



CHLITINA HOLDING LIMITED Q2 2023 BUSINESS REPORT

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Corporate Snapshot

Stock Ticker	4137 TT (麗豐-KY)
Market Cap.	around NT\$ 17.5bn
Capital Stock	NT\$ 795m
H1 2023 Sales	RMB 471m / NT\$ 2.07bn
H1 2023 Net Profit	RMB 126m / NT\$ 555m
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	- 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

心模式·大未來

聚焦優勢 | 凝聚團隊 | 擁抱創新

Group Structure



Beauty salon
franchise
network

Self-operated
e-commerce
platform

Self-operated
medical beauty
clinics

Nail and Eyelash
salon franchise
network

Training
academy

Production
facilities

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

CHLITINA | 克麗緹娜

Beauty Salon Franchise

5027 franchise stores



RnD Professional Manicure
環媛专业美甲

Manicure & Eyelash
Extension Salon Franchise

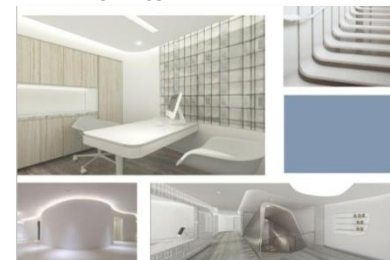
600 franchise stores



+ UPLIDER 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



Business Update: Shanghai International Film Festival and TV Series Official Skin Care Partner

弦子的逆龄肌密： 予肌肤一场奢宠 SPA

告别压力，享受独处，时光之下，当精华汇聚，肌肤清电复活，灯光之下，肌肤细腻，香气如酒，身心舒悦，用一份惬意的护肤 SPA 沉浸式宠爱每一寸肌肤，凝就整日的美好。

大家好我是弦子，我最近一直在忙碌工作，今天难得休息，就想放松一下来给皮肤做一个深层护理。克丽缇娜是我一直坚持去了很多年的美容院，一方面是因为门店多，随时可以用碎片化的时间去管理皮肤；另一方面是作为 30 年+ 的专业美容院，克丽缇娜自家的护肤产品跟这样的逆龄肌肤来谈更加安心。在皮肤状态稳定基础上叠加更有针对性的抗衰护理，也会有事半功倍的效果。30 岁之后的抗老是持久战，日常护理很重要，但底层的精修处理是点睛所在。我这次体验的是“定制面部护理+精准抗衰眼部护理”项目，听说能为肌肤补充胶原蛋白，我们现在一起去看看吧。

130C 150 100 95

克丽缇娜门店：上海南京路 1100 号

STEP 1
精准定制个性化护肤方案
通过专业仪器检测，精准分析肌肤问题，制定个性化护肤方案，精准解决肌肤问题，达到肌肤平衡与紧致，使肌肤不再受外界环境刺激和伤害，肌肤自然年轻。

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“精准检测皮肤问题”



Collaborating with stars for store promotion, brand events, etc.
Continuing to work on brand image, marketing campaigns, business promotion plans, and so on.

CHLITINA | 克丽缇娜
第24届上海国际电影节 • 第27届上海电视节 • 指定护肤品牌



CHLITINA | 克丽缇娜
第24届上海国际电影节 • 第27届上海电视节 • 指定护肤品牌



心模式 · 大未来
聚焦优势 | 凝聚团队 | 拥抱创新

Business Update: Testimonials on Social Media, Large-Scale Live Broadcasts and Other Online Activities

Promotional videos aimed at potential franchisees and customers are posted on the company's official website.



Subsidiaries assist franchisees in posting contents on social media, and in shooting short videos in which they tell about their personal experience and talk in a warm-hearted spirit about the ups and downs of running a business.



#克丽缇娜贵州故事
从顾客到经营者，从相夫教子到独当一面，员工前是好老板，家庭前是好妈妈好妻子！2023更是一往无前，这是克丽缇娜人



2天前 影音號 · CHLITINA 云贵...

Business Update: **CHLITINA** Is Being Noticed in Ho Chi Minh City



Promoting our products and building brand awareness in Vietnam, where **CHLITINA** won a 2023 Top 10 Beauty Brand Gold Award.

