



Happy New Year! CHLITINA HOLDING LIMITED announced consolidated sales of NT\$428m for January 2021, a 82% increase YoY. Expressed in the currency of reference for CHLITINA, January sales reached RMB97m, a new historic high for the company.

Operational Summary

1. For January 2021, CHLITINA reported consolidated sales of NT\$428.1m, with sales from our core business in China, the beauty salon franchise channel, contributing NT\$401.1m –or about 94%– to the total.
2. Expressed in renminbi, the currency the most commonly used by CHLITINA, in January, consolidated sales reached RMB97.5m (-17% MoM; +79% YoY). Sales in mainland China from the beauty salon franchise network contributed RMB91.4m to this total.
3. After the jolts and challenges of last year, all businesses under the CHLITINA flag have shown not only their extraordinary resilience but also their attractiveness. Looking ahead to 2021, we will take on new tasks and achieve our goals with even more confidence.
4. The company's capital raise proposal has been reviewed and approved by the competent authorities. We are at the moment in the silent period. Execution schedule and relevant financial information will be announced in accordance with regulations.

1. TWD Reporting for 4137 TT	Jan. 2021 (NT\$m)	% MoM	% YoY
Consolidated Sales	428.1	-17%	82%
Channel – Beauty Salon Franchise (mainland China)	401.1	-15%	86%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	10.8	-16%	8%
Channel – Internet Retailing	8.5	-19%	-4%
Channel – Beauty Clinic	7.7	-60%	996%
TWD/RMB avg. exchange rate (Jan.)	4.3907	----	----
2. RMB Reporting for 4137 TT	Jan. 2021 (RMBm)	% MoM	% YoY
Consolidated Sales	97.5	-17%	79%
Channel – Beauty Salon Franchise (mainland China)	91.4	-16%	83%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	2.5	-19%	7%

Channel – Internet Retailing	1.9	-19%	-5%
Channel – Beauty Clinic	1.7	-61%	982%

3. Franchise Store Count	End of January 2021	Net Change in January	Year-to-Date Net Change	YoY %
Total	4785	19	19	0%
China	4539	20	20	1%
Taiwan	222	-1	-1	-26%
South East Asia	24	0	0	-8%

2021 Outlook and Targets

- ◆ **Developing our potential, regaining confidence, growing together:** After bidding farewell to the impact of the pandemic, our core business, the CHLITINA beauty salon franchise network, has maintained stable operations. We are increasing our expansion target to over 500 franchise stores added to our global network every year, and reinforcing our various franchisee recruitment campaigns. Franchise store strategy, branding strategy and so on will be combined to pursue growth in terms of quality and quantity, and to enlarge business scale and profits.
- ◆ **Improving business operations at our aesthetic surgery clinics and anti-ageing clinics:** We will have 4 UPLIDER aesthetic surgery clinics in Beijing, Nanjing and Shanghai, as well as two general practice clinics (Hedeng and Jinghe clinics) in full operation in 2021. These clinics will allow us to improve our service standards, increase the level of individual customer contribution and bring new momentum to the Group.
- ◆ **Expanding our e-commerce platform customer base and building new strength:** We will bolster our Xinmeili e-shop and Tmall Flagship Store, keeping up with economic development and changing consumer behavior. Our online strategy will follow that of our physical stores, and consumers will be able to connect online and offline. E-commerce and beauty salons will share resources, complementing each other like icing on a cake.
- ◆ **Strategic and comprehensive investments:** We will continue investing in the RnD Manicure Eyelash network which plays a key supporting role in the expansion of the CHLITINA beauty salon network, while developing concentric diversification within the beauty industry. In recent years, we have also constantly been looking for investment opportunities in biotech, testing and new drugs.
- ◆ **Precise digital management, focusing on creating value:** Strategic thinking will be going forward in four major directions: customers, employees, shareholders and social responsibility. Our focus will be on creating value, and sustainable development will be our main axis.

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 (over 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 continued to work on business diversification through new strategies including the creation of an UPLIDER medical beauty clinic network, expansion in South East Asia, and developing e-commerce and other subsidiary channels. Our aim is to create a comprehensive beauty industry channel.
- ◆ **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 cell, anti-ageing and regenerative medicine. We hope we will be able to implement the fruit of this research into our self-operated medical beauty clinic network. Eventually, we are confident that this strategy will set a new standard for the medical beauty service industry while injecting new blood into the group.