

Company : Chatime – Will Group
 Date : 8/ 2/ 2017
 Media : Channel NewsAsia
 Format : Online
 Page : N/A
 Subject : **La Kaffa identifies new partner to continue Chatime in Malaysia**
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KUALA LUMPUR: The Taiwan franchisor of popular bubble tea chain Chatime has said it has identified a new business partner to continue the brand in Malaysia after a highly-publicised fallout with former master franchisee Loob Holding.

While La Kaffa has yet to disclose the identity of the new partner, it announced on Tuesday (Feb 7) that the company will be setting up a Southeast Asia Regional Operation Centre in Kuala Lumpur to further support its franchises in Malaysia.

La Kaffa had [earlier terminated its franchisee agreement](#) with Loob Holding for allegedly using raw materials that were not part of the approved recipe and for not settling royalty fees in a timely manner.

In an interview with Channel NewsAsia, the franchisor's chairman Henry Wang said: "The brand power in Malaysia with Chatime is very strong - we did receive a lot of enquiries and a lot of big groups; they want to work with us to develop the future Chatime market in Malaysia."

"However, we still believe at present the most important focus is to try to support subfranchisees who can continue with the Chatime brand, continue to support the business in the Malaysia market ... and to give them the laboratory-certified and authorised chatime ingredients to serve the best quality products in the Malaysian market," Mr Wang added.

La Kaffa said that Malaysia is an "important" market for the company as it accounts for 5 per cent of the company's annual turnover.

"WE'RE NEVER GOING TO LEAVE"

In response to Loob Holding's claim that [it had the support of 165 existing Chatime outlets](#) in Malaysia and that the franchise would be rebranded within 45 days to a homegrown beverage outlet, Mr Wang said he believes La Kaffa has support from local subfranchisees too.

"A lot of consumers love our drink and (there are) also subfranchisees who love our brand, who love the product even. So they are passionate about the brand, they really love the brand and they want to stay with it and they want to continue with La Kaffa to develop the Malaysian market," Mr Wang said.

"So definitely we will have some franchisees who will continue to do the Chatime brand. That's why I said we never left and we're never going to leave."

HALAL OR NOT?

La Kaffa reportedly said it could not guarantee the halal status of the "unapproved" raw ingredients used by Loob at its Chatime outlets in Malaysia for the past year.

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In a response issued on Tuesday, Loob said "it can categorically state that all ingredients used at all our outlets are halal-certified either by Jakim directly or through Jakim-recognised halal certification bodies and authorities".

- CNA/am