

Media Release:

# Formosa Heavy Industries Corp. Ratings Affirmed At 'twA+/twA-1'; Ratings Then Withdrawn At The Company's Request

March 8, 2021

## Rationale Action Rationale

Taiwan Ratings Corp. today affirmed its 'twA+' long-term and 'twA-1' short-term issuer credit ratings on **Formosa Heavy Industries Corp.** (FHIC). 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 our view that FHIC remains strategically important to the **Formosa Plastic Corp.** group. FHIC's secure revenue from other group members, as well as its good technology and efficiency through its connection with the parent group also underpins the ratings. We believe ongoing cash flow support from the group will enable FHIC to constrain its debt leverage in the next one to two years. Counterbalancing factors for the ratings include FHIC's smaller scale and less comprehensive business scope than peers', and limited market position.

## 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
- General Criteria: Principles Of Credit Ratings - February 16, 2011

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## Related Research

- Taiwan Ratings' Ratings Definitions – August 10, 2020

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## Ratings List

### Ratings Withdrawn

	To	From
Formosa Heavy Industries Corp.		
Issuer Credit Rating	N.R.	twA+/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](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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