ARGUS CREDIT RATING SERVICES LTD.
(ACRSL)

Credit Rating Report

Fahim Hosiary & Garments

DISCLAIMER AND LIMITATION OF LIABILITY

Any person making use of and/or relying on the rating report and all information contained therein hereby acknowledges that he has read this Disclaimer and Limitation of Liabilities and has understood it and agrees to be bound by it in its entirety. Affixing your signature below is a pre-condition for reading or otherwise using this report in part or in whole.

ACRSL generates and publishes credit rating report(s) (hereafter the "rating(s)") as an independent OPINION as to the creditworthiness of an entity or obligor or corporate or financial instrument or bank loan or facility or project finance or otherwise, in general or with regard to a specific financial obligation. ACRSL's ratings are statements of OPINION regarding credit (or repayment) risk as of the date they are expressed and are NOT statements of fact. The opinion is based on established criteria and methodologies that ACRSL continuously evaluates and updates. Ratings are inherently forward-looking and embody assumption and predictions about future events that by their nature cannot be verified as facts. Despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating is issued or affirmed. Ratings are the collective work and product of ACRSL and no individual, or group of individuals, is solely responsible for a rating; individuals are named for contact purposes only.

The rating does not address the risk of loss due to risks other than credit risk, unless such risk is categorically and specifically mentioned. A rating report providing a rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer or a business entity and its agents in connection with the offer or sale of the securities or otherwise any other financial facilities including any term loan, working capital loan, project loan, SOD Facilities, guarantee, debenture or any other form of lending and facilities, and is in no way an absolute measure of risk, and should be read in conjunction with the due diligence or otherwise any other risk evaluation. The rating should not solely be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employee(s), advisor(s) and/or client(s) when making investment and other business decisions. The rating is not an investment advice or recommendation to grant financial facilities, lend, grant credit facilities, buy, sell, or hold stocks or shares, bonds, debentures in any entity or any particular security and no investment or any other decision should be made solely on the basis of a credit rating. Rather, Fahim Hosiary & Garments, United Commercial Bank PLC and any other users should perform their own analysis and conduct appropriate due diligence. The ACRSL ratings do not comment on the probability of default in repayment of loan, redemption of bond, enforcement of securities and collaterals, adequacy of market price, the suitability of any security for a particular investor or corporate personality, or the tax-exempt nature or taxability of payments made in respect of an entity or corporate personality or financial instrument or bank loan or any financial facility or a project finance or any security or otherwise; and does not assess or indicate the likelihood of changes in the market price or value of rated instruments and financial facilities due to market-related factors, such as changes in interest rates or liquidity or otherwise; nor is it an opinion of the liquidity in the market of the user's securities and creditworthiness . ACRSL does not act as a fiduciary or an investment advisor except where registered as such. ACRSL is not engaged in the offer or sale of any security or otherwise any financial facility. ACRSL does not provide investment advice of any sort. ACRSL does not take any responsibility of securing due and proper compliance with any contractual, regulatory, statutory obligations of United Commercial Bank PLC client including repayment of loan and other credit facilities granted or to be granted by United Commercial Bank PLC to its clients. ACRSL shall not be responsible for any default or misrepresentation by the clients of under any circumstances.

