

Statement U/S 160(1) (b) of the Companies Ordinance, 1984

(a) (i) Capitalization out of the company's unappropriated profit / reserves – Item # 4

This statement sets out the material facts concerning “Special Business” to be transacted at the 58th Annual General Meeting of the Company to be held on Saturday, April 23, 2011.

The Directors of the Company are of the view that the Company's financial position justifies the capitalization of a sum of Rs.197,744,270 out of the Company's unappropriated profits/reserves enabling the issuance of 19,774,427 fully paid bonus shares of Rs.10 each. These shares shall be issued to those Members whose names appear in the Register of Members at the close of business on April 15, 2011. The bonus shares shall be issued in the proportion of 1 (One) share for every 4 (Four) shares held by a Member. After the issuance of these bonus shares, the paid up capital of the Company would increase from Rs.790,977,070 to Rs.988,721,340. Accordingly, it is proposed to pass the following resolutions, namely:

RESOLVED THAT a sum of Rs.197,744,270 out of the unappropriated profits/reserves of the Company be capitalized and applied for the issue of 19,774,427 ordinary shares of Rs.10 each and that the said shares be allotted as fully paid bonus shares to those Members of the Company whose names appear in the Register of Members of the Company as at the close of business on April 15, 2011 in the proportion of 1 (One) bonus share for every 4 (Four) shares held by the entitled Members, and that such bonus shares shall rank pari passu as regards future dividends and in all other respects with the existing ordinary shares of the Company.

RESOLVED FURTHER THAT in the event of any Member becoming entitled to a fraction of a share, the Directors be and are hereby authorized to consolidate all such fractions and sell the shares so constituted on the Stock Market and to pay the net proceeds thereof to a charitable organization designated by the Directors.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Managing Director be and is hereby authorized to take all necessary actions and do all acts, deeds and things and to settle any question or difficulties that may arise in regard to the allotment and the distribution of the said bonus shares as he thinks fit.

The Directors of the Company are not directly or indirectly, personally interested in this business except to the extent of their respective shareholdings in the Company.

(ii) Change of the Company's name and amendment in the Memorandum and Articles of Association of the Company – Item # 5

The Directors propose that the name of the Company be changed to “Jubilee General Insurance Company Limited”. The Company was established in the year 1953 and has been transacting general

insurance business for the last 57 years. The word “New” as appearing in the present name gives the misleading impression that it is a newly established company. It is considered that the proposed name will create a stronger brand identity of the Company.

The Securities and Exchange Commission of Pakistan has confirmed the availability of the proposed name vide letter No. E-1424760-1 dated March 16, 2011.

(b) Status of previous approvals for investments in associated companies

As required under the SRO No. 865(1)/2000 dated 6 December, 2000, the status of the following investments in associated companies against approvals obtained by the Company in Extraordinary General Meeting of January 04, 2008 is as under:

(i) International Industries Limited

Approval was given by the shareholders for investment of Rs.200 million in the ordinary shares against which a sum of Rs.17.04 million has been only invested due to the volatility in the Stock market. The company will consider further investment at a suitable time on availability of shares at a favourable price and after taking into consideration the latest financial position of the investee Company.

(ii) Habib Bank Limited

Approval was given by the shareholders in respect of investment of Rs.200 million in the ordinary shares against which a sum of Rs.180.86 million has been invested. The company will consider further investment at a suitable time on availability of shares at a favourable price and after taking into consideration the latest financial position of the investee Company.

Upto date financial position of the respective investee companies are as under:

Name of the Investee company	Average market price of the shares intended to be purchased during preceeding six months (Sept. 2010 to Feb 2011)	Break up value of shares intended to be purchased on the basis of last published financial statements	Basic earning per share of investee company in the last three years	
International Industries Limited	Rs. 51.02	Rs. 31.22	2007-2008	Rs. 8.50
			2008-2009	Rs. 3.80
			2009-2010	Rs. 10.27
			2011 (HY)	Rs. 2.75
Habib Bank Limited	Rs.110.60	Rs. 86.68	2008	Rs. 13.18
			2009	Rs. 13.50
			2010	Rs. 16.78

