



CHLITINA HOLDING LIMITED announced consolidated sales of NT\$998 million for the first three months of 2024 (+5.5% YoY). CHLITINA was listed among Forbes China Top 100 Beauty Brands.

Operational Summary

1. For March 2024, CHLITINA reported consolidated sales of NT\$ 379.4m, with sales from our core business in China, the beauty salon franchise channel, contributing NT\$336.7m –or about 89%– to the total.
2. Expressed in renminbi, CHLITINA’s functional currency, for the month of March 2024 alone, consolidated sales reached RMB86.5m (52% MoM; -9% YoY). Sales in mainland China originating from the beauty salon franchise network contributed RMB76.7m to this total.
3. Sales for the first three months of 2024 reached a total of NT\$998.3 (+6% YoY), with sales in China from our core business, the beauty salon franchise channel, contributing NT\$888.9m to this total. Expressed in renminbi, CHLITINA’s functional currency, sales for the first three months of 2024 reached RMB228.7m (7% YoY), with RMB203.6m originating from our mainland China operations.
4. A financial operation is being finalized that involves a cash capital increase of 3000 shares, and the issuance of convertible bonds for a total of 1.1 billion (face value), both of which have been approved by competent authorities. Funds are expected to be available in May through June, and will be used in full to repay bank loans. The aim is to save on bank loan interest expenses.
5. The first Forbes China Beauty Industry Summit and Beauty Industry Awards Ceremony was held in Guangzhou last month. CHLITINA was selected as one of the 2023-2024 Forbes China Top 100 Beauty Brands. CHLITINA Group CEO Ryan Chao was also awarded 2023-2024 Forbes China Beauty Industry Young Leader, in recognition of the strength of the brand, of the company’s investment in industry talents, and of its position as a beauty industry leader.

1. NT\$ Reporting for 4137 TT	March 2023 (NT\$m)	% MoM	% YoY
Consolidated Sales	379.4	53%	-10%
Channel – Beauty Salon Franchise (mainland China)	336.7	52%	-11%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	15.7	10%	1%
Channel – Internet Retailing	12.2	214%	198%



CHLITINA (4137 TT)

April 8, 2024

Channel – Beauty Clinic	14.8	64%	-33%
NT\$/RMB avg. exchange rate (Mar.)	4.3874	----	----
2. RMB Reporting for 4137 TT	March 2023 (RMBm)	% MoM	% YoY
Consolidated Sales	86.5	52%	-9%
Channel – Beauty Salon Franchise (mainland China)	76.7	51%	-11%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	3.6	9%	2%
Channel – Internet Retailing	2.8	213%	200%
Channel – Beauty Clinic	3.4	63%	-33%
3. TWD Reporting	Jan. to Mar. 2023 (NT\$m)	% MoM	% YoY
Consolidated Sales	998.3	----	6%
Channel – Beauty Salon Franchise (mainland China)	888.9	----	4%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	46.1	----	23%
Channel – Internet Retailing	23.7	----	160%
Channel – Beauty Clinic	39.6	----	-15%
NT\$/RMB average exchange rate	4.3659	----	----
4. RMB Reporting	Jan. to Mar. 2023 (RMBm)	% MoM	% YoY
Consolidated Sales	228.7	----	7%
Channel – Beauty Salon Franchise (mainland China)	203.6	----	6%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	10.6	----	25%
Channel – Internet Retailing	5.4	----	163%
Channel – Beauty Clinic	9.1	----	-14%

5. Franchise Store Count	End of March 2024	Net Change in March	Yearly Net Increase	YoY %
Total	4839	15	14	-3%
China	4594	12	10	-3%
Taiwan	224	3	4	2%
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.