ACRSL, ITS AFFILIATES, AND ANY THIRD PARTY PROVIDERS, AS WELL AS THEIR DIRECTORS, OFFICERS, SHAREHOLDERS, EMPLOYEES OR AGENTS DO NOT GUARANTEE THE ACCURACY, COMPLETENESS, AUTHENTICITY, TIMELINESS, AVAILABILITY, MERCHANTABILITY OR FITNESS FOR ANY PURPOSE OF THE RATING INFORMATION OR OPINION GIVEN OR MADE BY ACRSL IN ANY FORM OR MANNER WHATSOEVER. ACRSL is not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the rating report, or for the security or maintenance of any data provided by the user. Although care has been taken to ensure that the information provided in a report is true, such information is provided "as is" without a representation or warranty of any kind, express or implied, to any person or entity, despite the possibility of human and mechanical error as well as other factors. The rating report and all data and information contained in any report is solely provided on the basis of information, quantitative and qualitative, believed by ACRSL to be true, accurate, reliable and of satisfactory quality as derived from publicly available sources or provided by the rated entity or its agents or representatives. The United Commercial Bank PLC clients for whom a rating report may be prepared and its advisers are responsible for the accuracy of the information they provide to ACRSL and to the market in offering documents and other reports. In issuing its ratings, ACRSL must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. ACRSL does not perform an audit and undertakes no duty of due diligence or independent verification of the information it receives, including but not limited to carrying out any physical verification (investigation and inspection) of any books of accounts, asset registers, and liability accounts including actual accounts payable etc. or other information received during the rating process and may, in certain cases, rely on un-audited financial data. ACRSL does not carry out individual due diligence of the shareholders of the rated entity or concern for the purpose of Know Your Customer (KYC) or any other regulatory due diligence that is not applicable for credit rating. Regulators do not provide ACRSL access to the CIB reports of directors, shareholders, or other persons and therefore ACRSL cannot be held liable for any omission of information that may be contained in CIB relevant to the credit rating. ACRSL cannot be held liable for any errors or omissions, regardless of the cause, for the results obtained from the use of the rating report, or for the security or maintenance of any data provided by the user of the rating report. UNDER NO CIRCUMSTANCES WILL ACRSL OR ITS AFFILIATES BE LIABLE TO ANY PARTY FOR ANY SPECIAL, DIRECT, INDIRECT, INCIDENTAL, EXEMPLARY, COMPENSATORY, PUNITIVE OR COSTS, EXPENSES, LEGAL FEES OR LOSSES (INCLUDING BUT NOT LIMITED TO LOST INCOME OR LOST PROFITS AND/OR OPPORTUNITY COSTS OR LOSSES CAUSED BY

ARGUS CREDIT RATING SERVICES LTD. Dhaka, Bangladesh

NEGLIGENCE) OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING BUT NOT LIMITED TO, COMPENSATION, REIMBURSEMENT OR DAMAGES ON ACCOUNT OF THE LOSS OF PRESENT OR PROSPECTIVE PROFITS, EXPENDITURES, INVESTMENTS OR COMMITMENTS, WHETHER MADE IN THE ESTABLISHMENT, DEVELOPMENT OR MAINTENANCE OF BUSINESS REPUTATION OR GOODWILL, COST OF SUBSTITUTE MATERIALS, PRODUCTS, SERVICES OR INFORMATION, COST OF CAPITAL, OR OTHERWISE AND THE CLAIMS OF ANY THIRD PARTY, OR FOR ANY OTHER REASON WHATSOEVER, IN CONNECTION WITH ANY USE OF THE RATING REPORT EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

ACRSL may receive fees from issuers, insurers, guarantors, other obligors, and underwriters or otherwise for its rating report and/or related services. Reproduction or retransmission in whole or in part of its report is prohibited except by permission. All rights of its rating report are reserved by ACRSL. No content (including ratings, credit related analyses and data, model, software or other application or output thereof) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system or otherwise, without the prior written permission of ACRSL or its affiliates, unless made available publicly or for public use. In issuing and maintaining its ratings, ACRSL relies on factual information it receives from its clients and other sources, public or otherwise that ACRSL believes to be credible. ACRSL conducts reasonable research of the factual information relied upon by it in accordance with its ratings methodology. ACRSL has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. ACRSL's public ratings and analyses are made available on its website www.acrslbd.com and may be distributed through other means.

Information used herein was obtained from sources believed to be accurate and reliable. However, ARGUS Credit Rating Services Limited does not guarantee the accuracy, adequacy or completeness of any information and is not responsible from any errors or omissions or for the results obtained from the use of such information. The rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities or to finance in a project. All rights of this report are observed by ARGUS Credit Rating Services Limited. The contents may be used by the news media and researchers with due acknowledgement from ARGUS Credit Rating Services Limited.

By affixing my signature below I am hereby acknowledging on behalf of the institution and/or individuals I represent that we have read this Disclaimer and Limitation of Liabilities and have understood it and that we agree to be bound by it in its entirety in any usage of and/or in reliance on the rating report and all information contained therein.

