



Rating Action

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PACRA MAINTAINS ENTITY RATINGS OF PAK CHINA INVESTMENT COMPANY LIMITED

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

The ratings reflect PCICL’s very strong risk absorption capacity emanating from sound capital structure and robust liquidity profile. The ratings also incorporate sovereign patronage, jointly owned by the governments of Pakistan and China, implying strong sponsor support. Although PCICL has designed institutional framework for various departments, induction of qualified personnel and building systems is in process. Moreover, the management’s success in capitalizing its niche market, in the challenging operating environment remains to be seen.

The company: Pak China Investment Company Limited (PCICL) an equal joint venture between the Government of Islamic Republic of Pakistan (through Ministry of Finance) and Government of Peoples Republic of China (through China Development Bank) was established in July 2007. The major objective of the company is to undertake financially viable projects to meet socio-economic development goals, while also facilitating Chinese investment into Pakistan.

The six-member board has equal representation of both the sponsor countries. As per arrangement between the sponsors, both countries would have representation at the top management level – currently Managing Director (China) and Deputy MD (Pakistan) – and the BoD Chairman (Pakistan) and Deputy Chairman (China) – these positions are subject to rotation after every three years.

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