

Research Update:

Chunghwa Telecom Co. Ltd. Ratings Affirmed At 'twAAA/twA-1+'; Outlook Stable

November 29, 2021

Rating Action Rationale

Taiwan Ratings Corp. today affirmed its 'twAAA' long-term and 'twA-1+' short-term issuer credit ratings on **Chunghwa Telecom Co. Ltd.** The outlook on the long-term rating is stable. We affirmed the ratings on Chunghwa Telecom to reflect our view that the telecom provider will maintain its market leadership, robust cash flow generation, and conservative financial management over the next one to two years. We also expect Chunghwa Telecom to maintain low debt leverage over the same period, with less capital expenditure than under our previous assumption. These strengths are partly offset by the competitive market condition in Chunghwa Telecom's mobile and broadband businesses, as well as the continued decline in the company's voice revenue.

Related Criteria & Research

Related Criteria

- General Criteria: Rating Government-Related Entities: Methodology And Assumptions - March 25, 2015
- General Criteria: Methodology For National And Regional Scale Credit Ratings - June 25, 2018
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings - October 10, 2021
- 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

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

Ratings List

Ratings Affirmed

Chunghwa Telecom Co. Ltd.

Issuer Credit Rating

twAAA/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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