



For the month of August 2023, CHLITINA HOLDING LIMITED announced consolidated sales of NT\$361 million (+7.4% MoM). Business is strong and stable, and we are waiting for the economy to fully recover so that we can reach new heights.

Operational Summary

1. For August 2023, CHLITINA reported consolidated sales of NT\$ 361.0m, with sales from our core business in China, the beauty salon franchise channel, contributing NT\$325.2m –or about 90%– to the total.
2. Expressed in renminbi, CHLITINA’s functional currency, for the month of August 2023 alone, consolidated sales reached RMB 82.4m (+6% MoM; -8% YoY). Sales originating from the beauty salon franchise network in mainland China contributed RMB 74.3m to this monthly total.
3. Sales for the first eight months of 2023 reached NT\$2,771.8m (+7% YoY), with sales in China from our core business, the beauty salon franchise channel, contributing NT\$2,490.1m to this total. Expressed in renminbi, CHLITINA’s functional currency, sales for the first eight months of 2023 reached RMB631.1m (+8% YoY), with RMB567.0m originating from our mainland China operations.
4. This year, Chlitora franchise network has exceeded 5,000 stores globally. July and August are traditionally the period of the year when most franchise contracts are up for renewal, which slightly affected the overall number of stores. However, this does not have an adverse impact on the group’s position within the beauty industry or on its earnings. We maintain a positive outlook and believe the fourth quarter holds promise, as does the year ahead.
5. At the 12th CFS Financial Summit held recently in Beijing, CHLITINA was once again awarded “2023 Sustainable Development Model Enterprise”, while the Group’s CEO Ryan Chao received two awards, among which the “2023 Outstanding Influential Enterprise Award”. The company also promised that future development will focus more on sustainability indicators and carry out ESG policies and work thoroughly.



1. NT\$ Reporting for 4137 TT	August 2023 (NT\$m)	% MoM	% YoY
Consolidated Sales	361.0	7%	-9%
Channel – Beauty Salon Franchise (mainland China)	325.2	9%	-13%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	12.5	-8%	18%
Channel – Internet Retailing	10.0	3%	241%
Channel – Beauty Clinic	13.3	-5%	77%
NT\$/RMB avg. exchange rate (Aug.)	4.3791	----	----
2. RMB Reporting for 4137 TT	August 2023 (RMBm)	% MoM	% YoY
Consolidated Sales	82.4	6%	-8%
Channel – Beauty Salon Franchise (mainland China)	74.3	8%	-13%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	2.8	-9%	19%
Channel – Internet Retailing	2.3	2%	243%
Channel – Beauty Clinic	3.0	-6%	79%
3. TWD Reporting	Jan. to Aug. 2023 (NT\$m)	% MoM	% YoY
Consolidated Sales	2,771.8	----	7%
Channel – Beauty Salon Franchise (mainland China)	2,490.1	----	4%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	103.2	----	21%
Channel – Internet Retailing	52.7	----	42%
Channel – Beauty Clinic	125.8	----	100%
NT\$/RMB average exchange rate	4.3917	----	----
4. RMB Reporting	Jan. to Aug. 2023 (RMBm)	% MoM	% YoY
Consolidated Sales	631.1	----	8%
Channel – Beauty Salon Franchise (mainland China)	567.0	----	5%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	23.5	----	22%
Channel – Internet Retailing	12.0	----	43%
Channel – Beauty Clinic	28.6	----	102%



5. Franchise Store Count	End of August 2023	Net Change in August	Yearly Net Increase	YoY %
Total	5004	-36	71	0%
China	4763	-36	70	0%
Taiwan	220	0	1	1%
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.