



For the month of December 2023, CHLITINA HOLDING LIMITED announced consolidated sales of NT\$393 million (+56% YoY). Consolidated sales for the whole January-to-December 2023 period reached NT\$4,535 million (+11% YoY). Despite the headwinds, the Company will keep striding forward confidently in the Year of the Dragon.

### Operational Summary

1. For December 2023, CHLITINA reported consolidated sales of NT\$392.9m, with sales from our core business in China, the beauty salon franchise channel, contributing NT\$356.5m –or about 91%– to the total.
2. Expressed in renminbi, CHLITINA’s functional currency, for the month of December 2023 alone, consolidated sales reached RMB89.8m (-6% MoM; +57% YoY). Sales originating from the beauty salon franchise network in mainland China contributed RMB81.5m to this monthly total.
3. Sales for the whole year 2023 reached NT\$4,534.8m (+11% YoY), with sales in China from our core business, the beauty salon franchise channel, contributing NT\$4,099.6m to this total. Expressed in renminbi, CHLITINA’s functional currency, sales for the whole year 2023 reached RMB1,032.2m (+12% YoY), with RMB933.1m originating from our mainland China operations.
4. According to “China’s New Double Beauty Trend Report for 2024”, the beauty industry is set to face challenges in the fields of franchise chain development and integration, consumption upgrades, digitalization and transparency, and so on. The Company will heed these warnings and make sure to strengthen online customer acquisition and traffic, to diversify its marketing methods, and to put in place omni-channel sales strategies.
5. Ahead of the coming Lunar New Year, CHLITINA HOLDING LIMITED sincerely thanks you all for your support and wishes you a prosperous Year of the Dragon filled with energy and enthusiasm!

1. NT\$ Reporting for 4137 TT	December 2023 (NT\$m)	% MoM	% YoY
<b>Consolidated Sales</b>	<b>392.9</b>	<b>-7%</b>	<b>56%</b>
Channel – Beauty Salon Franchise (mainland China)	356.5	-5%	53%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	15.1	15%	43%
Channel – Internet Retailing	8.4	-52%	679%



CHLITINA (4137 TT)

January 8, 2024

Channel – Beauty Clinic	12.9	-22%	81%
NT\$/RMB avg. exchange rate (Dec.)	4.3734	----	----
<b>2. RMB Reporting for 4137 TT</b>	<b>December 2023 (RMBm)</b>	<b>% MoM</b>	<b>% YoY</b>
<b>Consolidated Sales</b>	<b>89.8</b>	<b>-6%</b>	<b>57%</b>
Channel – Beauty Salon Franchise (mainland China)	81.5	-4%	54%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	3.4	16%	44%
Channel – Internet Retailing	1.9	-52%	664%
Channel – Beauty Clinic	3.0	-21%	81%
<b>3. TWD Reporting</b>	<b>Jan. to Dec. 2023 (NT\$m)</b>	<b>% MoM</b>	<b>% YoY</b>
<b>Consolidated Sales</b>	<b>4,534.8</b>	----	<b>11%</b>
Channel – Beauty Salon Franchise (mainland China)	4,099.6	----	9%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	153.6	----	20%
Channel – Internet Retailing	101.8	----	94%
Channel – Beauty Clinic	179.8	----	60%
NT\$/RMB average exchange rate	4.3933	----	----
<b>4. RMB Reporting</b>	<b>Jan. to Dec. 2023 (RMBm)</b>	<b>% MoM</b>	<b>% YoY</b>
<b>Consolidated Sales</b>	<b>1,032.2</b>	----	<b>12%</b>
Channel – Beauty Salon Franchise (mainland China)	933.1	----	9%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	35.0	----	21%
Channel – Internet Retailing	23.2	----	95%
Channel – Beauty Clinic	40.9	----	61%

<b>5. Franchise Store Count</b>	<b>End of December 2023</b>	<b>Net Change in December</b>	<b>Yearly Net Increase</b>	<b>YoY %</b>
Total	<b>4825</b>	<b>-56</b>	<b>-108</b>	<b>-2%</b>
China	4584	-56	-109	-2%
Taiwan	220	0	1	0%
Southeast Asia	21	0	0	0%

**2024 Outlook and Targets**

- ◆ **Strengthening the franchise network, adding new product lines, developing all-channel sales:** We will continue to expand our main channel, the CHLITINA beauty salon franchise network, with a view to maintaining it around 5,000 stores,

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and we will work with the RnD Manicure & Eyelash Extension network to enhance offline experience and increase consumer benefits. Brand positioning and brand image will remain a priority, as well as profit contribution.

- ◆ **Increasing the visibility of the aesthetic surgery clinics and the anti-ageing clinics:** The redistribution of resources has been completed, and in 2024 we will strive to expand the clinic business. There are currently 3 aesthetic surgery clinics in operation, Uplider-Nanjing, Uplider-Shanghai and Shanghai-Lunxin; and 2 general practice clinics, Hedeng and Jinghe. Various cross-industry alliances, membership plans and other marketing activities have been planned for this year.
- ◆ **A new start for the e-commerce platform:** We will create a new e-commerce team and marketing strategy in order to make our online sales more vigorous and diversified. Our hope is that the XINMEILI e-shop and the TMALL Flagship Store will see their market share increase visibly, and we expect our business territory to develop accordingly.
- ◆ **Corporate sustainability and ESG implementation plans:** In line with legal and social expectations, various ESG tasks will be accomplished, including completing ahead of schedule the company's greenhouse gas inventory and carbon reduction plans, TCFD information disclosure, company information security, talent management, social welfare actions, products' carbon footprint reduction, and so on. All data will eventually be published in a ESG sustainability report.

### 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.