



**CHLITINA HOLDING LIMITED announced its consolidated sales for the first quarter of this year today. The company keeps its position as the industry leader. Tax returns are deferred. Meanwhile the company has enlarged the distribution layout of CHLITINA HOME SPA, which is expected to improve the new brand's operating performance in the second half of the year.**

### **Operational Summary**

- 1. For April 2024, CHLITINA reported consolidated sales of NT\$340.6m, with sales from our core business in China, the beauty salon franchise channel, contributing NT\$295.4m –or about 87%– to the total.**
- 2. Expressed in renminbi, CHLITINA's functional currency, for the month of April 2024 alone, consolidated sales reached RMB76.4m (-12% MoM; -22% YoY). Sales in mainland China originating from the beauty salon franchise network contributed RMB66.2m to this total.**
- 3. Sales for the first four months of 2024 reached a total of NT\$1,338.9 (-3% YoY), with sales in China from our core business, the beauty salon franchise channel, contributing NT\$1,184.3m to this total. Expressed in renminbi, CHLITINA's functional currency, sales for the first four months of 2024 reached RMB305.0m (-2% YoY), with RMB269.8m originating from our mainland China operations.**
- 4. In addition, the company announced its consolidated financial report for the first quarter of this year. While marketing expenses increased slightly compared with the same period last year in order to finance various marketing campaigns, the overall operating profit remained above 20%. of The yearly tax subsidy remittance from the Shanghai Municipality Taxation Bureau was deferred to the second quarter due to internal scheduling. Moreover, the appreciation of the US dollar has an impact on the company's finances. These factors combined resulted in an after-tax earnings per share (EPS) was NT\$0.91.**
- 5. Despite facing headwinds in the current macroeconomic environment, the company understands the importance of balancing profitability with the need to keep moving forward. We recognize that staying put might cause us to lose our halo once the economy recovers. Therefore, while carefully balancing economic benefits and financial control, we will continue to invest in branding, product development and channel management. Our agility has always been our key strength. As we wait for the overall consumption to recover, we are accumulating operational experience and staying fully prepared to seize opportunities and adapt to whatever challenges the future may bring.**



1. NT\$ Reporting for 4137 TT	April 2024 (NT\$m)	% MoM	% YoY
<b>Consolidated Sales</b>	<b>340.6</b>	<b>-10%</b>	<b>-22%</b>
Channel – Beauty Salon Franchise (mainland China)	295.4	-12%	-26%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	13.8	-12%	6%
Channel – Internet Retailing	9.5	-22%	46%
Channel – Beauty Clinic	21.9	48%	17%
NT\$/RMB avg. exchange rate (Apr.)	4.4602	----	----
2. RMB Reporting for 4137 TT	April 2024 (RMBm)	% MoM	% YoY
<b>Consolidated Sales</b>	<b>76.4</b>	<b>-12%</b>	<b>-22%</b>
Channel – Beauty Salon Franchise (mainland China)	66.2	-14%	-26%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	3.1	-13%	6%
Channel – Internet Retailing	2.1	-23%	45%
Channel – Beauty Clinic	5.0	47%	17%
3. TWD Reporting	Jan. to Apr. 2024 (NT\$m)	% MoM	% YoY
<b>Consolidated Sales</b>	<b>1,338.9</b>	----	<b>-3%</b>
Channel – Beauty Salon Franchise (mainland China)	1,184.3	----	<b>-5%</b>
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	59.9	----	19%
Channel – Internet Retailing	33.2	----	112%
Channel – Beauty Clinic	61.5	----	<b>-6%</b>
NT\$/RMB average exchange rate	4.3895	----	----
4. RMB Reporting	Jan. to Apr. 2024 (RMBm)	% MoM	% YoY
<b>Consolidated Sales</b>	<b>305.0</b>	----	<b>-2%</b>
Channel – Beauty Salon Franchise (mainland China)	269.8	----	<b>-4%</b>
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	13.6	----	20%
Channel – Internet Retailing	7.6	----	114%
Channel – Beauty Clinic	14.0	----	<b>-5%</b>



5. Franchise Store Count	End of April 2024	Net Change in April	Yearly Net Increase	YoY %
Total	4835	-4	10	-4%
China	4591	-3	7	-4%
Taiwan	225	1	5	3%
Southeast Asia	19	-2	-2	-10%

### **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, 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,

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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.