



For the month of May 2023, CHLITINA HOLDING LIMITED announced consolidated sales of NT\$363 million, an increase of 59.74% year-on-year. The distribution of a cash dividend of NT\$7 per share was approved during the annual shareholders meeting two days ago.

### Operational Summary

1. For May 2023, CHLITINA reported consolidated sales of NT\$363.6m, with sales from our core business in China, the beauty salon franchise channel, contributing NT\$329.5m –or about 91%– to the total.
2. Expressed in renminbi, CHLITINA’s functional currency, for the month of May 2023 alone, consolidated sales reached RMB86.0m (-12% MoM; 66% YoY). Sales originating from the beauty salon franchise network in mainland China contributed RMB77.9m to this monthly total.
3. Sales for the first five months of 2023 reached NT\$1,745.6m (27% YoY), with sales in China from our core business, the beauty salon franchise channel, contributing NT\$1,579.8m to this total. Expressed in renminbi, CHLITINA’s functional currency, sales for the first four months of 2023 reached RMB397.7m (28% YoY), with RMB360.0m originating from our mainland China operations.
4. This year, we will continue to pursue quarter-on-quarter growth, with a view to reinforcing the market share of all 4 brands under the CHLITINA flag, and to returning to our usual stable growth trends.
5. Aside from our beauty salon core business, we are now actively exploring which competitive advantages of the various business units within the group we can further develop and tap into. Moreover we are combining a number of strategies for business energy activation and multi-faceted development, so that our efforts bring strong growth not only in the second half of the year, but also in the years to come.

1. NT\$ Reporting for 4137 TT	May 2023 (NT\$m)	% MoM	% YoY
Consolidated Sales	363.6	-17%	60%
Channel – Beauty Salon Franchise (mainland China)	329.5	-17%	53%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	11.5	-12%	28%
Channel – Internet Retailing	3.3	-49%	201%
Channel – Beauty Clinic	19.3	3%	657%
NT\$/RMB avg. exchange rate (May)	4.2299	----	----

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CHLITINA (4137 TT)

June 8, 2023

2. RMB Reporting for 4137 TT	May 2023 (RMBm)	% MoM	% YoY
<b>Consolidated Sales</b>	<b>86.0</b>	<b>-12%</b>	<b>66%</b>
Channel – Beauty Salon Franchise (mainland China)	77.9	-13%	59%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	2.7	-7%	34%
Channel – Internet Retailing	0.8	-46%	210%
Channel – Beauty Clinic	4.6	8%	673%
3. TWD Reporting	Jan. to May 2023 (NT\$m)	% MoM	% YoY
<b>Consolidated Sales</b>	<b>1,745.6</b>	----	<b>27%</b>
Channel – Beauty Salon Franchise (mainland China)	1,579.8	----	24%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	61.9	----	15%
Channel – Internet Retailing	19.0	----	8%
Channel – Beauty Clinic	84.9	----	156%
NT\$/RMB average exchange rate	4.3888	----	----
4. RMB Reporting	Jan. to May 2023 (RMBm)	% MoM	% YoY
<b>Consolidated Sales</b>	<b>397.7</b>	----	<b>28%</b>
Channel – Beauty Salon Franchise (mainland China)	360.0	----	25%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	14.1	----	16%
Channel – Internet Retailing	4.3	----	9%
Channel – Beauty Clinic	19.3	----	158%

5. Franchise Store Count	End of May 2023	Net Change in May	Yearly Net Increase	YoY %
Total	<b>5037</b>	<b>10</b>	<b>104</b>	<b>0%</b>
China	4796	9	103	<b>0%</b>
Taiwan	220	1	1	<b>-2%</b>
Southeast Asia	21	0	0	<b>-9%</b>

**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 target of adding 400 stores to the CHLITINA beauty salon

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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 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.