

**CASSIM**  
**INVESTMENTS**

March 24, 2014

Company Secretary

PICIC Insurance Limited

8<sup>th</sup> Floor Shaheen Complex

Karachi, Pakistan



**Subject: Public Announcement of Offer to Purchase shares of PICIC Insurance Limited**

Dear Sirs,

Please find the Public Announcement of Offer for your reference as per Section 9(4) of the Listed Companies (Substantial Acquisition of voting Shares and Takeover) Ordinance 2002.

Yours Sincerely

Cassim Investments (Pvt) Limited

(Manger to the Offer)

## PUBLIC OFFER

A PUBLIC OFFER BY KM ENTERPRISES (PRIVATE) LIMITED ("ACQUIRER") TO ACQUIRE UPTO 7,099,831 (SEVEN MILLION NINETY NINE THOUSAND EIGHT HUNDRED THIRTY ONE) ORDINARY SHARES OF PICIC INSURANCE LIMITED ("TARGET COMPANY") AT AN OFFER PRICE OF PKR 7.50/- (PAK RUPEES SEVEN AND FIFTY PAISAS ONLY) PER SHARE PURSUANT TO THE LISTED COMPANIES (SUBSTANTIAL ACQUISITION OF VOTING SHARES AND TAKE-OVERS) ORDINANCE, 2002 AND THE LISTED COMPANIES (SUBSTANTIAL ACQUISITIONS OF VOTING SHARES AND TAKEOVERS) REGULATIONS, 2008.

The Acquirer, having its registered office at BC-6, Block 5, Kehkashan, Clifton, Karachi, has entered into a share purchase agreement with NIB Bank Limited and a share procurement agreement with Mr. Tariq Iqbal Khan (to procure shareholders of the Target Company), both dated January 13, 2014. Pursuant to the said agreements, the Acquirer has agreed to acquire 20,800,338 (Twenty Million Eight Hundred Thousand Three Hundred Thirty Eight) ordinary shares of the Target Company, being a company incorporated in Pakistan, having its registered office at 8<sup>th</sup> Floor, Shaheen Complex, M. R. Kayani Road, Karachi, Pakistan, from the Sellers (as defined below), subject to the condition that after the completion of the Public Offer (as defined below) and transfer of ordinary shares under the above agreements, the Acquirer shall hold approximately 60% (sixty percent) of the ordinary shares of the Target Company.

(NIB Bank Limited and the shareholders procured pursuant to the abovementioned share procurement agreement shall be collectively be referred to as the "Sellers").

Pursuant to the Listed Companies (Substantial Acquisition of Voting Shares and Take-overs) Ordinance, 2002 (the "Ordinance") and Listed Companies (Substantial Acquisitions of Voting Shares and Takeovers) Regulations, 2008 (the "Regulations"), the Acquirer is offering to acquire, by way of public offer, ordinary shares having a par value of PKR 10/- (Pak Rupees Ten only) each ("Shares") in the Target Company from the shareholders on the terms summarized below (the "Public Offer") and for the purposes of which, Cassim Investments (Private) Limited has been appointed as the Manager to the Public Offer ("Manager to the Offer").

### DISCLAIMER CLAUSE

It is to be distinctly understood that filing of document of public offer with the Securities and Exchange Commission of Pakistan should not in any way be deemed or construed that the same has been cleared, vetted or approved by the Commission. This document has been submitted to the Commission for a limited purpose of overseeing whether the disclosures contained therein are generally adequate and are in conformity with the law/regulations. This requirement is to facilitate the shareholders of PICIC Insurance Limited to take an informed decision with regard to the offer. The Commission does not take any responsibility either for financial soundness of the Acquirer or the company whose Shares/control is proposed to be acquired or for the correctness of the statements made or opinions expressed in the document. It should also be clearly understood that the Acquirer is primarily responsible for the correctness, adequacy and disclosure of all relevant information in this Document. The Manager to the offer, Cassim Investments (Private) Limited, is expected to exercise due diligence to ensure that the Acquirer duly discharges their responsibility adequately. For this purpose, the Manager to the offer has submitted a due diligence Certificate dated March 21, 2014 to the Commission in accordance with the Listed Companies (Substantial Acquisition of Voting Shares and Take-Overs) Ordinance, 2002 and Listed Companies (Substantial Acquisitions of Voting Shares and Takeover) Regulations, 2008.

