

November 10, 2015

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

Subject: Announcement - Right Shares

Dear Sir,

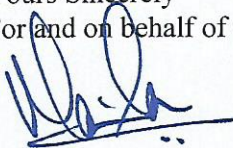
With reference to our letter dated November 2, 2015 regarding meeting of Board of Directors to discuss Company's strategic plans.

We have to inform you that the Board of Directors of our Company in their meeting held on November 10, 2015 at 4.00 p.m., at Nadir House, 2nd Floor, I. I. Chundrigar Karachi have decided to issue 20,670,833 Right Shares at par i.e. at a price of Rs. 10 per share, in proportion of 1 (one) Right Share for every 3 (three) shares held of the Company, subject to all necessary legal and corporate approvals from the relevant regulatory authorities.

Please note that the statement in accordance with the Companies (Issue of Capital) Rules, 1996 containing purpose of right issue, benefits to the Company and use of funds and financial projections duly signed by the directors present in the Board meeting is enclosed herewith.

Book closure for determination of the entitlement of Right Shares will be communicated subsequent to all necessary approvals from the regulatory authorities.

Yours Sincerely
For and on behalf of Crescent Star Insurance Limited



Naim Anwar
Managing Director & CEO

c.c General Manager
Lahore Stock Exchange

The Commissioner
Securities Market Division
Securities and Exchange Commission of Pakistan
NIC Building, 63 Jinnah Avenue, Islamabad

The Commissioner
Insurance Division
Securities and Exchange Commission of Pakistan
4th Floor, State Life Building # 2, Karachi

**CRESCENT STAR INSURANCE LIMITED
ANNEXURE**

Board of Directors' Meeting dated November 10, 2015
Information on Right Issue of Ordinary Shares for Stock Exchange

1. NEED FOR ISSUE OF RIGHT SHARES AND ITS BENEFITS TO THE COMPANY

Amount of the proposed issue: 33.33%

Rs 206,708,330 divided into 20,670,833 ordinary shares of Rs 10/- each.

Purpose of Right Shares:

To improve the solvency and liquidity of the Company.

To diversify into other businesses which would complement, provide new avenues for earning and will improve the profitability of the Company to benefit all the stakeholders.

Benefits to the Company:

Major part of the proceeds from issue would be utilized to make new investments allowing the Company to generate additional investment income in line with the Company's strategy to invest in Food, Steel and Technology businesses.

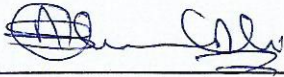
Reinsurers also have better comfort on insurers with large capital base. Increase in capital would allow Company to better negotiate the terms of reinsurance treaties in future.

Use of Funds:

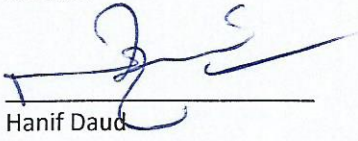
Funds will be partially utilized to meet up working capital requirement and to further expand the operational and investing activities.



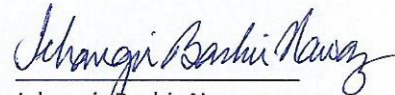
Naim Anwar
Chief Executive Officer/Director



Syed Adnan Ali Zaidi
Director



Hanif Daud
Director



Jehangir Bashir Nawaz
Director

Absent

Syed Abid Raza
Director

Absent

Sakib Berjees
Director

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Nation Wide Network of Branches

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Health

Fire

Marine

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Travel

Livestock

Crop

ANNEXURE

Board of Directors' Meeting dated November 10, 2015
Information on Right Issue of Ordinary Shares for Stock Exchange

2. FINANCIAL PROJECTIONS

Profit & Loss Account

	Projected 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020
(----- Rupees in '000 -----)						
Gross Premium	309,100	463,650	649,110	843,843	1,012,612	1,215,134
Revenue account						
Net premium revenue	256,476	348,107	504,284	666,040	803,921	936,454
Net claims	(111,358)	(148,401)	(119,428)	(223,937)	(256,899)	(305,286)
Net commission	(25,771)	(38,233)	(60,029)	(85,892)	(114,444)	(139,836)
Expenses	(76,031)	(79,832)	(83,025)	(85,516)	(87,227)	(88,971)
Underwriting Results	43,315	81,641	241,801	270,694	345,352	402,361
General and admin exp.	(70,205)	(73,301)	(72,677)	(73,585)	(74,117)	(74,836)
Profit on sale of fixed assets	116,067	-	-	-	-	-
Other income	13,233	10,157	7,090	4,032	4,233	4,445
Operational Results	102,411	18,496	176,214	201,141	275,468	331,970
Investment income	8,678	322,041	29,493	143,432	178,795	233,822
Profit/(Loss) before tax	111,089	340,538	205,707	344,573	454,263	565,792
Provision for taxation	(22,139)	(225,997)	(73,244)	(121,559)	(159,716)	(198,244)
Profit/(Loss) after tax	88,949	114,541	132,463	223,014	294,547	367,548
Dividend per share	-	-	-	1.00	1.25	1.50



