

CHLITINA

克麗緹娜

CHLITINA HOLDING LIMITED
Q4 2023 BUSINESS REPORT

雙核聚變

構築雙渠多美 / 發揚核心優勢 / 凝聚團隊力量 / 擁抱變革新機

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Company Profile & Business Outlook



Business Performance Presentation & Financial Overview



Q&A



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Corporate Snapshot

Stock Ticker	4137 TT (麗豐-KY)
Market Cap.	around NT\$ 16.8bn
Capital Stock	NT\$ 795m
2023 Sales	RMB1.032bn / NT\$ 4.535bn
2023 Net Profit	RMB235m / NT\$ 1.034bn
2023 ROE	21%
Main Shareholder	Wealthy Garden (35.29%)

Business Scope

Main Business Activities	<p>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.</p>
Market Positioning	<p>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.</p>
Market Focus	<p>Mainland China (about 95% of sales).</p>
Main Business Channels	<p>Franchise beauty salons ; Self-owned aesthetic surgery clinics; Self-owned e-commerce platform; Strategic investments.</p>
Brands and Business Scale	<ul style="list-style-type: none"> -CHLITINA 克麗緹娜 (beauty salon franchise): 5,000 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.

Holding Structure



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



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.



2003

Stable Growth & 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 8 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.

2007-2015

2017-2019



2020-2022

Undaunted by the Epidemic, Pursuing Concentric Diversification

- 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.

2023

Brand Value, Network Expansion, ESG

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構築雙渠多美 發揚核心優勢 凝聚團隊力量 擁抱變革新機

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.

Four Main Business Channels

CHLITINA | 克麗緹娜

Beauty Salon Franchise

around **5000** franchise stores



RnD Professional Manicure
環繞专业美甲

Manicure & Eyelash Extension Salon Franchise

600 franchise stores



+ **UP LÍDER** 雅樸麗德

Self-operated regenerative medicine and anti-aging centers

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



新美力
Beauty Health Happiness

E-commerce platform

Around **1m** members



雙核聚變

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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%)



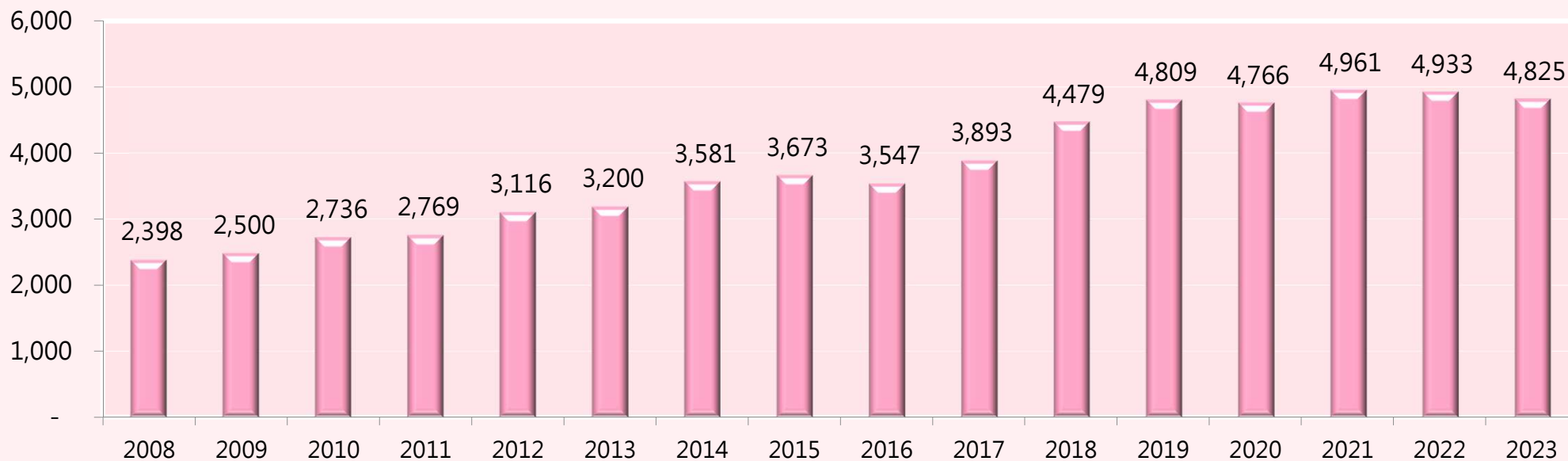
- Income from franchise fee and product sales
- Minimum purchase requirement
- Standard storefront requirement

