# CENTURY INSURANCE COMPANY LIMITED

Registered Office & Corporate Department
LAKSON SQUARE, BUILDING NO. 2, SARWAR SHAHEED ROAD, KARACHI-74200, PAKISTAN.

September 11, 2026

The General Manager
Pakistan Stock Exchange Ltd.,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

**SUBJECT: DECLARATION OF RIGHT ISSUE**

Dear Sir,

We write to inform you that the Board of Directors of Century Insurance Company Limited (the "Company"), in its meeting held on Friday, September 11, 2026 at 03:00 p.m. at the Registered office of the Company at Lakson Square, Building No.2 Sarwar Shaheed Road, Karachi resolved to increase the paid-up share capital of the Company by issue of a further 44,814,452 (Forty Four Million Eight Hundred and Fourteen Thousand Four Hundred and Fifty Two) ordinary shares, having a face value of PKR 10/- (Pak Rupees Ten) each, as Right Shares, to be offered to the members of the Company in proportion approximately 81 Right Shares for every 100 ordinary shares held i.e. approximately 81% at a price of PKR 10/- (Pak Rupees Ten) per Right Share.

The dates for closure of the share transfer books of the Company, for the purpose of determining the entitlement of each member for the purpose of Right Issue, shall be communicated in due course, upon finalization of the offering document in accordance with the provisions of the Companies (Further Issue of Shares) Regulations, 2020. For your reference, please find enclosed with this notice the following documents:

I. ANNEXURE-A: Statement with respect to the details of the Right Issue, including the quantum of issue, issue size, issue price, purpose of issue, utilization of proceeds, benefits of the issue to the company and the shareholders, risk factors, under Regulation 3 of the Companies (Further Issue of Shares) Regulations, 2020.

II. ANNEXURE-B: Certified true copy of the extract of the resolutions passed by the Board of Directors in their meeting held on September 11, 2026.

III. ANNEXURE-C: Draft copy of the notice of right issue to the members of the Company, prior to its publication in the newspapers.

Century Insurance Company Ltd. Karachi



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This information may be disseminated to all concerned accordingly including but not limited to the TRE Certificate holders of the PSX.

Yours faithfully,
for CENTURY INSURANCE COMPANY LIMITED

Century Insurance Company Ltd. Karachi

(MANSOOR AHMED)
Company Secretary

CC:

The Executive Director/HOD
Surveillance, Supervision and Enforcement Department,
Securities and Exchange Commission of Pakistan,
NIC Building, 63 Jinnah Avenue,
Blue Area, Islamabad



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## ANNEXURE A

**STATEMENT PERTAINING TO QUANTUM OF ISSUE, ISSUE SIZE, ISSUE PRICE, PURPOSE OF ISSUE, UTILIZATION OF PROCEEDS, BENEFITS OF THE ISSUE TO THE COMPANY AND THE SHAREHOLDERS, RISK FACTORS, UNDER REGULATION 3 OF THE COMPANIES (FURTHER ISSUE OF SHARES) REGULATIONS, 2020.**

### QUANTUM OF THE ISSUE, ISSUE SIZE AND ISSUE PRICE

The quantum of the Right Issue is approximately 81% of the existing paid-up capital of the Company i.e. approximately 81 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.

### RIGHT ISSUE SIZE

The Company shall issue 44,814,452 (Forty-Four Million Eight Hundred and Fourteen Thousand Four Hundred and Fifty Two) shares, at a price of PKR 10/- (Pak Rupees Ten) per share, aggregating to PKR 448,144,520 (Pak Rupees Four Hundred and Forty-Eight Million One Hundred and Forty-Four Thousand Five Hundred and Twenty).

