ARGUS CREDIT RATING SERVICES LTD.
(ACRSL)

Credit Rating Report

Five Star Saw Mill

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Authorized Signature:

Name:

Designation:

Date:

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Ref No	: ACRSL39560/25
Company Name	: Five Star Saw Mill (FSSM)
Assigned Ticker	: FvStSwM
Activity	: Wooden Furniture, Trading
Incorporated On	: 02 Mar 2020
Head Office	: Dhaka-Mawa Bishwa Road, Teghoria, South Keraniganj, Dhaka, Bangladesh

Rating Type	: SME / Entity
Rating Validity	: 12 Mar 2026
Nature Of Rating	: Initial
Outlook	: Stable
Analyst(s)	: ACRSL Analyst Team
Committee(s)	: ACRSL Rating Committees

Rating Summary

Credit Rating	Current	Previous
SME	AQME-3	N/A
Publishing Date	13 Mar 2025	N/A

Rating Explanation

Rating	Explanation
AQME-3	ARGUS Quantitative Medium Enterprise-3 is a High rating grade assigned to medium enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative ME ratings model. When assigned, this rating indicates the obligor, relative to other medium 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 December 31] audited/management certified balance sheet and that management has disclosed all material & adverse to financials since FY23.

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

1 CORPORATE PROFILE

1.1 COMPANY DESCRIPTION

- **History:** Five Star Saw Mill (FSSM) was established as a proprietorship business concern and is managed by Mr. Md. Mosharaf Hossain, who is the owner of the firm. The sawmill operates as a facility where logs are cut into lumber for the local market. FSSM specializes in producing various types of lumber products, including timber, planks, and beams

- **Financial Base:** At the end of FY2024, FSSM's total assets stood at BDT 36.33 MN, equity at BDT 30.96 MN, Revenue at BDT 54.8 MN and Net Profit at BDT 4.86 MN.

- **Special Notes:** At the time of publication of this credit rating report by ARGUS Credit Rating Services Limited, unaudited financial statements until FY24 (ending Dec, 31) 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.

- **Liability Position:** Five Star Saw Mill (FSSM) has a liability with Islami Bank Bangladesh PLC. The firm has a Bai Murabaha TR facility. The total loan amount is BDT 4.00 MN BDT, with a present outstanding balance of BDT 3.35MN. The CIB (Credit Information Bureau) status of the loan is classified as "Standard" (CIB STD) as on 09/3/2025.

1.2 OWNERSHIP STRUCTURE

- The business is managed by Mr. Md. Mosharaf Hossain, who is the owner of the firm.

Table 1 Nature of Ownership/Directors' Shareholding Percentage

Designation	Name	Shares
Proprietor	Mr. Md. Mosharaf Hossain	100.00%

1.3 OPERATIONS

- The head office of Five Star Saw Mill is located at Dhaka-Mawa Bishwa Road, Teghoria, South Keraniganj, Dhaka, Bangladesh.

1.4 PRODUCTS AND SERVICES

- Five Star Saw Mill specializes in producing various types of lumber products, including timber, planks, and beams

