Research Update:

Taiwan Hon Chuan Enterprise Co. Ltd. Ratings Affirmed At 'twA/twA-1'; Outlook Stable

September 21, 2026

Rating Action Rationale

Taiwan Ratings Corp. today affirmed its 'twA' long-term and 'twA-1' short-term issuer credit ratings on **Taiwan Hon Chuan Enterprise Co. Ltd.** The outlook on the long-term rating is stable.

The ratings on Hon Chuan reflect the company's good market position with satisfactory profitability in its focused markets including Taiwan, China and southeast Asia. The ratings also reflect our view that the company's improving generation of funds from operations and reduced capital spending will support Hon Chuan to deleverage over the next two years. Our base case assumes Hon Chuan's ratio of funds from operations to debt will strengthen to 37%-39% in 2026 and to 41%-43% in 2027, from 29.3% in 2025. Counterbalancing these strengths are Hon Chuan's lower revenue base compared to its global peers, along with higher customer concentration risk, narrower product lines, and exposure in some highly competitive markets.

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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
- 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

Taiwan Hon Chuan Enterprise Co. Ltd.	
Issuer Credit Ratings	twA/Stable/twA-1

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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