

January 25, 2022

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

MATERIAL INFORMATION

Dear Sir,

The Board of Directors of Crescent Star Insurance Limited (CSIL/Company) in the meeting held on 24th January 2022, deliberated the status of the company's investment in Dost Steels Ltd (DSL), in the light of recent events in which CSIL along with support of over 10% shareholders of DSL has requisitioned EOGM of DSL on 11th February exercising the right under Section 133(5) of the Companies Act 2017, with the agenda of appointing independent auditors to look in to the financial affairs of DSL and to replace the existing Board of DSL with the nominees of CSIL. The Board reviewed CSIL stake in DSL which is:

- 1) Advance against issuance of shares PKR.354 million. Pending the decision of the honorable Lahore High Court, if approved CSIL will be issued 78.66 million shares at Rs.4.50/share. Upon issuance of such shares the revised capital of DSL will be 3.94 billion (394 million shares), resulting in 20% holding of CSIL in the diluted capital. For the sake of clarity CSIL has assigned Rs.57 million to Din Corporation (12.6 million shares – 3.2% holding). This assignment has been made against SPA signed between CSIL and Din Corporation for swap of shares of Crescent Star Foods (Pvt) Ltd currently held by Din Corporation.
- 2) Interest of Rs.248 million has been charged by CSIL which current DSL management continues to resist acceptance, however CSIL reserves its right to continue the claim and seek all legal remedies that are available.

The Board reviewed the management's strategy to continue the legal remedy and expect the issuance of shares subject to the approval of the court and to continue its efforts to discuss and take along the support of shareholders of DSL who have extended support to CSIL in the efforts to seek required seats on the Board of DSL to enable restructure and restart the operations of DSL which is otherwise a profitable sector and state of the art plant fit to be operated with reasonable financing for the working capital requirements.

Subject to all necessary, corporate and regulatory approvals required and subject to the issuance of the shares mentioned above, CSIL intends to raise 1 billion to clear the bank defaulted amount of DSL and provide working capital required for the operations of DSL..

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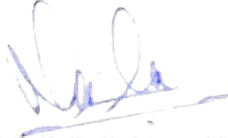
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CSIL Board has reviewed various options for the required 1 billion in DSL. These options are currently being discussed in the investment committee of CSIL, who has been asked to recommend the best option which will then be approved by the CSIL Board to be included in the plan for DSL.

Thanking you,
For Crescent Star Insurance Limited



Naim Anwar
Managing Director & CEO

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