



Crown Paints Kenya PLC
Company Registration No.6/93
(the Company)

CAUTIONARY ANNOUNCEMENT

The Capital Markets Act (Cap 485A of the Laws of Kenya)
Regulation 19(2) of the Capital Markets (Securities) (Public Offers, Listing
and Disclosures) Regulations, 2002

PROPOSED RIGHTS ISSUE WITH RESPECT TO **CROWN PAINTS KENYA plc**

On 6 October 2020, the Company announced that it proposes to raise gross proceeds of approximately KES 711,810,000 by way of a rights issue (the **Rights Issue**). The Rights Issue has received approval from the Company's Board of Directors (the Board) and share- holders on 6 October 2020 and 30 October 2020, respectively. The Capital Markets Authority (**CMA**) approved the Rights Issue on 5 May 2021.

The Board further approved the execution of the rights issue in accordance with the information memorandum dated, 19 May 2021 setting out the terms and conditions of the Rights Issue.

The purpose of the Rights Issue is to bring the Company and its subsidiaries' indebtedness to a more sustainable level and to position it to take advantage of its long-term growth opportunities and gain market share in the East African region. While the Company's business outlook in Kenya is secure, its subsidiaries (Crown Paints Tanzania Limited, Regal Paints Uganda Limited and Crown Paints Rwanda Limited) performance for over the last few years has remained depressed due to the adverse competitive environment which has led to the Company supporting the subsidiaries financially.

The Company is in contact with the Nairobi Securities Exchange (**NSE**) regarding obtaining NSE approval. Once the NSE approval is received it shall be promptly uploaded on the Company's website (www.crown-paints.co.ke).

The shareholders of the Company and the public are advised to exercise caution when dealing in the shares of the Company. This announcement does not constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell, otherwise dispose of or issue, or any solicitation of any offer to sell, otherwise dispose of or issue, purchase otherwise acquire to subscribe for, any security in the capital of the Company.

Disclaimer

This announcement is for information purposes only.

As a matter of public policy, the CMA does not assume responsibility for the correctness of any statements or opinions made or reports contained in this announcement. CMA's approval of the Rights Issue and/or listing is not to be taken as an indication of the merits of the Company or its securities.

The NSE assumes no responsibility for the correctness of any of the statements made or opinions or reports expressed in this public notice. Admission to the official list of the NSE is not to be taken as an indication of the merits of the Company or its securities.

BY ORDER OF THE BOARD

Conrad Nyukuri
Company Secretary

Date: 27 May 2021