Increasing exposure inside the pages of local beauty magazines, and collaborating with local stars to increase the prestige of our directly-operated flagship store in Ho Chi Minh City.

Business Update: KindShare Cooperates with Jian Tong Cultural and Educational Foundation in Organizing Various Public Welfare Activities

KindShare
慷碩生醫

你的健康 水知道健康講座

好水為先 找回身體自癒力
全方位防蛀護齦口腔護理新發現

免費參加

8月6日(週日)
13:30-16:00

趙國翔醫師
健康2.0 指定來賓
御森美學牙醫診所院長
曾任健保署醫藥審查專家

韓柏樑教授
臺北醫學大學名譽教授
健康養生書籍暢銷作家
TVBS看板人物

**強強聯手
打造人體健康自癒力**

報名電話：(02) 2609-5857
活動地點：台北文創6樓E廳 台北市信義區菸廠路88號
(捷運 國父紀念館站 5號出口)

主辦單位：慷碩生醫 協辦單位：財團法人建同文教基金會

(掃描報名)

建同文教基金會

找回快樂 健康與幸福

[韓教授-環島話聊]
公益講座 宜蘭場

日期 2023/08.19(六)
時間 14:00-16:00
地點 好時光空間 宜蘭縣宜蘭市嵐峰路二段20號
(熊與喵咖啡2F)

精彩內容 場場爆滿

韓柏樑 教授
· 北醫公共衛生學系名譽教授 · 韓養品牌創始人
· 建同文教基金會 營運長 · 2019 TVBS看板人物

建同文教基金會 報名連結

主辦單位 | 建同文教基金會 贊助單位 | KindShare 慷碩生醫

As part of our ESG goals, KindShare is cooperating with welfare organizations to promote lectures on body and mental health, so that consumers can understand the company's products while acquiring useful health-related knowledge.

建同文教基金會

Business Update: Light Up Foundation Disaster Relief after the Zhuozhou floods



Soon after the catastrophic floods in Zhuozhou, Hebei Province, **CHLITINA** swiftly sent a large amount of relief material such as blankets and electric kettles to the disaster area.

Business Update: ESG Implementation and Execution

- ✓ Human Resources Development Data
- ✓ Talent Management Plan (Company Side)
- ✓ Employee Development Plan (Staff Side)
- ✓ Product Service Quality
- ✓ Customer Care / Customer Welfare
- ✓ Social Care and Public Welfare
- ✓ Industry Development Promotion
- ✓ Diversity and Inclusion

- ✓ Green Gas Inventory and Confirmation
- ✓ Carbon Emission Improvement Plan
- ✓ Energy and Water Management Data
- ✓ Waste Management and Improvement Plan
- ✓ Carbon- and Energy-Saving Management Plan
- ✓ Climate Change Response
- ✓ Green Packaging
- ✓ Product Carbon Footprint

- ✓ Corporate Governance
- ✓ Protecting Shareholders Rights and Interests
- ✓ Risks and Compliance
- ✓ Business Ethics
- ✓ Information Transparency
- ✓ Intellectual Property Management
- ✓ Information Security
- ✓ Responsible Sourcing

- ✓ Implemented
- ✓ In Progress
- ✓ Being Planned

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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%)



