

Research Update:

Taiwan Hon Chuan Enterprise Co. Ltd. 'twA-/twA-2' Ratings Affirmed; Outlook Stable

September 18, 2020

Rating Action Rationale

Taiwan Ratings Corp. today affirmed its 'twA-' long-term and 'twA-2' short-term issuer credit ratings on **Taiwan Hon Chuan Enterprise Co. Ltd.** The outlook on the long-term rating is stable. The ratings on Taiwan Hon Chuan reflect the company's good market position and satisfactory profitability. The ratings also reflect our view that Taiwan Hon Chuan will maintain its prudent financial risk management and moderate capital expenditure to sustain its debt leverage at the current level of funds from operations to debt of around 30% over the next two years. Counterbalancing these credit strengths are Taiwan Hon Chuan's high customer concentration risk, narrower product lines, and exposure in some highly competitive markets.

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 | 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

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

Ratings List

Ratings Affirmed

Taiwan Hon Chuan Enterprise Co. Ltd.

Issuer Credit Rating

twA-/Stable/twA-2

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