

## Research Update

# Far Eastern New Century Corp. And Yuan Ding Investment Corp. Ratings Affirmed At 'twA/twA-1'; Outlook Stable

August 26, 2022

## Rating Action Rationale

Taiwan Ratings Corp. today affirmed its 'twA' long-term and 'twA-1' short-term issuer credit ratings on **Far Eastern New Century Corp.** (FENC) and its investment holding company, **Yuan Ding Investment Corp.** The outlook on the long-term ratings is stable.

The ratings on FENC and Yuan Ding reflect our view that FENC's telecom business, **Far EastOne Telecommunications Co. Ltd.**, will maintain its good market position over the next two-to-three years. In addition, the ratings reflect our view that Far EastOne's improving margin amid rising 5G adoption in Taiwan, an increasing contribution from FENC's more profitable recycled-polyethylene terephthalate plastics business, and further developments of the group's low-cost land bank will sustain FENC's operating cash flow at strong levels over the next two years. The still-high volatility of FENC's petrochemical and polyester business, and the company's high debt level continue to temper the ratings.

Our assessment of Yuan Ding's core status within the FENC group reflects our view that Yuan Ding is the key holding and financing vehicle for the group. The investment holding company holds an investment stake in over 20 entities including Far EastOne--the most important profit generator of the group--as well as several chemical businesses that are integral to the group's operations. We also believe Yuan Ding's main operation is fully integrated into the group and the company operates as a division within the group.

## Related Criteria & Research

### Related Criteria

- Criteria | Corporates | Industrials: Key Credit Factors For The Telecommunications And Cable Industry - June 23, 2014
- 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

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- 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 – November 11, 2021

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## Ratings List

### Ratings Affirmed

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#### Far Eastern New Century Corp.

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Issuer Credit Rating	twA/Stable/twA-1
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#### Yuan Ding Investment Corp.

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Issuer Credit Rating	twA/Stable/twA-1
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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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