



**CHLITINA HOLDING LIMITED announced that single-month revenue for September was NT\$370 million, marking the third consecutive month-over-month growth. Over the coming two years, the focus will continue to be on brand promotion, channel management, and new product development, with the aim of achieving operational success and creating outstanding results.**

### Operational Summary

1. For September 2024, CHLITINA reported consolidated sales of NT\$374.3m, with sales from our core business in China, the beauty salon franchise channel, contributing NT\$342.1m –or about 91%– to the total.
2. Expressed in renminbi, CHLITINA's functional currency, for the month of September 2024 alone, consolidated sales reached RMB83.0m (+14% MoM; -32% YoY). Sales in mainland China originating from the beauty salon franchise network contributed RMB75.9m to this total.
3. Sales for the first nine months of 2024 reached a total of NT\$3,039.3 (-8% YoY), with sales in China from our core business, the beauty salon franchise channel, contributing NT\$2,713.3m to this total. Expressed in renminbi, CHLITINA's functional currency, sales for the first nine months of 2024 reached RMB683.8m (-9% YoY), with RMB610.5m originating from our mainland China operations.
4. The company issued three-year convertible bonds with a face value of NT\$1.1 billion in mid-August. According to the fund utilization plan, all the funds raised were used to repay bank loans in the third quarter, thereby saving on interest expenses.
5. Considering the company's current abundant working capital and flexible and efficient allocation, the aim is to use these funds in the most effective way to enhance operational performance. Additionally, the company will maintain a stable and generous dividend policy to return the fruits of its operations to shareholders.

1. NT\$ Reporting for 4137 TT	Sept. 2024 (NT\$m)	% MoM	% YoY
<b>Consolidated Sales</b>	<b>374.3</b>	<b>14%</b>	<b>-30%</b>
Channel – Beauty Salon Franchise (mainland China)	342.1	13%	-31%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	11.3	-1%	16%
Channel – Internet Retailing	6.5	33%	-52%
Channel – Medical Beauty Clinics	14.4	40%	10%
NT\$/RMB avg. exchange rate (Sept.)	4.5098	----	----

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2. RMB Reporting for 4137 TT	Sept. 2024 (RMBm)	% MoM	% YoY
<b>Consolidated Sales</b>	<b>83.0</b>	<b>14%</b>	<b>-32%</b>
Channel – Beauty Salon Franchise (mainland China)	75.9	13%	-33%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	2.5	-1%	12%
Channel – Internet Retailing	1.4	35%	-54%
Channel – Medical Beauty Clinics	3.2	41%	7%
3. TWD Reporting	Jan. to Sept. 2024 (NT\$m)	% MoM	% YoY
<b>Consolidated Sales</b>	<b>3,039.3</b>	----	<b>-8%</b>
Channel – Beauty Salon Franchise (mainland China)	2,713.3	----	-9%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	122.9	----	9%
Channel – Internet Retailing	75.7	----	14%
Channel – Medical Beauty Clinics	127.4	----	-8%
NT\$/RMB average exchange rate	4.4447	----	----
4. RMB Reporting	Jan. to Sept. 2024 (RMBm)	% MoM	% YoY
<b>Consolidated Sales</b>	<b>683.8</b>	----	<b>-9%</b>
Channel – Beauty Salon Franchise (mainland China)	610.5	----	-10%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	27.6	----	7%
Channel – Internet Retailing	17.0	----	13%
Channel – Medical Beauty Clinics	28.7	----	-9%

5. Franchise Store Count	End of September 2024	Net Change in September	YTD Net Change	YoY %
Total	<b>4745</b>	<b>-60</b>	<b>-80</b>	<b>-5%</b>
China	4499	-61	-85	-5%
Taiwan	227	1	7	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 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.

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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.