



CHLITINA HOLDING LIMITED announced that single-month revenue for July was NT\$320 million, and CHLITINA won two prestigious awards at the 13th China Finance Summit 2024!

Operational Summary

1. For July 2024, CHLITINA reported consolidated sales of NT\$319.0m, with sales from our core business in China, the beauty salon franchise channel, contributing NT\$282.3m –or about 88%– to the total.
2. Expressed in renminbi, CHLITINA's functional currency, for the month of July 2024 alone, consolidated sales reached RMB71.0m (+4% MoM; -9% YoY). Sales in mainland China originating from the beauty salon franchise network contributed RMB62.8m to this total.
3. Sales for the first seven months of 2024 reached a total of NT\$2,335.5 (-3% YoY), with sales in China from our core business, the beauty salon franchise channel, contributing NT\$2,068.4m to this total. Expressed in renminbi, CHLITINA's functional currency, sales for the first seven months of 2024 reached RMB527.9m (-4% YoY), with RMB467.5m originating from our mainland China operations.
4. At the recently concluded 13th CFS Finance Summit and Amazing 2024 Innovative Entrepreneur Festival in Beijing, the Company received two major awards: CHLITINA garnered a Sustainable Development Model Enterprise Award, and CEO Ryan Chao was awarded the Outstanding Influential Entrepreneur Award. The Company having been committed to the implementation of ESG for many years, the awards are truly well deserved.
5. The Company has recently completed the second phase of its financing plan: the offering and issuance of three-year convertible corporate bonds with a par value totaling NT\$1.1bn, with a conversion price set at NT\$166 (before dividends). For relevant information, please refer to the Company's announcements on the Market Observation Post System of the Taiwan Stock Exchange.

| 1. NT\$ Reporting for 4137 TT | July 2024 (NT\$m) | % MoM | % YoY |
|---|----------------------|-----------|------------|
| Consolidated Sales | 319.0 | 5% | -5% |
| Channel – Beauty Salon Franchise (mainland China) | 282.3 | 6% | -6% |
| Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.) | 12.3 | -14% | -10% |
| Channel – Internet Retailing | 11.6 | 21% | 20% |
| Channel – Beauty Clinic | 12.8 | 8% | -8% |
| NT\$/RMB avg. exchange rate (July) | 4.4956 | ---- | ---- |

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CHLITINA (4137 TT)

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| 2. RMB Reporting for 4137 TT | July 2024 (RMBm) | % MoM | % YoY |
|---|------------------------------|-----------|------------|
| Consolidated Sales | 71.0 | 4% | -9% |
| Channel – Beauty Salon Franchise (mainland China) | 62.8 | 5% | -9% |
| Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.) | 2.7 | -15% | -13% |
| Channel – Internet Retailing | 2.6 | 20% | 17% |
| Channel – Beauty Clinic | 2.9 | 7% | -12% |
| 3. TWD Reporting | Jan. to July 2024 (NT\$m) | % MoM | % YoY |
| Consolidated Sales | 2,335.5 | ---- | -3% |
| Channel – Beauty Salon Franchise (mainland China) | 2,068.4 | ---- | -4% |
| Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.) | 100.2 | ---- | 10% |
| Channel –Internet Retailing | 64.2 | ---- | 51% |
| Channel –Beauty Clinic | 102.7 | ---- | -9% |
| NT\$/RMB average exchange rate | 4.4241 | ---- | ---- |
| 4. RMB Reporting | Jan. to July 2024 (RMBm) | % MoM | % YoY |
| Consolidated Sales | 527.9 | ---- | -4% |
| Channel – Beauty Salon Franchise (mainland China) | 467.5 | ---- | -5% |
| Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.) | 22.7 | ---- | 10% |
| Channel –Internet Retailing | 14.5 | ---- | 50% |
| Channel –Beauty Clinic | 23.2 | ---- | -9% |

| 5. Franchise Store Count | End of July 2024 | Net Change in July | Yearly Net Increase | YoY % |
|-----------------------------|------------------|-----------------------|------------------------|------------|
| Total | 4810 | -25 | -15 | -5% |
| China | 4565 | -25 | -19 | -5% |
| Taiwan | 226 | 0 | 6 | 3% |
| 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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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.