

Rating Research Services

Media Release:

Nan Ya Printed Circuit Board Corp. Ratings Affirmed; Ratings Then Withdrawn At The Company's Request

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Rating Action

Taiwan Ratings Corp. today affirmed its 'twA+' long-term and 'twA-1' short-term corporate credit ratings on **Nan Ya Print Circuit Board Corp.** (Nan Ya PCB). We then withdraw the ratings at the company's request. The outlook at the time of withdrawal was negative.

The ratings affirmation prior to the withdrawal reflected our expectation that Nan Ya PCB's profitability could remain weak over the next 12 months due to substantial oversupply, continued pricing compression, strong buyer bargaining power and declining demand for PC-related products. The ratings on Nan Ya PCB also continue to reflect the company's favorable cost structure and operating efficiency underpinned by manufacturing integration with **Nan Ya Plastics Corp.**, as well as Nan Ya PCB's very conservative debt leverage.

The ratings affirmation also reflected our view that the ongoing support from the **Formosa Plastics Corp.** group could still support the current ratings on Nan Ya PCB. That's because we continue to assess Nan Ya PCB as a strategically important subsidiary of the Formosa Plastics group, given the group's high ownership of Nan Ya PCB and the company's role in the group's electronics material business.

The negative outlook at the time of withdrawal reflected our assessment of material downside risk that the company's profitability could remain very weak over the next 12 months. That's due to

declining demand in PC-related applications, substantial oversupply, and the uncertainty about the company's successful transition to non-PC related products. We expect Nan Ya PCB's profitability to improve marginally in 2017, driven by the gradual product transition to mobile and communication, consumer and auto applications.

Related Criteria

- Understanding Taiwan Ratings' Rating Definitions, www.taiwanratings.com - November 18, 2014
- Criteria - Corporates - General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers - December 16, 2014
- Criteria - Corporates - Industrials: Key Credit Factors For The Technology Hardware And Semiconductors Industry - November 19, 2013
- Criteria - Corporates - General: Corporate Methodology: Ratios And Adjustments - November 19, 2013
- General Criteria: Methodology: Industry Risk - November 19, 2013
- General Criteria: Group Rating Methodology - November 19, 2013
- Criteria - Corporates - General: Corporate Methodology - November 19, 2013
- Criteria - Corporates - General: 2008 Corporate Criteria: Rating Each Issue - April 15, 2008
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers - November 13, 2012
- General Criteria: Use Of CreditWatch And Outlooks - September 14, 2009
- General Criteria: Country Risk Assessment Methodology And Assumptions - November 19, 2013
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings - April 7, 2017

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Ratings List

Ratings Withdrawn

Nan Ya Printed Circuit Board Corp.	To	From
Corporate Credit Rating	NR	twA+/Negative/twA-1

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