

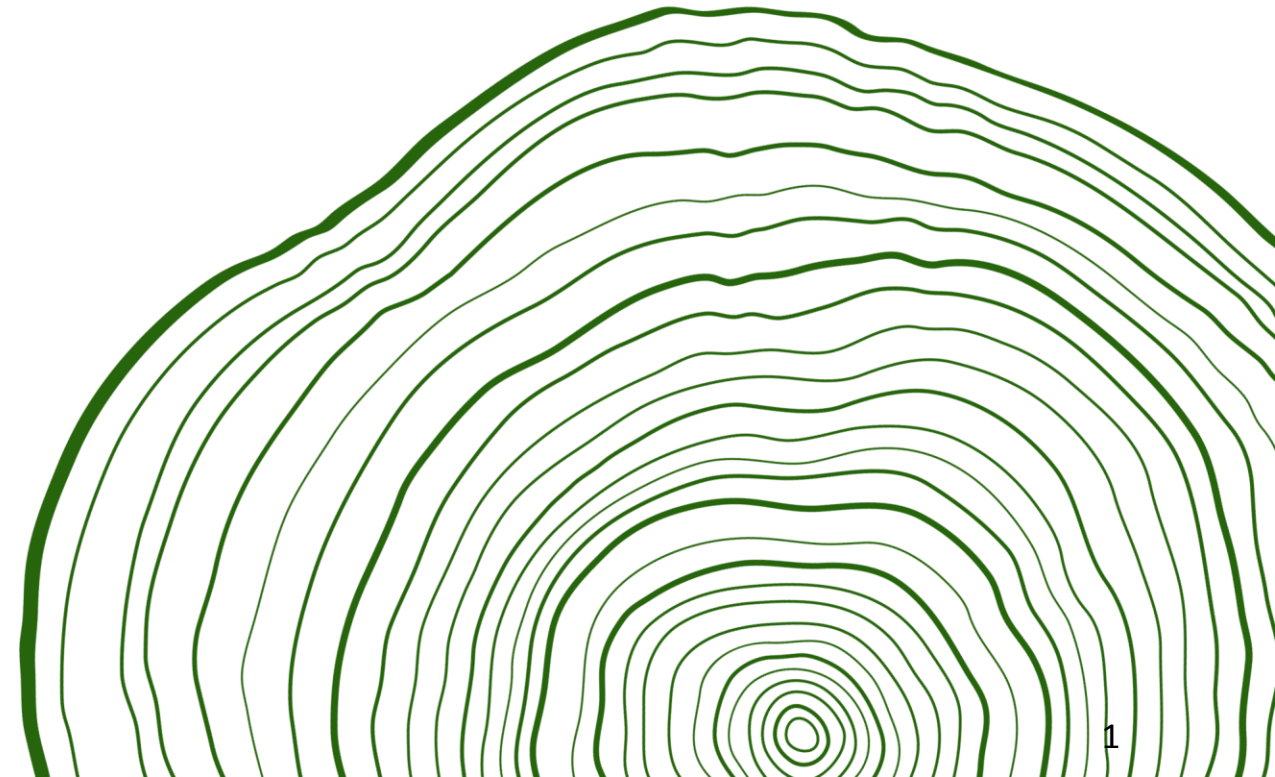


中華紙漿股份有限公司

1905.TW

2Q25 Earnings Results

2025. 8. 14





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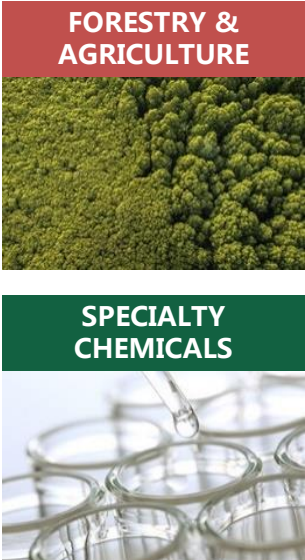
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Company Profile



- Chung Hwa Pulp Corp. (CHP) is a leading global **supplier of bio-based fiber materials**, specializing in the design and manufacture of various special pulps and functional paper materials, as well as sustainable recycling materials.

| | |
|---------------------|--|
| Establishment | 1968 |
| Headquarters | Taipei, Taiwan |
| Chairman | Kirk Hwang |
| Stock Code | TWSE 1905 |
| Capital | NTD 11 Billion |
| Operating Locations | 5 production bases and 6 sales offices in Greater China. |