Authorized Signature:

Name:

Designation:

Date:

CONTACT INFORMATION

For Additional Information Please Contact:

ARGUS Credit Rating Services Limited
6th Floor, SkyView Henolux Centre,
3/1 Purana Paltan,
Dhaka 1000
Bangladesh
Email: info@acrslbd.com

ARGUS CREDIT RATING SERVICES LTD. Dhaka, Bangladesh

Ref No	: ACRSL39422/25
Company Name	: Fahim Hosiary & Garments (FHG)
Assigned Ticker	: FhmHsGrm
Activity	: RMG Knit, Manufacturing
Head Office	: Purbo Shantidhara, Sign Board, Fatullah, Narayanganj, Bangladesh

Rating Type	: SME / Entity
Rating Validity	: 26 Feb 2026
Nature Of Rating	: First Surveillance
Outlook	: Stable
Analyst(s)	: ACRSL Analyst Team
Committee(s)	: ACRSL Rating Committees

Rating Summary

Credit Rating	Current	Previous
SME	AQSE-3	AQSE-3
Publishing Date	27 Feb 2025	30 Nov 2023

Rating Explanation

Rating	Explanation
AQSE-3	ARGUS Quantitative Small Enterprise-3 is a High rating grade assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned, this rating indicates the obligor, relative to other small enterprises, has strong capacity to meet its financial obligations but may be vulnerable to adverse economic conditions.

Rating Validity: This validity assumes no additional loan over that disclosed in FY24 [Ending June 30] audited/management certified balance sheet and that management has disclosed all material & adverse to financials since FY22.

Khan Md. Abdul Wahab, FCMA
Chief Executive Officer
ARGUS Credit Rating Services Ltd.

1 CORPORATE PROFILE

1.1 Company Description

History: Fahim Hosiary & Garments is established as a proprietorship concern at Purbo Shantidhara, Sign Board, Fatullah, Narayanganj. The entity is a manufacturer of Readymade Garments.

Financial Base: At the end of FY24, FHG's total asset stood at BDT 35.53 MN, equity at BDT 30.07 MN, Revenue at BDT 66.55 MN and Net Profit at BDT 9.38 MN.

Special Note: At the time of publication of this credit rating report by ARGUS Credit Rating Services Limited, un-audited financial statements until FY24 (ending June, 30) were available. Projections for FY25 and FY26 were arrived after taking into consideration subsequent events up to the date of reporting, management feedback, and industry insights.

1.2 Ownership Structure

The Proprietor of Fahim Hosiary & Garments is Mr. Md. Fahim Molla. He has vast experience in related business and is a successful Proprietor. The overall business of the enterprise is managed and looked after by him with the help of efficient professionals.

Table 1 Nature of Ownership/Directors' Shareholding Percentage

Designation	Name	Shares
Proprietor	Mr. Md. Fahim Molla	100.00%

1.3 Operations

Business Location: Purbo Shantidhara, Sign Board, Fatullah, Narayanganj.

1.4 Products and Services

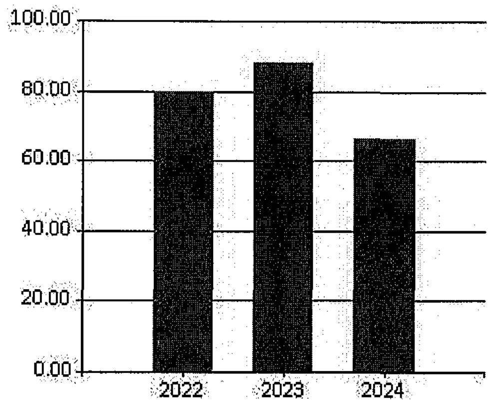
The entity is a manufacturer of Readymade Garments.

ARGUS CREDIT RATING SERVICES LTD. ARGUS CREDIT RATING Dhaka, Bangladesh

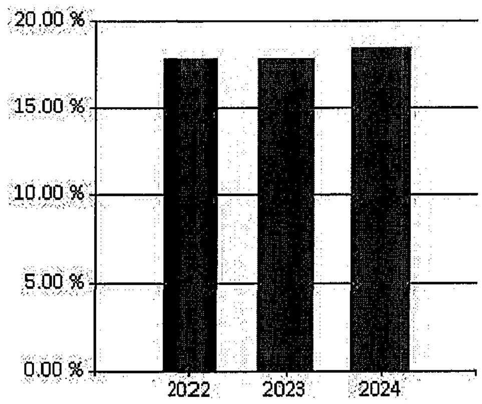
2 CHARTS

2.1 Income Statement Charts

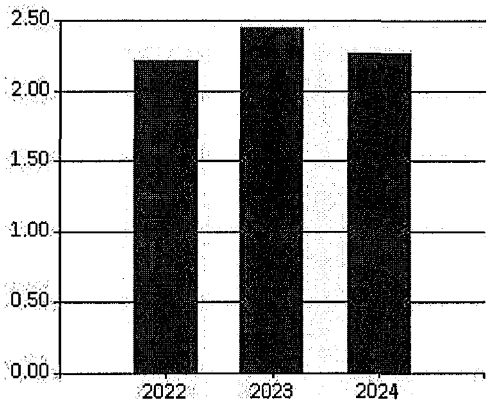
Revenue (BDT MN)