### ISSUE PRICE PER SHARE

PKR 10/- (Pak Rupees Ten) per share

### PURPOSE OF THE ISSUE

The purpose of the Right Issue is to strengthen the Company's capital base and enhance its working capital position, thereby providing a sound financial foundation for future growth and sustainable profitability. The proposed capital injection will also enable the Company to comply with the enhanced paid-up capital requirements prescribed by the Securities and Exchange Commission of Pakistan vide S.R.O 310 (l)/2025 dated March 03, 2025. The stronger capital base will provide the Company with greater capacity to expand and optimize its investment portfolio, thereby supporting the generation of additional investment income and enhancing sustainable earnings and, consequently, shareholder returns. In addition, the enhanced capital position will support the Company's broader strategic objectives by securing improved reinsurance terms, enhancing underwriting capacity, improving risk retention, strengthening its financial strength rating, and reinforcing overall solvency to maintain the confidence of all stakeholders.

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## UTILIZATION OF PROCEEDS OF THE RIGHT ISSUE

The proceeds from the right issue will primarily be utilized to strengthen the Company's paid-up capital and reserves, enabling it to secure more favorable reinsurance terms, increase underwriting capacity, and enhance solvency and financial stability. Additionally, the funds will boost working capital to support smooth operations and ongoing business activities. The proceeds will also be prudently invested to generate higher returns, thereby contributing to profitability and sustainable growth. As the Company operates in the insurance sector, it is important to note that no separate allocation of capital has been made specifically for increasing net retention, obtaining reinsurance terms, or improving financial strength ratings. Improved solvency will be achieved by maintaining the proceeds in admissible assets under the regulatory framework. In line with applicable regulations, the necessary disclosures have been appropriately made.

## BENEFITS TO THE COMPANY AND SHAREHOLDERS

The Right Issue will strengthen the Company's capital reserves and working capital position, which is expected to support more favorable reinsurance terms, enhance underwriting capacity, improve risk retention, strengthen the Company's financial strength rating, and further improve its overall solvency position. For shareholders, the Right Issue provides an opportunity to participate in the Company's future growth by subscribing to additional shares at the face value price. The strengthened financial position is expected to safeguard and enhance the value of shareholders' existing investments by improving the Company's financial stability, business capacity and earnings potential. Furthermore, the additional capital will enable the Company to pursue sustainable business growth and generate higher and more sustainable returns for shareholders over the long term.

## RISK FACTORS ASSOCIATED WITH THE RIGHT ISSUE

The right issue of the Company is being undertaken at a price below the prevailing market share price, thereby minimizing investment risk for participating shareholders. Substantial shareholders and directors of the Company (excluding independent directors) have confirmed their commitment to subscribe to, or arrange the subscription of, their respective entitlements. The remaining portion of the right issue will be fully underwritten in accordance with applicable regulatory requirements. While the normal risks inherent to the insurance business will continue to exist, the Company's strong market position provides resilience and helps mitigate these risk factors. This right issue further strengthens the Company's financial standing, ensuring stability and confidence for stakeholders.

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**JUSTIFICATION FOR ISSUE OF SHARES AT, PREMIUM OR AT DISCOUNT TO FACE VALUE (IF APPLICABLE)**

Not applicable

**MINIMUM SUBSCRIPTION AMOUNT**

Not applicable.

(MANSOOR AHMED)
Company Secretary

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## ANNEXURE B

## EXTRACTS OF THE RESOLUTIONS PASSED BY THE BOARD OF DIRECTORS OF THE COMPANY

"**RESOLVED THAT** the ordinary issued paid up share capital of the Company be increased from PKR 553,264,840 (Pak Rupees Five Hundred and Fifty Three Million Two Hundred and Sixty Four Thousand Eight Hundred and Forty) to PKR 1,001,409,360 (Pak Rupees One Billion One Million Four Hundred Nine Thousand Three Hundred & Sixty only) by issue of a further 44,814,452 (Forty Four Million Eight Hundred and Fourteen Thousand Four Hundred and Fifty Two ) ordinary shares, having face value of PKR 10/- (Pak Rupees Ten Only) each, as Right Shares, to be offered to the members of the Company in proportion of approximately 81 right shares for every 100 ordinary shares held, i.e. approximately 81% of the existing paid-up capital of the Company. The right shares will be offered in proportion to the 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 pari passu in all respects with the existing shares of the Company (the "**Right Issue**").