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

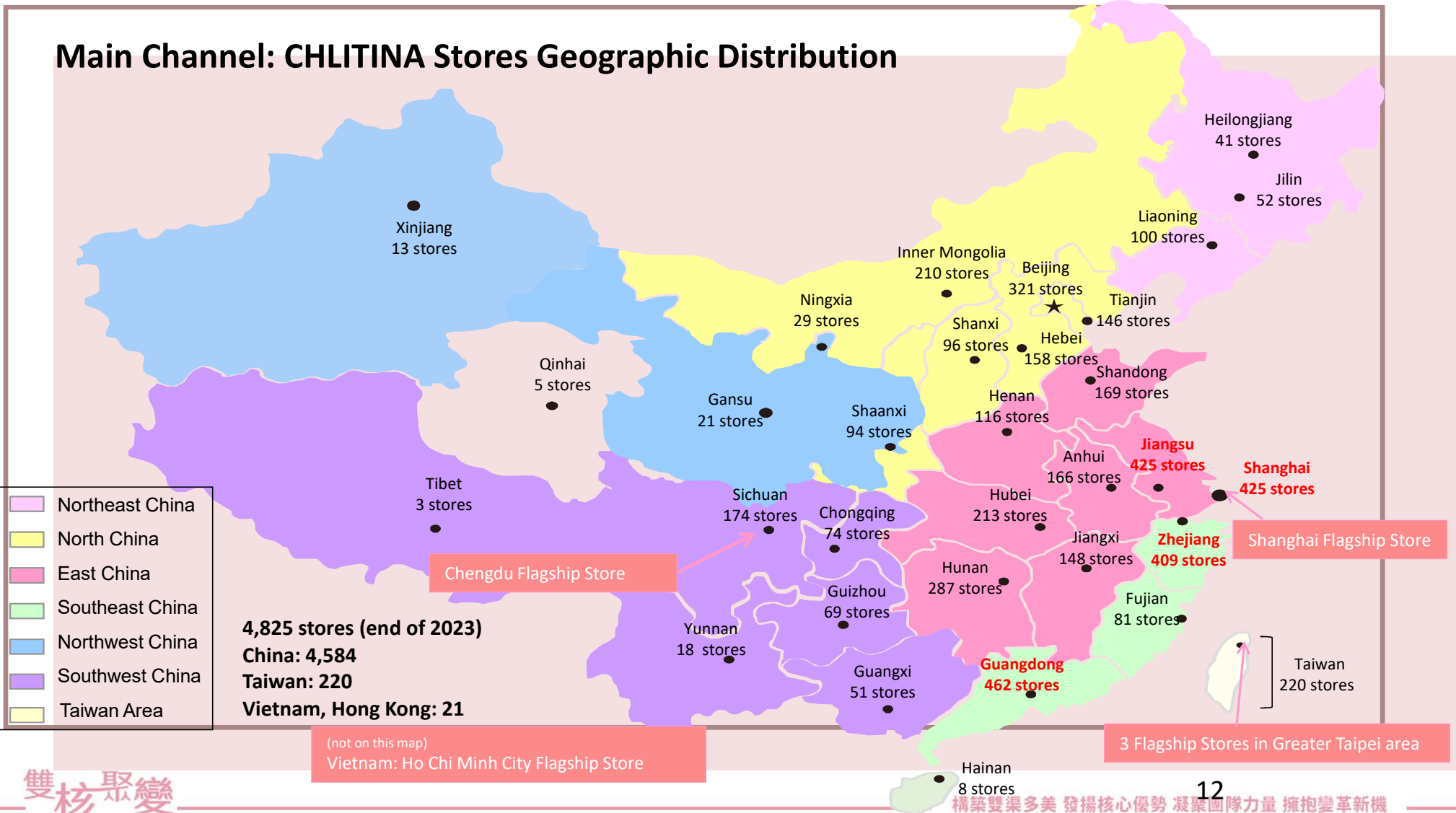
Reinforcing product-oriented strategy; Increasing quality both at C- and B-ends through product sales and marketing, and turning products into a long-term driving force for growth