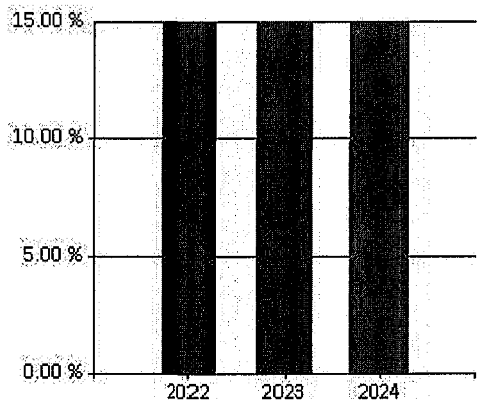
Gross Profit Margin (%)



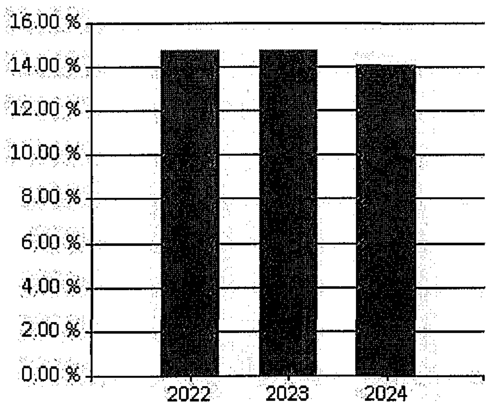
Operating Expenditures (BDT MN)



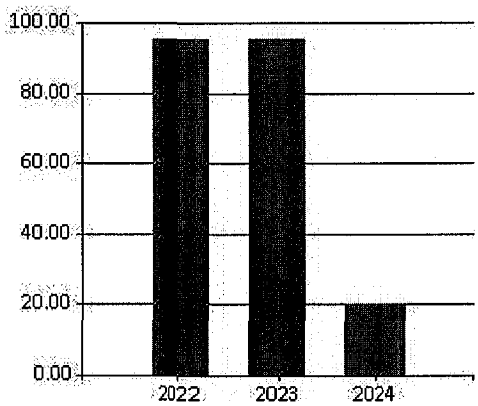
Operating Profit Margin (%)



Net Profit Margin (%)

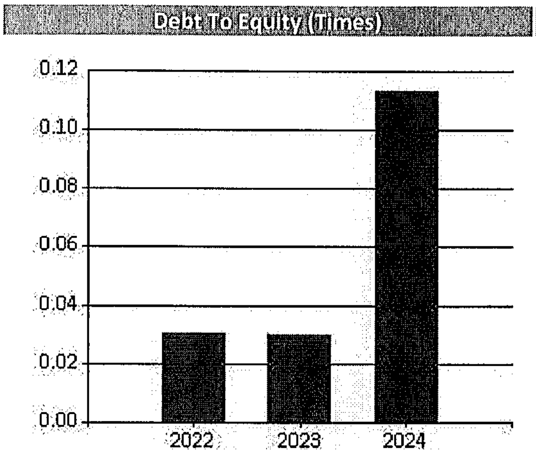


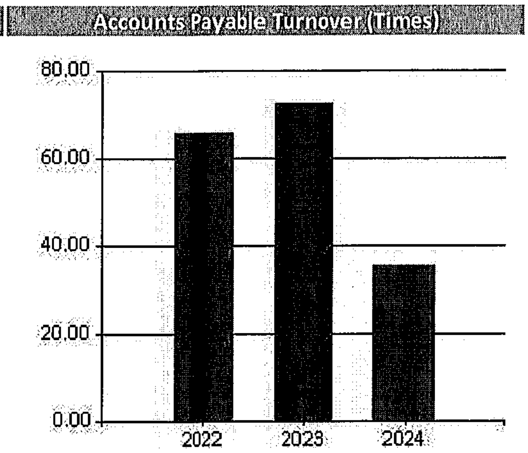
Interest Coverage Ratio (Times)

