

Research Update

Ratings On CHIMEI Corp. Affirmed At 'twAA-/twA-1+'; Outlook Stable

May 25, 2022

Rating Action

Taiwan Ratings Corp. today affirmed its 'twAA-' long-term and 'twA-1+' short-term issuer credit ratings on **CHIMEI Corp.** The outlook on the long-term rating is stable. The ratings on CHIMEI reflect the company's leading market position and cost structure as the world's largest ABS (acrylonitrile butadiene styrene) resin producer and the company's low debt leverage.

We forecast CHIMEI will maintain a net cash position in 2022-2023, despite its higher capital expenditure to support capacity expansion in China over the same period. We also expect the company's focus on product customization to help differentiate its products from commodity ABS, and better defend CHIMEI's profit margins against likely slower demand for plastics in China. CHIMEI's high concentration in the ABS resin business, moderately high industry risk in the commodity chemical sector and associated high volatility in the company's profitability constrain the ratings.

Related Criteria & Research

Related Criteria

- 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

Related Research

- Taiwan Ratings' Ratings Definitions – August 10, 2020

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Ratings List

Ratings Affirmed

CHIMEI Corp.

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