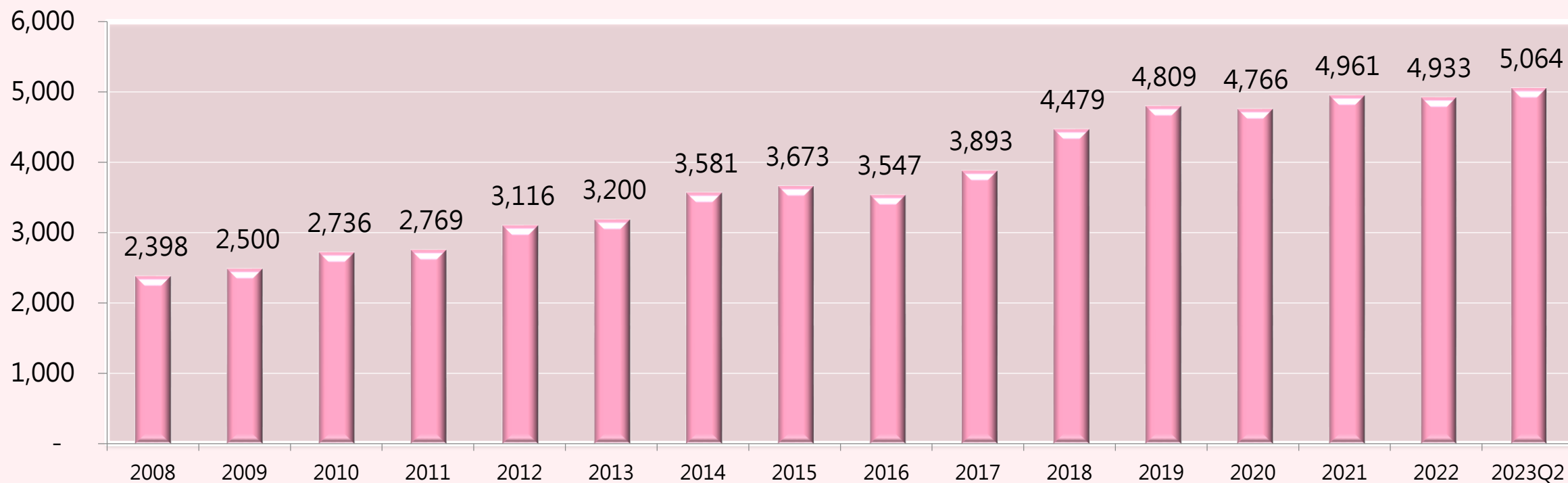
- Income from franchise fee and product sales
- Minimum purchase requirement
- Standard storefront requirement

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

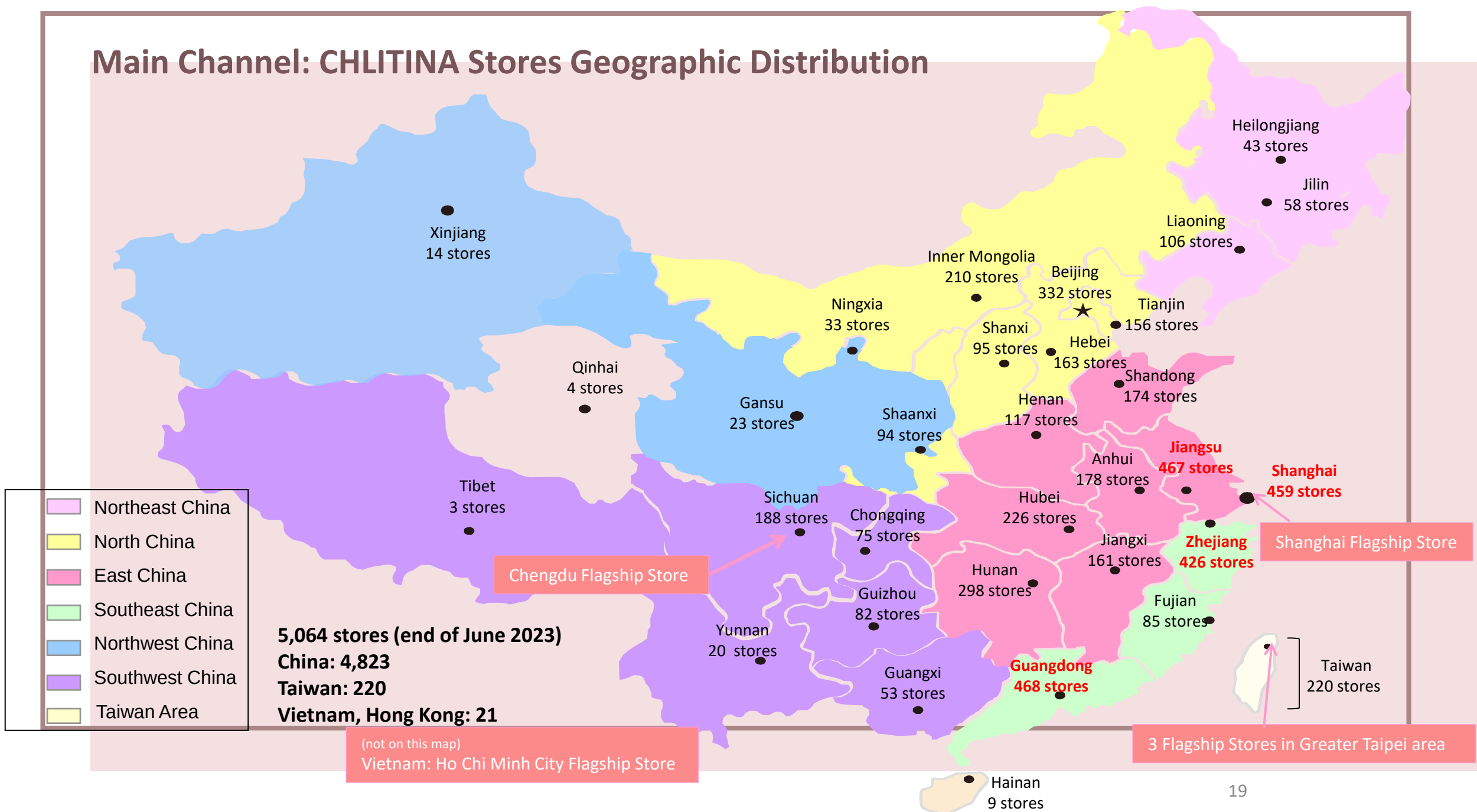
Reinforcing product-oriented strategy; Increasing quality both at C- and B-ends through product sales and marketing, and turning products into a long-term driving force for growth

