

Company : Chatime – Will Group
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 Subject : **La Kaffa identifies new partner in M'sia**
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KUALA LUMPUR: La Kaffa International Co Ltd, the owner of Chatime, has identified a new partner in Malaysia to take over the Chatime franchise management in the country as well as the Asean region.

Chairman Henry Wang said the plan to open 72 new stores and take over the existing Chatime outlets via a new master franchisee in Malaysia would also include Indonesia, Thailand and the Philippines, with the regional centre to commence operations in April.

“We would like to ensure the public that Chatime never left and will never leave Malaysia. Through the regional operation centre, we promise to continue reinventing ourselves in order to serve our customers better,” said Wang at a press conference, here, yesterday.

He did not disclose the identity of the new partner.

La Kaffa’s plan to take over Chatime franchise in Malaysia, however, seems a tough move as Loob Holdings Sdn Bhd, the current outlet operator, has said it already owns 165 outlets nationwide, 70 per cent of which are directly held and the remaining are run by family members and friends.

Its chief executive officer Bryan Loo recently said there had been disagreements and disputes over various business and operational matters with La Kaffa but these issues were dealt with in accordance with the terms of the franchise agreement.

With the ownership of the 165 stores, Loo said Malaysia contributed 50 per cent to the La Kaffa group’s revenue.

However, La Kaffa denied the claim and insisted that Loob only owns 100 outlets — 50 of which are via joint venture — while 65 stores are held by franchisees.

Wang said Malaysian operations only contributed five per cent to La Kaffa’s revenue.

“About 40 to 50 stores in Malaysia have agreed to collaborate with La Kaffa to continue operating under the Chatime brand,” he added.

Tensions escalated when La Kaffa raised concerns over raw materials used by Loob in Chatime products, which might not be halal.

Wang said the company had not received orders from Loob for the past one year and could not guarantee the materials were halal.

“We also received emails from the franchisees asking whether La Kaffa has made any changes to the ingredients used in Chatime beverage, alerting us to question the halal status,” he added.

Loob, however, has re-affirmed that all its 165 Chatime outlets use halal-certified ingredients.

“We can categorically state that all ingredients used at all our outlets are halal-certified by Jakim directly or through Jakim-recognised halal certification bodies and authorities,” said Loo in a statement yesterday.

Chatime is a widely-distributed bubble tea chain worldwide, currently operating in 31 countries and more than 80 cities around the world.