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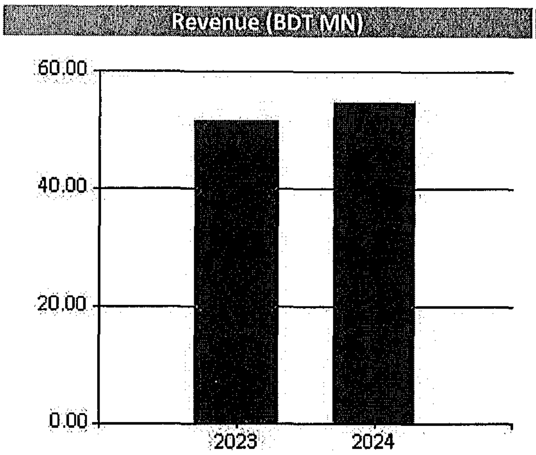
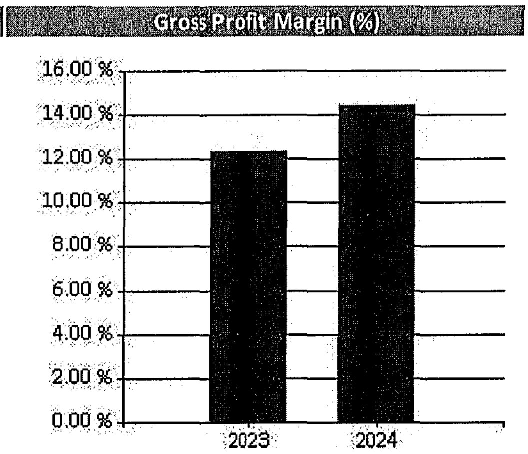
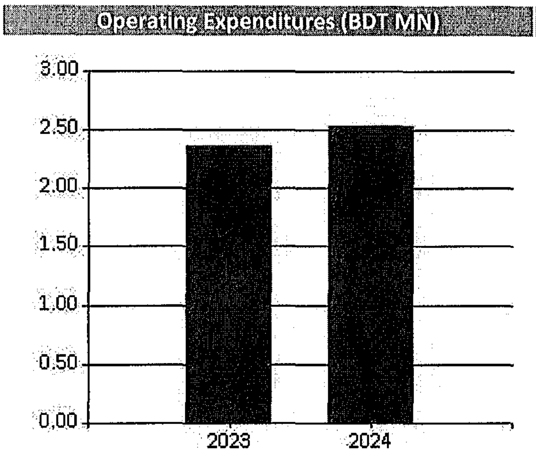
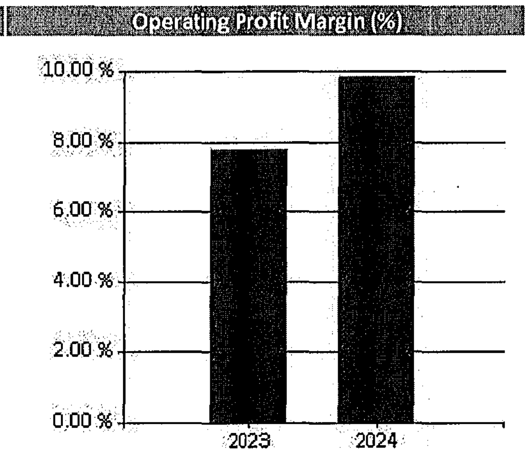
2 CHARTS

