

May 4, 2026

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

Subject: Board Decisions -Declaration of Right Shares

Dear Sir,

In accordance with section 96 of the Securities Act 2015 and clause 5.6.1(a) of PSX Regulations we hereby convey the following information:

The Board of Directors of Crescent Star Insurance Limited (the "Company"), in its meeting held on April 30, 2026 in continuation of the meeting on Monday, May 4, 2026 at Nadir House, I.I. Chundrigar Road, Karachi, Pakistan, has decided to increase the paid-up share capital of the Company by issue of a further 148,619,157 (One Hundred Forty Eight Million Six Hundred Nineteen Thousand One Hundred Fifty Seven 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 1 Right Share for every 1 Ordinary Share held i.e. approximately 100% at discount of PKR 5/- (Pak Rupees Five) to par that is at a price of PKR 5/- (Pak Rupees Five) per Right Share subject to applicable laws and regulatory compliances. The Right issue at discount proposed by the Board of Directors of the Company is subject to approval of the Shareholders of the Company and SECP.

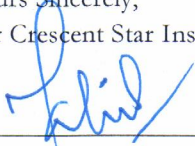
Extract of the Resolutions passed by the Board pertaining to Right Issue as to Quantum of Issue, Issue Size, Issue Price, Purpose of the Issue, Utilization of Proceeds of the Issue, Benefits of the Issue to the Company and the shareholders' Risk Factors, Justification for Issue at Discount and Minimum Subscription Amount, under Rule 3 of the Companies (Further Issue of Shares) Regulations, 2020 is attached.

The dates of closure of the Share Transfer Books of the Company, to determine the entitlement of the Right Shares will be communicated in due course after finalization of the offer letter / document in accordance with the provisions of the Companies (Further Issue of Shares) Regulations, 2020.

The Board of Directors further approved an investment upto PKR One Billion in PICIC Insurance Limited subject to all regulatory approvals.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours Sincerely,
For Crescent Star Insurance Limited



Company Secretary

Enclosed: As above

cc

The Commissioner
Securities Market Division
Securities and Exchange Commission of Pakistan
Islamabad

The Director
Insurance Division
Securities and Exchange Commission of Pakistan
Islamabad

Head Office: 2nd Floor, Nadir House, I.I Chundrigar Road, Karachi - 74000, Pakistan

UAN : +92-21-111-274-000 PABX: +92-21-32415471-3 Fax : +92-21-32415474 E-mail : info@cstarinsurance.com

Nation Wide Network of Branches

Motor

Health

Fire

Marine

Engineering

Travel

Livestock

Crop

Extract of the Resolutions passed by the Board of Directors of the Company in its meeting held on April 30, 2026 in continuation of the meeting on Monday, May 4, 2026 at the Registered Office of the Company at 2nd Floor Nadir House, I.I. Chundrigar Road, Karachi, Pakistan.

RESOLVED THAT the ordinary issued paid up share capital of the Company be increased by issue of a further 148,619,157 (One Hundred Forty Eight Million Six Hundred Nineteen Thousand One Hundred Fifty Seven 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 1 Right Share for every 1 Ordinary Share held i.e. approximately 100%, at discount of PKR 5/- (Pak Rupees Five) to par that is at a price of PKR 5/- (Pak Rupees Five) per Right Share. The right shares will 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 Shareholders of the Company and SECP.

