

Karat[®] BY LOLLICUP[™]

Manufacturer & Supplier of Premium Beverage and Disposable Food Service Products

Announcement

To: All Customers
From: Operations
Date: Sept 4, 2020
Re: **Price Increase Announcement**

Dear Customers,

Due to the pandemic of the Coronavirus that has impacted the global supply chains, Karat[®] by Lollicup[™] had done our best to delay the price increase and absorb the additional cost as much as we can. We have seen the trend of price increase on freight fees, transportation, and raw materials, and not only the ocean freight & domestic transport has double since June 15, 2020, but it will also most likely be continuing to increase until the end of the year and possibly into 2021. Therefore, with us already paying three times more than what we paid in the first quarter and the foreseen shortage on supply coming into the US, Karat[®] by Lollicup[™] will impose a 3% increase in the following categories effective on September 15, 2020.

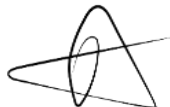
Categories with 3%+ price increase:

Effective 9/15/2020, 3%+ increase on the following Categories:
Food Containers & Lids
Fold To Go
Food Pails
Food Trays
PET/PP Hinged Containers
PET Hinged Deli Containers
PET Salad Bowls & Lids
PP Deli Containers & Lids
Portion Cups and Lids
Injection Molded
PLA Cups & Lids
PLA/PP Straws
Napkins
Tall PP Cups & Lids
Tea Zone

Karat[®] by Lollicup[™] is doing everything we can to ensure enough supply for our customers and is actively allocating goods to minimize the shortage

We appreciate your patience in this matter. If you have any questions or concerns, please do not hesitate to reach out to your customer service or sales representatives. Once again, we thank you for your business and we value your partnership with us.

Regards,



Alan Yu
Chief Executive Officer