



CHLITINA HOLDING LIMITED 2023 Q1 BUSINESS REPORT

CHLITINA | 克麗緹娜

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Company Profile & Business Outlook



Business Performance & Financial Overview



Q&A



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Q&A

Corporate Snapshot

Stock Ticker	4137 TT (麗豐-KY)
Market Cap.	around NT\$ 17.5bn
Capital Stock	NT\$ 795m
2023Q1 Sales	RMB 214m / NT\$ 946m
2023Q1 Net Profit	RMB 90m / NT\$ 397m
2022 ROE	14%
Main Shareholder	Wealthy Garden (35.29%)

Business Scope

Main Business Activities	R&D, manufacturing and sale of skincare and beauty products; In addition to our beauty salon franchise network, we have entered e-commerce and the medical beauty sector; We are also actively developing various anti-aging and regeneration research projects.
Market Positioning	Mid-to-high end skincare products; Beauty salon franchise industry leader; In recent years, we have also been involved in aesthetic surgery and in anti-aging research.
Market Focus	Mainland China (about 95% of sales).
Main Business Channels	Franchise beauty salons ; Self-owned aesthetic surgery clinics; Self-owned e-commerce platform; Strategic investments.
Brands and Business Scale	<ul style="list-style-type: none">-CHLITINA 克麗緹娜 (beauty salon franchise): 5,027 stores around the world.-RnD瓊緹 (manicure and eyelash extensions salon franchise): over 600 stores.-UPLIDER 雅樸麗德, HEDENG 禾登, JINGHE 晶禾 (self-operated aesthetic surgery and anti-aging clinics): 5 medical clinics.-XINMEILI MALL 新美力商城 and Tmall Flagship 天貓旗艦 (self-operated e-commerce platform), complementing physical stores.

Company History: 30 Years of Brand Value and Product Power

Establishing the Brand

1989
Dr. Wu-Kang Chen successfully introduced the use of **amino acids** in skin care formulation and created the **CHLITINA 克麗緹娜** brand.



Setting Up a Supply Chain

2001-2003

- Manufacturing and training facilities built in Songjiang near Shanghai.
- CHLITINA awarded **China Famous Brand** label.



Focusing on Branding, Portfolio, and Network Upgrade

2017-2019

- 2017 **UPLIDER** medical beauty and anti-aging clinic channel created.
- 2018 Entire group converted to digital management.
- 2019 Light Up charity upgraded to a Foundation.
- 2020 **Youthkeeper Serum**, developed from own patent, awarded Beauty Star by ELLE Magazine.



1989

1997

2003

2007-2015

2017-2019

2020-2022

2023

Rapid Expansion

From 1997 on
Chairwoman Joanna Chen brought the **CHLITINA products and franchise model** into China, ushering in a period of strong growth for the company.



Stable Expansion & Capitalization 2007 -2015

- 2007: Brand present in all regions of China with a network of 2,000 franchise stores.
- 2012: Network comprises 3,000 stores worldwide.
- 2013: Company listed on the **Taiwan Stock Exchange**.
- 2014: Xinmeili e-commerce platform created.

Since 2015, CHLITINA has appeared 6 times among the **Taiwan Top 25 Global Brands** - the only beauty company selected; Also awarded Asia Best Brand, Most Influential Beauty Franchise Organization, China Top 100 Franchise, among other awards.

Undaunted by the Epidemic, Pursuing Concentric Diversification 2020-2022

- 2020: Diversification, strategic investments in the biomedical field.
- 2021: In times of epidemic, in spite of the downward trend, sales grew by 40%.
- Return to the group's strong foundation: **product power**.
- Chairwoman Joanna Chen awarded **Best Female CEO** by Harvard Business Review.



**Brand Value,
Network
Expansion,
ESG**

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聚焦優勢 凝聚團隊 擁抱創新

Group Structure



Business Update: “Brand, Products, Training” Core Business Strengths

- Established in Taiwan in 1989, the company currently owns and operates 4 major divisions: CHLITINA, UPLIDER, RnD, and XINMEILI.
- Industry leader in the Asia-Pacific region, the company has significant advantages in terms of product development, supply chain management, online-to-offline integration, and so on.
- Since its creation, the company has maintained a rapid growth trend. In recent years, CHLITINA has stepped into the fields of regenerative medicine and anti-aging, an expansion strategy well served by its strong execution capabilities and franchise network management know-how.