**FURTHER RESOLVED THAT** the following are the quantum, size, price and purpose of the Right Issue, along with the utilization of proceeds, benefits of the same to the Company and the Shareholders of the Company and risk factors associated with the Right issue and the justification for the issue of shares in accordance with the Regulation 3(1)(iii) of the Companies (Further Issue of Shares) Regulations, 2020.

### a) Quantum of the Issue, Issue Size and Issue Price

The quantum of the Right Issue is approximately 81% of the existing paid-up capital of the Company i.e. approximately 81 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 44,814,452 (Forty-Four Million Eight Hundred and Fourteen Thousand Four Hundred and Fifty Two) shares, at a price of PKR 10/- (Pak Rupees Ten) per share, aggregating to PKR 448,144,520 (Pak Rupees Four Hundred and Forty-Eight Million One Hundred and Forty-Four Thousand Five Hundred and Twenty).

### c) Issue Price Per Share

PKR 10/- (Pak Rupees Ten) per share

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### d) Purpose of the Issue

The purpose of the Right Issue is to strengthen the Company's capital base and enhance its working capital position, thereby providing a sound financial foundation for future growth and sustainable profitability. The proposed capital injection will also enable the Company to comply with the enhanced paid-up capital requirements prescribed by the Securities and Exchange Commission of Pakistan. The stronger capital base will provide the Company with greater capacity to expand and optimize its investment portfolio, thereby supporting the generation of additional investment income and enhancing sustainable earnings and, consequently, shareholder returns. In addition, the enhanced capital position will support the Company's broader strategic objectives by securing improved reinsurance terms, enhancing underwriting capacity, improving risk retention, strengthening its financial strength rating, and reinforcing overall solvency to maintain the confidence of all stakeholders.

### e) Utilization of Proceeds of the Right Issue

The proceeds from the right issue will primarily be utilized to strengthen the Company's paid-up capital and reserves, enabling it to secure more favorable reinsurance terms, increase underwriting capacity, and enhance solvency and financial stability. Additionally, the funds will boost working capital to support smooth operations and ongoing business activities. The proceeds will also be prudently invested to generate high returns, thereby contributing to profitability and sustainable growth. As the Company operates in the insurance sector, it is important to note that no separate allocation of capital has been made specifically for increasing net retention, obtaining reinsurance terms, or improving financial strength ratings. Improved solvency will be achieved by maintaining the proceeds in admissible assets under the regulatory framework. In line with applicable regulations, the necessary disclosures have been appropriately made.

### f) Benefits to the Company and Shareholders

The Right Issue will strengthen the Company's capital reserves and working capital position, which is expected to support more favorable reinsurance terms, enhance underwriting capacity, improve risk retention, strengthen the Company's financial strength rating, and further improve its overall solvency position. For shareholders, the Right Issue provides an opportunity to participate in the Company's future growth by subscribing to additional shares at the face value price. The strengthened financial position is expected to safeguard and enhance the value of shareholders' existing investment by improving the Company's financial stability, business capacity and earnings potential. Furthermore, the additional capital will enable the Company to pursue sustainable business growth and generate higher and more sustainable returns for shareholders over the long term.

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**g) Risk Factors Associated with the Right Issue**

The right issue of the Company is being undertaken at a price below the prevailing market share price, thereby minimizing investment risk for participating shareholders. Substantial shareholders and directors of the Company (excluding independent directors) have confirmed their commitment to subscribe to, or arrange the subscription of, their respective entitlements. The remaining portion of the right issue will be fully underwritten in accordance with applicable regulatory requirements. While the normal risks inherent to the insurance business will continue to exist, the Company's strong market position provides resilience and helps mitigate these risk factors. The right issue further strengthens the Company's financial standing, ensuring stability and confidence for stakeholders.