Operating Locations



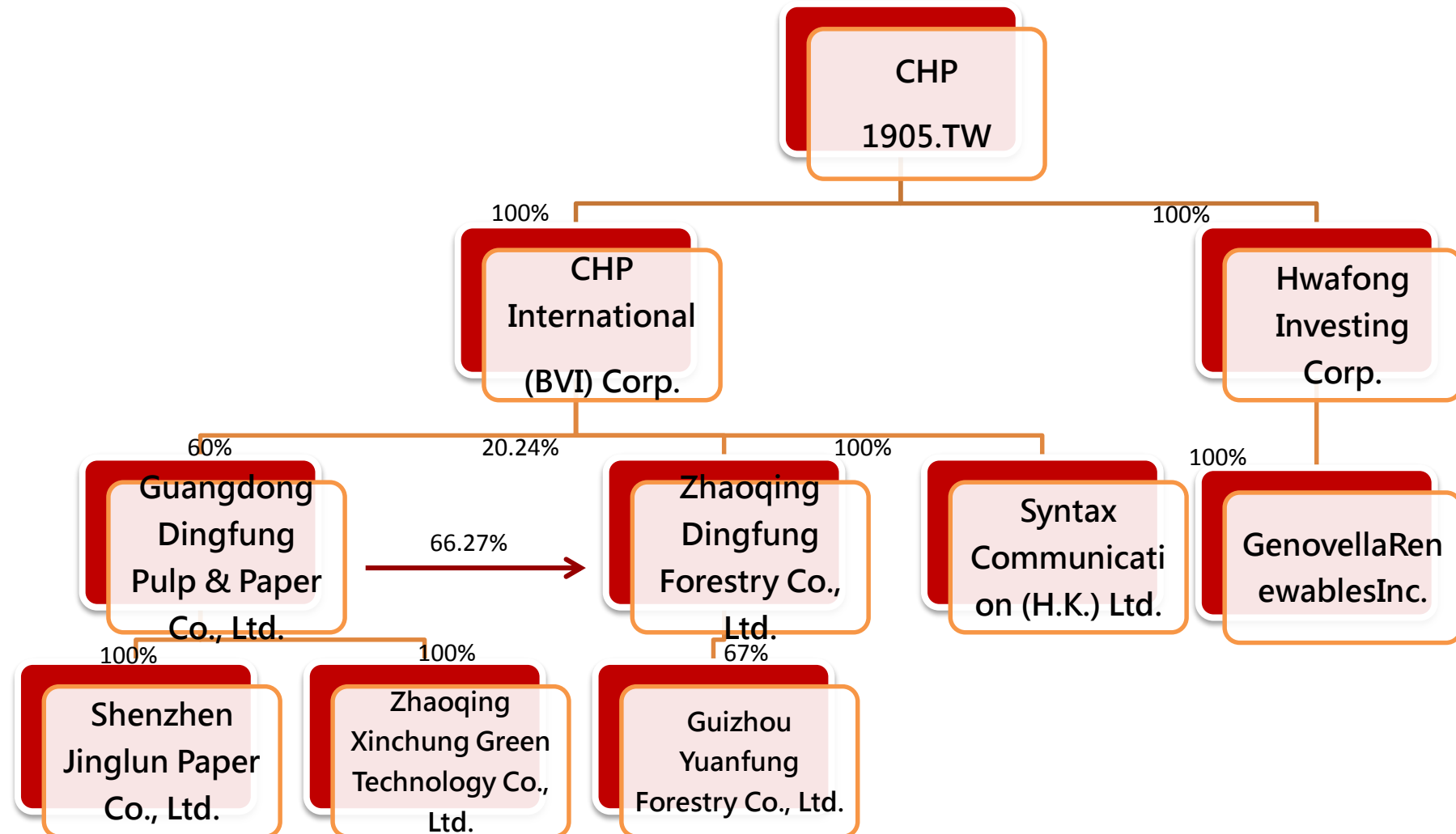
| | | |
|------------------------------------|--------------|---------------|
| Integrated Pulp and Paper Mill | Hualien Mill | Dingfung Mill |
| Recyclable Eco-Friendly Paper Mill | Taitung Mill | |
| Specialty Paper Mill | Jiutang Mill | |

Taipei Office (Sales, Accounting and Finance)
Manufacturing Sites(Hualien, Jiutang, Taitung, Guanyin, and Zhaoqing)
Sales Office (Taichung, Tainan, Shenzhen, Shanghai, and Hong Kong)





