Media Release:

Asia Polymer Corp. Downgraded On Parent's Weak Profit And Debt Leverage; Ratings Then Withdrawn At The Issuer's Request

November 23, 2026

Rating Action Rationale

Taiwan Ratings Corp. today lowered its long-term issuer credit rating on **Asia Polymer Corp.** to 'twBBB+' from 'twA-' and at the same time affirmed the 'twA-2' short term issuer credit rating on the company. The outlook on the long-term rating is negative. This follows our similar rating action and outlook on the parent company, USI Corp., because we assess Asia Polymer as a core member of the parent group. We then withdrew the ratings at the issuer's request.

The downgrade action reflects our projection for USI's high debt leverage over 2026-2028, due to weakened profitability and high capital expenditure. USI's profitability could continue to face significant pressure in 2026-2027, amid chronic oversupply and elevated feedstock costs resulting from the prolonged conflict and disruption in the Middle East. Meanwhile, USI's high capital expenditure for the revamp of the company's polyvinyl chloride facilities will push up debt significantly over the same period and delay its deleveraging efforts.

Meanwhile, Asia Polymer's small operating scale and limited product differentiation continue to constrain its stand-alone credit profile. The integration of the company's operations with USI's ethylene-vinyl acetate and polyethylene businesses partly offsets this weakness. Additionally, we forecast Asia Polymer could maintain a net cash position during 2026-2027, given its high cash balance, low capital expenditure and low cash dividends. This is despite its weak profitability over the same period.

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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

Asia Polymer Corp.

Downgraded	**To**	**From**
Issuer Credit Rating	twBBB+/Negative/twA-2	twA-/Watch Neg/twA-2
Ratings Withdrawn		
Issuer Credit Rating	N.R.	twBBB+/Negative/twA-2

N.R.--Not rated.

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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