

Media Release

Taipei Financial Center Corp. Ratings Affirmed At 'twAA-/twA-1+'; Outlook Stable

October 6, 2022

Rating Action Rationale

Taiwan Ratings Corp. today affirmed its 'twAA-' long-term and 'twA-1+' short-term issuer credit ratings on **Taipei Financial Center Corp.** The outlook on the long-term rating is stable.

The ratings reflect the company's strong capability to attract high-quality office and retail tenants, underpinned by the well-established reputation and excellent asset quality of the company's asset, Taipei 101 building. The ratings also reflect Taipei Financial Center's conservative financial policy, as indicated by the company's ongoing deleveraging with no intention for further portfolio expansion. These strengths are tempered by Taipei Financial Center's high asset concentration risk and exposure to the volatile tourism market, which could result in considerable volatility in the company's revenue and operating cash flow generation.

In addition, the company's capital structure is not as strong as before due to its new Taiwan dollar (NT\$) 8 billion corporate bond that will be due in January 2023, which makes the current weighted average maturity of debt lower than three years. However, we believe Taipei Financial Center's comprehensive and sophisticated refinancing plan under its well-established and solid relationship with banks as well as high standing in credit markets mitigates the risk of a weaker debt maturity profile. This should help improve the weighted average maturity of the company's debt to above three years once it implements its refinancing plan in 2023.

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 | Industrials: Key Credit Factors For The Real Estate Industry - February 26, 2018
- 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

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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 – Nov. 11, 2021

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

Ratings List

Ratings Affirmed

Taipei Financial Center Corp.

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