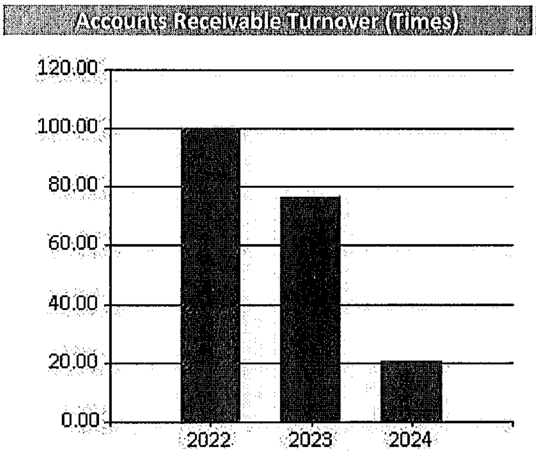


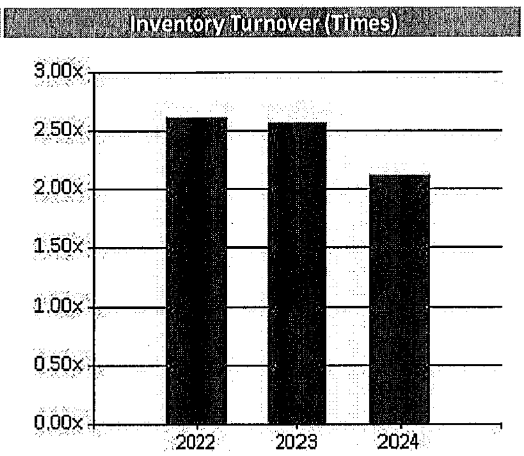
ARGUS CREDIT RATING SERVICES LTD. ★ Dhaka, Bangladesh ★

