

# LOLLICUP® USA, INC.

## Overview



### Our Story

Founded in 2000 by Alan Yu and Marvin Cheng, Lollipup USA began with the opening of our first retail store in San Gabriel, California. By 2004, over 60 stores were opened nationwide. With two new locations in Chengdu, China, we are currently updating our existing locations and plan on opening additional stores in the near future, expanding overseas into Europe and the Middle East.

To ensure consistent quality for all of our beverages, Lollipup USA established two brands, Tea Zone® and Karat®, in 2001 and 2004 respectively. Tea Zone® offers high-quality bubble tea and beverage ingredients, while Karat® comprises of top-grade paper and plastic disposable goods. While expanding our company, we have also established strategic partnerships with Ghirardelli®, Torani®, DaVinci®, Caffe D'Amore™, Jet™, Monin®, Big Train®, Cappuccine™, MoCafe™, and serve as a Master Distributor of these products nationwide. In 2013, after many years of expanding our market presence and focusing on our product lines, our headquarters relocated to a new 300,300 sq. ft. facility in Chino, California and houses a new state-of-the-art manufacturing plant, bringing manufacturing back to the U.S. In addition, Lollipup USA operates two warehouses in Sumner, Washington and Summerville, South Carolina.

We are committed to continuously offer quality products that add a bit of fun and mix a little flavor into your life. Lollipup USA is proud to provide a true “One Stop Solution” for all of our customers’ beverage and food service disposable needs.

### Our Mission

Lollipup USA aims to provide the “One Stop Solution” for all customers’ beverage and food service packaging needs. Working as closely with our customers as they do with each other, our team comprises of friendly and professional customer service, experienced business managers and sales, innovative product developers and graphics, savvy marketing and public relations, and efficient distribution and supply chain management. We work hard to ensure customer satisfaction, resulting in our company growing an average of 30% annually for the past five years.

In a constantly-evolving and fast-paced industry, business development is the most important link to our company’s continued success. Our staff focuses on our customer needs first, and we understand that innovative products and design are a must for

success. Product designs are continually reevaluated and consistently improved. Continuing on to focus on B2B (business to business) growth while supporting our distributors by cultivating their B2C (business to consumer) models, we strive for excellence in customer service and believe in surpassing customer expectations. We won't be satisfied until our customers (and their customers) are satisfied!

## Our Divisions

### Distribution

As one of the few manufacturers to offer direct container services to customers worldwide, Lollicup USA continues to expand year after year. Successfully operating three warehouse locations in Sumner, Washington, Summerville, South Carolina, and Chino, California (HQs), we are able to service the entire U.S. quickly and efficiently. Our brand new 300,300 sq. ft. facility in Chino, California has over 40 loading docks, resulting in us being able to increase inventory and improve upon current order lead times.

### Partners

Beyond Karat<sup>®</sup> and Tea Zone<sup>®</sup>, we provide a myriad of brands offering coffee, syrups, sauces, powders, smoothie mixes, and other beverage solutions such as Torani<sup>®</sup>, DaVinci<sup>®</sup>, Monin<sup>®</sup>, and more. Lollicup USA is truly your "One Stop Solution" for everything you need to run your business smoothly, whether it's a coffee lounge, tea house, yogurt shop, café, or quick-service restaurant.



### Manufacturing

With a new state-of-the-art manufacturing plant in-house at Lollicup USA Chino headquarters, we will soon begin to manufacture our Karat<sup>®</sup> line domestically and are proud to say many of our products will be made in USA. By taking the first steps in bringing manufacturing back to the U.S., we are excited to create more career opportunities in the San Bernardino County and help improve the U.S. economy. With multiple well-positioned manufacturing facilities worldwide, we are able to reduce costs and lead times, fulfill max capacities, provide stability, and offer value, convenience, and direct container shipments for customers internationally.

## Business Development

Interested in starting your own coffee shop, tea lounge, or quick-service restaurant? As a “One Stop Solution,” Lollicup USA offers everything you need to get started. Among disposable paper and plastic foodservice products and beverage ingredients from our brands Karat® and Tea Zone®, we offer various private training programs at our headquarters that allow one-on-one time with our certified trainers. Get the insider tips and secrets to our specialty drinks and all the necessary ingredients and accessories with Lollicup USA.

## Our Brands



Lollicup USA is the proud manufacturer of Karat paper and plastic disposable products for the beverage and foodservice industry. Established in 2004, Karat specializes in high-quality food and drink packaging products such as paper hot cups, plastic cups, food containers, dessert cups, napkins, utensils, janitorial supplies, and more. Customers may mix and match compostable paper cups and lids to fulfill diverse needs and budgets. Karat paper and plastic cups may be matched with most major brands such as IP, Dixie, Sweetheart, and Solo, allowing customers to effortlessly switch in between brands.

In an effort to be more environmentally friendly, Lollicup USA developed Karat Earth, a plant-based line of compostable products. Our eco-friendly products are made with NatureWorks® Ingeo™, a biopolymer that can be completely composted. The Karat Earth line offers compostable utensils, eco-friendly food containers, and eco-friendly paper hot cups, which are Cedar Grove Certified. Both Karat and Karat Earth offer custom printed containers, cups, cup sleeves, and napkins for a personalized touch.



