



For the month of March 2023, CHLITINA HOLDING LIMITED consolidated sales reached NT\$420 million. That is the second highest amount for this period of the year since the company's listing in 2013.

Operational Summary

- 1. For March 2023, CHLITINA reported consolidated sales of NT\$ 420.8m, with sales from our core business in China, the beauty salon franchise channel, contributing NT\$379.2m –or about 90%– to the total.**
- 2. Expressed in renminbi, CHLITINA's functional currency, for the month of March 2023 alone, consolidated sales reached RMB95.4m (17% MoM; 4% YoY). Sales in mainland China originating from the beauty salon franchise network contributed RMB86.0m to this total.**
- 3. Sales for the first three months of 2023 reached NT\$946.3m (-8% YoY), with sales from our core business in China, the beauty salon franchise channel, contributing NT\$852.9m to this total. Expressed in renminbi, CHLITINA's functional currency, sales for the first three months of 2023 reached RMB213.7m (-9% YoY), with RMB192.6m originating from our mainland China operations.**
- 4. China's economy now getting back on track, consumer spending and everyday life are returning to normal, which is helping the beauty industry recover. Since the end of the Spring festival holiday in January, the company has launched various events aimed at accelerating the pace in order to lay a good foundation for this year's business activity.**
- 5. In addition to the outstanding performance of the company, the Chlitina (Shanghai) subsidiary has also received good news from the Shanghai Municipality Taxation Bureau regarding this year's grant. Thanks to efficient communication and efforts by the head of our Shanghai headquarters, we expect to receive a very substantial grant this year, possibly before the end of the first quarter.**

1. NT\$ Reporting for 4137 TT	March 2023 (NT\$m)	% MoM	% YoY
Consolidated Sales	420.8	17%	3%
Channel – Beauty Salon Franchise (mainland China)	379.2	14%	-2%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	15.4	43%	23%
Channel – Internet Retailing	4.1	17%	-50%
Channel – Beauty Clinic	22.1	72%	528%
NT\$/RMB avg. exchange rate (Mar.)	4.4107	----	----
2. RMB Reporting for 4137 TT	March 2023 (RMBm)	% MoM	% YoY
Consolidated Sales	95.4	17%	4%
Channel – Beauty Salon Franchise (mainland China)	86.0	14%	0%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	3.5	43%	25%
Channel – Internet Retailing	0.9	18%	-50%
Channel – Beauty Clinic	5.0	72%	575%
3. TWD Reporting	Jan. to Mar. 2023 (NT\$m)	% MoM	% YoY
Consolidated Sales	946.3	----	-8%
Channel – Beauty Salon Franchise (mainland China)	852.9	----	-11%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	37.4	----	12%
Channel – Internet Retailing	9.1	----	-40%
Channel – Beauty Clinic	46.9	----	60%
NT\$/RMB average exchange rate	4.4289	----	----
4. RMB Reporting	Jan. to Mar. 2023 (RMBm)	% MoM	% YoY
Consolidated Sales	213.7	----	-9%
Channel – Beauty Salon Franchise (mainland China)	192.6	----	-11%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	8.4	----	11%
Channel – Internet Retailing	2.1	----	-40%
Channel – Beauty Clinic	10.6	----	59%

5. Franchise Store Count	End of March 2023	Net Change in March	Yearly Net Change	YoY %
Total	4998	64	65	0%
China	4758	64	65	0%
Taiwan	219	0	0	-2%
Southeast Asia	21	0	0	-9%

2023 Outlook and Targets

- ◆ **Returning to our core business for stable growth, we will actively recruit new franchisees and increase same store performance:** In 2023, we are giving ourselves the targets of adding 400 stores to the CHLITINA beauty salon franchise network. Meanwhile, the RnD Manicure and Eyelash franchise will be combined with the CHLITINA beauty salon franchise to create second-generation franchise stores, reinforcing brand positioning and brand image so as to reap maximum benefits.
- ◆ **Aesthetic surgery clinics and anti-ageing clinics will continue to assist the main channel:** Integration and redistribution of resources will continue. Operations at our 2 UPLIDER aesthetic surgery clinics and at our 2 general practice clinics (HEDENG and JINGHE clinics) will be maintained, as these clinics situated in Nanjing and Shanghai complement the beauty salon franchise.
- ◆ **Brand exposure and special marketing campaigns on e-commerce platforms will help raise the brand's visibility:** Our XINMEILI e-shop and TMALL Flagship Store will cooperate with our physical stores, enabling consumers to connect with us online and offline. E-commerce and beauty salons will share resources, complementing each other.
- ◆ **We will strengthen the competitiveness of the group's products and develop a long-term ESG policy:** We intend to strengthen R&D development, and to use our products to capture blank territories and actively increase our market share. In line with legal and social expectations, we will attach greater importance to ESG goals and strive to implement comprehensive ESG policies.

About CHLITINA

- ◆ **Main Business:** Skin care products. Channels: Beauty salon franchise; Self-owned medical beauty clinics; Self-owned e-shop.
- ◆ **Current Market Positioning:** Industry leader in the mid-to-high-end beauty salon franchise business.
- ◆ **Current Market Focus:** China (above 90% of sales).
- ◆ **Business Model:** We control R&D, manufacture, marketing and sales. We sell our CHLITINA skin care products to franchised beauty salons. In recent years, we have been working on business diversification through new strategies

IR contact:
Laurence Marcout

Tel:
(+886-2) 8758-0370

E-mail:
ir@chlitinaholding.com

including creating the UPLIDER medical beauty clinics and the JINGHE and HEDENG general clinics, developing our e-commerce activities on XINMEILI and TMall, and investing in RnD Nail & Eyelash stores among other subsidiary channels.

- ◆ **Brand Background:** CHLITINA was created in Taiwan in 1989 by Dr. Chen Wu-kang who successfully developed skin care products based on amino acids. In 1997, CEO Joanna Chen brought the CHLITINA brand to the Chinese mainland market where its high-quality products and effective business model have been keys to its remarkable success.
- ◆ **New Developments:** In addition to operating a large beauty salon franchise, in recent years, CHLITINA has been collaborating with academic and medical circles on R&D projects regarding stem cells, as well as anti-ageing and regenerative medicine. We have also made strategic investments in the biotechnology industry. In the long term, we are confident that this strategy will inject new blood into the group.