

April 7, 2025

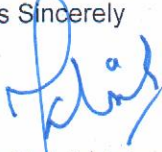
The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Subject: **Notice of Annual General Meeting**

Dear Sir,

Enclosed please find a copy of the Notice of Annual General Meeting to be held on April 29, 2025 at 09:00 AM, for circulation amongst the TRE Certificate Holder of the Exchange.

Yours Sincerely



Malik Mehdi Muhammad
Chief Financial Officer/Company Secretary

CRESCENT STAR INSURANCE LIMITED NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 68th Annual General Meeting (AGM) of the shareholders of Crescent Star Insurance Limited will be held on April 29, 2025 at 9.00 a.m. at 2nd Floor, Nadir House I. I. Chundrigar Road, Karachi to transact the following business.

ORDINARY BUSINESS:

1. To confirm and approve the minutes of the 67th Annual General Meeting held on April 26, 2024.
2. To receive, consider and adopt the audited financial statements of the Company for the year ended December 31, 2024 together with the Chairman's review, Directors' and Auditors' reports thereon.

As required under Section 223(6) of the Companies Act, 2017 (the "Act"), Financial Statements of the Company have been uploaded on the website of the Company, which can be downloaded from the following link and/or QR enabled code:



<http://cstarinsurance.com/Investor-Information/Financial-Statements>

3. To appoint Auditors for the year ending December 31, 2025 and fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, approve the increase in Authorized Share Capital of the Company and to pass the following 'Special Resolutions' with or without modifications;

"RESOLVED THAT the Authorized Capital of the Company be and is hereby increased from Rs. 1,150,000,000/- divided into 115,000,000 ordinary shares of Rs. 10/- each to Rs. 1,500,000,000/- divided into 150,000,000 ordinary shares of Rs. 10/- each and the words and figures in Clause V of the Memorandum of Association of the Company be and are hereby amended accordingly."

"RESOLVED FURTHER THAT the Chief Executive or any one Director and/or the Company Secretary of the Company be and hereby authorized singly to complete all the necessary corporate and legal formalities in respect of the above."

5. To pass a special resolution pursuant to Section 83 of the Companies Act, 2017, for issuance of ordinary shares of the Company by way of Right. In this regard it is proposed to pass the following special resolutions, with or without modifications:

"RESOLVED THAT the ordinary issued paid up share capital of the Company be increased by issue of a further 40,924,116 (Forty million Nine hundred Twenty Four thousand One hundred Sixteen only) ordinary shares, having face value of PKR 10/- (Pak Rupees Ten) each, as Right Shares, to be offered to the members of the Company in proportion of approximately 38 Right Shares for every 100 ordinary shares held i.e. approximately 38%, at discount of PKR 7/- (Pak Rupees Seven) to par that is at a price of PKR 3/- (Pak Rupees Three) per Right Share. The right shares will

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be offered in proportion to number of shares held by each shareholder immediately prior to the close of the share transfer books of the Company, in accordance with the provisions of Section 83 of the Companies Act, 2017 and subject to applicable laws and regulatory compliances, against payment to the Company of the price for the shares subscribed, which shares shall rank *par passu* in all respects with the existing ordinary shares of the Company (the "Rights Issue"). The Right issue at discount proposed by the Board of Directors of the Company is subject to approval of the SECP."

"FURTHER RESOLVED THAT the quantum, size, price and purpose of the Rights Issue, along with the utilization of proceeds, benefits of the same to the Company and its shareholders, the risk factors associated with the Rights Issue, and the justification for the issue of shares at a discount in accordance with Regulation 3(1)(iii) of the Companies (Further Issue of Shares) Regulations, 2020 are as given in the statement under section 134(3)."

"FURTHER RESOLVED THAT the letter of offer, as prescribed under Section 83(2) of the Companies Act, 2017 shall be issued / signed jointly by any two (2) directors of the Company in compliance with the applicable laws."