CHLITINA HOLDING’S Four Main Business Channels

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Beauty Salon Franchise

5027 franchise stores



RnD Professional Manicure
環緹专业美甲

Manicure & Eyelash Extension Salon Franchise

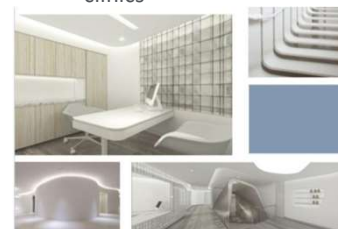
600 franchise stores



UP LÍDER 雅樸麗德

Self-operated regenerative medicine and anti-aging clinics

3 aesthetic surgery clinics **2** anti-aging centers



新美力
Beauty Health Happiness

E-commerce platform

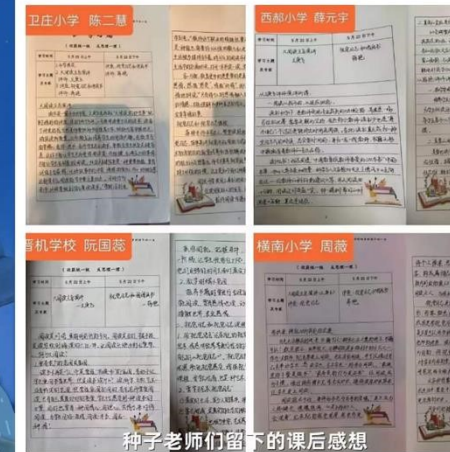
800,000 members



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Business Update: Latest Branding and Charity Campaigns

Embedded Marketing: Strengthening Brand Positioning



Reading Promotion Activity by Light Up Foundation:

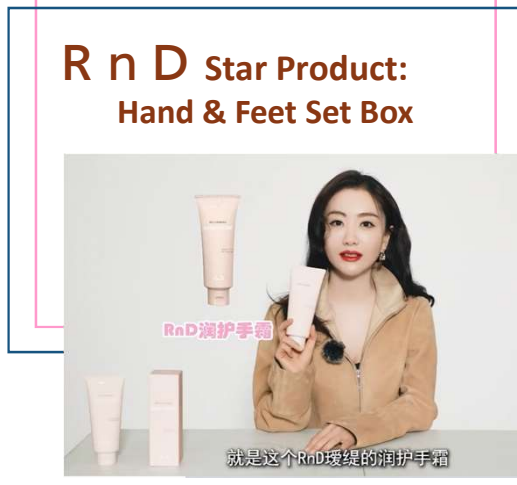
Donated thousands of books, and provided training for 47 teachers in order to improve the rural reading environment, and to cultivate children's interest in book reading

心模式·大未来
聚焦优势 凝聚团队 拥抱创新

Business Update: “Brand, Products, Training” Core Business Strengths



Hong Kong Cantopop stars Charlene Choi and Gillian Chung (“Twins”) enrolled to promote the Youthkeeper Serum in its new pink packaging and the V-contour lifting Youthkeeper Mask



Business Update: “Brand, Products, Training” Core Business Strengths



Attending a famous university, a dream come true for some members of the network, thanks to CHLITINA: the Tongji University-Chlittina Store Manager Professional Management Training Course (1st Term)



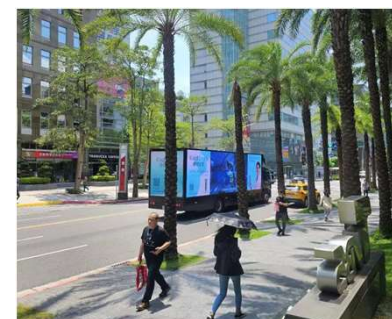
Business Update: "KindShare Biomedical Ltd." -- New Products, New Departure!

New Health Business Map: launching new company KindShare Biomedical Ltd in Taiwan, implementing "water, microbiome, regenerative medicine" concept, developing new products, entering major distribution channels



"Did you catch a prize today?"

