



CHLITINA HOLDING LIMITED's operating revenue is back on track! The company's single-month revenue for May was NT\$375 million, with both monthly and yearly results showing an upward trend.

Operational Summary

1. For May 2024, CHLITINA reported consolidated sales of NT\$374.6m, with sales from our core business in China, the beauty salon franchise channel, contributing NT\$334.7m –or about 89%– to the total.
2. Expressed in renminbi, CHLITINA's functional currency, for the month of May 2024 alone, consolidated sales reached RMB83.9m (+10% MoM; -2% YoY). Sales in mainland China originating from the beauty salon franchise network contributed RMB75.0m to this total.
3. Sales for the first five months of 2024 reached a total of NT\$1,713.6 (-2% YoY), with sales in China from our core business, the beauty salon franchise channel, contributing NT\$1,519.0m to this total. Expressed in renminbi, CHLITINA's functional currency, sales for the first five months of 2024 reached RMB388.9m (-2% YoY), with RMB344.8m originating from our mainland China operations.
4. The grant from the Shanghai Municipality Tax Office for the 2024 Fiscal Year will be reflected in the second quarter results. The calculation basis for this tax grant has returned to normal levels (last year was an exception), and it is expected to add between 20 and 30 million renminbi to the Company's revenue, as in previous years.
5. The Company recently completed a cash capital increase operation for a total of NT\$468m (3,000,000 shares at a nominal value of NT\$156), and has started with subsequent fund allocation, i.e. repaying bank loans in order to save on interest expenses. The second part of the fundraising project is the issuance of convertible bonds, for a planned amount of NT\$1.1bn (face value). Implementation is tentatively scheduled in the third quarter.

1. NT\$ Reporting for 4137 TT	May 2024 (NT\$m)	% MoM	% YoY
Consolidated Sales	374.6	10%	3%
Channel – Beauty Salon Franchise (mainland China)	334.7	13%	2%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	13.7	-1%	19%
Channel – Internet Retailing	9.8	3%	194%
Channel – Beauty Clinic	16.4	-25%	-15%
NT\$/RMB avg. exchange rate (May)	4.4651	----	----

IR contact:
Laurence Marcout

Tel:
(+886-2) 8758-0370

E-mail:
ir@chlitinaholding.com



2. RMB Reporting for 4137 TT	May 2024 (RMBm)	% MoM	% YoY
Consolidated Sales	83.9	10%	-2%
Channel – Beauty Salon Franchise (mainland China)	75.0	13%	-4%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	3.0	-1%	12%
Channel – Internet Retailing	2.2	3%	176%
Channel – Beauty Clinic	3.7	-25%	-19%
3. TWD Reporting	Jan. to May 2024 (NT\$m)	% MoM	% YoY
Consolidated Sales	1,713.6	----	-2%
Channel – Beauty Salon Franchise (mainland China)	1,519.0	----	-4%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	73.6	----	19%
Channel – Internet Retailing	43.0	----	127%
Channel – Beauty Clinic	78.0	----	-8%
NT\$/RMB average exchange rate	4.4058	----	----
4. RMB Reporting	Jan. to May 2024 (RMBm)	% MoM	% YoY
Consolidated Sales	388.9	----	-2%
Channel – Beauty Salon Franchise (mainland China)	344.8	----	-4%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	16.7	----	18%
Channel – Internet Retailing	9.7	----	126%
Channel – Beauty Clinic	17.7	----	-8%

5. Franchise Store Count	End of May 2024	Net Change in May	Yearly Net Increase	YoY %
Total	4846	11	21	-4%
China	4602	11	18	-4%
Taiwan	225	0	5	2%
Southeast Asia	19	0	-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

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E-mail:
ir@chlitinaholding.com



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.