



For the month of July 2023, CHLITINA HOLDING LIMITED announced consolidated sales of NT\$336 million, (2.2% MoM and 10.3% YoY). And CHLITINA won 3 top awards at the 4th Brand Innovation and Development Conference in Beijing.

Operational Summary

- 1. For July 2023, CHLITINA reported consolidated sales of NT\$336.2m, with sales from our core business in China, the beauty salon franchise channel, contributing NT\$298.9m –or about 89%– to the total.**
- 2. Expressed in renminbi, CHLITINA’s functional currency, for the month of July 2023 alone, consolidated sales reached RMB77.6m (6% MoM; -11% YoY). Sales originating from the beauty salon franchise network in mainland China contributed RMB69.0m to this monthly total.**
- 3. Sales for the first seven months of 2023 reached NT\$2,410.7m (10% YoY), with sales in China from our core business, the beauty salon franchise channel, contributing NT\$2,164.9m to this total. Expressed in renminbi, CHLITINA’s functional currency, sales for the first seven months of 2023 reached RMB548.7m (11% YoY), with RMB492.7m originating from our mainland China operations.**
- 4. There are currently 5,040 Chlitina franchise stores. Although the number of our franchise stores has very slightly decreased under the impact of the off-season in the beauty industry and of the ongoing renewal of the network, the group still maintains confidence in the overall development of the industry and of our operating performances.**
- 5. CHLITINA was presented three top awards during the 4th Brand Innovation and Development Conference recently held in Beijing: an Industry Brand Award went to the company, an Industry Personality Award was awarded to CEO Ryan Chao, and the Youthkeeper Serum, one of CHLITINA’s star products, was listed among the 20 most outstanding and popular beauty products. In light of such accomplishments, CHLITINA will continue forging ahead without fear for external factors, concentrating of doing what is right in order to achieve success.**



CHLITINA (4137 TT)

August 7, 2023

1. NT\$ Reporting for 4137 TT	July 2023 (NT\$m)	% MoM	% YoY
Consolidated Sales	336.2	2%	-13%
Channel – Beauty Salon Franchise (mainland China)	298.9	4%	-18%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	13.7	-10%	19%
Channel – Internet Retailing	9.7	-30%	183%
Channel – Beauty Clinic	13.9	2%	36%
NT\$/RMB avg. exchange rate (July)	4.3323	----	----
2. RMB Reporting for 4137 TT	July 2023 (RMBm)	% MoM	% YoY
Consolidated Sales	77.6	6%	-11%
Channel – Beauty Salon Franchise (mainland China)	69.0	8%	-16%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	3.2	-7%	22%
Channel – Internet Retailing	2.2	-29%	188%
Channel – Beauty Clinic	3.2	6%	39%
3. TWD Reporting	Jan. to July 2023 (NT\$m)	% MoM	% YoY
Consolidated Sales	2,410.7	----	10%
Channel – Beauty Salon Franchise (mainland China)	2,164.9	----	7%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	90.6	----	21%
Channel – Internet Retailing	42.7	----	25%
Channel – Beauty Clinic	112.5	----	103%
NT\$/RMB average exchange rate	4.3936	----	----
4. RMB Reporting	Jan. to July 2023 (RMBm)	% MoM	% YoY
Consolidated Sales	548.7	----	11%
Channel – Beauty Salon Franchise (mainland China)	492.7	----	8%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	20.7	----	22%
Channel – Internet Retailing	9.7	----	26%
Channel – Beauty Clinic	25.6	----	105%

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5. Franchise Store Count	End of July 2023	Net Change in July	Yearly Net Increase	YoY %
Total	5040	-24	107	1%
China	4799	-24	106	1%
Taiwan	220	0	1	0%
Southeast Asia	21	0	0	0%

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 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.