Snap a picture of the Oral Health publicity vehicle, upload it and become a member of the KindShare experience group



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Business Update: "Taiwan Treasure" – the Silicon Precious Alkaline Water

硅秘天然鹼性水 水中黃金偏硅酸



- 中央山脈 **台灣唯一** 天然鹼性玄武岩
- 美國Beta實驗室測定 水齡超過**4,500年**
- 天然恆定 **pH9.0** 鹼性水
- 天然 **小分子** 水 好吸收 助代謝
- 豐富礦物質、微量元素、**偏硅酸**
- 偏硅酸高達 **90~110mg/L**
- 軟水** 水質 口感甘醇圓潤

偏硅酸 珍稀青春元素



- 人體必須**
強化骨骼結構
- 提供彈性**
血管細胞壁
改善血壓 預防動脈硬化
- 養顏美容**
皮膚 頭髮 指甲
維持青春 抗衰老
- 預防失智**
幫助排出體內鋁元素

降低心血管風險 5名受測者，一天一瓶，連續飲用22天

- 1) **100%** 心血管健康改善
- 2) **80%** 三酸甘油脂數字降低
- 3) **40%** 心血管風險降低
- 4) **50%** 健檢數值 **紅字變黑字**



逆轉外表老化



- 1) 膚質水嫩滿意度，全部 **80%** 以上
- 2) 頭髮強健滿意度，全部 **80%** 以上

9名受測者，一天一瓶，連續飲用30天



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聚焦優勢 凝聚團隊 擁抱創新



Company Profile & Business Outlook



Business Performance & Financial Overview



Q&A

Main Channel : CHLITINA Beauty Salon Franchise

- **Training sessions:** intensive or not
- **Beauty products:** for customers to bring back home or for beauticians to use inside salon

- **Sale of skin care products** (GP around 50%)
- **Sale of services** (GP around 90%)



- Income from franchise fee and product sales
- Minimum purchase requirement
- Standard storefront requirement

- Investment RMB700,000 to RMB1m
- Rent, salaries, and other expenses borne by franchisee
- It takes franchisees about 2-3 years to break even

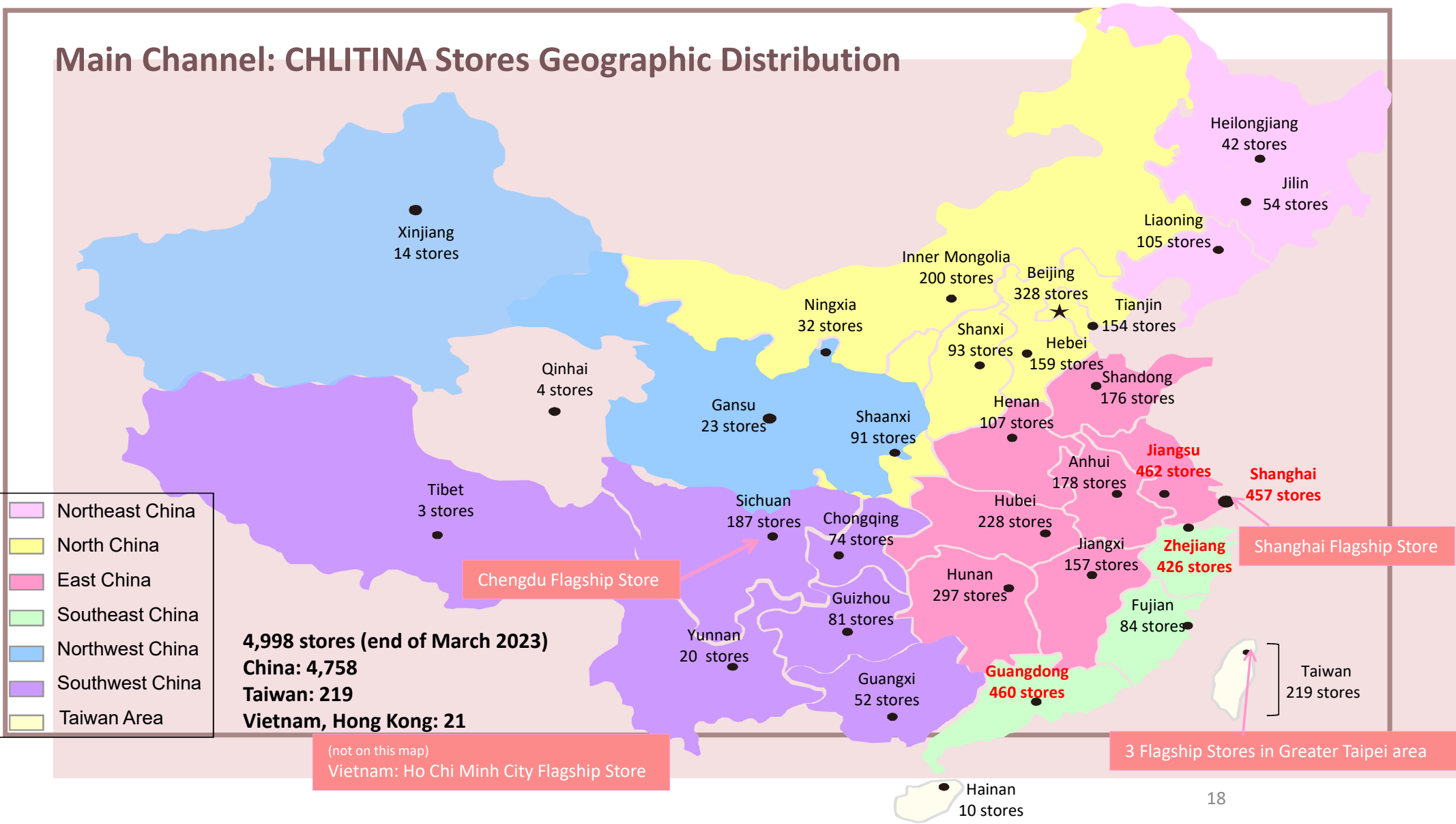
Reinforcing product-oriented strategy; Increasing quality both at C- and B-ends through product sales and marketing, and turning products into a long-term driving force for growth

