

May 2, 2017

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

Subject: Announcement - Right Shares

Dear Sir,

We have to inform you that the Board of Directors of our Company in their meeting held on May 2, 2017 at 11.00 a.m., at Nadir House, 2nd Floor, I. I. Chundrigar Karachi have decided to issue 25,011,708 Right Shares at par i.e. at a price of Rs. 10 per share, in proportion of 121 (one hundred and twenty one) Right Share for every 400 (four hundred) 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 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 May 2, 2017
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: 30.25%

Rs 250,117,080 divided into 25,011,708 ordinary shares of Rs 10/- each.

Purpose of Right Shares:

To diversify into current and 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, Luxury and Technology businesses.

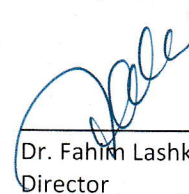
Reinsurers also have better comfort on insurers with large capital base. Increase in capital would allow Company to better negotiate the terms of reinsurance treaties in future.

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



Dr. Fahim Lashkarwala
Director



Shahid Suleman Jan
Director



Bilal Anwar
Director

ANNEXURE

Board of Directors' Meeting dated May 2, 2017
Information on Right Issue of Ordinary Shares for Stock Exchange

2. FINANCIAL PROJECTIONS

Profit & Loss Account

| | Projected 2017 | Projected 2018 | Projected 2019 | Projected 2020 | Projected 2021 | Projected 2022 |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| (----- Rupees in '000 -----) | | | | | | |
| Gross Premium | 209,317 | 230,249 | 259,030 | 291,408 | 335,120 | 385,388 |
| Revenue account | | | | | | |
| Net premium revenue | 160,033 | 198,014 | 216,545 | 238,778 | 264,609 | 295,733 |
| Net claims | (59,100) | (73,416) | (80,494) | (86,935) | (93,506) | (106,104) |
| Net commission | (16,430) | (20,878) | (24,747) | (29,504) | (35,873) | (41,696) |
| Expenses | (63,795) | (66,985) | (69,664) | (71,754) | (73,189) | (74,653) |
| Underwriting Results | 20,708 | 36,735 | 41,640 | 50,585 | 62,041 | 73,280 |
| General and admin exp. | (62,557) | (65,265) | (59,124) | (60,365) | (61,168) | (62,034) |
| Other income | 34,781 | 36,520 | 38,346 | 40,264 | 42,277 | 44,391 |
| Operational Results | (7,068) | 7,990 | 20,862 | 30,484 | 43,150 | 55,637 |
| Investment income | 7,013 | 46,418 | 88,120 | 89,834 | 117,647 | 122,574 |
| Profit/(Loss) before tax | (55) | 54,408 | 108,982 | 120,318 | 160,797 | 178,211 |
| Provision for taxation | (2,865) | (28,710) | (34,111) | (37,536) | (50,008) | (55,340) |
| Profit/(Loss) after tax | (2,920) | 25,698 | 74,871 | 82,782 | 110,789 | 122,871 |

Balance Sheet

| | Projected 2017 | Projected 2018 | Projected 2019 | Projected 2020 | Projected 2021 | Projected 2022 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| (----- Rupees in '000 -----) | | | | | | |
| Share capital and reserves | | | | | | |
| Authorized Capital | 1,150,000 | 1,150,000 | 1,150,000 | 1,150,000 | 1,150,000 | 1,150,000 |
| Paid-up share capital | 1,076,950 | 1,076,950 | 1,076,950 | 1,076,950 | 1,076,950 | 1,076,950 |
| 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) | 8,111 | 33,808 | 108,679 | 191,459 | 302,248 | 425,118 |
| | (165,274) | (139,577) | (64,706) | 18,074 | 128,863 | 251,733 |
| TOTAL EQUITY | 911,676 | 937,373 | 1,012,244 | 1,095,024 | 1,205,813 | 1,328,683 |
| Underwriting Provisions | | | | | | |
| Provision for outstanding claims (including IBNR) | 93,011 | 81,224 | 83,241 | 86,832 | 103,555 | 119,088 |
| Provision for unearned premium | 101,263 | 108,210 | 118,178 | 128,942 | 143,676 | 165,226 |
| Commission income unearned | - | - | - | - | - | - |
| | 194,274 | 189,434 | 201,419 | 215,774 | 247,231 | 284,314 |
| Creditors and Accruals | | | | | | |
| Premiums received in advance | 728 | 838 | 963 | 1,108 | 1,274 | 1,465 |
| Amounts due to other insurers / reinsurers | 30,612 | 36,735 | 42,245 | 48,582 | 53,440 | 58,784 |
| Accrued expenses | 11,095 | 12,759 | 14,673 | 16,874 | 19,405 | 22,316 |
| Other creditors and accruals | 80,325 | 85,431 | 90,963 | 96,959 | 103,461 | 110,514 |
| | 122,760 | 135,763 | 148,844 | 163,523 | 177,580 | 193,079 |
| Borrowing under musharaka arrangement | 828 | 497 | 298 | 179 | 107 | - |
| Other Liabilities | | | | | | |
| Unclaimed dividend | 418 | 418 | 418 | 418 | 418 | 418 |
| TOTAL LIABILITIES | 318,280 | 326,112 | 350,979 | 379,894 | 425,336 | 477,811 |
| TOTAL EQUITY AND LIABILITIES | 1,229,956 | 1,263,485 | 1,363,223 | 1,474,918 | 1,631,149 | 1,806,494 |

