

February 18, 2021

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Subject: **Material Information**

Dear Sir,

In accordance with Section 96 of the Securities Act, 2015 and Clause 5.6.1(a) of PSX Regulations, we hereby convey the following information:

Crescent Star Insurance Limited ("CSIL") has received numerous queries from different quarters, particular by the members of Dost Steels Limited ("DSL") to clarify if there is any material information, which shall be available in public knowledge in light of the volume of trading in last few days preceding this release.

CSIL, being a major investor in DSL, through this release aims to clarify that CSIL is not in possession of any material information, and nor is aware about any ongoing restructuring/acquisition deals as rumored. CSIL at the same time will take this opportunity to clarify the following

- a) CSIL has found number of discrepancies in the accounts of DSL, in particularly to the assignment of CSIL advance for shares of Rs. 254 million of M/s Dynasty Trading (Private) Limited, without attaining prior consent from CSIL. CSIL has questioned this transaction by writing to the auditors of DSL, M/s Rahman Sarfaraz Rahim Iqbal Rafiq and has sought clarification in this regard. However, till this date, CSIL has not received any clarification from the auditors.
- b) CSIL invested in DSL in accordance with the terms of the Shareholders Agreement, agreed between CSIL, DSL and Sponsors of DSL. In accordance with the terms of the Shareholders Agreement, CSIL should have received 93.5 million shares at Rs.4.50/. However, due to the gross violation of restructuring agreement agreed between DSL, its Sponsors and Summit Bank Limited ("SBL"), whereby, SBL sold the right entitlement without any lawful authority during 2016 right issue, resulting into shortage of shares. Accordingly, CSIL were only allocated 15 million shares at Rs. 4.50/- and DSL has yet to issue 78.5 million shares for the remaining invested amount of CSIL. CSIL has moved to Hon'ble Lahore High Court in this regard for the issuance of the shares and appointment of 60 percent of CSIL directors in accordance with the Shareholders Agreement.

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- c) CSIL has found that on numerous occasions, minutes of the meeting of both Annual General Meeting and Board of Directors have been fabricated by DSL. CSIL in this regard has already filed complaints before Pakistan Stock Exchange and Securities Exchange Commission of Pakistan, which are currently under investigation.

CSIL reserves the right to protect its interest as advised by the legal advisors and within the legal available frame work.

Yours Sincerely,
For and on behalf of Crescent Star Insurance Limited



Naim Anwar
Managing Director & CEO

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