Chocolate Graphics International

INTERNATIONAL BUSINESS OVERVIEW (IBO)

We'll put your name on everyone's lips!

Revised 2/7/11

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Introduction

Chocolate Graphics International Pty. Ltd. is the owner of an internationally patent-protected technology that allows us to emboss high-definition graphics on chocolate with chocolate. Any graphic, message or photograph can now be embossed with unprecedented clarity on chocolate, and best of all, the final product is 100% made of chocolate.

These innovative products can be made in almost any flat shape, size, and flavor and in many different colors, making them ideal for a wide range of uses and markets.

With the international chocolate market currently worth around $US80 billion per year, the opportunity for this product is endless… the market is huge... And there is no other product that can deliver the same high definition and quality.

Background

In 1988 an Australian inventor conceived the original Chocolate Graphics process. His method was crude and extremely slow, and unfortunately no positive marketing action was taken until 1996 when three Australian businessmen purchased the rights to the process.

In July 1999 the patents, applications and manufacturing rights were purchased by John Taylor, an experienced international entrepreneur who had kick-started many small businesses both in Australia and overseas.

A strategic focus and innovative marketing strategies were introduced to ensure that the future company became a profitable entity. By rebuilding the technology and redeveloping the intellectual property, including the registration of four new international patents, the Chocolate Graphics concept became a commercial reality.

Since that time the process has been significantly upgraded to incorporate state-of-the-art laser and automated technology, raising the production capability of a semi-automated Production Center to 100,000 pieces per day (dependent on shape and size).

The company has now established Master Licensees in many countries throughout the globe, including the UK, USA, UAE, Australia, New Zealand, Malaysia, Russia, China, Singapore Poland, Qatar, Greece, South Africa, Bahrain, Japan, Vietnam, Chile, Colombia and Mexico.

The Opportunity

The Chocolate Graphics team is extending to applicants with the right marketing and management expertise the opportunity to share in this chocolate success story by becoming part of the International Chocolate Graphics Group as a Licensee.

Chocolate Graphics Licensees benefit from an exceptional product and well trialed model, yet still have the flexibility and autonomy to develop their own business. Most importantly, the Chocolate Graphics process is so remarkably simple and straightforward that there is no need for prior technical experience.

In order to cater to international demand for the product, Chocolate Graphics has chosen to expand into international markets using a licensing strategy.

Under this strategy Chocolate Graphics Licensees benefit from:

- Access to the ultimate graphic promotional chocolate product, which offers:
  - High definition graphic embossing
  - 3D embossed graphics (three levels of embossing)
  - The option of multi-colored graphics
  - The option of a center filling

- The registration of patents internationally and nationally registered to protect both the manual and semi-automated manufacturing processes.
- Design and manufacture of production machinery - supported with detailed operational manuals.
- Provision of a well-designed and practical Production Center, which is included in a package to appointed Licensees.
- The design of promotional programs, marketing and packaging concepts - along with an international website to drive business growth.

Under the licensing strategy Chocolate Graphics offers four levels of Licenses:

- Production Center (PCL)
- Regional Master License (RML)
- Master License (ML)
- Retail Store License (RSL)

With *brand awareness* and *customer retention strategies* remaining the focus of marketing efforts worldwide, the Chocolate Graphics product and process is well positioned to achieve impressive sales revenue and excellent returns on investment.

The Market

The markets for the Chocolate Graphics product are limited only by your imagination. Below is an overview of some of the major identified target markets.

Corporate Promotional Gifts

The business world has a continual requirement for products to assist with their marketing, promotional efforts and social events. Personalized chocolates provide a very cost-effective and memorable marketing tool.

The opportunities here are endless and include:

- Trade show giveaways
- Conference, seminar, meeting and other corporate function gifts
- Client appreciation gifts
- New product launch promotional items
- Membership promotions
- Fundraising

Multinational companies, small businesses, banks, airlines, shopping centers, car dealers, government entities, TV and radio stations, non-profit organizations and countless others can use this product in many different ways.

Restaurants, Hotels and Catering Services

Restaurants and catering services are some of the most consistent areas of business, as they continuously require chocolates for their customers.

