

3rd SURVEILLANCE CREDIT RATING REPORT HKH COLLECTION

Ref. no.: FR/2023/32782



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SME Rating	WCRSME	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	25 July 2023	24 July 2024

Tk. in million

Bank Name	Mode of Investment	Limit Amount	Outstanding Amount	Outstanding Date
Uttara Bank Limited	CC(Hypo)	5.00	5.13	30.06.2023

Financial Based on- Unaudited financial statements up to 31 December 2022.

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

Key Snapshot:

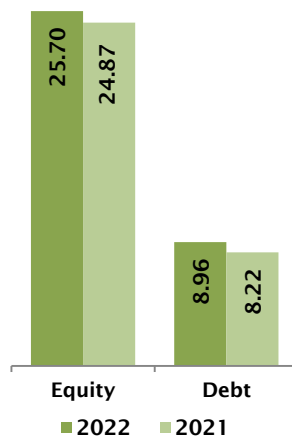
Tk. In million

Particulars	2022	2021
Revenue	134.23	116.73
EBIT	26.25	22.57
Net Profit	25.46	21.85
Total Assets	34.66	33.09
Total Equity	25.70	24.87
Debt	8.96	8.22
Net Profit Margin (%)	19.0	18.7
CCC (Days)	67	74
ICR (X)	33.14	31.35

RATING RATIONALE

WCRCL has reaffirmed **WCRSME3** (pronounced as WASO Credit Rating Small And Medium Enterprise Three) rating under the SME Rating to **HKH Collection** (hereinafter referred to as 'HKHC' or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration.

Capital Structure
(BDT. in million)



The above ratings have been assigned based on the fundamentals of the enterprise which prime location of business shop, good banking conduct, low levered concern, and good interest coverage position. However, the above factors are constrained to some extent by lack of insurance coverage, tight liquidity position, followed manual accounting procedures, and low disclosure of financial statements.

The SME rating implies that the enterprise is adjudged to above average credit quality.

WCRCL also viewed the enterprise with "Stable" outlook and believes that HKHC will be able to maintain its good fundamentals in the foreseeable future. This rating may be revised in case of any extraordinary changes in line with the sponsor's equity investment, debt obligations, management, business operations and/or changes in any macro and micro factors in the economy.

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