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Balance Sheet

	Projected 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020
(----- Rupees in '000 -----)						
Share capital and reserves						
Authorized Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Paid-up share capital	826,833	826,833	826,833	826,833	826,833	826,833
Discount on Issue of Right Shares	(199,650)	(199,650)	(199,650)	(199,650)	(199,650)	(199,650)
Reserves	26,265	26,265	26,265	26,265	26,265	26,265
Accumulated profit / (loss)	(5,397)	109,144	241,607	381,938	573,131	816,654
	(178,783)	(64,242)	68,222	208,553	399,746	643,269
TOTAL EQUITY	648,051	762,592	895,055	1,035,386	1,226,579	1,470,102
Underwriting Provisions						
Provision for outstanding claims (including IBNR)	137,789	185,228	257,405	337,012	448,255	537,906
Provision for unearned premium	143,949	217,886	296,115	373,348	434,095	520,916
Commission income unearned	-	-	-	-	-	-
	281,738	403,114	553,520	710,360	882,350	1,058,822
Creditors and Accruals						
Premiums received in advance	39	45	52	59	68	79
Amounts due to other insurers / reinsurers	19,656	23,587	27,125	31,194	34,313	37,744
Accrued expenses	12,990	14,939	17,179	19,756	22,720	26,128
Other creditors and accruals	32,102	34,563	37,253	40,194	43,409	46,927
	64,786	73,133	81,609	91,203	100,510	110,877
Borrowing under musharaka arrangement	3,559	2,135	1,281	769	461	-
Other Liabilities						
Unclaimed dividend	418	418	418	418	418	418
TOTAL LIABILITIES	350,502	478,801	636,828	802,750	983,740	1,170,117
TOTAL EQUITY AND LIABILITIES	998,552	1,241,392	1,531,883	1,838,136	2,210,319	2,640,220



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Projected 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020
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(----- Rupees in '000 -----)

Cash and Bank Deposits

Cash and other equivalents	1,594	1,630	1,669	1,712	1,759	1,811
Current and other accounts	10,523	28,056	49,238	65,811	75,320	97,605
Deposits maturing within 12 months	1,500	2,250	3,375	5,063	7,594	11,391
	13,617	31,936	54,282	72,586	84,672	110,807

Investments

	724,517	784,517	889,517	1,094,517	1,299,517	1,534,517
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Deferred taxation

Current Assets – Others

Premiums due but unpaid	64,350	154,550	216,370	281,281	337,537	405,045
Amounts due from other insurers / reinsurers	57,042	87,952	125,044	163,991	197,744	238,249
Accrued investment income	4,972	7,459	11,188	16,782	25,172	37,759
Reinsurance recoveries against outstanding claims	5,150	43,318	107,837	87,406	128,304	155,919
Deferred commission expense	6,639	9,956	14,981	21,127	28,689	36,017
Taxation – net	2,202	2,202	2,202	2,202	2,202	2,202
Prepayments	28,410	40,413	46,476	53,134	62,556	76,101
Sundry receivables	66,796	51,809	36,991	22,356	24,592	27,051
	235,562	397,658	561,089	648,278	806,797	978,342

Fixed Assets -

Tangible Owned

Freehold land	-	-	-	-	-	-
Furniture and fixtures	3,426	3,083	7,275	6,547	5,893	5,303
Office equipment	1,591	1,432	1,289	1,160	1,044	939
Computers and related equipment	1,560	2,142	2,199	2,240	2,268	2,287
Motor vehicles	18,280	18,624	14,899	11,919	9,536	7,628

Intangible

Computer software	-	2,000	1,333	889	593	395
	24,857	27,281	26,996	22,755	19,332	16,554

TOTAL ASSETS

998,552	1,241,392	1,531,883	1,838,136	2,210,319	2,640,220
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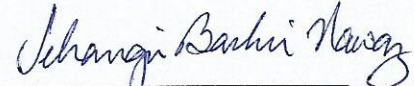
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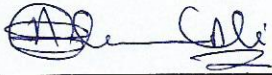
The attached projections reflect the current and future business perception and fair judgment of the directors. Neither the Company nor the Directors accept any responsibility for the conclusion drawn or investment decisions made by any member or any other person based upon the aforementioned information.



Naim Anwar
Chief Executive Officer/Director



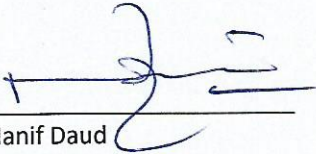
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