### 1. THE ACQUIRER

1.1	Name and Registered Address of the Acquirer	KM ENTERPRISES (PRIVATE) LIMITED Registered Address: BC-6, Block 5, Kehkashan, Clifton, Karachi
1.2	Date and Jurisdiction of Incorporation	<ul style="list-style-type: none"><li>• Date of incorporation: December 13, 2013</li><li>• Jurisdiction of incorporation: Karachi, Sindh, Pakistan</li></ul>
1.3	Authorized and Issued Capital	<ul style="list-style-type: none"><li>• Authorized share capital: PKR 500,000,000 (Pak Rupees Five Hundred Million only) divided into 50,000,000 Shares.</li><li>• Issued and paid up share capital: PKR 4,000/- (Pak Rupees Four Thousand only) divided into 400 Shares of PKR 10/- (Pak Rupees Ten Only) each (as at January 31, 2014).</li></ul>
1.4	If there is more than one Acquirer, their relationship	Not Applicable
1.5	Total number of voting shares already	

For KM Enterprises (Pvt) Ltd.

Director

	held by the Acquirer, including any shares purchased through an agreement and relevant details of such agreement, including the share price agreed	The Acquirer currently does not hold any Shares of the Target Company.
1.6	No. of shares issued since last financial year	Not Applicable
1.7	Details of any reorganization of the Acquirer during the two financial years preceding the public announcement of offer	Not Applicable
1.8	Details of any bank overdrafts or loans, or any other similar indebtedness, mortgages, charges or other material contingent liabilities of the Acquirer and subsidiaries if any, and if there are no such liabilities a statement to that effect	The Acquirer does not have borrowings from any bank or financial institution and only the sponsors have injected an amount equivalent to PKR 86,720,000/- (Pak Rupees Eighty Six Million Seven Hundred Twenty Thousand only) as on January 31, 2014 as director loans for the purposes of acquisition of the Shares of the Target Company.
1.9	Financial Advisor of Acquirer	Not Applicable
1.10	Brief History and Major Operations of the Acquirer	The Acquirer is a company which is currently not engaged in any business and has solely been incorporated for the purposes of acquisition of the Shares of the Target Company.
1.11	Name and Address of the Sponsors or persons having control over the Acquirer	<ul style="list-style-type: none"> <li>• Mr. Irshad Ali Shaban Ali Kassim: F-20, Block-7, Scheme No.5, Kehkashan, Clifton, Karachi</li> <li>• Mr. Munawar Ali Kassim: D-9 Block-7, Scheme No.5, Kehkashan, Clifton, Karachi</li> <li>• Mr. Abdul RehmanMuhammadi: 98/1, 14<sup>th</sup> Street, Khayaban-e-Seher Phase VI, D.H.A., Karachi</li> <li>• Mrs. Shehnaz Abdul Rehman: 98/1, 14<sup>th</sup> Street, Khayaban-e-Seher Phase VI, D.H.A., Karachi</li> <li>• Mr. Muhmmad Ali: 98/1, 14<sup>th</sup> Street, Khayaban-e-Seher Phase VI, D.H.A., Karachi</li> </ul>
1.12	Name and Address of Board of Directors of Acquirer	<ul style="list-style-type: none"> <li>• Mr. Irshad Ali Shaban Ali Kassim: F-20, Block-7, Scheme No.5, Kehkashan, Clifton, Karachi</li> <li>• Mr. Munawar Ali Kassim: D-9 Block-7, Scheme No.5, Kehkashan, Clifton, Karachi</li> <li>• Mr. Abdul RehmanMuhammadi: 98/1, 14<sup>th</sup> Street, Khayaban-e-Seher Phase VI, D.H.A., Karachi</li> <li>• Mrs. Shehnaz Abdul Rehman: 98/1, 14<sup>th</sup> Street, Khayaban-e-Seher Phase VI, D.H.A., Karachi</li> <li>• Mr. Muhmmad Ali: 98/1, 14<sup>th</sup> Street, Khayaban-e-Seher Phase VI, D.H.A., Karachi</li> </ul>
1.13	Brief audited financials of the Acquirer for a period of last five years including income, expenditure, profit before depreciation interest & tax, depreciation, profit before and after tax, provision for tax, dividends, earnings per share, return on net worth and book value per share.	Not Applicable as the Acquirer was incorporated in December 2013.
1.14	Details of any agreement or arrangement between the Acquirer and the directors of the Target Company about any benefit which will be given to any director of the Target Company as compensation for loss of office or otherwise in connection with the acquisition	None
1.15	Details of every material contract entered into not more than two years before the date of the public announcement of offer, not being a contract entered into in the	<ul style="list-style-type: none"> <li>• On January 13, 2014, the Acquirer entered into a share purchase agreement with NIB Bank Limited ("NIBSPA") to acquire 10,499,993 Shares (representing approximately 30% of the issued and paid up</li> </ul>