Main Channel: Franchise Network Scale

CHLITINA Franchise Salons – Store Count



Main Channel: CHLITINA Stores Geographic Distribution



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 2023.6.30	7%	24%	19%	31%	19%	100%
Percentage of H1 2023 sales	9%	20%	19%	32%	20%	100%
H1 2023 Average SSS (unit: RMB1,000)	113	76	79	90	98	88

Reinforcing personalized coaching to improve individual store 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 2023.6.30	45%	45%	5%	5%	100%
Percentage of sales in H1 2023	44%	46%	6%	4%	100%
H1 2023 Average SSS (unit: RMB1,000)	84	91	98	73	87

Impact of the Covid-19 epidemic peak at the beginning of 2023

Financial Overview ^(1/4)

Profit Breakdown by Channel

Unit:
RMB1000

Item	2021			2022			First Half 2023		
	Rev.	Exp.	GPM	Rev.	Exp.	GPM	Rev.	Exp.	GPM
Beauty Salon Franchise	1 133 391	172 590	85%	882 993	144 608	84%	441 213	73 387	83%
E-commerce	26 905	10 283	62%	11 857	5 357	55%	7 478	3 225	57%
Clinics	54 236	23 041	58%	25 411	10 902	57%	22 390	7 384	67%
Total	1 214 532	205 914	83.0%	920 261	160 867	83.0%	471 081	83 996	82.0%



Financial Overview (2/4)

