

DTS8 Coffee – Shanghai’s Gourmet Coffee Roaster of Choice for Good “Cuppa” Coffee

DTS8 Coffee Co. Ltd. takes a 19% equity interest in a company to own and operate *Café De La Don Manuel*’ branded coffee shops throughout China, first café coming soon

DTS8 Coffee Company Ltd (OTC BB: BKCT, BERLIN: 9BE) is a purveyor of fresh, artisan roasted, gourmet coffee. DTS8 imports, roasts, markets and sells superior quality Arabica coffee in Shanghai and other parts of China. DTS8, a gourmet coffee roaster, is strategically positioned to participate in the growing Chinese coffee market, considered as one of the fastest growing in the world.

Mr. Tan, CEO of DTS8 commented, Starbucks (“SBUX”) CEO Howard Schultz told China Daily Newspaper that “It’s no doubt that one day China will become our second largest market after the United States, and it’s possible that, over many years, potentially the largest one.”

Mr. Tan, CEO of DTS8 added “according to market research firm Mintel, the number of cafés in China has doubled from 15,898 to 31,283 between 2007-2012, demonstrating the rapidly increasing coffee consumption levels of the Chinese domestic market. Interesting factor at play is that many Chinese coffee drinkers place greater value on the experience and environment these cafés provide”.

Mr. Tan, CEO of DTS8 said that “Shanghai is currently the coffee culture capital of China with over 100 Starbucks shops, the highest average annual coffee consumption levels per person, and a prominent café culture.”

On June 11, 2014, DTS8 entered into a joint venture with a Chinese partner, Mr. Li Houkai, an established business-

man in Shanghai. The joint venture, of which DTS8 owns a 19% equity interest, is in the process of building, owning and operating ‘Café de la Don Manuel’ branded coffee shops in Shanghai, eventually expanding to surrounding areas already targeted for growth potential. DTS8 will benefit through increasing revenues from new sales of roasted coffee as well as through its share of distributable profits from the joint venture.

Commenting on this new development, Mr. Alex Liang, Chairman of DTS8 stated: “Don Manuel® is an upscale quality brand from the United States which is quite appealing to new coffee drinkers in China seeking a higher status through adoption of the western lifestyle. We identified potential for accelerated growth in revenue for DTS8 well into the future from sale of roasted coffee.”

DTS8 holds an exclusive license from Coffee Holdings Co. Ltd (“JVA”) to roast, market and sell, their Don



DTS8 Coffee Company’s high quality coffees are available in coffee shops, restaurants, specialty gourmet food stores and offices in China.



Manuel® brand of 100% Colombian coffee in China, as well as in Taiwan, Thailand, Vietnam, Cambodia, Laos, Philippines, Myanmar, Indonesia, East Timor, Hong Kong, Macau, Malaysia, Singapore and Brunei. Don Manuel® coffee is artisan roasted by DTS8 under strict standards, ensuring that every cup offers a rich, full bodied coffee with chocolate flavors, sweet-toned syrupy notes and a smooth, clean finish.

Mr. Liang continued, “We are very excited with the potential for “Café de la Don Manuel” shops in Shanghai. Starbucks’ recently reported it has opened 164 net new stores in its China/Asia Pacific segment during the last quarter providing Starbucks with its strongest growth,

a 23 per cent increase in quarterly revenue.”

DTS8 Coffee Operations Review

DTS8 roasted coffees continue to be well regarded by Chinese consumers for their uniqueness, consistency and special flavor characteristics which has converted to consistent year-over-year revenue increases. For the twelve months ending April 30, 2014, revenue increased to \$310,003 compared to \$253,790 for the twelve months ended April 30, 2013. The year over year increase of 22.15% is attributable to an increase in sales to existing and new wholesale customers.

Alex Liang, Chairman of DTS8 Coffee Company further commented “DTS8 continues to increase annual revenue. This year’s revenues compare favorably to the increase of 15.13% achieved on year over year annual sales of \$253,790 for the twelve

months ended April 30, 2013 versus \$220,421 for the year ended April 30, 2012. Previously, year over year revenues increased by \$177,347, or 412%, to \$220,421, for the year ending April 30, 2012, compared to \$43,074 for the year ending April 30 2011. We will continue to increase our marketing efforts to deliver this favorable growth trend of consecutive years of positive revenue growth.”