Main Channel: Franchise Network Scale

CHLITINA Franchise Salons – Store Count



Main Channel: CHLITINA Stores Geographic Distribution



4,825 stores (end of 2023)
China: 4,584
Taiwan: 220
Vietnam, Hong Kong: 21



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 Procurement
- Implemented
 - In Progress
 - Being Planned



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Core Business : 2 Forbes Awards for **CHLITINA**



CHLITINA _ Top 100 Beauty Brands

CEO _ Beauty Industry Young Leaders

Core Business: Focusing on Brand Value and Moving Forward



Senior management conduct routine visits around China, bringing the focus on:

- Products
- Network



The two complement each other, expanding business, increasing market share, and maintaining brand value.

Public Welfare Projects: The Jiantong Culture and Education Foundation



As part of our ESG initiative, we cooperate with the Jiantong Cultural and Educational Foundation to promote healthy cooking, high-quality water, and probiotics.

#硅秘天然鹼性水 (Natural Silica Water)
#慷碩生醫_益生菌 (KindShare_probiotics)



日期	活動	出席人數
112/08/19 (六)	公益講座【韓教授-環島話聊】宜蘭場	40人
112/09/04 (一)	公益講座【韓教授-環島話聊】基隆場	86人
112/9/16 (六)	台北場《韓教授的無框料理》健康料理課程	25人+線上直播
112/10/14 (六)	台中場《韓教授的無框料理》健康料理課程	25人+線上直播
112/11/5 (日)	公益講座【修身齊家-健康與否的終極關鍵密碼】	86人
112/11/11 (六)	《韓教授的週末下午茶果汁趴》健康料理課程	30人+線上直播
112/12/16 (六)	新竹場《韓教授的無框料理》健康料理課程	18人+線上直播
112/12/20(三)	公益講座【從不老餐桌到心靈解脫】	44人+線上直播
112/12/25(-)	公益講座【愛回來了, 癌就走了】	35人+線上直播
113/01/29(-)	公益講座【益生菌/益生元/益生菌生成物, 你吃對了嗎?】	26人
113/02/29(四)	公益講座【防毒/排毒/解心毒 找回舒服無壓的快樂人生】	48人

Public Welfare Projects: The Light Up Foundation



The Light Up Foundation, the group's charity, implements various welfare and relief projects. It promotes book reading among young children in rural areas, environmental protection, and education.



Company Profile & Business Outlook



Business Performance Presentation & Financial Overview



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Financial Overview ^(¼)

Profit Breakdown by Channel

Unit:
RMB1000

Item	2021			2022			2023		
	Rev.	Exp.	GPM	Rev.	Exp.	GPM	Rev.	Exp.	GPM
Beauty Salon Franchise	1 133 391	172 590	85%	882 993	144 608	84%	968,116	147,251	85%
E-commerce	26 905	10 283	62%	11 857	5 357	55%	23,172	8,435	64%
Clinics	54 236	23 041	58%	25 411	10 902	57%	40,914	14,599	64%
Total	1 214 532	205 914	83.0%	920 261	160 867	83.0%	1 032 202	170 285	84.0%

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 2023.12.31	7%	20%	19%	33%	21%	100%
Percentage of 2023 sales	9%	18%	18%	33%	22%	100%
2023 Average SSS (unit: RMB1,000)	190	187	198	209	221	204

Focused on improving single store operations and returning to pre-epidemic levels.

