

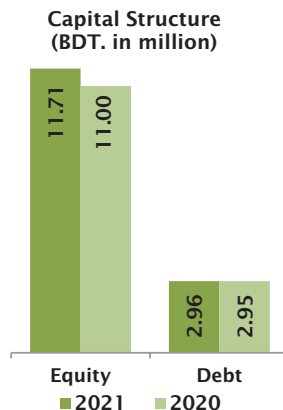
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Key Snapshot:

BDT. in million

Particulars	2021	2020
Revenue	28.32	19.96
EBIT	3.01	1.87
Net Profit	2.75	1.75
Total Assets	14.67	13.95
Total Equity	11.71	11.00
Total debt	2.96	2.95
Net Profit Margin (%)	9.7%	8.7%
CCC (Days)	115	164
ICR (X)	11.22	14.94



Analysts:

Juthi Khanum
juthi@wasocreditrating.com

Md. Al Amin Jewel
jewel@wasocreditrating.com

SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	06 December 2022	05 December 2023

WCRSE 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

Financial Based on-unaudited financial statements up to 31 December 2021.

Methodology: SME rating methodology published on the WCRCL website at www.wasocreditrating.com

RATING RATIONALE

WCRCL has assigned 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Chinas (hereinafter referred as "Chinas" or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

The above rating has been assigned based on the fundamentals of the enterprise which includes:

- Experienced and skilled management
- Sales revenue was in increased trend
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good business network
- Good interest coverage position
- Low levered capital structure

However, the above rating has been moderated to some extent due to some factors like:

- Tight liquidity position with long cash conversion cycle
- No Insurance coverage
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise is adjudged to above average level of credit worthiness in relation to other small enterprises.

WCRCL also viewed the enterprise with "Stable" outlook and believes that Chinas will be able to maintain its good fundamentals in the foreseeable future.