Bulletin:

USI, Asia Polymer Ratings Remain On WatchNeg On Uncertain Profit Recovery

September 14, 2026

This report does not constitute a rating action.

PRIMARY CREDIT ANALYST

Susan Chen
Taipei
+886-2-7724-8658
susan.chen@spglobal.com
susan.chen@taiwanratings.com.tw

SECONDARY CONTACT

Amelia Wu
Taipei
+886-2-7724-6572
amelia.wu@spglobal.com
amelia.wu@taiwanratings.com.tw

Taiwan Ratings Corp. today maintained its ratings on **USI Corp.** and **Asia Polymer Corp.** on CreditWatch with negative implications, where we placed them on April 1, 2026, to reflect the uncertain timeframe for both entities to restore profitability.

We aim to resolve the CreditWatch placement following our periodic review of both companies in November 2026. We aim to assess the likelihood that USI (twA-/Watch Neg/twA-2) and Asia Polymer (twA-/Watch Neg/twA-2) can deliver a sustainable profit recovery over the next few quarters that could assist in the group's deleveraging. We may consider lowering the long-term ratings if we believe there is a reduced likelihood of USI group's debt-to-EBITDA ratio recovering towards 3.0x-3.5x over the next 12 months. The CreditWatch placement for Asia Polymer with negative considerations reflects our view of the company's core operating role within the USI group.

USI group's profitability recorded meaningful improvement in the second quarter of 2026, with the group's EBITDA margin rising to 10.5% from 0.7% during the first quarter. Higher product pricing, widening spreads, and precautionary customer purchases due to the ongoing conflict in the Middle East supported this improvement.

Nonetheless, there remains material downside risks for a recovery in USI group's operating performance. A gradual normalization of oil and petrochemical supply from the Middle East could return the Asia chemical market back to structural overcapacity. Meanwhile, higher feedstock costs could also squeeze USI's profitability if oil prices remain high and the group is unable to pass through incremental costs to downstream customers due to softened end consumption.