"FURTHER RESOLVED THAT that, any two (2) Directors of the Company, be and are hereby authorized to sign the circular accompanying the letter of offer, once finalized in accordance with the procedure stipulated under the Regulations."

"FURTHER RESOLVED THAT all fractional entitlements, if any, will be consolidated and disposed of by the Company and the proceeds from such disposition shall be paid to such of the entitled shareholders as may have accepted such offer."

"FURTHER RESOLVED THAT any unsubscribed shares may be offered and allotted to such persons as the directors may deem fit in accordance with Section 83(1)(a)(iv) of the Companies Act, 2017, including the sponsors / substantial shareholders, directors or associated undertakings of the Company or any third party, before calling upon the underwriters to subscribe to any unsubscribed shares."

"FURTHER RESOLVED THAT the any Director and or the Company Secretary and / or the Chief Financial Officer, be and are hereby singly authorized to prepare finalize the draft offer document / letter and share it with the Securities and Exchange Commission of Pakistan ("SECP") and Pakistan Stock Exchange Limited ("PSX"), and revise the same including price, based on the observations and changes of the SECP and PSX as may be deemed fit by them, in the manner prescribed under the Companies (Further Issue of Shares) Regulations, 2020, along with preparing and submitting other necessary documents in this respect. Any amendment, modification, addition or deletion as may be suggested, directed and advised by the SECP and/or any other regulatory body which suggested, direction and advice shall be deemed to be part of these special resolution(s) without the need of the shareholders to pass fresh special resolution(s). While the draft offer letter shall be placed on the PSX, public comments on the same shall not be required to be solicited."

"FURTHER RESOLVED THAT the any Director, and/or the Chief Financial Officer, and/or the Company Secretary, be and each of them is hereby authorized, such that any one of them may do all or any of the following for and on behalf and in the name of the Company:

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- (i) Appoint / negotiate with consultants / advisors / auditors and underwriter(s) to the Rights Issue, to finalize terms and conditions and sign underwriting agreements(s), other documents and settle / finalize fees, underwriting commission, take up commission and third-party expenses and / or any other expenses relating to the Rights Issue;
- (ii) to prepare the schedule for issue of right shares including date of payment, and to make any amendment in the said schedule, appointment of banker(s) to the issue, announce book closure dates, and to take all necessary actions, in respect of the Rights Issue and ancillary matters thereto, as required by the SECP, PSX, Central Depository Company of Pakistan Limited ("CDC") (including, but not limited to, induction of the offer for right shares in the Central Depository System of the CDC) or any other authority/body;
- (iii) to decide and announce the closure of the share transfer books of the Company, including the dates thereof, to determine entitlements of the shareholders of the Company with respect to the Right Issue;
- (iv) to open, maintain, operate and close bank accounts for the purpose of amounts received from subscription of rights shares;
- (v) to credit right shares once allotted by the Board and file returns / documents as required by SECP/ PSX/ CDC along with the auditors' certificates; and
- (vi) to take all other necessary steps, and do all other acts, deeds and things, to prepare the offer letter, circular accompanying the offer letter as required under Section 83(3) of the Companies Act, 2017, schedule for issue of right shares and any other documents and to make any amendment in the said documents and schedule and to take all necessary action as may be required in this regard including execution of any documents and agreements or any ancillary or incidental actions to give effect to the above resolutions."

ANY OTHER BUSINESS:

6. To consider any other business with the permission of Chairman.

A statement of material facts under Section 134(3) of the Companies Act, 2017 relating to the aforementioned Special Business to be transacted at the AGM is annexed with this Notice of AGM.