ordinary course of business carried on or intended to be carried on by the company	<p>capital of the Target Company).</p> <ul style="list-style-type: none"> <li>On January 13, 2014, the Acquirer entered into a share procurement agreement with Mr. Tariq Iqbal Khan for procurement of the sellers ("TIKSPA") to acquire 10,300,345 Shares (representing approximately 29.43% of the issued and paid up capital of the Target Company).</li> </ul>
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2. DETAILS OF THE PUBLIC OFFER

2.1	The names, dates and editions of the newspaper where the public announcement of intention was published	The public announcement of intention was published on October 25, 2013 in the Daily Business Recorder & Daily Nawa-i-Waqt.
2.2	The number and percentage of shares proposed to be acquired by the Acquirer from the shareholders through agreement, if any, the offer price per share and the mode of payment of consideration for the shares to be acquired	<ul style="list-style-type: none"> <li>In terms of the NIB SPA, the Acquirer shall acquire 10,499,993 (ten million four hundred ninety nine thousand nine hundred ninety three) Shares (representing approximately 30% of the total issued and paid up share capital) of the Target Company from the NIB Bank Limited at a price of PKR 7.5/- (Pak Rupees Seven and Fifty Paisas only) against cash consideration.</li> <li>In terms of the TIK SPA the Acquirer shall acquire 10,300,345 (ten million three hundred thousand three hundred forty five) Shares (representing approximately 29.43% of the total issued and paid up share capital) of the Target Company from the shareholders procured pursuant to the terms thereof at a price of PKR 7.5/- (Pak Rupees Seven and Fifty Paisas only) against cash consideration.</li> </ul>
2.3	Reason for acquiring shares or control of the Target Company	The Acquirer wishes to enter into Insurance business in Pakistan.
2.4	Details regarding the future plan for the Target Company, including whether after acquisition the Target Company would continue as a listed company or not	The Target Company after acquisition will continue as a listed company and will continue its operation as a going concern.
2.5	In case of conditional offer, specify the minimum level of acceptance i.e. number and percentage shares	There is no minimum level of acceptance.
2.6	In case there is any agreement with the present management, promoters or existing shareholders of the Target Company, an overview of the important features of the agreement(s) including acquisition price per share, number and percentage of shares to be acquired under the agreement(s), name of the seller(s), complete addresses of sellers, name of parties to the agreement(s), date of agreement(s), manner of payment of consideration, additional important information, if any.	<ul style="list-style-type: none"> <li>The Acquirer has entered into the NIB SPA to acquire 10,499,993 (ten million four hundred ninety nine thousand nine hundred ninety three) Shares (representing approximately 30% of the total issued and paid up share capital) of the Target Company against cash consideration of PKR 78,749,948 (Pak Rupees Seventy Eight Million Seven Hundred forty Nine Thousand Nine Hundred Forty Eight only)/- translating into a price of PKR 7.5/- (Pak Rupees Seven and Fifty Paisas only) per Share. The registered address of NIB Bank Limited is located at PNSC building, M. T. Khan Road, Karachi.</li> <li>The Acquirer has also entered into the TIK SPA pursuant to which it shall acquire 10,300,345 (ten million three hundred thousand three hundred forty five) Shares (representing approximately 29.43% of the total issued and paid up share capital) of the Target Company (that have been procured by Mr. Tariq Iqbal Khan) against cash consideration for an amount of PKR 77,252,588 (Pak Rupees Seventy Seven Million Two Hundred Fifty Two Thousand Five Hundred Eighty Eight only), translating into a price of PKR 7.5/- (Pak Rupees Seven and Fifty Paisas only) per Share.</li> </ul> <p>Furthermore, the address of Mr. Tariq Iqbal Khan (the procurer) is House No. 179, Street No. 18, Khayaban-e-Roomi, Phase VIII, D.H.A., Karachi.</p>
2.7	Number of shares already held by the	Currently, no Shares of the Target Company are held by the Acquirer.

for KM Enterprises

Director

	Acquirer along with the date(s) of acquisition. Also state whether it was purchased through open market or acquired through a negotiated deal.	
2.8	Minimum Level of Acceptance, if any	There is no minimum level of acceptance.

