

Media Release:

Mai-Liao Power Corp. Ratings Affirmed; Ratings Then Withdrawn At The Company's Request

May 22, 2020

Rating Action Overview

Taiwan Ratings Corp. today affirmed its 'twAA-' long-term and 'twA-1+' short-term issuer credit ratings on **Mai-Liao Power Corp.** (MLP). We then withdrew the ratings at the company's request. The outlook at the time of withdrawal was stable.

The ratings affirmation prior to the withdrawal reflects MLP's good position serving as a base-load power generator in Taiwan, the company's low-risk business model supported by its power purchase agreement with Taiwan Power Co., and the strong cost efficiency of MLP's coal-fired power plant. The company's small operating scale compared with that of global peers and high asset concentration on a single site temper these strengths. The ratings affirmation also reflects our view that MLP will sustain its financial risk profile commensurate with the ratings over the next one to two years.

The stable outlook at the time of withdrawal reflects our expectation that the company's debt/EBITDA will remain below 3x over the next two to three years. We expect the lower coal price to help sustain MLP's improved profit margin, and subsequently help to lower its debt leverage over the same period.

Related Criteria

- General Criteria: Group Rating Methodology - July 01, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments - April 01, 2019
- Understanding Taiwan Ratings' Rating Definitions - June 26, 2018
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers - December 16, 2014
- Criteria | Corporates | Industrials: Key Credit Factors For The Unregulated Power And Gas Industry - March 28, 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

(Unless otherwise stated, these articles are published on www.taiwanratings.com)

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Ratings List

Ratings Withdrawn

	To	From
Mai-Liao Power Corp.		
Issuer Credit Rating	NR	twAA-/Stable/twA-1+

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 for further information. Complete ratings information is available to subscribers of Rating Research Service at rrs.taiwanratings.com.tw. All ratings affected by this rating action can be found on Taiwan Ratings' public website at www.taiwanratings.com.

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