Karachi: March 26, 2025

By order of the Board
Malik Mehdi Muhammad
CFO & Company Secretary

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Notes:

1. The Share Transfer Books of the Company shall remain closed from April 23, 2025 to April 29, 2025 (both days inclusive). Transfers received at our registrar office M/s F. D. Registrar Services (SMC-Pvt.) Limited 17th Floor, Saima Trade Tower-A, I. I. Chundrigar Road Karachi by the close of business on April 22, 2025 will be treated in time.
2. A member entitled to attend and vote at this meeting may appoint another person as his/her proxy to attend, speak and vote instead of him/her behalf at the meeting. Proxies, in order to be valid, must be received at the registered office of the Company not later than 48 hours before the meeting. A member shall not be entitled to appoint more than one proxy.
3. Central Depository Company (CDC) shareholders are requested to bring their Computerized National Identity Cards, Account/Sub-Account and Participant's ID Number in the CDC for identification purpose when attending the meeting. In case of corporate entity, the Board's Resolution/Power of Attorney with specimen signature shall be furnished (unless it has been provided earlier) at the time of meeting.
4. Members who have not yet submitted photocopy of their Computerized National Identity Cards to the Registrar of the Company are requested to send the same at the earliest.
5. Shareholders are requested to notify to the Company's Share Registrar immediately of any change in their addresses.
6. The Company has arranged for participation of members in general meeting through electronic means (i.e., video-link, webinar, zooming etc.). In this regard, the interested shareholders can request by providing the relevant information (i.e. Name of the Shareholder, CNIC Number, Folio / CDC Account Number, Cell Number, Email Address etc.) to the Company Secretary at least 48 hours before the time of AGM at Email Address: info@cstarinsurance.com.
7. It is hereby notified that pursuant to the Companies (Postal Ballot) Regulations, 2018 and its amendments notified vide SRO 2192(1)/2022 dated December 5, 2022, members will be allowed to exercise their right to vote for the special business(es) in the AGM, in accordance with the conditions mentioned in the aforesaid Regulations. The Company shall provide its members with the following options for voting:
 - i) E-Voting Procedure
 - (a) Details of the e-voting facility will be shared through an email with those members of the Company who have their valid CNIC numbers, cell numbers, and email addresses available in the register of members of the Company within due course.
 - (b) The web address: login details, will be communicated to members via email.
 - (c) Identity of the members intending to cast vote through E-voting shall be authenticated through authenticated login.

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- (d) E-Voting lines will start from April 23, 2025 10:00 am and shall close on April 28, 2025 at 5 p.m. Members can cast their votes any time in the period.

ii) Postal Ballot

For voting through Postal Ballot members may exercise their right to vote as per provisions of the Companies (Postal Ballot) Regulations, 2018 subject to the requirement of Section 143 to 145 of the Companies Act, 2017. Further details in this regard will be communicated to the shareholders within the legal time frame as stipulated under these said Regulations, if required.

The members shall ensure that duly filed and signed ballot paper along with copy of CNIC should reach the Chairman of the meeting through post on the Company's registered office one day before the AGM i.e. April 28, 2025 during the working hours. The signature on the ballot paper shall match with the signature on CNIC or Company records.

8. Members have the option to receive Annual Audited Financial Statements and Notice of General Meeting through email. Members can give their consent in this regard on prescribed format to the Shares Registrar. The Audited Accounts of the Company for the year ended December 31, 2024 are also available on the Company's website: www.cstarinsurance.com.
9. In accordance with the directive issued by the SECP vide it is S.R.O. 452(I)/2025 dated March 17, 2025 the Company would like to inform all the shareholder that no gifts will be distributed at the meeting.
10. Form of Proxy is enclosed.