Included in this segment are hotels and motels for their dining tables, conferences, turndown chocolates, and special events. Restaurants and coffee shops often use the personalized chocolates as coffee accompaniments or as a topper for desserts.

Weddings

Personalized chocolates provide the bride & groom with a totally unique option for their wedding favors.

Some ways they have been used include:

- Unique guest gifts with photographs and thank you messages from the bride & groom
- Personalized chocolate menus or invitations
- Bridal party gifts
- Table and reception decorations

Special Days

There are many special days throughout the year when friends, family and loved ones use these unique chocolates as an expression of thought, love and congratulations.

Some of these days include:

- Valentine's Day
- Mother's and Father's Day
- Thanksgiving, Christmas and New Year's Day
- National and religious holidays

Gifts

In this world of unlimited gifts, chocolates continue to dominate as a very popular option. Some occasions where personalized chocolates are used include:

- Birthday celebrations
- Engagements & anniversaries
- Graduations and retirements
- Corporate rewards
- Birth announcements

Retail Market

Due to the growth in other market segments, Chocolate Graphics has also entered the retail market with its own retail stores, and continues to supply other retail outlets such as gift stores and florists. This market segment is considered to hold the most potential, and is limited only by your imagination and creativity.

New Retail Store Licenses!

Chocolate Graphics is now offering a retail store license. A prestigious Chocolate Graphics retail store offers clients and customers the perfect gift for every day of the year! Click here to view a presentation on our retail store offering or download our brochure.

View a video about our Chocolate Graphics Vietnam new retail store!

Chocolate Graphics retail stores are professionally designed to provide each customer
with a warm and comfortable shopping experience. Warm colours and stylish fittings will
provide an ambience appreciated by even the most *discerning* of customers.

The Licensing Structure

There are four levels of licensing available. Following is a brief overview of each of the entry points for a Chocolate Graphics Licensee:

1. **Production Center License (PCL)**
   A Production Center License is a license to produce and supply the Chocolate Graphics product to an area of approximately one to two million people. It is usually recommended that Production Centers be equipped with semi-automatic equipment. However you can always commence with a manual system.

   The core business for a Production Center License is:

   - Restaurants and hotels
   - Small to medium businesses
   - Weddings & anniversaries
   - Annual holidays such as those mentioned above
   - Special occasions
   - In general, smaller volume orders

2. **Regional Master Licensee (RML)**
   The Regional Master License is a license to supply the Chocolate Graphics product to a specific regional area. The Regional Master Licensee can also set up a structure of Production Center Licenses within their allocated territory.

   A Regional Master Licensee is able to develop Chocolate Graphics markets within two or more countries (or two or more states in the U.S. or two or more regions in a large country such as China) and has the option of running their own Production Center in their region.

   The Regional Master Licensee has a semi-automatic production facility with the capability of producing a large volume of product per day.

   The core business for a Regional Master License is:
   - Large volume runs
   - National accounts
   - Corporate promotions
   - Large restaurants and hotels
   - The core clients of a PCL (see item 1) if none are appointed

