

June 29, 2017

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

Subject: Material Information

The management has received various queries regarding the status on DSL in relation to CSIL investment in Dost Steels Ltd. The management for the sake of clarity has decided to clarify the following:

- 1) According to the Share Holders Agreement CSIL should have received 93 million shares at Rs.4.50/share. However due to gross violation of agreement by Summit Bank Ltd, signed between DSL sponsors and Summit Bank Ltd, wherein Summit Bank sold the right entitlement without lawful authority, which led to shortage of shares issued to CSIL. Accordingly CSIL was allocated 15 million shares at Rs.4-50/share.
- 2) The balance 78 million shares are still outstanding and the DSL management has assured the CSIL management for the issuance of these shares after necessary regulatory approval expected towards the end of 2017.
- 3) CSIL has adequately secured the position on the Board of Directors and accordingly Mr. Naim Anwar (Managing Director &CEO – CSIL) holds the position of Chairman, Dost Steels Ltd.
- 4) CSIL has secured legal opinion confirming its position in relation to the issuance of the shares to CSIL against the amount already advanced to DSL.

In the meantime it is heartening to note that DSL management has already received the Right of Way from Irrigation Department and National Highway Authority as recently announced by the company, which has paved the way in removing the concerns for the start of operations. Accordingly we are informed that the DSL management has formally applied to LESCO for energizing, and the plant seems set for operation as soon as possible. It is expected to complete the process for the start of operations by October 2017.

CSIL management, in the larger interest of the organization has shown restraint and will follow up more stringently on the issue of shares once the priority of starting operations of DSL is completed by the DSL management. CSIL management is continuing to extend its full support to DSL management for the successful operation of the plant as soon as possible and accordingly will protect the interest of the company in the investment so made.

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The above clarification is issued in light of various queries raised and to give more clarity to the members of the company.

Yours Sincerely
For and on behalf of Crescent Star Insurance Limited



Naim Anwar
Managing Director & CEO