Main Channel: Franchise Network Scale

CHLITINA Franchise Salons – Store Count



Main Channel: CHLITINA Stores Geographic Distribution



4,998 stores (end of March 2023)

China: 4,758

Taiwan: 219

Vietnam, Hong Kong: 21

(not on this map)
Vietnam: Ho Chi Minh City Flagship Store

3 Flagship Stores in Greater Taipei area

Main Channel: Franchise Store Age Analysis

CHLITINA Franchise Stores: Age vs. Sales

CHLITINA franchise stores (mainland China only)	<1 year	1-3 years	3-5 years	5-10 years	>10 years	Total
Percentage of stores as of 2023.3.31	6%	25%	22%	28%	19%	100%
Percentage of 2023 Q1 sales	9%	21%	19%	30%	21%	100%
2023 Q1 Average SSS (unit: RMB1,000)	58	35	37	42	44	40

Focus on reinforcing personalized assistance to stores, improving individual store business performance

Main Channel: Franchise Store Location Analysis

In developed and well-off areas, priority is given to stabilizing stores, increasing SSS and attracting new investments.

In developing areas, efforts are focused on improving store management and visibility.



Geographic Distribution	Developed Areas	Well-off Areas	Developing Areas	Taiwan, Hong Kong, Vietnam	Total
Percentage of stores as of 2023.3.31	46%	44%	5%	5%	100%
Percentage of sales in 2023 Q1	42%	48%	6%	4%	100%
2023 Q1 Average SSS (unit: RMB1,000)	37	43	46	35	40

Impact of the Covid-19 epidemic peak

Financial Overview ^(¼)

Profit Breakdown by Channel

Unit:
RMB1000

Item	2021			2022			2023 Q1		
	Rev.	Exp.	GPM	Rev.	Exp.	GPM	Rev.	Exp.	GPM
Beauty Salon Franchise	1 133 391	172 590	85%	882 993	144 608	84%	201 020	30 920	85%
E-commerce	26 905	10 283	62%	11 857	5 357	55%	2 061	994	52%
Clinics	54 236	23 041	58%	25 411	10 902	57%	10 576	3 598	66%
Total	1 214 532	205 914	83.0%	920 261	160 867	83.0%	213 657	35 512	83.0%

Financial Overview (2/4)