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.

Developed Areas

Shanghai, Beijing, Guangdong, Jiangsu...

Priority:
Recruiting new franchisees, raising SSS

Well-Off Areas

Fujian, Jiangxi, Henan, Shandong...

Priority:
Raising market share

Developing Areas

Heilongjiang, Guizhou, Jilin...

Priority:
Brand marketing & recruitment of new franchisees (secondary)

Geographic Distribution	Developed Areas	Well-off Areas	Developing Areas	Taiwan, Hong Kong, Vietnam	Total
Percentage of stores as of 2023.12.31	45%	45%	5%	5%	100%
Percentage of sales 2023	45%	46%	5%	4%	100%
2023 Average SSS (unit: RMB1,000)	197	208	217	145	201

After a new outbreak of confirmed cases at the beginning of the year, we strengthened guidance given to stores to help them return to pre-epidemic levels as quickly as possible

Financial Overview (2/4)

Condensed Income Statement

Unit: \$1000

Item	2021		2022		2023	
	RMB	NT\$	RMB	NT\$	RMB	NT\$
Operating revenue	1 214 532	5 271 313	920 261	4 069 210	1,032,202	4,534,771
Operating costs	-205 914	-893 709	-160 867	-711 322	-170,285	-748,113
Gross profit	1 008 618	4 377 604	759 394	3 357 888	861,917	3,786,658
Gross profit rate	83%		83%		84%	
Selling exp.	-424 604	-1 842 866	-330 536	-1 461 564	-417,531	-1,834,334
Admin exp.	-175 852	-763 233	-162 003	-716 345	-171,724	-754,435
Operating profit	408 162	1 771 505	266 855	1 179 979	272,662	1,197,889
Total non-operating	64 952	281 904	-5 144	-22 745	56,342	247,528
Profit before tax	473 114	2 053 409	261 711	1 157 234	329,004	1,445,417
Income tax exp.	-160 857	-698 152	-105 722	-467 482	-93,748	-411,863
Profit for the period	312 257	1 355 257	155 989	689 752	235,256	1,033,554
EPS (NT\$)	3.93	17.05	1.96	8.68	2.97	13.03
Cash dividend (yearly)	NT\$12 per share (cash)		NT\$7 per share (cash)		NT\$10.5 per share (cash)	

Financial Overview (3/4)