### 3. OFFER PRICE AND FINANCIAL ARRANGEMENTS

#### 3.1 JUSTIFICATION FOR THE OFFER PRICE

3.1.1	Disclosure about the form of consideration for the shares to be acquired through the Public Offer	Shares acquired pursuant to the Public Offer will be purchased for cash consideration.	
3.1.2	Disclosure of the total amount of consideration to be paid for the shares to be tendered during the Public Offer (assuming full acceptances)	PKR 53,248,732.50/- (Pak Rupees Fifty Three Million Two Hundred Forty Eight Thousand Seven Hundred Thirty Two and Fifty Pisas only).	
3.1.3	Whether the shares of the Target Company are frequently traded or infrequently traded in the light of criteria prescribed in Regulation 13 of the Regulations	Infrequently Traded	
3.1.4	Justification for the offer price for the shares of the Target Company, in the light of criteria contained in Regulation 13 of these Regulations	The offer price has been calculated using the highest amongst the following methodologies given in Regulation 13(2) of Regulations:	
		a) the negotiated weighted average price under a share purchase agreement (i.e. the NIB SPA and the TIK SPA) for the acquisition of voting shares of the Target Company.	PKR 7.50/- (Pak Rupees Seven and Fifty Pisas only) per share
		b) the highest price paid by the acquirer or persons acting in concert with the acquirer for acquiring the voting shares of target company during six months prior to the date of public announcement of offer.	Not Applicable
		c) the price per Share calculated on the basis of net assets valued by a valuer whose name appears on the list of SBP approved list of valuers.	PKR 6.58/- (Pak Rupees Six and Fifty Eight Pisas only) per Share, as per September 30, 2013 accounts of the Target Company certified by Avais Hyder Liaquat Nauman, Chartered Accountants and Maricon Consultants (Pvt) Limited, Valuer.

#### 3.2 Financial Arrangement

3.2.1	Disclosure about the security arrangement made in pursuance of Section 19 of the Ordinance	A Bank Guarantee for the full amount of the Public Offer has been provided in favor of the Manager to the Offer.
3.2.2	Disclosure about the adequate and firm financial resources to fulfill the obligations under the Public Offer	The Acquirer has made firm financial arrangements for fulfillment of the obligations of the Acquirer under the Public Offer to the satisfaction of the Manager to the Offer.
3.3.3	A statement by the Managers to the Offer that the Managers to the Offer is satisfied	The Manager to the Offer is satisfied with the ability of the Acquirer to implement the Public Offer in accordance with the requirements of the

For KM Enterprises (Pvt) Ltd.

Director

about the ability of the Acquirer to implement the Public Offer in accordance with the requirements of the Ordinance and these Regulations	Ordinance and the Regulations and has issued a certificate to this effect.
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4. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

4.1	Detailed procedure for acceptance of offer by shareholder of the Target Company	<p>Procedure for accepting the Public Offer is as follows:</p> <ul style="list-style-type: none"> <li>(i) In order to accept the Public Offer at the aforementioned offer price, the shareholders are required to send the Letter of Acceptance (duly completed and signed) along with the requisite documents to the Manager to the Offer at their registered address i.e. Room 26 – 28, Karachi Stock Exchange Building, Stock Exchange Road, Karachi, on or before 5:00 pm on May 26, 2014.</li> <li>(ii) The shareholders will receive copies of the Letter of Acceptance shortly after book closure of the Target Company, additional copies of which can also be obtained from the Manager to the Offer or the Acquirer. Please ensure that while filling the Letter of Acceptance, all the required information is filled in, including the number of Shares to be tendered.</li> <li>(iii) Receipt by the Manager to the Offer by the due date of the duly completed and signed Letter of Acceptance along with the required documents will constitute your acceptance of the Public Offer. The required documents are: <ul style="list-style-type: none"> <li>(a) Physical Share certificates, and verified and executed transfer deeds or CDC transfer order confirming transfer of the Shares to Central Depository Company Participant Account No: 10298 and sub account # 9261 (Manager To The Offer – PICIC Insurance Limited); and</li> <li>(b) In the case of an individual copy of their CNIC / in case the shareholder is not a natural person then a copy of all necessary resolutions /authorizations as required by its constitutive document and applicable law.</li> </ul> </li> <li>(iv) In the event that the Letter of Acceptance and the corresponding document are delivered within the stipulated time, you will then receive a receipt from the Manager to the Offer confirming the receipt of documents.</li> <li>(v) Completed Letters of Acceptance cannot be revoked by selling Shareholders.</li> <li>(vi) Payment of consideration for the Shares, calculated in terms of the offer price, will be made by a crossed cheque / pay order in favour of the selling shareholder through the Manager to the Offer within 30 (thirty) days of the closing date. No interest, profit, mark-up, surcharge or other increment will be payable on the aggregate price for the Shares purchased by the Acquirer from any shareholder for any cause or reason.</li> <li>(vii) Shares successfully tendered in the manner described above will be acquired by the Acquirer free from all liens, charges and encumbrances and with all rights attaching to and/ or deriving from them, including but not limited to the right to receive all dividends and any another distributions declared, made or paid and/ or any entitlement to subscribe for or receive any securities resolved by the Target Company to be issued to the shareholders of the Target Company pro rata to their holdings of Shares or otherwise.</li> <li>(viii) In the event the total number of Shares transferred by the selling shareholders to the Manager's CDC Account and/ or physical</li> </ul>
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For KM Enterprises (Pvt) Ltd.