**h) Justification for Issue of Shares at, Premium or at Discount to Face Value (if applicable)**

Not applicable

**i) Minimum Subscription Amount**
Not applicable

**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** Mr. Muhammad Hussain Hirji - Chief Executive Officer and/or Mr. Nawaid Jamal - Chief Financial Officer, be and are hereby authorized by all the directors of the Company, to sign the circular accompanying the Offer Document and letter of offer, either jointly or severally, once finalized in accordance with the procedure stipulated under the Regulations.

**FURTHER RESOLVED THAT** all fractional entitlements, if any, will be consolidated in the name of the Company Secretary (under trust), and unpaid letters of right in respect thereof shall be sold on the Pakistan Stock Exchange Limited, the net proceeds from which sale, once realized, shall be distributed / paid to the entitled shareholders in proportion to their respective entitlements as per the applicable Regulations.

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

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**FURTHER RESOLVED THAT** the Chief Executive and/or the Chief Financial Officer and/or the Company Secretary, be and are hereby, severally or jointly authorized to prepare and 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 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. 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 Chief Executive Officer and / or the Chief Financial Officer and / or the Company Secretary, be and are hereby, either jointly or severally authorized to do the following acts on behalf of the Company:

(i) To appoint/negotiate with consultants/advisors/auditors and underwriters to the Right Issue, to finalize terms and conditions and sign underwriting agreements, other documents and settle/finalize fees, underwriting commission, take-up commission and third-party expenses and/or any other expenses relating to the Right Issue;

(ii) To prepare the schedule for the issue of right share (i.e. the Schedule I under the Companies (Further Issue of Shares) Regulations, 2020 for Right Share – Offer Document) including date of payment, and to make any amendments in the said schedule, appointment of banker(s) to the issue, announce the book closure dates, and to take all necessary actions, in respect of the Right issue and ancillary matters thereto, and as required by the Securities and Exchange Commission of Pakistan, Pakistan Stock Exchange Limited, 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;

(iii) To open, maintain, operate and close bank accounts for the purpose of amounts received from subscription of Right Shares. To make necessary corrections, amendments and file necessary documents in case of any mistake or omission is pointed out by any regulatory authorities. To allot/credit right shares and file return as required by the Securities and Exchange Commission of Pakistan, Pakistan Stock Exchange Limited, Central Depository Company of Pakistan Limited (CDC) along with the auditors' certificates; and

(iv) To take all other necessary steps, and do all other acts, deeds and things, to prepare the offer letter, circular and schedule for right issue and any other documents and to make any amendments in the aforementioned documents and schedule and to take all necessary actions 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."

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Certified that the above mentioned is a true and valid extract from the meeting of the Board of Directors of Century Insurance Company Limited held at Karachi on September 11, 2026.

(MANSOOR AHMED)
Company Secretary

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## ANNEXURE C

## NOTICE OF RIGHT ISSUE

Members are hereby notified that the Board of Directors of **Century Insurance Company Limited (the "Company")** in their meeting held on Friday, September 11, 2026 has decided to issue further capital by offering **44,814,452 (Forty Four Million Eight Hundred and Fourteen Thousand Four Hundred and Fifty two** ) ordinary right shares of **PKR 10/- (Pak Rupees Ten)** each at a price of PKR **10/- (Pak Rupees Ten only)** per share in the ratio of approximately **81** right shares for every **100** existing ordinary shares of **PKR 10/- (Pak Rupees Ten only)** each held (i.e. **approximately 81%**), against payment to the Company of the price of the shares subscribed, which shares shall rank pari passu in all respects with the existing ordinary shares of the Company.

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.

Century Insurance Company Ltd. ★ Karachi