

Lianhe Global places Pujiang International Group Limited on Rating Watch Negative

HONG KONG, 11 November 2022 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has placed ‘BB-’ global scale Long-term Issuer Credit Rating of Pujiang International Group Limited (2060.HK) (“Pujiang”) on Rating Watch Negative (RWN).

The RWN reflects the deterioration in Pujiang's access to financing channels. Pujiang's stock price experienced a material decline on 9 November 2022, resulting in halted trading on the same day. That would weaken Pujiang's refinancing capability through any capital market fundraisings, and could possibly impact the company's liquidity.

Rating Sensitivities

We would consider downgrading Pujiang’s rating if (1) it were to fail to meet its near and medium term financial obligations when they become due, and/or (2) its liquidity profile were worsened and/or its operating performance in terms of revenue, margin and cash flow generation were to deteriorate significantly, and/or (3) it were to increase its financial leverage as measured by its EBITDA interest coverage consistently below 2.0x or debt over EBITDA leverage consistently above 5.5x.

An upgrade is unlikely given the RWN on Pujiang. We will resolve this RWN as soon as practicable.

About Lianhe Global

Lianhe Global is an international credit rating company that provides credit ratings to corporations, banks, non-bank financial institutions, local government financing vehicles, and other asset classes around the globe. Lianhe Global also provides credit risk research and other services related to credit ratings.

Rating Methodology

The principal methodology used in this Pujiang’s rating is Lianhe Global’s General Corporate Rating Criteria published on 31 December 2021 which can be found at the website www.lhratingsglobal.com.

Note: The above Issuer Credit Ratings are solicited at the request of the rated entity or a related third party.

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