FURTHER RESOLVED THAT 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 100% of the existing paid-up capital of the Company i.e. approximately 1 right share for every 1 ordinary share 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 148,619,157 (One Hundred Forty Eight Million Six Hundred Nineteen Thousand One Hundred Fifty Seven only) ordinary shares, at discount of PKR 5/- (Pak Rupees Five) to par that is at a price of PKR 5/- (Pak Rupees Five) per Right Share, aggregating to PKR 743,095,785 (Seven Hundred Forty Three Million Ninety Five Thousand Seven Hundred Eighty Five only).
- c) **Issue Price Per Share**
PKR 5/- (Pak Rupees Five) per share (i.e. at a discount of PKR 5/- (Pak Rupees Five) to par).
- d) **Purpose of the Right Issue**
The principal purpose of the Right Issue is to implement Company's investment portfolio by investing in PICIC Insurance Limited which as per scheme of arrangement will become subsidiary of the Company besides complimenting Company's other investment portfolio in accordance with its approved Investment policy to achieve optimal risk-adjusted returns. This will increase investment income, thereby contributing to the Company's profitability and overall financial performance and deliver higher and more sustainable returns to shareholders. The capital infusion will directly enhance the Company's equity base and solvency margins, ensuring greater financial flexibility and the ability to underwrite larger risks while maintaining prudent risk management practices. Further, it will ensure compliance with the enhanced paid-up capital requirements prescribed by the regulator and will enable the Company to expand the insurance business.
- e) **Utilization of Proceeds of the Right Issue**
The proceeds from the Right Issue will be utilized to invest in PICIC Insurance Limited which as per scheme of arrangement will become subsidiary of the Company and to invest in other companies complimenting

Head Office: 2nd Floor, Nadir House, I.I Chundrigar Road, Karachi - 74000, Pakistan

UAN : +92-21-111-274-000 **PABX:** +92-21-32415471-3 **Fax :** +92-21-32415474 **E-mail :** info@cstarinsurance.com

Nation Wide Network of Branches

Motor

Health

Fire

Marine

Engineering

Travel

Livestock

Crop

Company's investment portfolio in accordance with its approved Investment policy. Further, the proceeds will be used to enhance Company's capital base and solvency position in order to support sustainable growth and comply with regulatory capital requirements as well as to expand the insurance business of the Company.

f) **Benefits to the Company and Shareholders**

The Right issue will increase investment income, thereby contributing to the Company's profitability and overall financial performance and deliver higher and more sustainable returns to shareholders. The capital infusion will directly enhance the Company's equity base and solvency margins, ensuring greater financial flexibility and the ability to underwrite larger risks while maintaining prudent risk management practices and will enable the company to expand its insurance business.

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 5/- (Pak Rupees Five) to par that is at a price of PKR 5/- (Pak Rupees Five) per Right Share which is calculated at 90 days average price immediately preceding the right announcement, hence there is no major 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.

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

Head Office: 2nd Floor, Nadir House, I.I Chundrigar Road, Karachi - 74000, Pakistan

UAN : +92-21-111-274-000 **PABX:** +92-21-32415471-3 **Fax :** +92-21-32415474 **E-mail :** info@cstarinsurance.com

Nation Wide Network of Branches

Motor

Health

Fire

Marine

Engineering

Travel

Livestock

Crop

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:

- (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.

FURTHER RESOLVED THAT that the authorized capital of the Company be further increased from PKR 1,500,000,000/- (Pak Rupees One Billion Five Hundred Million) divided into 150,000,000 (One Hundred Fifty Million) ordinary shares of PKR 10/- each to PKR 3,000,000,000/- (Pak Rupees Three Billion) divided into 300,000,000 (Three Hundred Million) ordinary shares of PKR 10/- each and the words and figures in Clause V of the Memorandum of Association of the Company be and are hereby amended accordingly.

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

FURTHER RESOLVED THAT approval of special resolutions for increase in authorized capital and issuance of shares at discount and other allied resolutions to be included in the agenda of the Extra Ordinary General Meeting of the Company.

Certified that the above mentioned is a true and valid extract from the meeting of the Board of Directors of Crescent Star Insurance Limited held on Thursday, April 30, 2026 in continuation of the meeting on Monday, May 4, 2026.

Head Office: 2nd Floor, Nadir House, I.I Chundrigar Road, Karachi - 74000, Pakistan

UAN : +92-21-111-274-000 **PABX:** +92-21-32415471-3 **Fax :** +92-21-32415474 **E-mail :** info@cstarinsurance.com

Nation Wide Network of Branches

Motor

Health

Fire

Marine

Engineering

Travel

Livestock

Crop