CHUNG HWA PULP CORPORATION

中華紙漿股份有限公司

1905.TW

2Q26 Earnings Results

2026. 8. 14

Disclaimer

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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.

SPECIALTY PAPER

PULP

FORESTRY & AGRICULTURE

FINE PAPER & PAPERBOARD

SPECIALTY CHEMICALS

SUSTAINABLE RECYCLED MATERIALS

Capacity

林
FOREST

漿
PULP

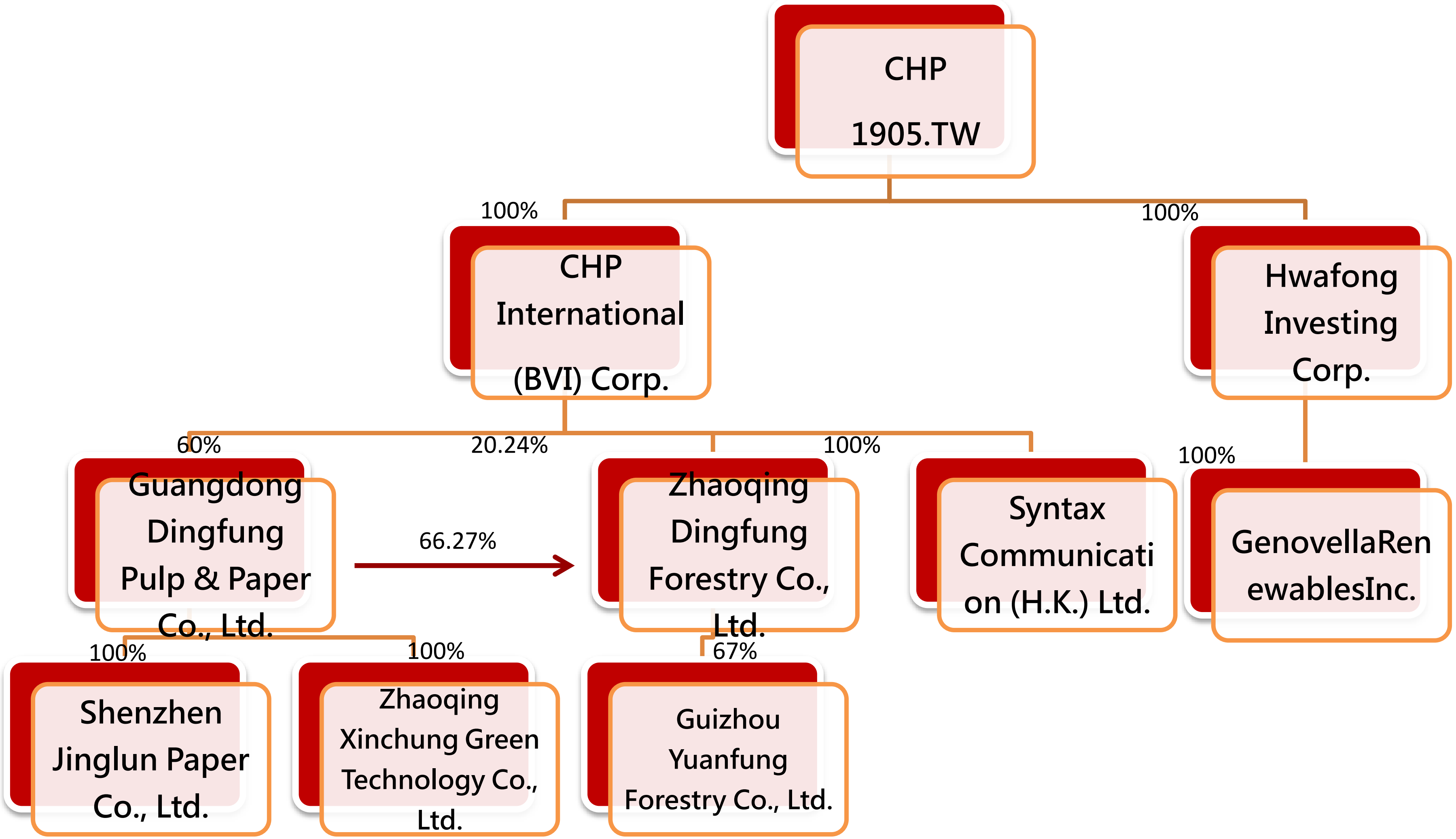
紙
PAPER

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



2Q26 Financial Results

In NTD thousand	2026 H1 Amount	2026 H1 %	2025 H1 Amount	2025 H1 %	YoY %
Sales	9,080,585	100.0	9,566,706	100.0	(5.1)
Gorss Profit	271,493	3.0	386,073	4.0	(29.7)
Operating Porfit	(682,016)	(7.5)	(708,152)	(7.4)	---
Non-operating Income/Expense	74,346	0.8	(47,011)	(0.5)	turn a profit
-Finance Costs	(131,886)	(1.5)	(136,408)	(1.4)	(3.3)
-FX Gains/Losses	55,015	0.6	(101,179)	(1.1)	turn a profit
-Share of Profit of Associates	115,725	1.3	89,842	0.9	28.8
-Other Incomes	35,492	0.4	100,734	1.1	(64.8)
Profit Before Tax	(607,670)	(6.7)	(755,163)	(7.9)	---
Profit After Tax	(607,652)	(6.7)	(614,960)	(6.4)	---
Profit Attributable to Owners	(578,752)	(6.4)	(622,352)	(6.5)	---
After Tax EPS(NTD)	-0.52		-0.57		

Summary

2026 Q2

- ✓ In the First Half of the Year, consolidated revenue was NTD 9.08 billion, with an operating gross profit of NTD 271 million equivalent to gross margin of 3%. Operating loss was NTD 682 million, with an operating loss after tax of NTD 607 million. The cumulative after-tax EPS for the period was NTD -0.52. During the second quarter, annual maintenance shutdowns at several mills, resulting in fewer operating days. In addition, fluctuations in oil prices arising from the U.S.-Iran conflict drove up shipping and energy costs, while persistently high wood chip prices further increased input costs. These three factors collectively elevated operating costs and adversely affected our operating performance.

2026 H1 OUTLOOK

- ✓ Fiber materials possess inherent recyclability, and with environmental regulations being progressively implemented, the Company will continue to enhance the functionality of its green products and expand into high-margin, high-value-added markets.
- ✓ Within its green product portfolio, food-safety papers include fluorine-free greaseproof paper and fluorine-free molded pulp tableware. Fluorine-free greaseproof paper can be used to manufacture paper bags for packaging fried foods, pastries, and other oil-containing products. The products have already gained traction in the chain fast-food and foodservice sectors. With governments around the world tightening regulations on PFAS (per- and polyfluoroalkyl substances), demand for fluorine-free grease-resistant paper is expected to continue to strengthen. Fluorine-free molded pulp tableware is primarily exported to Europe and the United States. As the products comply with local environmental regulations governing disposable tableware, demand from overseas customers has remained solid.
- ✓ Technology papers include optical glass interleaf paper, which is supplied to the display industry supply chain. The Company also manufactures release liner paper for carbon fiber fabric processing. The Company began production and sales of these products in 2015, and after enhancing its manufacturing processes and technologies in 2020, product quality improved significantly, supporting continued growth in shipment volumes. The Company’ s release liner paper is used in the manufacturing of carbon fiber products for applications including bicycles, golf equipment, automotive components, and aerospace. As carbon fiber composites continue to see broader adoption across a wide range of industries, the Company expects its release liner paper business to offer promising long-term growth opportunities.

Thank you

CHP