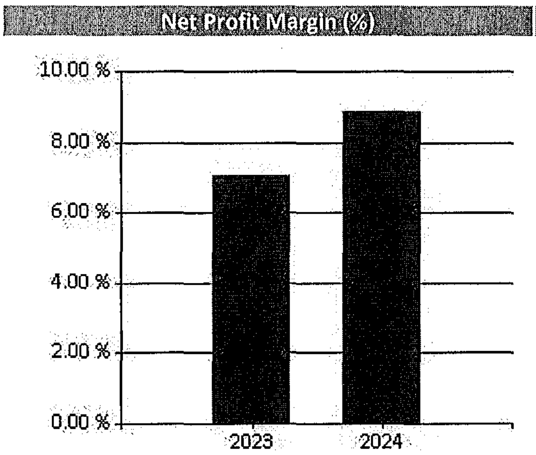
2.1 INCOME STATEMENT CHARTS

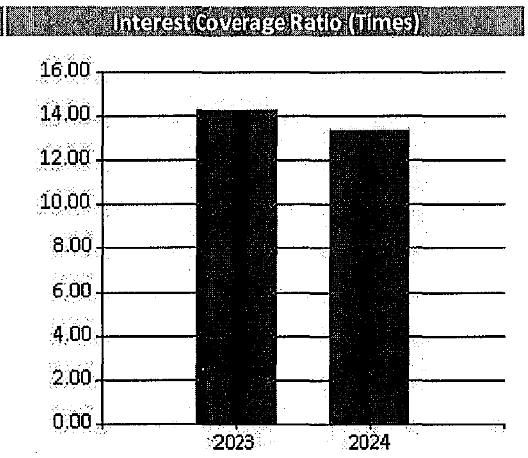




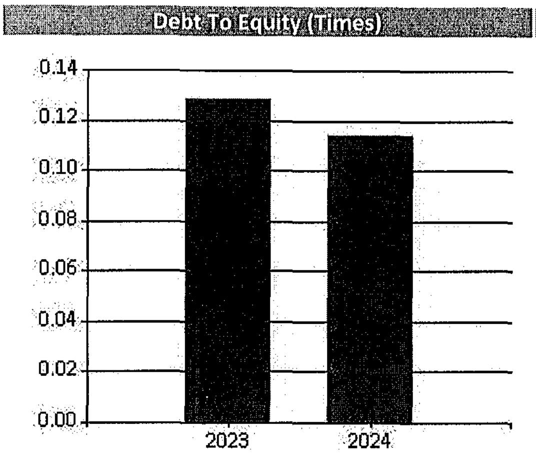


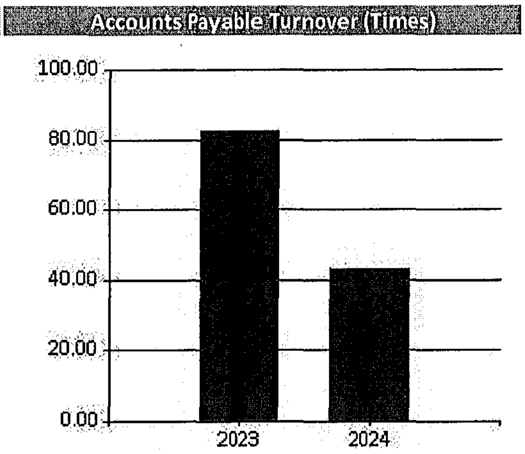


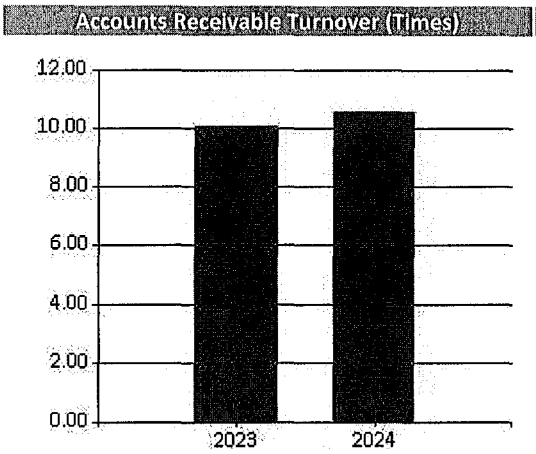


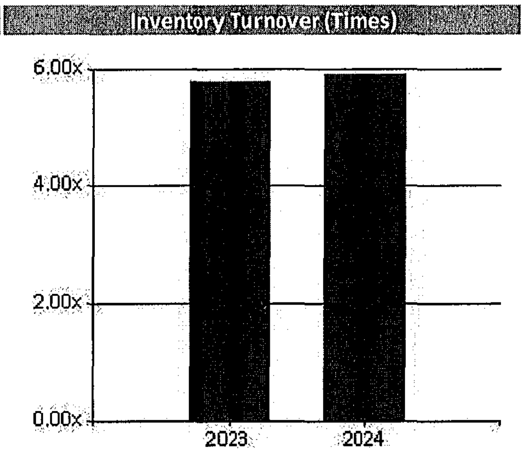


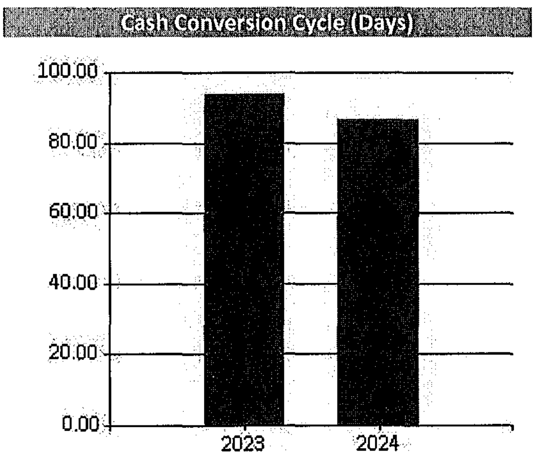
2.2 Balance Sheet Charts

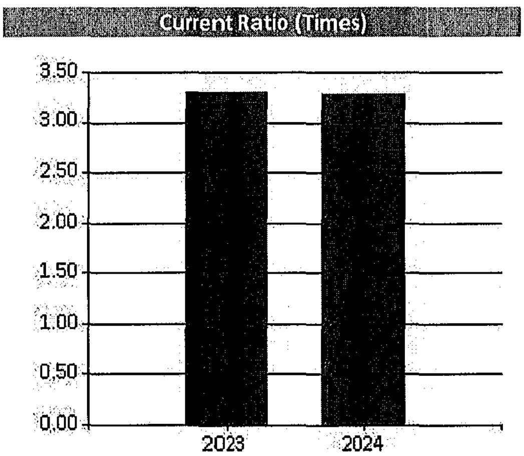






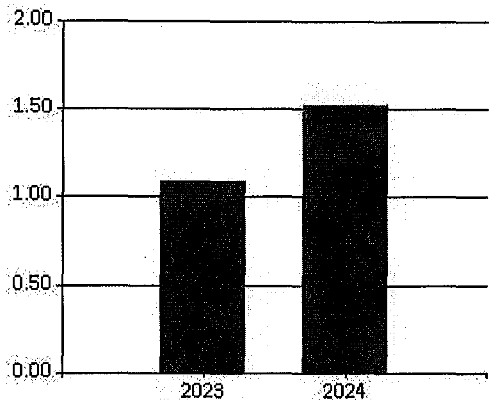