In 2001, Lollicup USA founded and began manufacturing Tea Zone products, an extensive line of high-quality bubble tea and beverage ingredients. The line has since expanded to service the frozen yogurt, bakery, and dessert industries. Currently consisting of products such as tea leaves, boba (tapioca pearls), popping pearls, jellies, syrups & concentrates, powder mixes, and mini mochi, Tea Zone provides all the necessary ingredients customers need to open their own coffee shop or tea house, or simply serve fun and flavorful beverages and desserts at home.



Founded in 2000, Lollicup Coffee & Tea is the premier retailer of milk- and tea-based beverages complemented with tasty, chewy add-ons and addictive snacks, such as our signature Boba Milk Tea and Popcorn Chicken. Lollicup Coffee & Tea locations offer a cozy and welcoming atmosphere, creating a leisurely environment for social gatherings, as well as solitary musings. For those on the go, Lollicup Coffee & Tea's specially designed sealed to-go cups prevent spilling and are great for transporting. With 36 locations (as of March 27, 2014) in the U.S. and China, Lollicup Coffee & Tea plans to continue expanding overseas into Europe and the Middle East, so everyone can join in on the Boba Milk Tea Movement!

## **Sustainability**

### **Green Commitment**

Lollicup USA shares your commitment to the environment. We believe it's important to help care for our planet and we encourage others to do the same. As a company that manufactures paper and plastic products, we are committed to maximize efficiency in the materials and processes we use; promote the environmental attributes of our products; research and develop new materials, products, and technologies that further reduce our energy usage and carbon footprint; promote recycling through the use of recycled content; and utilize renewable resources.

### **Our Efforts**

Committed to significantly reducing and diverting the waste our facilities generate, Lollicup USA's Chino headquarters boasts a state-of-the-art energy-saving LED lighting system and environmentally-friendly heating and air conditioning system throughout the offices and warehouse. Our efforts continue through recycling and minimizing the usage of paper materials through our offices, and regularly sending compacted cardboard carton boxes from the warehouse to recycling centers. We've also reduced our carbon footprint by minimizing overseas shipping and bringing some of our manufacturing to the U.S.

Karat® Earth is our environmental initiative to create a compostable line of products, including paper and plasticware, developed from the idea that living green can help save green. Our Karat® Earth products are fully compostable in commercial composting facilities, and can be converted back to monomer and poly or composted into water, carbon dioxide, and organic materials. The Karat® Earth line offers compostable utensils, food containers, and straws, as well as eco-friendly paper hot cups, which are Cedar Grove Certified. Karat® compostable plastic products are made with NatureWorks® Ingeo™, a biopolymer that is bio-degradable.

Lighting and electronic signage are important components of our cafés and are big users of energy in our stores. Over the past few years we have improved our energy efficiency and all Lollicup® Coffee & Tea retail stores have switched to LED lights. Taking further steps to be eco-friendly, all Lollicup® Coffee & Tea cafés have also reduced printing promotional materials and utilized recyclable cups and containers. By building more energy-efficient stores and facilities, and conserving the energy we use, we push ourselves to reduce the environmental footprint of our business operations.

### **Community Involvement**

Since 2008, as a part of our ongoing commitment to make a difference in our local communities, Lollicup USA hopes to make a positive impact by reaching out to neighboring schools. Each year we allocate at least \$50,000 to sponsor qualified institutions. Our Grab-N-Go Program offers a substantial discount on select beverages to be served at your special event. Lollicup® Coffee & Tea beverages can be customized to suit your event's needs. We will take care of everything, including cups, lids, and straws, so your participants can easily Grab-N-Go! Lollicup® Coffee & Tea also offers eco-friendly cups allowing us to lend a hand to your event the Green Way! Every year, Lollicup® Coffee & Tea allocates a certain amount of gift certificates, at no cost, to be donated to schools. These can be used as incentives to help students reach their fullest potential, or as reward for a job well done.

### **Contact**

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# LOLLICUP® USA, INC.

## Fact Sheet

**Founders:** Alan Yu & Marvin Cheng

**CEO:** Alan Yu

**CFO:** Marvin Cheng

**VP of Sales & Operations:** Joanne Wang

**Year Founded:** 2000

**Headquarters:** 6185 Kimball Ave., Chino, CA 91708

**Website:** <http://www.lollicupusa.com>

**Our Brands:** Lollicup® Coffee & Tea, Karat®, Tea Zone®

**Our Divisions:** Distribution, Manufacturing, Business Development

### **Our Products:**

**Beverages** – milk tea & milk latte, fruit tea & fruit juice, slush & smoothies

**Snacks & Foods** – popcorn chicken, fried calamari, fried squid balls, crispy tofu, fried string beans, mini buns, pork chop rice, chicken leg rice, beef stew rice

**Beverage Ingredients** – tea leaves, boba (tapioca), popping pearls, jellies, syrups, powders, beans

**Dessert Ingredients** – boba (tapioca), popping pearls, jellies, syrups, powders, snow fluff, mini mochi, beans

**Paper & Plastic Products** – paper hot cups, paper cold cups, PET plastic cups, PP plastic cups, portion cups, paper food containers, paper food buckets, cup accessories, napkins, paper towels, straws, utensils, custom printing

**Eco-Friendly** – compostable utensils, food containers, hot cups, custom printing

### **Lollicup® Coffee & Tea Stores:**

36 (as of March 27, 2014) – CA, CO, FL, MA, MO, NV, UT, China