Director

		shareholders to the Manager's CDC Account and/ or physical Shares sent to the Manager to the Offer exceed the total number of Shares intended to be purchased by the Acquirer under the Public Offer, the Acquirer will adjust (reduce) the number of Shares for each selling shareholder on a pro-rata basis as prescribed by section 12 of the Ordinance and the excess surrendered Shares for each selling shareholder shall be returned/ re-transferred (as the case may be) to the relevant selling shareholders.
4.2	Details of CDC account in which shares are required to be tendered by the eligible shareholders on acceptance during the acceptance period	CDC Account Holders shall follow the procedure set forth above, as applicable. Additionally, the CDC Account Holders must transfer their Shares to Central Depository Company Participant Account No: 10298 and sub account # 9261 (Manager To The Offer – PICIC Insurance Limited).

5. STATEMENTS BY THE ACQUIRERS

5.1	Statement by the Acquirer for assuming responsibility for the information contained in the document (in the case where the Acquirer is a company such a statement shall be made by the directors of the company).	The following Directors of the Acquirer assume responsibility for the information contained in this document: <ul style="list-style-type: none"> <li>▪ Mr. Irshad Ali Shaban Ali Kassim</li> <li>▪ Mr. Munawar Ali Kassim</li> <li>▪ Mr. Abdul Rehman Muhammadi</li> <li>▪ Mrs. Shehnaz Abdul Rehman</li> <li>▪ Mr. Muhammad Ali</li> </ul>
5.2	A statement by the Acquirer to the effect that each of the Acquirers including persons in concert, if any, will be severally and jointly responsible for ensuring compliance with the Ordinance and the Regulations	The Acquirer is not acting in concert with any other person and assumes responsibility for compliance with the Ordinance and the Regulations.
5.3	A statement by the Acquirer that the Public Offer is being made to all the shareholders who have voting shares of the Target Company and (except the persons acting in concert with Acquirers) whose names appear in the register of shareholders as on the date of book closure	The Public Offer is being made to all the shareholders who have voting Shares of the Target Company and (except the Acquirer and the Sellers) whose names appear in the register of shareholders as on the date of book closure.
5.4	A statement by the Acquirer that all statutory approvals for the Public Offer have been obtained	All statutory approvals for the Public Offer have been obtained.
5.5	Disclosure as to whether relevant provisions of the Ordinance and the Regulations have been complied with	All relevant provisions of the Ordinance and the Regulations have been complied with.
5.6	A statement to the fact if any Director(s) of the Acquirer is also director on the board of directors of Target Company	There are no common directors of the Acquirer and the Target Company.
5.7	A statement by the Acquirer as to whether or not any voting shares acquired in pursuance to the Public Offer shall be transferred to another person and if that is the case the names of such persons shall be disclosed	No Shares acquired in pursuance to the Public Offer shall be transferred to another person.

**KM Enterprises (Pvt) Ltd.**

 Director

For and on behalf of the Acquirer

~~For KM Enterprises (Pvt) Ltd.~~

Director

Name: Mr. Irshad Ali Shaban Ali Kassim / Mr. Abdul Rehman Muhammadi  
Designation: Directors  
Date: March 24, 2014.  
Place: Karachi

Note:

For enquiries related to the Public Offer please contact the Manager to the Offer:  
Attention: Cassim Investments (Private) Limited  
Room 26 – 28, Karachi Stock Exchange Building, Stock Exchange Road, Karachi