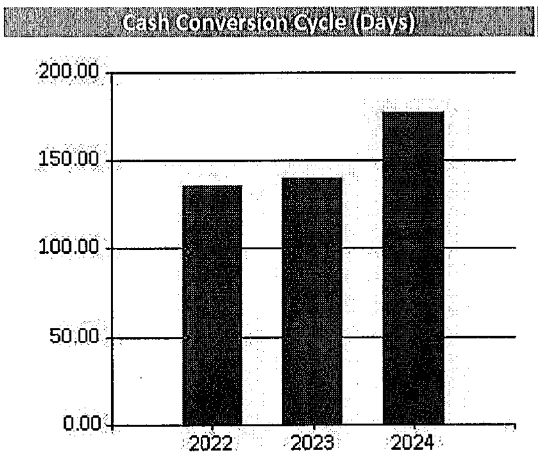
2.2 Balance Sheet Charts

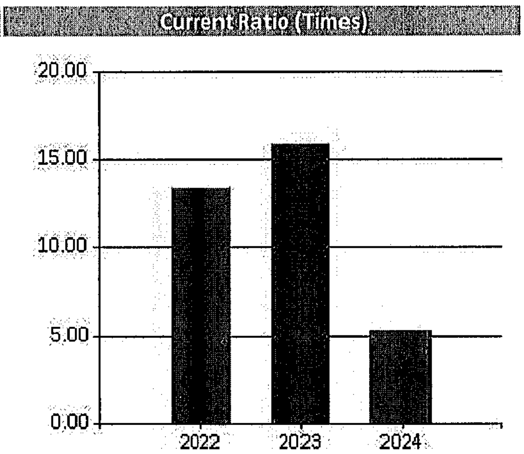








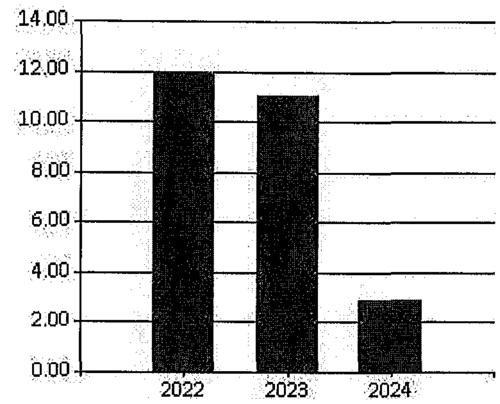




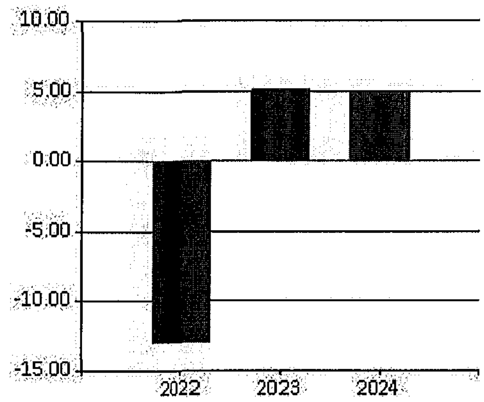
ARGUS CREDIT RATING SERVICES LTD.
Dhaka, Bangladesh

2.3 CASH FLOW ADEQUACY CHARTS

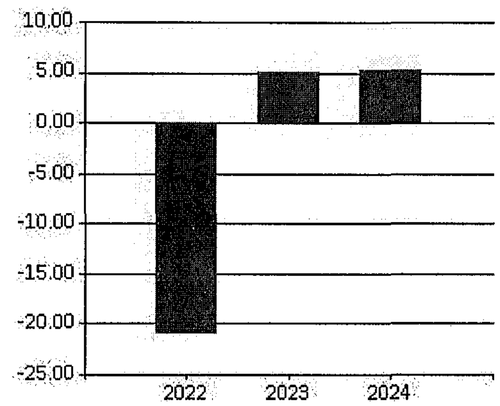
Fund From Operations To Debt (Times)



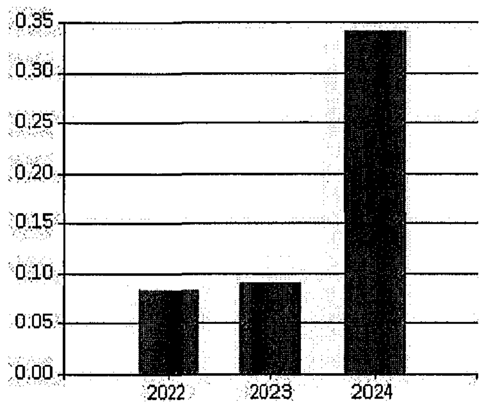
Operating Cash Flow To Total Debt (Times)



Free Cash Flow To Total Debt (Times)



Total Debt To EBITDA (Times)



APPENDIX A: SUMMARY OF FINANCIAL METRICS

Balance Sheet Metrics (BDT in MN)	FY22	FY23	FY24
Cash & Equivalent	0.70	2.00	2.00
Trade Receivable	0.80	1.50	5.07
Inventories	25.13	31.33	19.96
Total Current Assets	26.63	34.83	29.03
Investments	0.00	0.00	0.00
Fixed Assets(At cost less Depreciation)	7.96	7.96	6.50
Total Non-Current Assets	7.96	7.96	6.50
Total Assets	34.59	42.78	35.53
Payable and Accrued Expenses	1.00	1.00	2.05
Other Current Liabilities	0.00	0.00	0.00
Short Term Debt	1.00	1.20	3.40
Total Current Liabilities	2.00	2.20	5.45
Long Term Debt	0.00	0.00	0.00
Other Non-Current Liabilities	0.00	0.00	0.00
Total Non-Current Liabilities	0.00	0.00	0.00
Total Liabilities	2.00	2.20	5.45
Issued, Subscribed & Paid Up Capital	29.38	29.38	29.23
Retained Earnings	3.21	11.20	0.84
Reserves & Surplus	0.00	0.00	0.00
Total Shareholders' Equity	32.59	40.58	30.07
Total Shareholders' Equity & Liabilities	34.59	42.78	35.53
Income Statement Metrics (BDT in MN)	**FY22**	**FY23**	**FY24**
Revenue/Sales/Turnover	80.00	88.00	66.55
Cost of Revenue/ Cost of Goods Sold	65.78	72.36	54.30
Gross Profit (Loss)	14.22	15.64	12.25
Operating Expenses	2.22	2.44	2.27
Operating Profit	12.00	13.20	9.98
Financial Expense/ Interest Expense	0.13	0.14	0.50
Net Profit before WPPF	11.87	13.06	9.49
Other Expense	0.00	0.00	0.00
Net Profit Before Tax	11.87	13.06	9.49
Provision for Tax	0.06	0.07	0.11
Net Profit After Tax	11.81	13.00	9.38
Cash Flow Metrics (BDT in MN)	**FY22**	**FY23**	**FY24**
Net Cash from Operating Activities	-13.12	6.10	-16.23
Net Cash from Investing Activities	-7.96	0.00	1.46
Net Cash from Financing Activities	21.77	-4.80	-17.68
Increase/(Decrease) in Cash and Cash Equivalents	0.70	1.30	0.00
Cash and Cash Equivalents at the Opening	0.00	0.70	2.00
Cash and Cash Equivalents at the Closing	0.70	2.00	2.00

