

Drake & Scull

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Mr. / Hasan Abdul Rahman Al Serkal
Executive Vice President & Chief
Operations Officer
Dubai Financial Market
Dubai-United Arab Emirates

السيد/ حسن عبد الرحمن السركال
نائب رئيس تنفيذي-رئيس تنفيذي العمليات
رئيس قطاع العمليات
سوق دبي المالي
دبي - الإمارات العربية المتحدة

Press Release
of Drake & Scull International PJSC
(the "Company")

خبر صحفي
لشركة دريك أند سكل إنترناشيونال ش.م.ع
("الشركة")

Please find attached press release issued by the Company to be disclosed on DFM Website.

مرفق طيه تجدون خبر صحفي صادر من الشركة للتكرم
بالانصاح عنه على موقع سوق دبي المالي.

Nader Mugbil
Investor Relation Officer

نادر مقبل
مسؤول علاقات المستثمرين

Drake & Scull International PJSC

شركة دريك أند سكل إنترناشيونال ش.م.ع



Press Release

New management of Drake & Scull International PJSC commits to completing probe on misconduct by previous management and continuing firm's restructuring plan

- *The Company has filed new criminal complaints in Dubai against the previous management and investigations are ongoing into 15 criminal complaints against the previous management*
- *The Company General Assembly Meeting of 2018 did not absolve some members of the previous board of directors, including a previous executive manager and one of his family members*
- *A travel ban has been put in place for a previous executive manager, as well as for one of his family members, and a directive was issued to freeze the bank accounts of the previous executive manager and his wife including the seizure of properties registered under their names*
- *The previous executive management is responsible of the hidden losses*

Dubai, UAE, 06 November 2019: Drake & Scull International PJSC (DSI or the Company) today announced that its new management is committed to completing the ongoing investigation on all actions taken by the Company's previous management and ensuring that shareholder rights are fully protected.

Shafiq Ahmed Saleh Abdelhamid, Chairman of the Board of Directors of DSI, said: "It is our duty to protect the rights of our shareholders who trusted us and invested in this Company. We will pursue everyone who was involved and is proven guilty of jeopardising in any manner the best interests of our shareholders and undermining their trust in the Company. The investigation is still ongoing to uncover any other offences committed by the previous management. However, considering the confidentiality and privacy of investigations conducted by the relevant authorities, it is important to avoid making any statements that might impact the probe. We are all endeavoring to provide the evidence to the relevant authorities to ensure a verdict that fairly protects the rights of all Company shareholders, including governmental institutions such as the Social Security Fund, Dar Zayed for Family Care and the Social Care & Minor Affairs Foundation."

DSI has already filed 15 criminal complaints against the previous management, members of the previous board of directors and some of their family members, and these complaints are still under investigation by the relevant authorities. Sources aware of the matter said that a travel ban has been placed against a previous executive manager, who was also an executive board member, as well as against one of his family members.

The authorities have also issued a directive to freeze the bank accounts of the previous executive manager, earlier mentioned, and his wife as well as to seize properties registered under their names; and while he is currently abroad with his family, he is still subject to ongoing investigations regarding the criminal complaints that were assembled by the experts and filed against him.

DSI has also clarified that press reports that the executive manager was absolved of his previous duties and liabilities by the Company shareholders are incorrect and not based on facts.

According to the UAE laws, any such absolution can only be issued by the General Assembly Meeting (GAM) of a company. The 2018 GAM of DSI had issued a disclosure related to this subject, which was published on the Dubai Financial Market portal on April 23, 2018, clarifying that some members of the previous board of directors have not been absolved.

In fact, ongoing investigations have led to the filing of additional criminal complaints in Dubai. Probes are also underway to uncover any other offences committed against the Company. Further, the court convicted one of the previous board members and he is currently serving time in a UAE jail.

The internal investigations that DSI conducted, through a fact-finding committee and a professional group of financial and legal experts who were appointed by the said committee, have established that during the previous management tenure between 2009-2017, the Company suffered a series of annual losses that were hidden from shareholders. The losses increased from AED 939 million in 2015 to AED 1.396 billion in 2017, reaching a total of AED 3.15 billion by 2017 and representing approximately three times the Company's total paid up capital. These hidden losses are the result of the previous executive management's failure to comply with corporate governance and transparency rules, and lack of proper managerial and financial standards, the fact-finding committee observed.

On the current financial status of the Company, **The Chairman of the Board of Directors of DSI** reiterated that the new management is committed to accelerating the

implementation of the Company's ongoing restructuring plan in collaboration with SHUAA Capital.

"We appointed SHUAA Capital to support our restructuring, to transform DSI and bring it back to profitability, and to contribute to the UAE's growth as well as add value for our shareholders," said **the Chairman**. "We are awaiting the results of the ongoing investigations and a fair verdict that will protect the rights of our shareholders and help the Company to rebuild its reputation and reinforce its claims."

-ENDS-

For further inquiries, please contact:

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