| Projected 2017 | Projected 2018 | Projected 2019 | Projected 2020 | Projected 2021 | Projected 2022 |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|

(----- Rupees in '000 -----)

Cash and Bank Deposits

| | | | | | | |
|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Cash and other equivalents | 51,926 | 51,995 | 52,070 | 52,154 | 52,245 | 52,346 |
| Current and other accounts | 8,056 | 5,609 | 8,730 | 10,140 | 10,544 | 13,508 |
| | 59,982 | 57,604 | 60,800 | 62,294 | 62,789 | 65,854 |

Investments

| | | | | | | |
|--|----------------|----------------|----------------|------------------|------------------|------------------|
| | 574,407 | 924,407 | 999,407 | 1,084,407 | 1,204,407 | 1,334,407 |
|--|----------------|----------------|----------------|------------------|------------------|------------------|

Deferred taxation

| | | | | | | |
|--|---------------|---|---|---|---|---|
| | 11,223 | - | - | - | - | - |
|--|---------------|---|---|---|---|---|

Current Assets – Others

| | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| Premiums due but unpaid | 52,329 | 76,750 | 86,343 | 97,136 | 111,705 | 128,461 |
| Amounts due from other insurers / reinsurers | 66,608 | 73,934 | 84,008 | 95,340 | 110,639 | 128,233 |
| Accrued investment income | 426 | 511 | 613 | 736 | 883 | 1,060 |
| Reinsurance recoveries against outstanding claims | 5,513 | 10,617 | 9,458 | 12,532 | 16,476 | 19,958 |
| Deferred commission expense | 6,819 | 8,376 | 10,784 | 12,860 | 14,862 | 16,930 |
| Prepayments | 13,411 | 15,966 | 11,971 | 9,936 | 9,590 | 11,424 |
| Sundry receivables | 423,199 | 81,663 | 83,296 | 84,962 | 86,662 | 88,395 |
| | 568,305 | 267,817 | 286,473 | 313,502 | 350,817 | 394,461 |

Fixed Assets -

Tangible Owned

| | | | | | | |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Furniture and fixtures | 3,670 | 3,303 | 7,472 | 6,725 | 6,053 | 5,447 |
| Office equipment | 2,329 | 2,096 | 1,886 | 1,698 | 1,528 | 1,375 |
| Computers and related equipment | 1,240 | 1,218 | 1,553 | 1,787 | 1,951 | 2,066 |
| Motor vehicles | 8,800 | 7,040 | 5,632 | 4,505 | 3,604 | 2,884 |
| | 16,039 | 13,657 | 16,543 | 14,715 | 13,136 | 11,772 |

TOTAL ASSETS

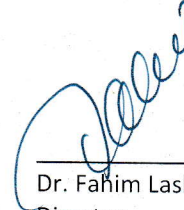
| | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| | 1,229,956 | 1,263,485 | 1,363,223 | 1,474,918 | 1,631,149 | 1,806,494 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|

Note

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



Dr. Fahim Lashkarwala
Director



Shahid Suleman Jan
Director



Bilal Anwar
Director