“Students returning from abroad, increasing international travel, both business and tourist will keep China’s coffee consumption growing at a 15 to 20 percent annually for the future,” said Mr. Liang, Chairman of DTS8.

Massive urbanization continues to create increasing disposable income among the young population who are seeking to emulate an affluent lifestyle through consumption of recognized western brands. These factors are significant drivers behind the growing demand for fresh, premium, artisan roasted coffees and were key elements in the decision to proceed with the introduction of the ‘Café de la Don Manuel’ coffee shops. Presently, China’s average coffee consumption is less than one cup per person per year, while the world’s average is estimated at 240 cups per person.

Establishing new strategic alliances while developing customers in new regional clusters, training entrepreneurs in coffee retail and preparation practices, as well as introducing new coffee machines are just some of the key developments being undertaken by DTS8 to grow and to improve its competitiveness, while taking advantage of the many opportunities available in the growing Chinese coffee market.

DTS8’s Market Strategies

DTS8’s market strategy is to grow in a controlled manner by developing and enhancing both its brand image and quality reputation. The combination of DTS8’s own brands with the Don Manuel® brand and now ‘Café de la Don Manuel’ coffee shops provides a differentiated coffee product positioning based on superior quality. Further expansion into select channels of distribution within different geographic territories creates significant opportunities for growth. DTS8’s proven commitment to quality and service establishes a high degree of repeat business and customer loyalty.

DTS8’s Growth Strategies

Success of DTS8 is dependent on a corporate culture of total awareness and understanding of the marketplace in which it operates. DTS8 continues to research and identify significant growth opportunities in a number of areas.

DTS8 expects to add additional revenue streams through acquisition, increased distribution and expansion of sales to new retail coffee shops,

specialty food stores, hotels, offices and restaurant accounts.

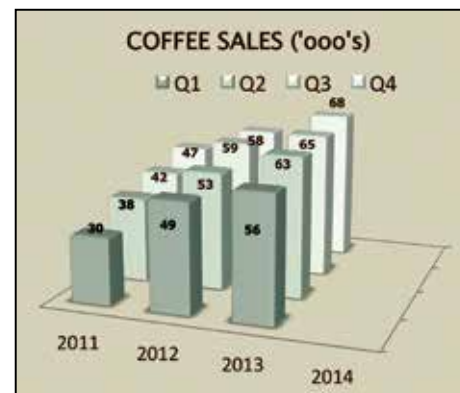
DTS8 Coffee’s Competitive Advantage

DTS8 Coffee’s management team of experienced Canadian businessmen have spent the past several years developing business relationships in Shanghai; the coffee culture capital of China. This city of 20+ million has the highest average annual coffee consumption level per person in the country, and features a prominent and growing café scene. DTS8’s sales office is located in Shanghai.

DTS8’s roasting facility is located in Huzhou, Zhejiang province, a short distance away from Shanghai. Localized operations provide DTS8 with a significant advantage over foreign competitors with only satellite operations in China.

DTS8 is gaining acceptance as an integral member of the Shanghai coffee culture. This is a great benefit to DTS8 and provides an advantage in reaching new coffee consumers in other parts of China as well as in other targeted areas.

Investment Considerations



As the revenue chart above indicates, DTS8 expects to sustain controlled growth and increased revenues through targeted marketing and sales efforts aimed at satisfying the increasing demand for high quality, artisan roasted, coffee in China.

S&P Capital IQ has initiated coverage on DTS8 Coffee Company Ltd. in Standard & Poor’s Factual Stock Reports to increase market awareness of DTS8 Coffee in the investment community. The insightful commentary, key statistics and information is made available to keep investors up to date with DTS8 Coffee Company Ltd.



DTS8 Coffee Company Ltd. specializes in high quality coffee roasts created to provide the long lasting aroma and alluring taste sought by the affluent-seeking Chinese coffee drinkers, a market projected to grow exponentially in the coming decade.



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 Active Float: 7.6 million
 52 Week Trading Range:
 Hi: \$0.42 Low: \$0.07