



CHLITINA HOLDING LIMITED announced consolidated sales of NT\$5,271.3 million for the year 2021, a new high for the company!

Operational Summary

1. For December 2021, CHLITINA reported consolidated sales of NT\$436.7m, with sales from our core business in China, the beauty salon franchise channel, contributing NT\$403.0m –or about 92%– to the total.
2. Expressed in renminbi, CHLITINA's functional currency, in December, consolidated sales reached RMB100.2m (-13% MoM; -15% YoY). Sales in mainland China originating from the beauty salon franchise network contributed RMB92.5m to this total.
3. Sales for the whole year 2021 reached NT\$5,271.3m (+30% YoY), with sales from our core business in China, the beauty salon franchise channel, contributing NT\$4,780.7m to this total. Expressed in the company's functional currency, sales for the whole year reached RMB1,214.5m (+28% YoY), with RMB1,101.5m originating from our mainland China operations.
4. As of the end of December, our main business channel, the CHLITINA franchise, included 4,961 stores worldwide. In the fourth quarter of 2021, consolidated sales reached NT\$1.505 billion, which translates into a quarterly growth of 8.1%. The company defied external uncertainties to set a new record for the period. The compound growth rate for the last five years was 14%.
5. In 2022, the company will keep moving forward with a stable network growth target, and eliminate the weaker stores in order to optimize average store business performance. Meanwhile, we will increase brand power and strengthen the contribution of all channels under the CHLITINA flag for an even better synergy.

1. TWD Reporting for 4137 TT	Dec. 2021 (NT\$m)	% MoM	% YoY
Consolidated Sales	436.7	-13%	-15%
Channel – Beauty Salon Franchise (mainland China)	403.0	-11%	-14%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	12.4	3%	-7%
Channel – Internet Retailing	4.8	-70%	-54%
Channel – Beauty Clinic	16.5	-21%	-14%
TWD/RMB avg. exchange rate (Dec.)	4.3569	----	----
2. RMB Reporting for 4137 TT	Dec. 2021	% MoM	% YoY

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	(RMBm)		
Consolidated Sales	100.2	-13%	-15%
Channel – Beauty Salon Franchise (mainland China)	92.5	-11%	-15%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	2.8	2%	-7%
Channel – Internet Retailing	1.1	-71%	-54%
Channel – Beauty Clinic	3.8	-21%	-15%
3. TWD Reporting	Jan. to Dec. 2021 (NT\$m)	% MoM	% YoY
Consolidated Sales	5,271.3	----	30%
Channel – Beauty Salon Franchise (mainland China)	4,780.7	----	31%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	138.4	----	-3%
Channel – Internet Retailing	116.8	----	-26%
Channel – Beauty Clinic	235.4	----	152%
TWD/RMB average exchange rate	4.3402	----	----
4. RMB Reporting	Jan. to Dec. 2021 (RMBm)	% MoM	% YoY
Consolidated Sales	1,214.5	----	28%
Channel – Beauty Salon Franchise (mainland China)	1,101.5	----	29%
Channel – Beauty Salon Franchise (Taiwan, Vietnam, etc.)	31.9	----	-4%
Channel – Internet Retailing	26.9	----	-27%
Channel – Beauty Clinic	54.2	----	149%

5. Franchise Store Count	End of December 2021	Net Change in December	Yearly Net Change	YoY %
Total	4961	28	195	4%
China	4720	26	201	4%
Taiwan	219	2	-4	-2%
Southeast Asia	22	0	-2	-8%

2022 Outlook and Targets

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- ◆ **Returning to stable growth, emphasizing products' strengths:** Our core business, the CHLITINA beauty salon franchise network, has maintained a stable growth thanks to the company's strong fundamentals. We will emphasize simultaneous improvements in terms of quality and quantity, while keeping our expansion target at **500** franchise stores added to our global network every year. Active franchisee recruitments and efficient marketing and branding campaigns will help enlarge our business scale and profits.
- ◆ **Improving the business model of our aesthetic surgery clinics and anti-ageing clinics:** Product lines will continue to be expanded at our 4 UPLIDER aesthetic surgery clinics as well as at our 2 general practice clinics (HEDENG and JINGHE clinics). These clinics situated in Beijing, Nanjing and Shanghai will allow us to increase individual customer contribution to our profits and bring new momentum to the Group.
- ◆ **Raising brand exposure on e-commerce platforms and expanding customer base:** We will use our XINMEILI e-shop and TMALL Flagship Store to keep up with economic development and changing consumer behavior, and will also connect them with RnD Nail & Eyelash physical stores. Our online strategy will follow that of our physical stores, and consumers will be able to connect with us online and offline. E-commerce and beauty salons will share resources, complementing each other.
- ◆ **Better utilizing resources and maximizing benefits for the group, considering long-term and all-round company development:** Strategic investments will continue to play a key supporting role. Resources will be used efficiently in order to maximize benefits for the company, and in turn for shareholders, employees, and society.

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 (approximately 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.