STATEMENT OF MATERIAL FACTS UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017 REGARDING THE SPECIAL BUSINESS

The accompanying copy of the notice is for the purpose of convening the meeting of the members for passing of the Special Resolutions specified in the notice. The material facts relating to the Special Resolutions are as follows:

Agenda Item 4: Increase in the Authorized Share Capital of the Company

As per recommendations of the Board of Directors in their meeting held on March 26, 2025, the Authorized Share Capital of the Company is to be increased from PKR 1,150,000,000/- (Pak Rupees One billion One hundred Fifty million) to PKR 1,500,000,000/- (Pak Rupees One billion Five hundred million). This increase in capital will also necessitate amendments in clause V of the Memorandum of Association of the Company accordingly and after the proposed amendment will be read as under:

Clause V of the Memorandum of Association of the Company

"The authorized capital of the Company is Rs. 1,500,000,000/= (Rupees One Billion and Five Hundred million only) divided into 150,000,000 (Hundred and Fifty million) ordinary shares of Rs 10/- each. The Company shall have the powers to increase, reduce or reorganize the capital of the Company and divide shares in the capital for the time being into several classes in accordance with the provisions of the Companies Act, 2017."

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Agenda Item 5: Issuance of ordinary shares of the Company as per Section 83 of the Companies Act, 2017.

The ordinary issued paid up share capital of the Company be increased by issue of a further 40,924,116 (Forty million Nine hundred Twenty Four thousand One hundred Sixteen only) ordinary shares, having face value of PKR 10/- (Pak Rupees Ten) each, as Right Shares, to be offered to the members of the Company in proportion of approximately 38 Right Shares for every 100 ordinary shares held i.e. approximately 38%, at discount of PKR 7/- (Pak Rupees Seven) to par that is at a price of PKR 3/- (Pak Rupees Three) per Right Share.

The following are the quantum, size, price and purpose of the Rights Issue, along with the utilization of proceeds, benefits of the same to the Company and its shareholders, the risk factors associated with the Rights Issue, and the justification for the issue of shares at a discount in accordance with Regulation 3(1)(iii) of the Companies (Further Issue of Shares) Regulations, 2020.

- a) **Quantum of the Right Issue** (i.e. as a percentage of existing paid-up capital)
The quantum of the Right Issue is approximately 38% of the existing paid-up capital of the Company i.e. approximately 38 right shares for every 100 ordinary shares held by the shareholders of the Company immediately prior to the close of the share transfer books of the Company.
- b) **Right Issue Size**
The Company shall issue 40,924,116 (Forty million Nine hundred Twenty Four thousand One hundred Sixteen only) ordinary shares, at discount of PKR 7/- (Pak Rupees Seven) to par that is at a price of PKR 3/- (Pak Rupees Three) per Right Share, aggregating to PKR 122,772,348 (One hundred Twenty Two million Seven hundred Seventy Two thousand Three hundred Forty Eight only)
- c) **Issue Price Per Share**
PKR 3/- (Pak Rupees Three) per share (i.e. at a discount of PKR 7/- (Pak Rupees Seven) to par).
- d) **Purpose of the Right Issue**
The purpose of the Right Issue is to meet the working capital requirements related to expand the insurance business of the company including marketing and digitization of insurance products.
- e) **Utilization of Proceeds of the Right Issue**
The proceeds from the Right Issue will be primarily utilized for working capital requirements related to expand the insurance business of the Company including marketing and digitization of insurance products.
- f) **Benefits to the Company and Shareholders**
The Company will use the cash generated through Right Issue for working capital requirements related to expand the insurance business of the Company including marketing and digitization of insurance products thereby increasing profits and enhancing expected returns to the shareholders.
- g) **Risk Factors associated with the Right Issue, if any**
The Right Issue of the Company is being carried out at a discount of PKR 7/- (Pak Rupees Seven) to par that is at a price of PKR 3/- (Pak Rupees Three) per Right Share which is calculated at 90 days weighted average price immediately preceding the right announcement, hence there is no major

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investment risk associated with the Right Issue. The substantial shareholders and Directors of the Company have confirmed that they shall subscribe to (or arrange the subscription of) their respective right entitlements, while the balance portion of the Right Issue shall be fully underwritten as per requirements under applicable regulations. Normal risks associated with the business will remain.

(i) **Minimum Subscription Amount**

Not Applicable.

(j) **ASBA**

Not opted for.

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