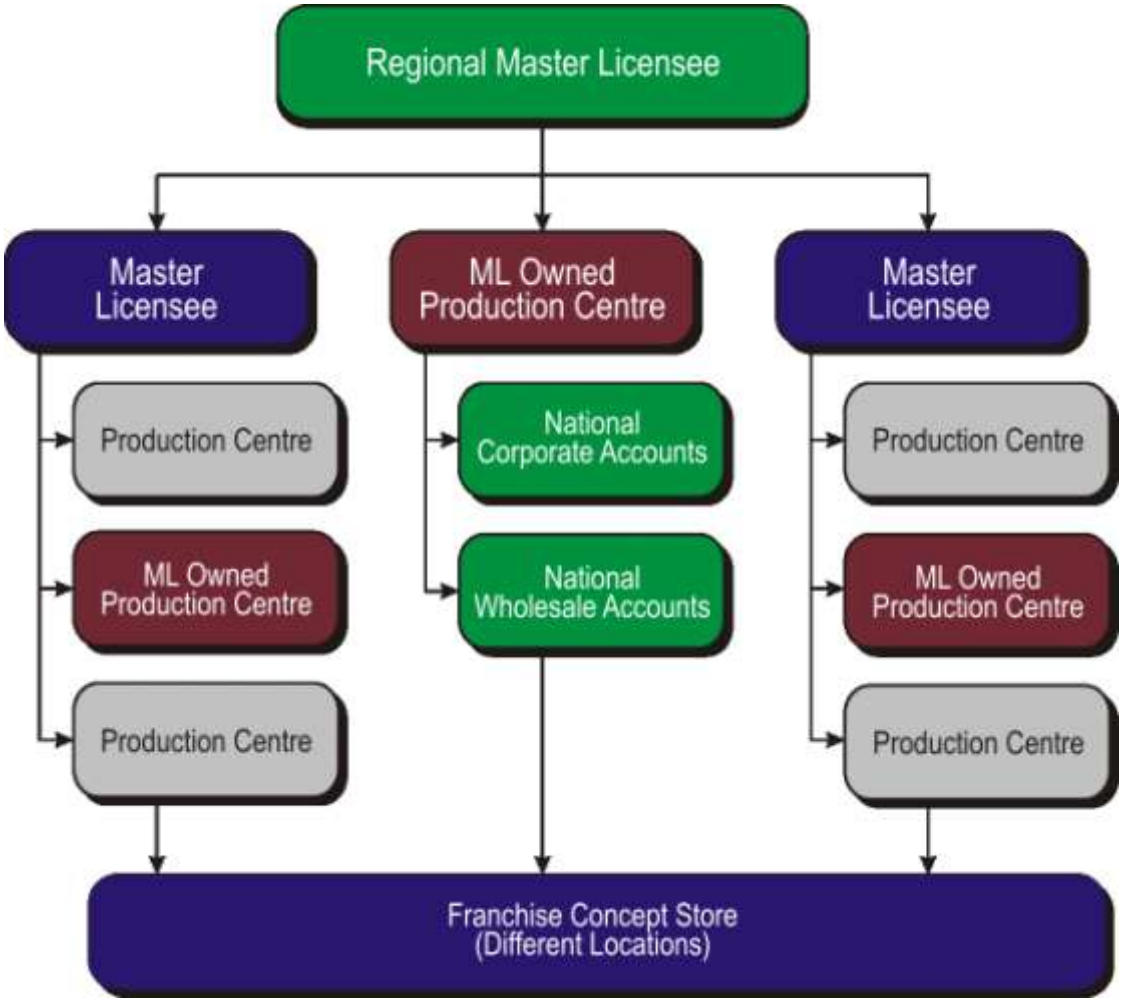
3. **Master Licensee (ML)**
   The Master Licensee is the national headquarters set up to oversee the Chocolate Graphics industry within a country. The Master Licensee can choose, in agreement with Chocolate Graphics International, the distribution strategy to be adopted. The Licensee may choose to manufacture product from one central production facility, or diversify production by setting up a structure of Production Centers within their country.

   If this licensing strategy is chosen, the Master Licensee's objectives will be to promote and sell licenses within their country, and then provide ongoing support for this network.

4. **Retail Store Licensee (RSL)**
   A Retail Store Licensee will open a retail store selling Chocolate Graphics and complementary products in a high-traffic mall or other urban location, and will source product from a designated PCL.

Example Licensing Structure

These models will apply in large countries where different regions can be defined:



Production Center Photos

Summary

The Chocolate Graphics product is unmatched in its uniqueness and quality. To our knowledge no product exists in the marketplace that compares with the Chocolate Graphics patent-protected technology of *embossing chocolate onto chocolate*.

Personalized chocolates have unlimited market potential. Whether you are interested at a local, regional or national level, Chocolate Graphics International has a licensing level for you, and a support and training program to help you achieve success!

We invite you to further review this exciting business opportunity by completing the Registration Form and signing the Confidentiality Agreement (NDNU) that are enclosed with this document. Once we receive the forms from you (either by email or fax) we will send you further information to assist you in evaluating this business opportunity and the exciting rewards it has to offer.

