



For March 2021, CHLITINA HOLDING LIMITED announced consolidated sales of NT\$416m, a 41% increase YoY. Business operations are stable and the Group is marching towards its goals.

Operational Summary

1. For March 2021, CHLITINA reported consolidated sales of NT\$415.8m, with sales from our core business in China, the beauty salon franchise channel, contributing 373.9NT\$ –or about 90%– to the total.
2. Expressed in renminbi, the currency the most commonly used by CHLITINA, in March, consolidated sales reached RMB95.5m (+58% MoM; +39% YoY). Sales in mainland China from the beauty salon franchise network contributed RMB85.9m to this total.
3. Sales for the first three months of 2021 reached NT\$1108.2m (+69% YoY), with sales from our core business in China, the beauty salon franchise channel, contributing NT\$1017.2m to this total. Expressed in renminbi, the currency the most commonly used by CHLITINA, sales for the first three months of 2021 reached RMB253.3m (+67% YoY), with RMB232.5m originating from our mainland China operations.
4. At present, our main distribution channel, the CHLITINA beauty salon franchise, comprises a total of 4837 stores worldwide. In mainland China, our biggest market, business operations, recruitment of new franchisees, marketing and other activities are all progressing according to plan. In Taiwan and in Vietnam, efforts are focused on brand management and improving operational efficiency at the franchise channel.
5. After China in November last year, in March, CHLITINA officially launched in Taiwan its latest creation, the Youthkeeper Serum. Formulated using a patented technology developed in our own laboratory, this product with moisturizing and anti-wrinkle properties is widely acclaimed by franchisees and consumers. We expect this new addition to the CHLITINA product portfolio to help us achieve great results this year.
6. The company's capital raise project 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	Mar. 2021 (NT\$m)	% MoM	% YoY
Consolidated Sales	415.8	57%	41%
Channel – Beauty Salon Franchise (mainland China)	373.9	54%	44%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	13.0	24%	30%
Channel – Internet Retailing	14.2	184%	-40%
Channel – Beauty Clinic	14.7	119%	NA
TWD/RMB avg. exchange rate (Mar.)	4.3537	----	----
2. RMB Reporting for 4137 TT	Mar. 2021 (RMBm)	% MoM	% YoY
Consolidated Sales	95.5	58%	39%
Channel – Beauty Salon Franchise (mainland China)	85.9	56%	42%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	3.0	25%	28%
Channel – Internet Retailing	3.2	185%	-41%
Channel – Beauty Clinic	3.4	120%	NA
3. TWD Reporting	Jan. to Mar. 2021 (NT\$m)	% MoM	% YoY
Consolidated Sales	1,108.2	----	69%
Channel – Beauty Salon Franchise (mainland China)	1,017.2	----	75%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	34.2	----	13%
Channel – Internet Retailing	27.7	----	-35%
Channel – Beauty Clinic	29.1	----	NA
TWD/RMB average exchange rate	4.3748	----	----
4. RMB Reporting	Jan. to Mar. 2021 (RMBm)	% MoM	% YoY
Consolidated Sales	253.3	----	67%
Channel – Beauty Salon Franchise (mainland China)	232.5	----	72%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	7.8	----	11%
Channel – Internet Retailing	6.3	----	-36%
Channel – Beauty Clinic	6.7	----	NA

5. Franchise Store Count	End of March 2021	Net Change in March	Year-to-Date Net Change	YoY %
Total	4837	40	71	0%
China	4597	42	78	2%
Taiwan	218	-2	-5	-27%
South East Asia	22	0	-2	-12%

2021 Outlook and Targets

- ◆ **Developing our potential, regaining confidence, growing together:** The pandemic is now behind us, and we are relieved that 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 within the end of 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 to invest in the RnD Manicure Eyelash network which plays a key supporting role in the expansion of the CHLITINA beauty salon network, while we are 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 been working on business diversification through new strategies including creating of the UPLIDER medical beauty clinic network, expanding in South East Asia, and developing e-commerce and other subsidiary channels. Our aim is to create a comprehensive beauty industry ecosystem.
- ◆ **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.