



**Rating Action**

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**PACRA ASSIGNS ENTITY RATINGS TO  
PAK CHINA INVESTMENT COMPANY LIMITED**

The Pakistan Credit Rating Agency (PACRA) has assigned the long-term and short-term entity ratings of 'AA-' (Double A Minus) and 'A1+' (A One Plus) respectively to Pak China Investment Company Limited (PCICL). These ratings denote a very low expectation of credit risk emanating from the highest capacity for timely payment of financial commitments.

The ratings reflect the joint ownership of PCICL by the governments of Pakistan and China, implying strong support to the company. At the same time, the ratings reflect the sound risk absorption capacity of the company, an outcome of a robust capital structure and a prudent stance towards risk. The company is in the process of developing the key management team and building the requisite infrastructure before actively pursuing its business plans. The identified business lines though similar to other DFIs, include a greater focus on facilitating trade-flows between the two countries and supporting Chinese companies in Pakistan. However, the management's success in carving out a distinctive niche in the increasingly competitive operating environment remains to be seen.

**The company:** Pak China Investment Company Limited (PCICL) was incorporated in July 2007 as a development finance institution (DFI). It is a joint venture investment company that is equally owned by the Governments of Islamic Republic of Pakistan through the Ministry of Finance (MoF) and the Peoples Republic of China through China Development Bank (CDB). PCICL operates through its head office in Islamabad, with a branch office in Karachi.

The six-member board, with equal representation of both the sponsor countries, controls the company. As per arrangement between the sponsors, both countries would have representation at the top management level - Managing Director and Deputy MD. These positions, along with that of Chairman and Deputy Chairman of Board, would be subject to rotation every three years. Mr. Chen Jianbo, the present Managing Director and CEO, possess over thirteen years of extensive experience, mainly with CDB. Mr. Iqbal Ashraf, the DMD, has been associated with the financial sector for over 30 years and has diverse experience. PCICL is in the process of building a management team and developing effective systems and processes.

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