The contact details for our international office are as follows:

Address: Chocolate Graphics International
26/50 James Street
Burleigh Heads
Queensland 4220
Australia

Telephone: +61 7 5535-1900

Fax: +61 7 5535-1911 (in the U.S. 714-259-0746)

Email: info@chocolategraphics.com

Chocolate Graphics International Pty. Ltd.

REGISTRATION FORM

This document is not a contract and does not obligate either party in any way.

You are asked to complete this form in detail so that we can better evaluate your interest.

The information provided is held in absolute confidence.

Please return the completed Registration form (either by email or fax) to:

Chocolate Graphics International Pty Ltd

Attention: International Registration

Email: info@chocolategraphics.com

Fax: +61 7 5535-1911 (in the U.S. 714-259-0746)

Chocolate Graphics International Pty. Ltd.

REGISTRATION FORM

Personal Information

First Name		**Last/Family Name**	
Nationality		**Date of Birth**	Day Month / / Year
		Male ☐	**Female** ☐
Street Address City			
Country		**Post Code**	
Telephone		**Fax**	
Email			

	Yes	No
Would this be a stand-alone business for you?	☐	☐
Would this be a part of a bigger operation?	☐	☐
Do you have experience operating your own business?	☐	☐
Do you have experience owning your own business?	☐	☐

Please advise your current or most recent occupation: _____

Please select the Chocolate Graphics Opportunity that you are interested in:

- ❑ Production Center License
- ❑ Regional Master License
- ❑ Master License
- ❑ Retail Store License

Country/Region of Interest_____

Other _____

Chocolate Graphics International Pty. Ltd.

REGISTRATION FORM

Time Frame for Investment:

- ❑ Less than 3 months
- ❑ 3 – 6 months
- ❑ 6 – 12 months
- ❑ More than 12 months

Liquid Capital to Invest:

- ❑ US$50,000 or less
- ❑ US$50,001 – 100,000
- ❑ US$100,001 – 200,000
- ❑ US$200,001 – 500,000
- ❑ US$500,001 or more

Please list any specific comments or questions you may have:

_____

_____

_____

_____

_____

Declaration

- It is understood that the purpose of this Registration Form is for *'information only'.*
- It is in no way binding upon either Chocolate Graphics International Pty. Ltd. or the applicant.

The undersigned certifies that the information provided is true and accurate.

Name: _____

Signature: _____

Company (if a company): _____

Title (if a company): _____ Date: _____

Please return the completed Registration form (either by email or fax) to:

Chocolate Graphics International Pty Ltd

Attention: International Registration

Email: info@chocolategraphics.com

Fax: +61 7 5535-1911 (in the U.S. 714-259-0746)

Chocolate Graphics International Pty. Ltd.

NON-DISCLOSURE
And
NON-USE AGREEMENT
(NDNU)

Please return the completed and fully signed NDNU to:

Chocolate Graphics International Pty Ltd

Attention : International Registration

Email : info@chocolategraphics.com

Fax : +61 7 5535-1911 (in the U.S. 714-259-0746)

NON-DISCLOSURE AND NON-USE AGREEMENT (NDNU)

This Non-Disclosure and Non-Use Agreement (this “Agreement”) is entered into

as of the: …….…… 20……..

By and between:

(The "Company")

Chocolate Graphics International Pty Ltd – ACN: 097220632

of: 26/50 James Street
Burleigh Heads 4220
Queensland
Australia

And

(The "Confidant")

Individual’s Name ……

Company Name & Title (if a company) …….

……..……..……

Address……..…….……

…….…….…….……

Country …….…….…….……

The Company is in the business of marketing and licensing certain proprietary technology relating to a process and technique for the manufacture of chocolate products with raised designs, and the Confidant is in the business specified in Exhibit ‘A’ hereto.

In order to pursue the mutual business purpose specified in Exhibit ‘A’ (the "Mutual Purpose"), the Company and Confidant recognize that there is a need for the Company to disclose to Confidant certain confidential information of the Company. The Company is willing to disclose such confidential information, providing that it is used only for the Mutual Purpose and is protected from unauthorized use and disclosure.