Source: FHG's Financial Statements from FY22 to FY24

ARGUS CREDIT RATING SERVICES LTD. ★ Dhaka, Bangladesh ★

APPENDIX B: SUMMARY OF ANALYTICS

Indicators	FY22	FY23	FY24
Revenue Growth	0.00%	10.00%	-24.38%
Gross Profit Margin	17.78%	17.78%	18.41%
Operating Profit Margin	15.00%	15.00%	15.00%
Net Profit Margin	14.77%	14.77%	14.09%
Interest Coverage Ratio	95.24x	95.24x	20.09x
ROA	34.16%	33.59%	23.95%
ROE	36.25%	35.52%	26.54%
Debt to Equity Ratio	0.03x	0.03x	0.11x
Accounts Payable Turnover	65.78x	72.36x	35.57x
Accounts Receivable Turnover	100.00x	76.52x	20.27x
Inventory Turnover Ratio	2.62x	2.56x	2.12x
Current Ratio	13.32x	15.83x	5.32x
Cash Conversion Cycle(Days)	136	140	178
Fund from Operations/Total Debt	12.00x	11.00x	2.94x
Operating Cash Flow/Total Debt	-13.12x	5.09x	4.77x
Free Cash Flow/Total Debt	-21.07x	5.09x	5.20x
Total Debt/EBITDA	0.08x	0.09x	0.34x

ARGUS CREDIT RATING SERVICES LTD. Dhaka, Bangladesh

APPENDIX C: SME RATING DETAILS

ACRSL SME RATING

Rating	Definition
AQSE-1 (Highest Grade)	ARGUS Quantitative Small Enterprise-1 is the Highest rating assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned this rating indicates the obligor, relative to other small enterprises, has exceptionally strong capacity to meet its financial obligations and it is highly unlikely that this capacity will be impacted adversely by foreseeable events.
AQSE-2 (High Grade)	ARGUS Quantitative Small Enterprise-2 is a Very High rating grade assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned, this rating indicates the obligor, relative to other small enterprises, has very strong capacity to meet its financial obligations and it is unlikely that this capacity will be impacted adversely by foreseeable events.
AQSE-3 (Good Grade)	ARGUS Quantitative Small Enterprise-3 is a High rating grade assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned, this rating indicates the obligor, relative to other small enterprises, has strong capacity to meet its financial obligations but may be vulnerable to adverse economic conditions.
AQSE-4 (Satisfactory Grade)	ARGUS Quantitative Small Enterprise-4 is a Good rating grade assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned, this rating indicates the obligor, relative to other small enterprises, has adequate capacity to meet its financial obligations but this capacity remains more vulnerable to adverse economic conditions.
AQSE-5 (Non-Investment Grade)	ARGUS Quantitative Small Enterprise-5 is a Non-Investment rating grade assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned, this rating indicates the obligor, relative to other small enterprises, has weak capacity and may rely on alternative sources to meet its financial obligations, and is substantially vulnerable to adverse economic conditions that may impair ability to meet such obligations in the future.
AQSE-6 (Highly vulnerable)	ARGUS Quantitative Small Enterprise-6 is a Highly Vulnerable rating grade assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned this rating indicates the obligor is near to default and the degree of certainty regarding timely payment of financial obligations is doubtful unless circumstances improve.
AQSE-7 (Imminent Default)	ARGUS Quantitative Small Enterprise-7 is an Imminent default rating assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned this rating indicates The obligor is either currently in default or expected to be in default with high probability. The obligor with this rating is unlikely to meet maturing financial obligations.
AQSE-8 (Default Grade)	ARGUS Quantitative Small Enterprise-8 is a Default rating assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned, this rating indicates the obligor already failed to meet its financial obligations and may have entered bankruptcy proceedings.