Condensed Income Statement

Unit: \$1000

Item	2021		2022		First Half 2023	
	RMB	NT\$	RMB	NT\$	RMB	NT\$
Operating revenue	1 214 532	5 271 313	920 261	4 069 210	471 081	2 074 499
Operating costs	-205 914	-893 709	-160 867	-711 322	-83 996	-369 893
Gross profit	1 008 618	4 377 604	759 394	3 357 888	387 085	1 704 606
Gross profit rate	83%		83%		82%	
Selling exp.	-424 604	-1 842 866	-330 536	-1 461 564	-172 604	-760 096
Admin exp.	-175 852	-763 233	-162 003	-716 345	-77 800	-342 608
Operating profit	408 162	1 771 505	266 855	1 179 979	136 681	601 902
Total non-operating	64 952	281 904	-5 144	-22 745	39 029	171 872
Profit before tax	473 114	2 053 409	261 711	1 157 234	175 710	773 774
Income tax exp.	-160 857	-698 152	-105 722	-467 482	-49 728	-218 987
Profit for the period	312 257	1 355 257	155 989	689 752	125 982	554 787
EPS (NT\$)	3.93	17.05	1.96	8.68	1.59	7.01
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		2023.6.30	
	NT\$	%	NT\$	%	NT\$	%
Cash and cash equivalents	5 973 191	60%	5 644 321	66%	4 128 251	45%
Net accounts receivable	3 641	0%	2 103	0%	6 020	0%
Inventories	454 865	5%	486 317	6%	397 853	4%
Investment (Equity method)	215 619	2%	213 149	2%	278 998	3%
Property, plant and equipment, net	1 319 890	13%	1 229 695	14%	1 158 354	13%
Right-of-use assets	490 611	5%	410 275	5%	369 725	4%
Others assets	1 577 227	16%	610 122	7%	2 810 519	31%
Total Assets	10 035 044	100%	8 595 982	100%	9 149 720	100%
Bank loans	2 505 042	25%	2 180 408	25%	2 210 942	24%
Accounts payable	98 810	1%	81 045	1%	65 512	1%
Other payables	803 571	8%	449 444	5%	901 979	10%
Lease liabilities	502 616	5%	413 655	5%	366 732	4%
Other liabilities	1 131 977	11%	820 133	10%	948 684	10%
Total liabilities	5 042 016	50%	3 944 685	46%	4 493 849	49%
Common capital	794 924	8%	794 924	9%	794 924	9%
Capital surplus & legal reserve	2 633 704	26%	2 732 977	32%	2 729 281	30%
Unappropriated retained earnings	2 129 574	21%	1 766 508	21%	1 786 258	240%
Other equities	-565 174	-6%	-643 112	-7%	-654 592	-7%
Total equity	4 993 028	50%	4 651 297	54%	4 655 871	51%

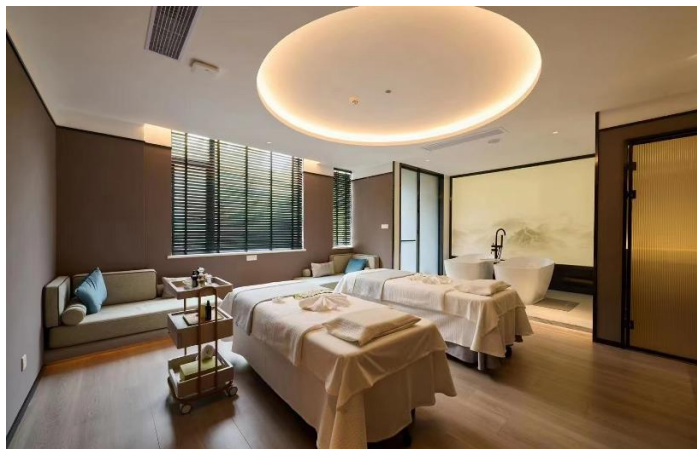
Financial Overview (4/4)

Cashflow Analysis

Unit: \$1,000

Item	2021	NT\$	2022	NT\$	H1 2023	NT\$
	RMB		RMB		RMB	
Net cash provided by operations	414 198	1 797 702	62 767	277 546	148 779	655 254
Net cash provided (used in) investments	-133 270	-578 421	217 718	962 707	-494 566	-2 178 340
-Acquisition or disposal of real estate or equipment	-22 187	-96 297	-12 850	-56 820	-7 305	-32 169
-Other	-111 083	-482 124	230 568	1 019 527	-487 261	-2 146 171
Net cash used in financing activities	-102 196	-440 232	-363 159	-1 604 041	3 246	14 390
-Dividend distribution	-156 445	-675 685	-216 061	-953 908	0	0
-Other	54 249	235 453	-147 098	-650 133	3 246	14 390

Newly Opened Store in Xiaohu District, Hangzhou



Q&A

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
媛緹-專業美甲美睫

UPLÍDER
雅樸麗德

新美力
—MY BEAUTY FORCE—