Condensed Income Statement

Unit: \$1000

Item	2021		2022		2023 Q1	
	RMB	NT\$	RMB	NT\$	RMB	NT\$
Operating revenue	1 214 532	5 271 313	920 261	4 069 210	213 657	946 265
Operating costs	-205 914	-893 709	-160 867	-711 322	-35 512	-157 279
Gross profit	1 008 618	4 377 604	759 394	3 357 888	178 145	788 986
Gross profit rate	83%		83%		83%	
Selling exp.	-424 604	-1 842 866	-330 536	-1 461 564	-77 890	-344 967
Admin exp.	-175 852	-763 233	-162 003	-716 345	-39 680	-175 739
Operating profit	408 162	1 771 505	266 855	1 179 979	60 575	268 280
Total non-operating	64 952	281 904	-5 144	-22 745	57 297	253 763
Profit before tax	473 114	2 053 409	261 711	1 157 234	117 872	522 043
Income tax exp.	-160 857	-698 152	-105 722	-467 482	-28 182	-124 815
Profit for the period	312 257	1 355 257	155 989	689 752	89 690	397 228
EPS (NT\$)	3.93	17.05	1.96	8.68	1.14	5.03
Cash dividend (yearly)	NT\$8.5 per share (cash)		NT\$7 per share (cash)		N/A	

Financial Overview (3/4)

Condensed Balance Sheets

Unit: \$1000

Item	2020.12.31		2022.12.31		2023.3.31	
	NT\$	%	NT\$	%	NT\$	%
Cash and cash equivalents	5 973 191	60%	5 644 321	66%	3 783 307	43%
Net accounts receivable	3 641	0%	2 103	0%	1 919	0%
Inventories	454 865	5%	486 317	6%	465 472	5%
Investment (Equity method)	215 619	2%	213 149	2%	212 023	2%
Property, plant and equipment, net	1 319 890	13%	1 229 695	14%	1 207 899	13%
Right-of-use assets	490 611	5%	410 275	5%	380 450	4%
Others assets	1 577 227	16%	610 122	7%	3 017 195	33%
Total Assets	10 035 044	100%	8 595 982	100%	9 068 265	100%
Bank loans	2 505 042	25%	2 180 408	25%	2 161 965	24%
Accounts payable	98 810	1%	81 045	1%	77 131	1%
Other payables	803 571	8%	449 444	5%	380 415	4%
Lease liabilities	502 616	5%	413 655	5%	381 424	4%
Other liabilities	1 131 977	11%	820 133	10%	1 016 892	11%
Total liabilities	5 042 016	50%	3 944 685	46%	4 017 827	44%
Common capital	794 924	8%	794 924	9%	794 924	9%
Capital surplus & legal reserve	2 633 704	26%	2 732 977	32%	2 748 520	30%
Unappropriated retained earnings	2 129 574	21%	1 766 508	21%	2 165 906	24%
Other equities	-565 174	-6%	-643 112	-7%	-658 912	-7%
Total equity	4 993 028	50%	4 651 297	54%	5 050 438	56%

Financial Overview (4/4)

Cashflow Analysis

Unit: \$1,000

Item	2021		2022		2023Q1	
	RMB	NT\$	RMB	NT\$	RMB	NT\$
Net cash provided by operations	414 198	1 797 702	62 767	277 546	65 077	288 210
Net cash provided (used in) investments	-133 270	-578 421	217 718	962 707	-466 353	-2 065 430
-Acquisition or disposal of real estate or equipment	-22 187	-96 297	-12 850	-56 820	-1 846	-8 176
-Other	-111 083	-482 124	230 568	1 019 527	-464 507	-2 057 254
Net cash used in financing activities	-102 196	-440 232	-363 159	-1 604 041	-10 847	-48 543
-Dividend distribution	-156 445	-675 685	-216 061	-953 908	0	0
-Other	54 249	235 453	-147 098	-650 133	-10 847	-48 543

May 2023:
CHLITINA invited to the Digital Transformation Summit



Q&A

FOCUS

核·聚·變

聚焦核心優勢 | 凝聚團隊力量 | 擁抱變革創新

CHLITINA
克麗緹娜

RnD
環緹·專業美甲美睫

UP LÍDER
雅樸麗德

新美力
MY BEAUTY FORCE