Media Release:

Asia Cement Corp. Ratings Affirmed At 'twAA-/twA-1+'; Liquidity Revised To Strong; Outlook Stable

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Rating Action Overview

- We assess **Asia Cement Corp.'s** liquidity has strengthened over the past few quarters due to less debt maturing over the next 24 months. The company generated EBITDA of new Taiwan dollar (NT$) 16.6 billion in 2025.
- We have therefore revised our liquidity assessment for Asia Cement to strong from adequate, which has no impact on the ratings.
- At the same time, we affirmed our 'twAA-' long-term and 'twA-1+' issuer credit ratings on Asia Cement.
- The stable rating outlook reflects our view that Asia Cement could maintain low debt leverage over the next 12-24 months, despite higher capex and cash dividends over the same period.

Rating Action Rationale

The rating affirmation reflects the company's relatively good market position and low debt leverage. The ratings continue to reflect Asia Cement's satisfactory market position in Taiwan and key operating regions in China. Asia Cement's cash flow diversity also supports the ratings, underpinned by its independent power generation business and stable cash dividend from equity holdings in the Far Eastern New Century Corp. (FENC) group companies.

We believe Asia Cement's steady cash flow generation could enable it to sustain the ratio of debt to EBITDA at 1.1x-1.3x in 2026-2027, despite higher capital expenditure (capex) and dividends over the period. However, Asia Cement's significant growth appetite and high volatility in the cement industry, particularly in China, temper these strengths and could lead to significant volatility in the company's profitability and leverage over the longer term.

Liquidity buffer has strengthened, reflecting higher cash balance, steady cash flow, and lower debt maturity in 2026 and 2027. The company's 5-year bond issuances in 2025 and 2026 have helped lengthen its debt maturity profile and reduce near-term refinancing needs. This is despite our expectation that capex needs will elevate over the next 12 months mainly to support the relocation and replacement of production lines in China's Hubei province. Accordingly, we have revised our liquidity assessment for Asia Cement to strong from adequate but with no rating impact.

Ratings Score Snapshot

Asia Cement Corp.		
	To	From
Issuer Credit Rating	twAA-/Stable/twA-1+	twAA-/Stable/twA-1+
Business risk	Satisfactory	Satisfactory
Country risk	Intermediate	Intermediate
Industry risk	Intermediate	Intermediate
Competitive position	Satisfactory	Satisfactory
Financial risk	Intermediate	Intermediate
Cash flow/Leverage	Intermediate	Intermediate
Anchor	twa+	twa+
Modifiers		
Diversification/Portfolio effect	Neutral (no impact)	Neutral (no impact)
Capital structure	Positive (+1 notch)	Positive (+1 notch)
Financial policy	Neutral (no impact)	Neutral (no impact)
Liquidity	Strong (no impact)	Adequate (no impact)
Management and governance	Neutral (no impact)	Neutral (no impact)
Comparable ratings analysis	Neutral (no impact)	Neutral (no impact)
Stand-alone credit profile (SACP)	twaa-	twaa-
Note: The above descriptors are in comparison with global obligors.		

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

Asia Cement Corp.	
Issuer Credit Rating	twAA-/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.