

Media Release:

# LCY Chemical Corp. Ratings Affirmed At 'twBBB/twA-2'; Ratings Then Withdrawn At The Company's Request

September 25, 2020

## Rating Action Rationale

Taiwan Ratings Corp. today affirmed its 'twBBB' long-term and 'twA-2' short-term issuer credit ratings on **LCY Chemical Corp.** We then withdrew the ratings at the company's request. The outlook at the time of withdrawal was stable.

The ratings affirmation and the stable outlook prior to the withdrawal reflect the company's good position in its niche markets, good technology capability in product differentiation, and adequate downstream and geographic diversity. These strengths are partly offset by LCY's relatively small operating scale and the likely higher volatility of its profitability than for large regional peers with more business diversity and integration. The ratings are also constrained by the company's heightened financial risk after LCY's debt-funded privatization by its new private equity owner.

## Related Criteria And Research

### Related Criteria

- General Criteria: Group Rating Methodology, Jul 01 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, Apr 01 2019
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec 16 2014
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov 19 2013
- General Criteria: Methodology: Industry Risk, Nov 19 2013
- Criteria | Corporates | General: Corporate Methodology, Nov 19 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities, Nov 13 2012

### Related Research

- Taiwan Ratings' Ratings Definitions – August 10, 2020

(Unless otherwise stated, these articles are published on [www.taiwanratings.com](http://www.taiwanratings.com))

### PRIMARY CREDIT ANALYST

**David Hsu**  
Taipei  
+886-2-8722-5828  
david.hsu  
@spglobal.com  
david.hsu  
@taiwanratings.com.tw

### SECONDARY CONTACT

**Raymond Hsu, CFA**  
Taipei  
+886-2-8722-5827  
raymond.hsu  
@spglobal.com  
raymond.hsu  
@taiwanratings.com.tw

## Ratings List

### Ratings Affirmed

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**LCY Chemical Corp**

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Issuer Credit Ratings	twBBB/Stable/twA-2	
	<b>To</b>	<b>From</b>

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### Ratings Withdrawn

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**LCY Chemical Corp.**

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Issuer Credit Ratings	N.R.	twBBB/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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