

2nd SURVEILLANCE CREDIT RATING REPORT SEVENSTAR SHOPPING CENTER CHINESE AND PARTY CENTER LIMITED



Ref. no.: CRAR-11160/2023

Report Contents:

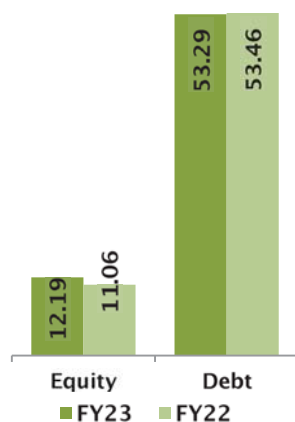
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Key Snapshot:

BDT. in million

Particulars	FY23	FY22
Revenue	42.71	38.83
EBIT	5.28	4.19
Net Profit	4.53	3.57
Total Assets	65.48	64.52
Total Equity	12.19	11.06
Total debt	53.29	53.46
Net Profit Margin (%)	10.6%	9.2%
CCC (Days)	173.79	182.36
ICR (X)	10.02	9.68

Capital Structure (BDT. in million)



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	10 October 2023	09 October 2024

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

RATING RATIONALE

WCRCCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to Sevenstar Shopping Center Chinese and Party Center Limited (hereinafter referred as "SSCCPCL" or "The Company") 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 Company which includes:

- Experienced and skilled management
- Moderate banking relationship
- Good business network
- Sales revenue was in increased trend
- Good profitability margin
- Good interest coverage position

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

- Loan reschedule history
- Rating may downgrade in future if banking repayment behavior doesn't improve
- Tight liquidity position with long cash conversion cycle
- Highly levered capital structure
- Low disclosure of financial statements
- Low management information system (MIS)

The SME rating implies that the enterprise has above average credit quality.

WCRCCL also viewed the enterprise with "Stable" outlook and believes that SSCCPCL 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.