

February 11, 2022

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

Subject: **MATERIAL INFORMATION**

Dear Sir,

Under Section 96 and 131 of the Securities Act 2015 (the Act) and Clause 5.6.1(a) of Rule Book of the Pakistan Stock Exchange Limited (PSX), we hereby inform you as under:

This announcement is being made for the benefit of shareholders and their awareness of facts to whatever has been alleged in the public announcement made by Dost Steels Limited (DSL) on 10-02-2022.

The announcement made by Dost Steels Limited (DSL) is a belated attempt to deceive the shareholders of DSL and an attempt to hide the inefficiencies and fraud being committed by DSL management, some of which are being highlighted below.

DSL received huge amount of IPO and Right money from public and instead of using this money for plant operations, the money from public has been used on paying huge amount of salaries to CEO, Directors and executives. Voice against the fraud of paying huge salaries to CEO and directors in a company whose operations are closed since inception, except for a brief period of few months, was vehemently raised by Crescent Star Insurance Limited (CSIL) at various forums and today the **DSL management under pressure from CSIL and shareholders has been forced to write off 60% of salaries from 01-07-2019. Alhamdulillah the voice of CSIL with support of DSL shareholders has made this possible.** However this is not enough and we demand that 100% of salaries paid to CEO and Directors since inception, be written off.

CSIL together with nominees have given a letter of intent for investing Rs.1 billion in DSL on terms better than one received from Mr. Shahzeb. CSIL together with shareholders representing more than 5% of total voting power served notice under section 140 of the Companies Act 2017 (Act) to include the CSIL with nominees LOI with all terms attached, as agenda item in the EOGM scheduled for 10-02-2022. DSL management has failed to do so. CSIL will avail legal remedy available.

There is no operative order of SECP penalty and DSL statement that *"the Board resolved that the PSX and SECP be requested to stop the malicious and disruptive plans of Mr. Naim Anwar and CSIL...."* is highly defamatory and beyond the fiduciary duties of directors. Mr Naim Anwar being CEO of CSIL is duty bound to protect the interests of CSIL and its shareholders and has taken all possible steps in this regard. Mr. Naim Anwar and CSIL reserves its right to take legal action including but not limited to filing defamation suit against all directors, CEO, Chairman and officers of DSL.

CSIL has been fighting a legal battle to get shares issued against the balance Rs.354 million advance given to DSL against issuance of shares and have many times asked SECP to intervene. SECP

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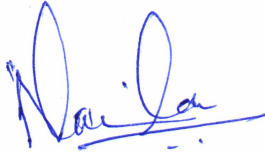
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intervention for getting CSIL shares issued against the advance given to DSL against issuance of shares will be always welcome.

The discussion by DSL board that CSIL being a general insurance company should not invest in other companies is beyond the scope of DSL board, which is a very ignorant and naïve observation as they were very comfortable to receive CSIL investment of more than Rs.421 million in 2016 for which CSIL is still demanding and using legal forums to get the shares issued. Their objection to the current proposal of injecting Rs.1 billion is not understandable. It would have been better if DSL board managed its own affairs prudently instead of advising others what to do.

The above may be disseminated for information of members of CSIL and DSL.

For Crescent Star Insurance Limited



Naim Anwar  
Managing Director & CEO

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