member's Equity
For the Year Ended December 31, 2024

	Contributed Capital US$	(Accumulated Losses)/ Retained Earnings US$	Total US$
At January 1, 2023	100,000	(44,947)	55,053
Net Income	-	110,783	110,783
At December 31, 2023 and January 1, 2024	100,000	65,836	165,836
Net Income	-	181,985	181,985
At December 31, 2024	100,000	247,821	347,821

The accompanying Notes to the Financial Statements form an integral part of, and should be read in conjunction with, these financial statements.

LILIAN USA LLC
Statement of Cash Flows
For the Year Ended December 31, 2024

	2024 US$	2023 US$
Cash Flows from Operating Activities		
Net Income before Tax	218,863	153,966
Changes in Operating Assets and Liabilities:		
Accounts Receivable	3,695	(3,695)
Other Receivable	(3,389)	-
Deposit Paid	-	(5,000)
Accounts Payable	(182)	182
Accrued Expenses	(10,432)	5,432
Amount due to Sole Member	-	6,553
Trade Deposit Received	45,000	69,980
Operating Lease Liability	-	(603)
Cash Generated from Operations	253,555	226,815
Tax Paid	(80,061)	-
Net Cash Generated from Operating Activities and Net Increase in Cash and Cash Equivalents	173,494	226,815
Cash and Cash Equivalents, Beginning of the Year	311,846	85,031
Cash and Cash Equivalents, End of the Year	485,340	311,846

The accompanying Notes to the Financial Statements form an integral part of, and should be read in conjunction with, these financial statements.

1. Corporate Information

MACU International LLC (the "Company") was organized under the Washington Limited Liability Company Act. The Company is franchising its brands that offer gourmet coffees, teas, coffee or tea-based beverages, compatible fold products and desserts in the United States of America.

2. Significant Accounting Policies

(1) Basis of Presentation

The financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America.

The financial statements are presented in United States Dollars.

(2) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the financial statement date and reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

(3) Subsequent Events

The Company has evaluated subsequent events for recognition and disclosure through February 27, 2025, the date that these financial statements were available to be issued. There were no subsequent events that required adjustment or disclosure in the accompanying financial statements.

(4) Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. The carrying account of cash equivalents approximates fair value.

2. Significant Accounting Policies (Cont'd)

(5) Revenue Recognition

The Company adopted the provisions of ASU 2021-02: Revenue from Contracts with Customers (Topic 606) and the principal versus agent guidance within the revenue standard.

The Company recognized revenue from fees from franchised restaurants operated by conventional franchisees. Franchise revenue included initial licensing franchise fees and know-how fees.

Revenue from franchise agreement is generally recognized, net of an allowance for uncollectible amounts.

When an individual franchise agreement is made, the Company agrees to provide certain services to the franchisee. Generally, these services include advisory and assistance in site selection, training personnel, and implementation of an operating and quality control program. Initial licensing franchise fees are recognized when the services are completed.

After the franchised restaurants started operation, royalty income is paid by franchisees to the Company for brand maintenance, new product development and consulting services. Continuing royalties, which are either fixed amount per month or as a percentage of net sales of the franchisee, are recognized as revenue when earned and become receivable from the franchisee.

(6) Income Taxes

The Company has elected to be taxed as a corporation for federal and state income tax purposes. Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are computed for differences between the financial statements and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the year plus or minus the change during the year in deferred tax assets and liabilities. Adjustments to prior year's income tax liabilities are added to or deducted from the current year's tax provision.

The Company follows authoritative guidance under ASC No. 740, "Income Taxes" on uncertain tax positions and has analyzed its filing positions in all the federal and state jurisdictions where it is required to file income tax returns, as well as all open tax years in those jurisdictions. The Company files income tax returns in the US federal and state jurisdictions where it conducts business. The Company believes that its income tax filing positions and deductions will be sustained on audit and does not anticipate any adjustments that will result in a material adverse effect on its financial position, results of operations, or cash flows. Therefore, no reserves for uncertain tax positions have been recorded. The Company does not expect its unrecognized tax benefits to change significantly over the next twelve months.

2. Significant Accounting Policies (Cont'd)

(6) Income Taxes (Cont'd)

The Company's policy for recording interest and penalties associated with any uncertain tax positions is to record such items as a component of income before taxes. Penalties and interest paid or received, if any, are recorded as part of other operating expenses in the statement of income.

(7) Fair Value of Financial Instruments

The Company utilizes the three-level valuation hierarchy for the recognition and disclosure of fair value measurements. The categorization of assets and liabilities within this hierarchy is based upon the lowest level of input that is significant to the measurement of fair value. The three levels of the hierarchy consist of the following:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2: Inputs to the valuation methodology are quoted prices for similar assets and liabilities in active markets, quoted prices in markets that are not active or inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the instrument.

Level 3: Inputs to the valuation methodology are unobservable inputs based upon management's best estimate of inputs market participants could use in pricing the asset or liability at the measurement date, including assumptions.