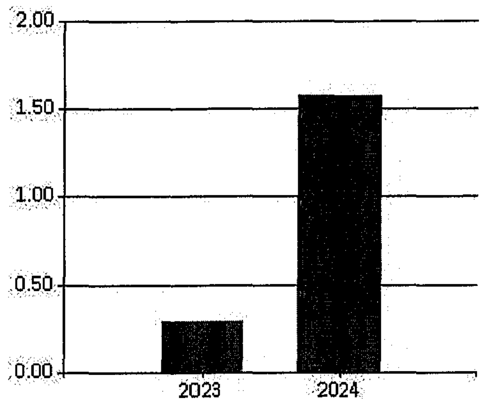


2.3 Cash Flow Adequacy Charts

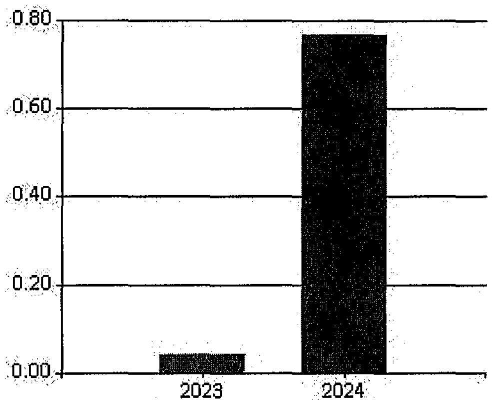
Fund From Operations To Debt (Times)



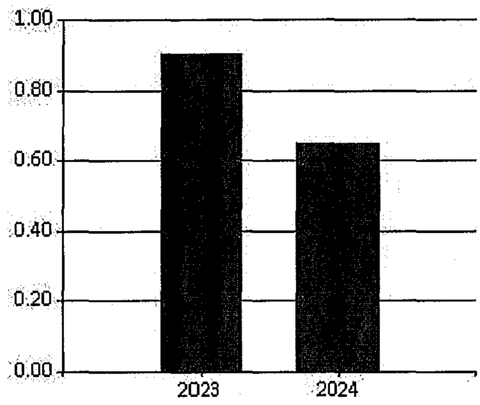
Operating Cash Flow To Total Debt (Times)



Free Cash Flow To Total Debt (Times)



Total Debt To EBITDA (Times)



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APPENDIX A: SUMMARY OF FINANCIAL METRICS

