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

PUBLIC NOTICE

TAKEOVER EXEMPTION RECEIVED FROM THE CAPITAL MARKETS AUTHORITY WITH RESPECT TO A TAKEOVER EXEMPTION APPLICATION

(In accordance with Regulation 5(2) and 5(4) of Capital Markets (Take-Overs and Mergers) Regulations, 2002)

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 shareholders on 6 October 2020 and 30 October 2020, respectively. The Capital Markets Authority approved the Rights Issue on 5 May 2021. The Board further approved the information memorandum setting out the terms and conditions of the Rights Issue on 19 May 2021.

Crown Paints and Building Products Limited and Barclay Holdings Limited (together the **Major Shareholders**) hold 62.05% of the issued share capital of the Company. The Major Shareholders indicated to the Board that, if available, they may be willing to acquire shares beyond their *pro rata* allocation in the Rights Issue so as to help to ensure the success of the Rights Issue. Since the Major Shareholders collectively own more than fifty percent (50%) of the issued share capital in the Company, an acquisition of an additional stake in the Company by either Major Shareholder would trigger the need for the Major Shareholders to make a take-over offer pursuant to the Capital Markets (Take-over and Merger Regulations), 2002 (the **Takeover Regulations**). The Major Shareholders have indicated to the Board that they do not intend to initiate a take-over offer as part of any additional shares they acquire beyond their *pro rata* entitlement in the Rights Issue.

In this regard, pursuant to Regulation 5 of the Takeover Regulations, the Company applied to the Capital Markets Authority (**CMA**) to grant an exemption allowing the Major Shareholders to acquire additional shares beyond their *pro rata* allocation thereby increasing their shareholding in the Company beyond their current 62.05% shareholding should the Rights Issue not be fully subscribed.

The Company is pleased to announce that on 5 May 2021 the CMA granted the request for the takeover exemption thereby allowing the Major Shareholders to acquire additional shares beyond their *pro rata* allocation should the shares be available during the Rights Issue.

This announcement has been issued with the approval of the CMA in accordance with the Takeover Regulations.

As a matter of policy, the CMA assumes no responsibility for the correctness of the statement appearing in this announcement.

BY ORDER OF THE BOARD

Conrad Nyukuri
Company Secretary
P.O. Box 764 - 00606
Nairobi

Date: 9/6/2021