



CHLITINA HOLDING LIMITED announced consolidated sales of NT\$370 million for the month of January 2024. We expect sales to grow steadily this year, and we wish everyone a happy and prosperous Year of the Dragon.

Operational Summary

1. For January 2024, CHLITINA reported consolidated sales of NT\$ 370.2m, with sales from our core business in China, the beauty salon franchise channel, contributing NT\$ 330.6m –or about 89%– to the total.
2. Expressed in renminbi, CHLITINA’s functional currency, for the month of January 2024 alone, consolidated sales reached RMB 85.2m (-5% MoM; +131% YoY). Sales in mainland China originating from the beauty salon franchise network contributed RMB 76.1m to this total.
3. This year’s marketing strategy will focus on increasing market share, and our motto will be that “the best defense is a good offense.” In other words, we will continue to move forward with our franchisees in order to achieve the best results.

1. TWD Reporting for 4137 TT	Jan. 2024 (NT\$m)	% MoM	% YoY
Consolidated Sales	370.2	-6%	124%
Channel – Beauty Salon Franchise (mainland China)	330.6	-7%	135%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	16.1	7%	45%
Channel – Internet Retailing	7.6	-8%	389%
Channel – Beauty Clinic	15.9	23%	34%
TWD/RMB avg. exchange rate (Jan.)	4.3466	----	----
2. RMB Reporting for 4137 TT	Jan. 2024 (RMBm)	% MoM	% YoY
Consolidated Sales	85.2	-5%	131%
Channel – Beauty Salon Franchise (mainland China)	76.1	-7%	142%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	3.7	7%	50%
Channel – Internet Retailing	1.8	-8%	404%
Channel – Beauty Clinic	3.6	23%	38%



3. Franchise Store Count	End of Jan. 2024	Net Change in Jan. 2024	Yearly Net Change	YoY%
Total	4821	-4	-4	-2%
China	4579	-5	-5	-2%
Taiwan	221	1	1	1%
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 the goal of maintaining it at around 5,000 stores, and we will work with the RnD Manicure & Eyelash Extension network to improve offline experience and increase consumer value. Brand positioning and brand image will remain a priority, as will profit contribution.
- ◆ **Increasing the visibility of the aesthetic surgery clinics and the anti-aging clinics:** The reallocation 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 are planned for this year.
- ◆ **A new start for the e-commerce platform:** We will establish a new e-commerce team and marketing strategy in order to make our online sales more vigorous and diversified. We hope that the market share of XINMEILI e-shop and TMALL Flagship Store will 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 carried out, including early completion of the company's greenhouse gas inventory and carbon reduction plans, TCFD information disclosure, corporate information security, talent management, social welfare measures, products' carbon footprint reduction, and so on. All data will eventually be published in an 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, manufacturing, marketing and sales. We sell



our CHLITINA skin care products to franchise beauty salons. In recent years, we have worked to diversify our business through new strategies including establishing 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 founded 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 mainland China where its high-quality products and effective business model have been key to its remarkable success.
- **New Developments:** In addition to operating a large beauty salon franchise, in recent years, CHLITINA has collaborated with academic and medical circles on R&D projects related to stem cells, as well as anti-aging and regenerative medicine. We have also made strategic investments in the biotechnology industry. We are confident that this strategy will inject new blood into the Group in the long term.