

## Research Update

# Ratings On Chi Mei Corp. Affirmed At 'twAA-/twA-1+'; Outlook Stable

May 30, 2019

## Rating Action Overview

Taiwan Ratings Corp. today affirmed its 'twAA-' long-term and 'twA-1+' short-term issuer credit ratings on **Chi Mei Corp.** The outlook on the long-term rating is stable. The ratings on Chi Mei reflect the company's leading market position and cost structure as the world's largest producer of acrylonitrile butadiene styrene (ABS) resin and the company's low debt leverage. We expect Chi Mei to remain in a net cash position in 2019-2020, despite its weakening profitability and significantly higher capital expenditures over the period. Several factors constrain the ratings, including Chi Mei's moderately high concentration in the ABS resin business and moderately high volatility in the commodity chemical industry due to cyclical demand.

## Related Criteria

- General Criteria: Group Rating Methodology - November 19, 2013
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments - April 01, 2019
- Understanding Taiwan Ratings' Rating Definitions, [www.taiwanratings.com](http://www.taiwanratings.com) - June 26, 2018
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers - December 16, 2014
- Criteria | Corporates | Industrials: Key Credit Factors For The Commodity Chemicals Industry - December 31, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions - November 19, 2013
- General Criteria: Methodology: Industry Risk - November 19, 2013
- Criteria | Corporates | General: Corporate Methodology - November 19, 2013
- 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

(Unless otherwise stated, these articles are published on [www.standardandpoors.com](http://www.standardandpoors.com), access to which requires a registered account)

## Ratings List

Ratings Affirmed

**Chi Mei Corp.**

Issuer Credit Ratings

twAA-/Stable/twA-1+

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