

## Research Update

# Cathay Number One Real Estate Investment Trust Ratings Affirmed At 'twA-/twA-2'; Outlook Stable

November 18, 2019

## Rating Action Rationale

Taiwan Ratings Corp. today affirmed its 'twA-' long-term and 'twA-2' short-term issuer credit ratings on **Cathay Number One Real Estate Investment Trust** (Cathay No.1 REIT). The outlook on the long-term rating is stable. The ratings on Cathay No.1 REIT mainly reflect the trust's satisfactory asset quality and conservative financial policy relative to those of other Taiwan-based REITs. The REIT's high asset and tenant concentration as well as its focus on the hotel industry temper these strengths. We believe that operating risks associated with Taiwan's hotels are higher than those for office buildings, due to greater performance volatility driven by travelling activities and increasing oversupply.

## Related Criteria

- Understanding Taiwan Ratings' Rating Definitions, [www.taiwanratings.com](http://www.taiwanratings.com) - June 26, 2018
- General Criteria: Group Rating Methodology - July 01, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments - April 01, 2019
- Criteria | Corporates | Industrials: Key Credit Factors For The Real Estate Industry - February 26, 2018
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers - December 16, 2014
- General Criteria: Country Risk Assessment Methodology And Assumptions - November 19, 2013
- General Criteria: Methodology: Industry Risk - November 19, 2013
- Criteria | Corporates | General: Corporate Methodology - November 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities - November 13, 2012
- General Criteria: Use Of CreditWatch And Outlooks - September 14, 2009

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# Ratings List

## Ratings Affirmed

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### Cathay Number One Real Estate Investment Trust

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Issuer Credit Rating

twA-/Stable/twA-2

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Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at [www.taiwanratings.com](http://www.taiwanratings.com) for further information. Complete ratings information is available to subscribers of Rating Research Service at [rrs.taiwanratings.com.tw](http://rrs.taiwanratings.com.tw). All ratings affected by this rating action can be found on Taiwan Ratings' public website at [www.taiwanratings.com](http://www.taiwanratings.com).

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