

Research Update:

# Shinkong No.1 REIT Ratings Affirmed At 'twAA/twA-1+'; Liquidity Revised To Exceptional; Outlook Stable

August 24, 2020

## Rating Action

Taiwan Ratings Corp. today affirmed its 'twAA' long-term and 'twA-1+' short-term issuer credit ratings on **Shinkong Number One Real Estate Investment Trust** (Shinkong No.1 REIT). The outlook on the long-term rating is stable. The ratings on Shinkong No.1 REIT continue to reflect the trust's diversified asset portfolio among local peers, good asset quality, and its conservative financial policy. The trust's higher asset concentration risk compared with that of global peers and slightly weaker profitability than local peers temper these strengths. We have revised our liquidity assessment on Shinkong No.1 REIT to exceptional from adequate, which has no impact on the ratings. The liquidity revision mainly reflects that the trust has completed its refinancing needs, and our view that the trust's liquidity sources will be 2.5x that of its liquidity uses over the next two years.

## Related Criteria & Research

### Related Criteria

- 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

### Related Research

- Taiwan Ratings' Ratings Definitions – August 10, 2020

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## Ratings List

### Ratings Affirmed

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#### Shinkong Number One Real Estate Investment Trust

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Issuer Credit Rating

twAA/Stable/twA-1+

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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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