Balance Sheet Metrics (BDT in MN)	FY23	FY24
Cash & Equivalent	1.07	3.78
Trade Receivable	5.13	5.22
Inventories	7.82	8.03
Total Current Assets	14.60	17.63
Investments	0.00	0.00
Fixed Assets(At cost less Depreciation)	18.78	18.69
Total Non-Current Assets	18.78	18.69
Total Assets	33.38	36.32
Payable and Accrued Expenses	0.55	1.62
Other Current Liabilities	0.16	0.21
Short Term Debt	3.71	3.53
Total Current Liabilities	4.42	5.37
Long Term Debt	0.00	0.00
Other Non-Current Liabilities	0.00	0.00
Total Non-Current Liabilities	0.00	0.00
Total Liabilities	4.42	5.37
Issued, Subscribed & Paid Up Capital	19.68	19.68
Retained Earnings	9.28	11.27
Reserves & Surplus	0.00	0.00
Total Shareholders' Equity	28.96	30.95
Total Shareholders' Equity & Liabilities	33.38	36.32
Income Statement Metrics (BDT in MN)	**FY23**	**FY24**
Revenue/Sales/Turnover	51.70	54.80
Cost of Revenue/ Cost of Goods Sold	45.31	46.88
Gross Profit (Loss)	6.39	7.91
Operating Expenses	2.36	2.53
Operating Profit	4.03	5.39
Financial Expense/ Interest Expense	0.28	0.40
Net Profit before WPPF	3.74	4.98
Other Expense	0.00	0.00
Net Profit Before Tax	3.74	4.98
Provision for Tax	0.10	0.13
Net Profit After Tax	3.65	4.86
Cash Flow Metrics (BDT in MN)	**FY23**	**FY24**
Net Cash from Operating Activities	1.09	5.57
Net Cash from Investing Activities	-0.94	-2.86
Net Cash from Financing Activities	0.00	0.00
Increase/(Decrease) in Cash and Cash Equivalents	0.15	2.71
Cash and Cash Equivalents at the Opening	0.92	1.07
Cash and Cash Equivalents at the Closing	1.07	3.78

Source: FSSM's Financial Statements from FY23-FY24

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Dhaka, Bangladesh

APPENDIX B: SUMMARY OF ANALYTICS

Indicators	FY23	FY24
Revenue Growth	0.00%	6.00%
Gross Profit Margin	12.35%	14.44%
Operating Profit Margin	7.79%	9.83%
Net Profit Margin	7.06%	8.86%
Interest Coverage Ratio	14.25x	13.34x
ROA	10.93%	13.93%
ROE	12.60%	16.21%
Debt to Equity Ratio	0.13x	0.11x
Accounts Payable Turnover	82.38x	43.15x
Accounts Receivable Turnover	10.07x	10.58x
Inventory Turnover Ratio	5.79x	5.92x
Current Ratio	3.31x	3.28x
Cash Conversion Cycle(Days)	94	87
Fund from Operations/Total Debt	1.09x	1.52x
Operating Cash Flow/Total Debt	0.29x	1.58x
Free Cash Flow/Total Debt	0.04x	0.77x
Total Debt/EBITDA	0.90x	0.65x

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APPENDIX C: SME RATING DETAILS

ACRSL SME RATING

Rating	Definition
AQME-1 (Highest Grade)	ARGUS Quantitative Medium Enterprise-1 is the Highest rating assigned to medium enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative ME ratings model. When assigned this rating indicates the obligor, relative to other medium 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.
AQME-2 (High Grade)	ARGUS Quantitative Medium Enterprise-2 is a Very High rating grade assigned to medium enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative ME ratings model. When assigned, this rating indicates the obligor, relative to other medium enterprises, has very strong capacity to meet its financial obligations and it is unlikely that this capacity will be impacted adversely by foreseeable events.
AQME-3 (Good Grade)	ARGUS Quantitative Medium Enterprise-3 is a High rating grade assigned to medium enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative ME ratings model. When assigned, this rating indicates the obligor, relative to other medium enterprises, has strong capacity to meet its financial obligations but may be vulnerable to adverse economic conditions.
AQME-4 (Satisfactory Grade)	ARGUS Quantitative Medium Enterprise-4 is a Good rating grade assigned to medium enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative ME ratings model. When assigned, this rating indicates the obligor, relative to other medium enterprises, has adequate capacity to meet its financial obligations but this capacity remains more vulnerable to adverse economic conditions.
AQME-5 (Non-Investment Grade)	ARGUS Quantitative Medium Enterprise-5 is a Non-Investment rating grade assigned to medium enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative ME ratings model. When assigned, this rating indicates the obligor, relative to other medium 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.
AQME-6 (Highly vulnerable)	ARGUS Quantitative Medium Enterprise-6 is a Highly Vulnerable rating grade assigned to medium enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative ME 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.
AQME-7 (Imminent Default)	ARGUS Quantitative Medium Enterprise-7 is an Imminent default rating assigned to Medium enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative ME 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.
AQME-8 (Default Grade)	ARGUS Quantitative Medium Enterprise-8 is a Default rating assigned to medium enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative ME ratings model. When assigned, this rating indicates the obligor already failed to meet its financial obligations and may have entered bankruptcy proceedings.

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