



Chung Hwa Pulp Corporation

2Q21 Earnings Results

Disclaimer

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Company Profile

□ Data

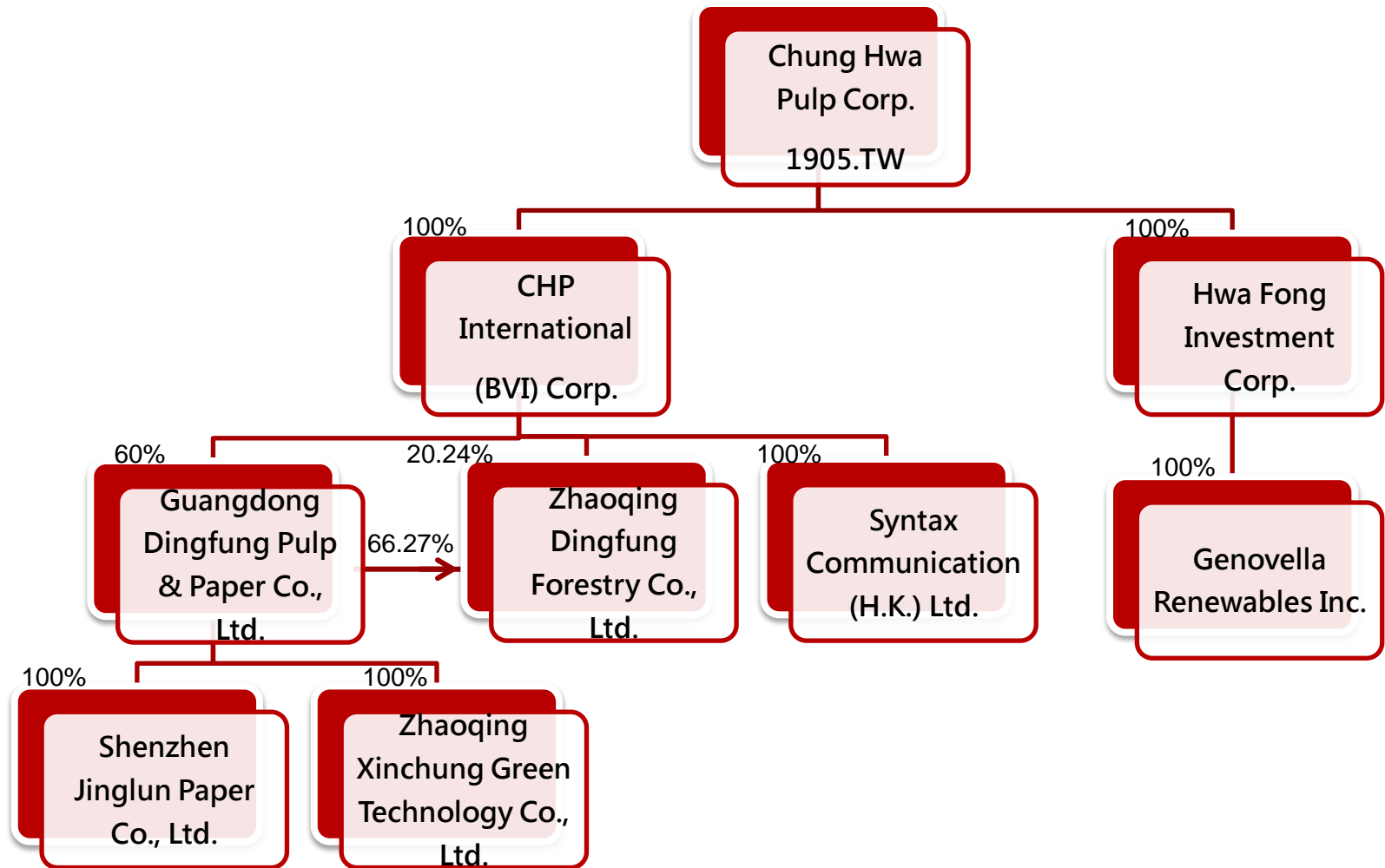
- Company: Chung Hwa Pulp Corp.
- Stock Code: 1905.TW
- Capital: NTD\$ 11,028 Million
- Date of Establishment: 1968/7/5
- Consolidated business with Paper and Board business unit of YFY in Oct 2012



□ Major Products

- Cellulosic Materials Division
 - ✓ Cultural Paper
 - ✓ Packaging Paper
 - ✓ Industrial Paper
 - ✓ Pulp
 - ✓ Cellulosic Materials Products
- Specialty Materials Division
 - ✓ Special Coating Products
- Forestry & Agriculture
 - ✓ Bio-base fertilizer
 - ✓ Afforestation

Holding Structures



Operating Locations



1H21 Financial Results

In NT Thousand	2021 1Q		2021 1H		2020 1Q		YoY
	Amount	%	Amount	%	Amount	%	%
Net Sales	5,741,225	100.0	11,218,503	100.0	9,061,940	100.0	23.8
COGS	4,703,927	81.9	9,548,983	85.1	8,457,022	93.3	12.9
Gross Profit	1,037,298	18.1	1,669,520	14.9	604,918	6.7	176.0
Operating Profit	461,204	8.0	572,836	5.1	(167,052)	- 1.8	Turn a Profit
Other Income/Expense	33,114	0.6	38,397	0.3	47,962	0.5	-19.9
- Finance costs	(20,634)	-0.4	(39,874)	-0.4	(43,727)	-0.5	-8.8
- Foreign exchange gain(losses) and Gain (loss) on financial instruments at FVTPL	(20,223)	-0.3	(40,880)	-0.4	(28,937)	-0.3	41.3
- Share of profit of associates	50,704	0.9	74,229	0.7	31,462	0.3	135.9
- Dividend income	-	-	-	-	71,543	0.8	-
- Other incomes	23,267	0.4	44,922	0.4	17,621	0.2	154.9
Profit Before Tax	494,318	8.6	611,233	5.4	(119,090)	-1.3	Turn a Profit
Profit After Tax	420,433	7.3	521,866	4.7	(125,583)	- 1.4	Turn a Profit
Profit Attributable to Owners	408,077	7.1	502,907	4.5	(81,293)	- 0.9	Turn a Profit
After Tax EPS(NTD)	0.38		0.46		(0.07)		



Summary

2Q21

➤ Consolidated revenue for the second quarter was NTD 5.74 billion. Gross operating margin improved to 18.1% due to pulp prices remaining at a high level, price increase of paper products to reflect increasing costs and strict inventory control contributed to management efficiency. Net income after tax was NT\$420 million, with NT\$408 million attributable to Owner and recorded NT\$0.38 EPS for the quarter.

1H21

➤ The 1H21 consolidated revenue was NTD \$11.22 billion, with 23.8% growth Y/Y. The 1H21 Gross Profit Margin and Operating Profit Margin were 14.9% and 5.1% respectively. The 1H21 Net Income after Tax Attributable to Owner of the Company was NT\$503 million and recorded EPS with NT\$0.46.

3Q21 Outlook

➤ The third quarter is traditionally a slow season, with weak demand in the Asia Pacific market. In addition to the third wave of global epidemics and high shipping costs, CHP is cautious about the third quarter and will pay attention to international economy changes, tightly control costs and wait for opportunities to adjust production lines, focusing on high value-added specialty paper products and non-plastic end materials.

➤ Due to the development of global ESG and the trend of green supply chain, CHP will based on its 50 years of power generation experiences to expand its investment in renewable energy projects, develop new generation energy applications, implement the new blueprint of circular economy, and become a carbon neutral practitioner.

Thank you
