

Research Update:

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

August 28, 2024

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 stable and strong profitability underpinned by its good market position over the next two to three years. The ratings also reflect our view of FENC's improving margin in its commodity chemical business due to an increasing contribution from the group's profitable recycled-polyethylene terephthalate plastics business and improved orders in its textile division. We believe FENC's sustainable operating cash inflow in 2024 and 2025 could continue to reduce its debt leverage.

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 businesses that are integral to the group's operations. We believe Yuan Ding's main operation is fully integrated into the group and the company also operates as an important consolidated entity of the group.

Related Criteria & Research

Related Criteria

- Criteria | Corporates | General: Sector-Specific Corporate Methodology - April 04, 2024
- Criteria | Corporates | General: Corporate Methodology - January 07, 2024
- Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities - January 07, 2024
- General Criteria: National And Regional Scale Credit Ratings Methodology - June 08, 2023
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings - October 10, 2021
- General Criteria: Group Rating Methodology - July 01, 2019

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- 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
- General Criteria: Principles Of Credit Ratings - February 16, 2011

Related Research

- Taiwan Ratings' Ratings Definitions – November 11, 2021

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

Ratings List

Ratings Affirmed; Outlook

Far Eastern New Century Corp.

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

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 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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