Please sign here:……

In consideration of the disclosure of such information by the Company, the Confidant agrees as follows:

1. Definition

This Agreement shall apply to all confidential and proprietary information disclosed by the Company to the Confidant, including - but not limited to -information listed in Exhibit ‘A’ (the "Confidential Information").

2. Non-Disclosure and Non-Use

The Confidant agrees to hold the Confidential Information in strict confidence and not to disclose the Confidential Information to any third parties, or use it for any purpose other than the Mutual Purpose, without the prior written consent of the Company. The Confidant may disclose the Confidential Information to its responsible employees, but only to the extent necessary to carry out the Mutual Purpose.

The Confidant agrees that all such employees must be bound by an appropriate agreement with the Confidant not to disclose such Confidential Information to third parties, including consultants, or to use it for any purpose other than the Mutual Purpose.

3. Exceptions

The Confidential Information shall not include any information that is already known to the Confidant at the time that it is disclosed to the Confidant, or which:

(a) becomes publicly known through no wrongful act of the Confidant;
(b) is rightfully received from a third party without restriction on disclosure and without breach of this Agreement;
(c) is independently developed by the Confidant;
(d) is approved for release by written authorization of the Company;
(e) is furnished by the Company to a third party without a similar restriction on disclosure; or
(f) is disclosed pursuant to a requirement of a government agency or of law.

4. Ownership

The Confidant hereby acknowledges that all Confidential Information shall be owned solely by the Company and that the unauthorized disclosure or use of the Confidential Information will cause irreparable harm and significant injury that will be difficult to ascertain.

The confidant also agrees not to register nor use the Company name in any manner whatsoever until a License agreement is signed.

Please sign here:……

Ownership cont …

The use of the Company's name includes any advertising, printed material of any form, registration of companies, and purchase of Web Domains or Email addresses or names. Accordingly, the Confidant agrees that the Company shall have the right to obtain an immediate injunction enjoining any breach of this Agreement.

5. Return of Materials

Upon the written request of the Company, the Confidant will return to the Company all computer program code, documentation and other items representing the Confidential Information and all copies thereof in the Confidant's possession or control.

6. No License

The Confidant recognizes and agrees that nothing contained in this Agreement shall be construed as granting any rights, by license or otherwise, to any Confidential Information disclosed pursuant to this Agreement.

7. Governing Law

This initial Confidentiality Agreement shall be governed by and construed in accordance with the laws of Queensland, Australia.

8. Term

This Agreement shall remain in effect for a period of ten (10) years from the date hereof.

9. Attorney's Fees

In any action to enforce this Agreement, the prevailing party will be entitled to its attorneys' fees in addition to any other recovery awarded.

Please sign here:……

IN WITNESS WHEREOF:
The parties have executed this Agreement as of the date written below.

The "Company"

By: **Chocolate Graphics International Pty Ltd**

……..…….
Print Full Name

……..…….
Print Title

……..…….
Signature

Date: ……201…

The "Confidant"

By: ……..……
Print Full Name

……..……..……
Company Name & Title (if a company)

……..……..……
Signature

Date: ……201…

Please Note:

Please take time to check that all details are correct
and ensure you fully sign *each* page

Within 7 days of receiving this document
CGI will return to you a "Signed and Sealed" copy for your records

Please sign here:……

EXHIBIT 'A'

1. **Current Business of the Confidant**

   Please tell us about your past and current business activities – (add another page if required) and/or attach a Résumé.

   _____

   _____

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   _____

2. **Mutual Business Purpose**

   The Confidant's evaluation of the Company's proprietary technology relating to a process and technique for the manufacture of chocolate products with raised designs, for the sole purpose of the Confidant's determination of whether or not the Confidant wishes to enter into a licensing agreement with the Company with respect to such proprietary technology.

3. **Confidential Information Disclosed by the Company to the Confidant**

   This consists of information regarding the Company's proprietary process and technique for the manufacture of chocolate products with raised designs, and related financial and technical information regarding the production design, manufacture, and marketing of such products.

……o0o……

Please sign here:……