As of December 31, 2024, the carrying value of cash and cash equivalents, other receivables, deposit paid, amount due to sole member and trade deposit received approximated their fair values due to the short-term nature of these financial instruments. There were no outstanding derivative financial instruments as of December 31, 2024.

(8) Concentrations of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist of cash and cash equivalents. The Company maintains cash and cash equivalents at financial institutions. Bank accounts at U.S. institutions are insured up to US$ 250,000 by the U.S. Federal Deposit Insurance Corporation (FDIC). As of December 31, 2024, the total balance of cash in U.S. institutions exceeded the amount insured by the FDIC for the Company by approximately US$ 235,340 (2023: US$ 61,846).

(9) New Standards and Interpretations Not Yet Adopted

A number of new standards, amendments to standards and interpretations have been issued since December 31, 2024 up to the date of authorization of the financial statements which are not yet effective and, have not been applied in preparing these financial statements. None of these new standards or amendments to standards when effective is expected to have a material effect on the financial statements of the Company.

3. Income Tax Expenses

Income tax expenses for the years ended December 31, 2024 and 2023 consisted of the following:

	2024 US$	2023 US$
Current		
Provision for the Year		
- Federal Tax Expense	27,340	31,359
- State Tax Expense	12,162	11,824
Over-provision in respect of Prior Year		
- Federal Tax Expense	(2,600)	-
- State Tax Expense	(24)	-
Net Income Tax Expense	36,878	43,183

No deferred tax has been provided in the financial statements as the recovery of the carrying amount of the Company's asset and settlement of the carrying amount of Company's liabilities will not materially affect any taxable profit.

4. Amount due to Sole Member

The amount due is unsecured, interest-free and repayable on demand.

LIST OF FRANCHISE OUTLETS

MACU
麻古茶坊

EXHIBIT C

LIST OF FRANCHISE OUTLETS

Name	Address	Telephone Number
Diep Nguyen	2691 Penitencia Creek Rd., San Jose CA, USA 91532	4086238389

LIST OF TERMINATED FRANCHISES

EXHIBIT D

LIST OF TERMINATED FRANCHISES

As of December 31, 2025, no MACU® franchisee had an outlet terminated, canceled, or not renewed, or otherwise voluntarily or involuntarily ceased to do business under its franchise agreement during the past 12 months.

No franchisee has failed to communicate with us within the 10 weeks ending on the date of this disclosure document.

STATE FRANCHISE ADMINISTRATORS

AND AGENTS FOR SERVICE OF PROCESS

EXHIBIT E

STATE FRANCHISE ADMINISTRATORS

We intend to register this disclosure document as a franchise in some of or all the following states, in accordance with applicable state law. The following are the state administrators responsible for the review, registration and oversight of franchises in these states:

California:
Department of Financial Protection and Innovation
2101 Arena Boulevard, Sacramento, CA 95834
Toll-free (866) 275-2677
(916) 445-7205

Hawaii:
Commissioner of Securities, Dept. of Commerce and Consumer Affairs, Business Registration Div., Securities Compliance Branch
335 Merchant St., Rm. 203, Honolulu
HI 96813-2921
(808) 586-2722

Illinois:
Office of the Attorney General
Franchise Division
500 S. 2nd St., Springfield IL 62701-1771
(217)782-4465

Indiana:
Indiana Securities Division, Franchise Section
302 W. Washington St., Rm E111
Indianapolis, IN 46204-2738
(317) 232-7781

Maryland:
Office of the Attorney General
Securities Division
200 Saint Paul Pl. Baltimore, MD 21202-2020
(410)576-6360

Michigan:
Michigan Attorney General
Consumer Protection Division
PO Box 30213, Lansing, MI 48909-7713
(517)373-7117

Minnesota:
Commissioner of Commerce
85 7th PI. E., Ste 280
Saint Paul, MN 55101-3165
(651) 539-1600

New York:
NYS Department of Law
Investor Protection Bureau
28 Liberty St. 21st FL
New York, NY 10005
212-416-8222

North Dakota:
Securities Department
600 E. Boulevard Ave., 5th Flr.
Bismarck, ND 58505-0510
(701) 328-4712

Rhode Island:
Dept. of Business Regulations
Division of Securities
1511 Pontiac Ave. Bldg. 69-1
Cranston, RI 02920-4407
(401)462-9527

South Dakota:
Division of Insurance, Securities Regulation
124 S. Euclid Ave., Ste.104
Pierre SD 57501-3168

Virginia:
State Corporation Commission, Div. of Securities & Retail Franchising
1300 E. Main St., 9th Flr.
Richmond, VA 23219-3630
(804) 371-9051

Washington:
Dept. of Financial Institutions
Securities Division
150 Israel Rd. SW, Tumwater, WA 98501-6456
(360) 902-8760

Wisconsin:
Securities Division
201 W. Washington Ave. Ste. 300
Madison, WI 53703-2640
(608) 266-8557

AGENTS FOR SERVICE OF PROCESS

We intend to register this disclosure document as a franchise in some of or all the following states, in accordance with applicable state law. If we register the franchise (or otherwise comply with the franchise investment laws) in any of these states, we will designate the following state offices or officials as our agents for service of process in those states:

California:
Commissioner of Financial Protection and Innovation
Department of Financial Protection and Innovation
2101 Arena Boulevard, Sacramento, CA 95834

Hawaii:
Commissioner of Securities
Dept. of Commerce and Consumer Affairs,
Business Registration Div., Securities Compliance Branch
335 Merchant St., Rm. 203
Honolulu, HI 96813-2921
(808) 586-2722

Illinois:
Office of the Attorney General
Franchise Division
500 S. 2nd St., Springfield IL 62701-1771
(217)782-4465

Indiana:
Secretary of State
302 W. Washington St., Rm E111
Indianapolis, IN 46204-2738
(317) 232-7781

Maryland:
Maryland Securities Commissioner
200 Saint Paul Pl.
Baltimore, MD 21202-2020
(410)576-6360

Michigan:
Michigan Attorney General, Consumer Protection Division
PO Box 30213, Lansing, MI 48909-7713
(517)373-7117

Minnesota:
Commissioner of Commerce
85 7th PI. E., Ste 280, Saint Paul, MN 55101-3165
(651) 539-1600

New York:
Secretary of State
99 Washington Avenue
Albany, NY 12231

North Dakota:
Securities Commissioner
600 E. Boulevard Ave., 5th Flr.
Bismarck, ND 58505-0510
(701) 328-4712

Rhode Island:
Director of the Division of Business Regulation
1511 Pontiac Ave. Bldg. 69-1
Cranston RI 02920-4407
(401)462-9527

South Dakota:
Director of the Division of Securities
124 S. Euclid Ave., Ste.104
Pierre SD 57501-3168

Virginia:
Clerk, Virginia State Corporation Commission
1300 E. Main St., 9th Flr.
Richmond, VA 23219-3630
(804) 371-9051

Washington:
Director of Financial Institutions
150 Israel Rd. SW
Tumwater, WA 98501-6456
(360) 902-8760

Wisconsin:
Administrator, Division of Securities
Department of Financial Institutions
201 W. Washington Ave. Ste. 300, Madison, WI 53703-2640
(608) 266-8557

STATE SPECIFIC ADDENDUM

EXHIBIT G

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR RESOURCES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

Except as provided above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions other than routine litigation incidental to the business that is significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten years immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for a franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; this proviso intends that the nonwaiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "Termination by a franchisee": "You may terminate the agreement on any grounds available by law."

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "Choice of forum," and Item 17(w), titled "Choice of law":

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York.

6. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the Rev. April 2, 2024 time period a Franchise

Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

STATE EFFECTIVE DATES

EXHIBIT H

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 exempted from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Illinois	N/A
Indiana	N/A
Maryland	N/A
Michigan	N/A
Minnesota	N/A
New York	Pending
North Dakota	N/A
Rhode Island	N/A
Virginia	N/A
Washington	Pending
Wisconsin	N/A

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.

RECEIPTS

MACU
麻古茶坊

EXHIBIT I

RECEIPT

This disclosure document summarizes certain provisions of the Subfranchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully. If Macu International LLC. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

The New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Macu International LLC 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 government agency or file suits in the court with appropriate jurisdiction.

We have no franchise brokers. The name, address and telephone number of the franchise seller for this offering is: Hsiu Chuan Chien, 800 E Wishkah Street #1008, Aberdeen, WA 98520; telephone 253-900-2316.

Date of Issuance: February 25, 2026

Macu International LLC authorizes the person identified in Item 1 to receive service of process for it in your state. I received a disclosure document dated February 25, 2026 that included the following Exhibits:

“A” Master Franchise Agreement
 Exhibit 1: Development Schedule
“A-1” Form of General Release
“B” Financial Statements
“C” List of Franchise Outlets
“D” List of Terminated Franchises
“E” State Franchise Administrators and Agents for Service of Process
“F” State Specific Addendum
“G” State Effective Dates
“H” Receipts

DATED: ___________________________
(Do not leave blank)

If a business entity:
____
(Name of Business Entity)
____
(Signature of Primary Contact Owner)
____
(Print Name and Title)

If an individual:
____
(Signature of Prospective Subfranchisor)
____
(Print Name)

Please date and sign this page, and then keep it for your records

RECEIPT

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 Macu International LLC. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

The New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Macu International LLC 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 government agency or file suits in the court with appropriate jurisdiction.

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“G” State Effective Dates
“H” Receipts

DATED: ______________________________
(Do not leave blank)

If a business entity:

____

(Name of Business Entity)

____

(Signature of Primary Contact Owner)

____

(Print Name and Title)

If an individual:

____

(Signature of Prospective Subfranchisor)

____

(Print Name)

Please date and sign this page, and then return it by first class mail to Macu International LLC, Hsiu Chuan Chien, 800 E Wishkah Street #1008, Aberdeen, WA 98520; telephone 253-900-2316.; or by e-mail to overseas@macutea.com.tw.