



For the month of September 2023, CHLITINA HOLDING LIMITED announced consolidated sales of NT\$530 million, a return above the NT\$500m mark. Also remarkable are the impressive monthly and yearly growth rates of 48% and 23% respectively.

### Operational Summary

1. For September 2023, CHLITINA reported consolidated sales of NT\$ 533.8m, with sales from our core business in China, the beauty salon franchise channel, contributing NT\$ 497.3m –or about 93%– to the total.
2. Expressed in renminbi, CHLITINA’s functional currency, for the month of September 2023 alone, consolidated sales reached RMB 121.7m (+48% MoM; +25% YoY). Sales originating from the beauty salon franchise network in mainland China contributed RMB 113.4m to this monthly total.
3. Sales for the first nine months of 2023 reached NT\$3,305.6m (+10% YoY), with sales in China from our core business, the beauty salon franchise channel, contributing NT\$2,987.4m to this total. Expressed in renminbi, CHLITINA’s functional currency, sales for the first nine months of 2023 reached RMB752.8m (+11% YoY), with RMB680.4m originating from our mainland China operations.
4. So far, the company’s operating performance has shown growth rates of around 10% both quarter on quarter for the third quarter alone, and year on year for the first nine months of 2023. CHLITINA’s operations have bounced back and are now showing an obvious uptrend quarter on quarter. The company remains confident regarding the outlook for next quarter and for the coming year.
5. According to the “Economic and Financial Outlook Report for the Fourth Quarter of 2023” released by the Bank of China Research Institute, as well as to data released by the National Bureau of Statistics of China, total retail sales in consumer goods in the first eight months exceeded RMB30 trillion, registering an annual increase of 7.0%. Moreover, the Purchasing Managers’ Index for Manufacturing, widely regarded as an economic bellwether, also rallied to 50.2%. This shows that China’s economy and service industry continue to recover, which is conducive to CHLITINA’s overall operations growth momentum.



<b>1. NT\$ Reporting for 4137 TT</b>	<b>September 2023 (NT\$m)</b>	<b>% MoM</b>	<b>% YoY</b>
<b>Consolidated Sales</b>	<b>533.8</b>	<b>48%</b>	<b>23%</b>
Channel – Beauty Salon Franchise (mainland China)	497.3	53%	23%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	9.8	-22%	-2%
Channel – Internet Retailing	13.6	36%	683%
Channel – Beauty Clinic	13.1	-1%	-28%
NT\$/RMB avg. exchange rate (Sept..)	4.3874	----	----
<b>2. RMB Reporting for 4137 TT</b>	<b>September 2023 (RMBm)</b>	<b>% MoM</b>	<b>% YoY</b>
<b>Consolidated Sales</b>	<b>121.7</b>	<b>48%</b>	<b>25%</b>
Channel – Beauty Salon Franchise (mainland China)	113.4	53%	25%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	2.2	-22%	-1%
Channel – Internet Retailing	3.1	36%	698%
Channel – Beauty Clinic	3.0	-6%	-27%
<b>3. TWD Reporting</b>	<b>Jan. to Sept. 2023 (NT\$m)</b>	<b>% MoM</b>	<b>% YoY</b>
<b>Consolidated Sales</b>	<b>3,305.6</b>	----	<b>10%</b>
Channel – Beauty Salon Franchise (mainland China)	2,987.4	----	7%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	112.9	----	18%
Channel – Internet Retailing	66.3	----	71%
Channel – Beauty Clinic	139.0	----	72%
NT\$/RMB average exchange rate	4.3910	----	----
<b>4. RMB Reporting</b>	<b>Jan. to Sept. 2023 (RMBm)</b>	<b>% MoM</b>	<b>% YoY</b>
<b>Consolidated Sales</b>	<b>752.8</b>	----	<b>11%</b>
Channel – Beauty Salon Franchise (mainland China)	680.4	----	8%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	25.7	----	19%
Channel – Internet Retailing	15.1	----	73%
Channel – Beauty Clinic	31.6	----	73%



5. Franchise Store Count	End of September 2023	Net Change in September	Yearly Net Increase	YoY %
Total	4986	-18	53	0%
China	4745	-18	52	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,

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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.