

2nd SURVEILLANCE CREDIT RATING REPORT HAP INTERNATIONAL



Ref. no.: CRAR-14214/2023

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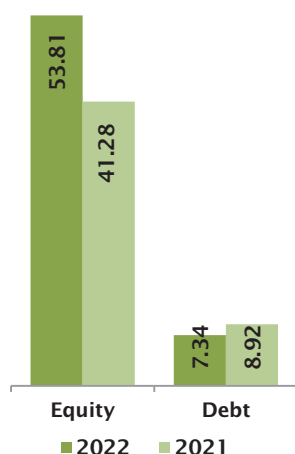
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Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	52.84	47.96
EBIT	16.81	12.17
Net Profit	16.59	12.04
Total Assets	61.15	50.20
Total Equity	53.81	41.28
Debt	7.34	8.92
Net Profit Margin (%)	31.4%	25.1%
CCC (Days)	263	254
ICR (X)	76.39	93.86

Capital Structure
(BDT. in million)



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	31 October 2023	30 October 2024

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
	CC (H)	4.00	3.93	
Uttara Bank PLC	LC	14.00	--	30.10.2023
	LTR	7.00	--	

Financial Based on-unaudited financial statements of 2022.

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

RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Hap International (hereinafter referred as "HI" 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
- 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
- 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 HI will be able to maintain its good fundamentals in the foreseeable future.