Holding Structures



2Q25 Financial Results



| | 2025 Q2 | | 2025 Q1 | | QoQ | 2025 H1 | | 2024 H1 | | YoY |
|--------------------------------|-----------|-------|-----------|-------|-------------|-----------|-------|------------|-------|-------------|
| In NTD thousand | Amount | % | Amount | % | % | Amount | % | Amount | % | % |
| Sales | 4,736,901 | 100.0 | 4,829,805 | 100.0 | (1.9) | 9,566,706 | 100.0 | 10,689,411 | 100.0 | (10.5) |
| Gorss Profit | 233,539 | 4.9 | 152,534 | 3.2 | 53.1 | 386,073 | 4.0 | 802,998 | 7.5 | (51.9) |
| Operating Porfit | (249,294) | (5.3) | (458,858) | (9.5) | --- | (708,152) | (7.4) | (244,136) | (2.3) | --- |
| Non-operating Income/Expense | (92,408) | (2.0) | 45,397 | 0.9 | Turn a loss | (47,011) | (0.5) | 81,173 | 0.8 | Turn a loss |
| -Finance Costs | (67,220) | (1.4) | (69,188) | (1.4) | (2.8) | (136,408) | (1.4) | (105,997) | (1.0) | 28.7 |
| -FX Gains/Losses | (133,918) | (2.8) | 32,739 | 0.7 | Turn a loss | (101,179) | (1.1) | 52,696 | 0.5 | Turn a loss |
| -Share of Profit of Associates | 52,293 | 1.1 | 37,549 | 0.8 | 39.3 | 89,842 | 0.9 | 59,842 | 0.6 | 50.1 |
| -Other Incomes | 56,437 | 1.2 | 44,297 | 0.9 | 27.4 | 100,734 | 1.1 | 74,632 | 0.7 | 35.0 |
| Profit Before Tax | (341,702) | (7.2) | (413,461) | (8.6) | --- | (755,163) | (7.9) | (162,963) | (1.5) | ---- |
| Profit After Tax | (278,273) | (5.9) | (336,687) | (7.0) | --- | (614,960) | (6.4) | (101,896) | (1.0) | ---- |
| Profit Attributable to Owners | (279,502) | (5.9) | (342,850) | (7.1) | --- | (622,352) | (6.5) | (137,526) | (1.3) | ---- |
| After Tax EPS(NTD) | -0.26 | | -0.31 | | | -0.57 | | -0.13 | | |

Summary



2025 Q2

- ✓ In the second quarter, consolidated revenue was NTD 4.74 billion. In addition to the weaker shipment momentum in the first quarter caused by extended annual maintenance at the mills, demand in the second quarter was further dampened by the depreciation of the CNY against the U.S. dollar, which drove pulp prices downward. Moreover, the sharp appreciation of the New Taiwan dollar against the U.S. dollar in May had an unfavorable impact on export pricing. As a result, gross profit and operating profit were NTD 230 million and NTD -250 million, respectively, both representing an improvement over the first quarter. In terms of non-operating results, the significant appreciation of the New Taiwan dollar led to foreign exchange losses, resulting in a net non-operating expense of NTD 90 million. Net loss after tax was NTD -280 million, with net loss attributable to owners of the Company also amounting to NTD -280 million.

2025 H2 OUTLOOK

- ✓ Outlook for the Second Half of the Year. The U.S. tariff policy has triggered volatility in global markets, with the global economic and trade landscape undergoing restructuring. Market demand and restocking momentum have yet to show clear signs of recovery, and significant uncertainties remain. As for the announced U.S. tariff rates, the indirect impact on the Company is considerably greater than the direct impact, and the extent of the impact remains to be observed.
- ✓ Recently, natural disasters in southern and central Taiwan have destroyed numerous solar panels, impacting the country's renewable energy generation. The Hualien Mill's lignin biomass power generation facility is the only green energy installation in Taiwan that operates 24 hours a day without being affected by weather conditions. It currently supplies 150 million kWh of green electricity certificates annually and is undergoing equipment upgrades. Upon completion, it will be capable of supplying 360 million kWh of green electricity and certificates annually, moving toward the goal of achieving full green energy self-sufficiency for the entire mill.
- ✓ The Company will continue to enhance product quality, strengthen marketing efforts, and promote high-value fiber material products. Among them, the fluorine-free grease-proof paper, which complies with both U.S. FDA and Taiwan TFDA regulations, has successfully entered the international foodservice market and is applied to a variety of fried foods as well as both Western and Asian light meals. This product has received strong recognition from customers, as it not only ensures food safety and public health but also facilitates greater convenience in downstream recycling processes. The Company is committed to transitioning toward a green industry, delivering sustainable long-term value for both stable operations and environmental sustainability.

Thank you



CHP