Condensed Balance Sheets

Unit: \$1000

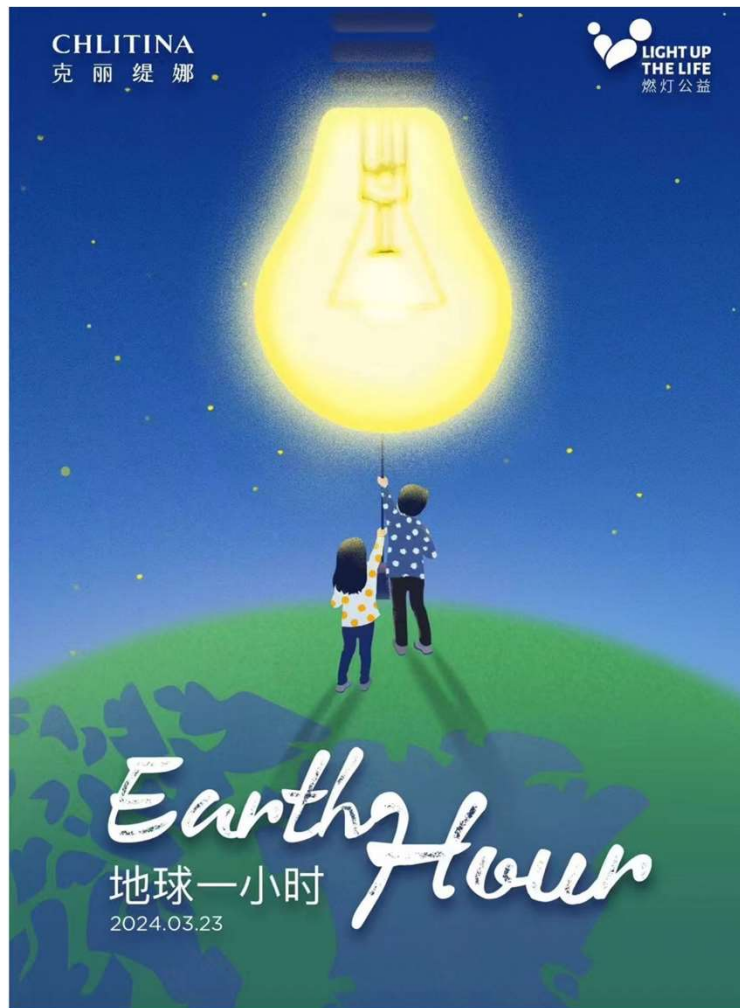
Item	2021.12.31 (after adjustment)		2022.12.31 (after adjustment)		2023.12.31	
	NT\$	%	NT\$	%	NT\$	%
Cash and cash equivalents	7,024,274	69%	5,644,321	65%	5,789,769	65%
Net accounts receivable	3,641	0%	2,103	0%	4,153	0%
Inventories	454,865	4%	486,317	6%	388,179	4%
Investment (Equity method)	215,619	2%	213,149	2%	267,084	3%
Property, plant and equipment, net	1,319,890	13%	1,229,695	14%	1,139,762	13%
Right-of-use assets	490,611	5%	410,275	5%	350,249	4%
Others assets	622,468	6%	691,379	8%	965,814	11%
Total Assets	10,131,368	100%	8,677,239	100%	8,905,010	100%
Bank loans	2,505,042	25%	2,180,408	25%	1,980,472	22%
Accounts payable	98,81	1%	81,045	1%	86,95	1%
Other payables	803,571	8%	449,444	5%	423,966	5%
Lease liabilities	502,616	5%	413,655	5%	357,401	4%
Other liabilities	1,226,237	12%	899,19	10%	907,432	10%
Total liabilities	5,136,276	51%	4,023,742	46%	3,756,221	42%
Common capital	794,924	8%	794,924	9%	794,924	9%
Capital surplus & legal reserve	2,633,704	26%	2,732,977	31%	2,729,281	31%
Unappropriated retained earnings	2,131,638	21%	1,768,678	20%	2,265,122	25%
Other equities	-565,174	-6%	-643,082	-7%	-640,538	-7%
Total equity	4,995,092	49%	4,653,497	54%	5,148,789	58%

Financial Overview (4/4)

Cashflow Analysis

Unit: 1000

Item	2021		2022		2023	
	RMB	NT\$	RMB	NT\$	RMB	NT\$
Net cash provided by operations	414,198	1,797,702	62,767	277,546	279,967	1,230,096
Net cash provided by (used in) investments	-133,270	-578,421	217,718	962,707	-311,532	-1,369,496
Acquisition or disposal of real estate or equipment	-22,187	-96,297	-12,850	-56,820	-56,570	-248,740
Other items	-111,083	-482,124	230,568	1,019,527	-254,962	-1,120,756
Net cash used in financing activities	-102,196	-440,232	-363,159	-1,604,041	-173,421	-750,679
Dividend distribution	-156,445	-675,685	-216,061	-953,908	-129,135	-556,446
Other items	54,249	235,453	-147,098	-650,133	-44,286	-194,233



Thank You!

Q&A

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