

Research Update:

Chung Hung Steel Corp. Ratings Affirmed At 'twA/twA-1'; Outlook Remains Negative

September 17, 2026

Rating Action Rationale

Taiwan Ratings Corp. today affirmed its 'twA' long-term and 'twA-1' short-term issuer credit ratings on **Chung Hung Steel Corp.** The outlook on the long-term rating remains negative.

The ratings on Chung Hung Steel reflect the company's highly strategic status within the China Steel Corp. group. Chung Hung Steel's stand-alone credit profile (SACP) reflects the company's relatively small operating scale, less vertically integrated operations, narrow product lines, and higher operational volatility compared with that of integrated still mills. The company's SACP also reflects our view that Chung Hung Steel's ratio of funds from operations to debt could remain below 12% over the next two years with slow debt reduction. Counterbalancing factors include the stable domestic market share of the company's hot-rolled steel products backed by the strong market position of the China Steel group and Chung Hung Steel's financial flexibility supported by its idle land assets.

The negative rating outlook is the same as the outlook on its parent, China Steel, and reflects our view that increasing inflation pressure could dampen economic activity and the sustainability of a recovery in demand. The outlook on China Steel also reflects rising uncertainty over the company's ability to generate profits due to increasing anti-dumping taxes from various countries and global oversupply.

Related Criteria

- General Criteria: Country Risk Assessment Methodology And Assumptions - November 19, 2013
- Criteria | Corporates | General: Sector-Specific Corporate Methodology - July 07, 2025
- Criteria | Corporates | General: Corporate Methodology - January 07, 2024
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers - December 16, 2014
- General Criteria: Methodology: Industry Risk - November 19, 2013
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings - October 10, 2021
- General Criteria: Group Rating Methodology - July 01, 2019
- General Criteria: Principles Of Credit Ratings - February 16, 2011

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- General Criteria: National And Regional Scale Credit Ratings Methodology - June 08, 2023
- Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities - January 07, 2024
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments - April 01, 2019

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

Ratings List

Ratings Affirmed

Chung Hung Steel Corp.

Issuer Credit Ratings	twA/Negative/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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