

Research Update:

Taiwan Sugar Corp. Ratings Affirmed At 'twAA-/twA-1+'; Outlook Stable

March 29, 2022

Rating Action Overview

Taiwan Ratings Corp. today affirmed its 'twAA-' long-term and 'twA-1+' short-term issuer credit ratings on **Taiwan Sugar Corp.** The outlook on the long-term rating is stable. The ratings reflect the company's large low-cost land bank for development and disposal, as well as Taiwan Sugar's net cash position and exceptional liquidity. The company's still-weak profitability partly offsets these rating strengths. The weak profitability is mostly due to Taiwan Sugar's policy burden to help maintain social stability through rent subsidies and local market stability for sugar and pork products. It also reflects the below market-average operating income, given the lower return on its development business compared with the market trend. The ratings on Taiwan Sugar also reflect our view of a moderately high likelihood of extraordinary support from the Taiwan government, if needed.

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
- Criteria | Corporates | Industrials: Key Credit Factors For The Homebuilder And Real Estate Developer Industry - February 03, 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

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- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities - November 13, 2012
- General Criteria: Principles Of Credit Ratings - February 16, 2011

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 Sugar Corp.

Issuer Credit Rating	twAA-/Stable/twA- 1+
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