

السادة / البورصة المصرية
قطاع الأفصاح

تحية طيبة وبعد ،،،

ورد إلى الشركة الأن الساعة الواحدة والنصف ظهراً من خلال البريد الإلكتروني خطاب من شركة الأصباغ الوطنية القابضة المحدودة (National Paints Holdings LTD) بشأن التقدم بعرض شراء غير ملزم على أسهم شركة البويات والصناعات الكيماوية باكين وذلك للاستحواذ على نسبة (١٠٠ %) من أسهم رأس مال الشركة ، وذلك بسعر مبدئي ٢٩ جنيه مصرى للسهم شريطة أن تقوم شركة شركة الأصباغ الوطنية القابضة المحدودة (National Paints Holdings LTD) بالبدء بإجراءات الفحص النافى للجهالة على شركة باكين لتحديد سعر الشراء النهائى .

وجرى حالياً دراسة العرض المقترن لمجلس الإدارة بالتشاور مع بنك الاستثمار الأهلى فاروس المعين بموجب قرار مجلس الإدارة بتاريخ ٢٠٢٢/٨/٢٣ لاتخاذ القرار بشأنه .

ونشكركم على حسن تعاونكم معنا .

المدير التنفيذي للشئون المالية

مسؤول علاقات المستثمرين

محمد إبراهيم جمعه

محاسب / محمد إبراهيم جمعه

القاهرة في ١١/٣/٢٠٢٢

مرفق / صورة العرض الوارد

٧-٦-٥-٤-٣-٢-١-٢-٣-٤-٥-٦ ت: (٢٠٢) ٤٤٨١٤٣٦٠٠-١٠٤٣٨١٤٤٢٠
فاكس: (٢٠٢) ٤٤٨١٤١٥٠

شركة البويات والصناعات الكيماوية
١ شارع المصانع - الأميرية
رمز بريدي (١١٨٨٧) القاهرة - ج.م.ع



STRICTLY PRIVATE AND CONFIDENTIAL

November, 1, 2022

Attention:
Dr. Mohamed Salah El-Din
Chairman

Paints and Chemical Industries Company S.A.E.
1 El Masanea Street.,
Al Amireyah, Cairo, Egypt

Subject: Non-Binding Indicative Offer for the potential acquisition of 100% of the share capital of Paints and Chemical Industries Company S.A.E.

Dear Dr. Salah El-Din,

We, National Paints Holdings Ltd. ("NPH" or the "Purchaser"), are writing to Paints and Chemical Industries Company S.A.E.'s ("Pachin" or the "Target") Board of Directors ("Pachin Board"), represented herein by Dr. Mohamed Salah El-Din in his capacity as the Chairman of Pachin Board, to outline our Non-Binding Offer ("NBO") for the acquisition of 100% of the share capital of Paints and Chemical Industries Company S.A.E. ("Transaction").

We reiterate our strong interest in the Transaction and would like to thank you for the support and assistance provided so far in this process. We look forward to continue working with you on this Transaction and remain committed to consummate the Transaction in a timely manner.

Our NBO is based on the limited information provided to date and the assumptions outlined in this NBO. This NBO is contingent upon completion of satisfactory due diligence.

1. Bidder Details

National Paints Holdings Ltd was established in Dubai International Financial Centre (DIFC) on 18 May 2014. The registered office of the Company is unit 5, level 3, Gate Village Building 4, DIFC, PO Box 5822, Dubai, United Arab Emirates (“UAE”). NPH is commonly controlled through a joint venture of two special purpose vehicles (“SPVs”). The ultimate shareholders of the SPVs are Mr. Ibrahim Sayegh and Mr. Samer Sayegh (together referred to as the “shareholders” or “remaining principals”).

NPH owns 17 subsidiaries all around Asia, Africa, and Europe, the Group's principal activities are the manufacturing and trading of all kind of paints, coatings and other related materials with an annual turnover of USD 463mn (FOUR HUNDRED SIXTY-THREE MILLION UNITED STATES DOLLARS).



2. Strategic Rationale

NPH is a leading paints manufacturer in the GCC and the market leader in UAE. Given NPH's commitment to Egypt, coupled with the Egypt's market dynamics, geography, and demography, NPH is looking to acquire Paints and Chemical Industries Company in order to deepen and expand its position in the decorative paints in the Egyptian market. NPH aims to become the market leader in Egypt as well.

3. Contacts

Please address all correspondence or inquiries related content of this NBO to National Paints Holdings Ltd to the following contact person:

Mr. Samer Sayegh
Managing Director
National Paints Holdings Ltd
+971 (0) 6 513 0000
samerss@nationalpaints.com
cc: admin2@national-paints.com

Mr. Mohy Elshony
Group Financial Controller
National Paints Holdings Ltd
+971 (0) 56 990 3813
mohy.elshony@nationalpaints.com
cc: mohammad.almaani@nationalpaintsholding.com

Transaction Structure and Terms

1	Transaction Structure	The Purchaser intends to acquire 100% of the share capital of the Target
2	Equity Value and Consideration	Based on data provided to us by the Target and in the absence of any material factors presently unknown to us, the total valuation for 100% of the Target's share capital is 696,000,000 ("Equity Value", or "Consideration"), equivalent to EGP 29.00 per share multiplied by the total shares outstanding of the Target, which amount to 24,000,000 (twenty-four million) shares.
3	Payment	The currency of payment of the Consideration shall be Egyptian Pounds.
4	Conditions precedents	<p>Closing is subject to:</p> <ol style="list-style-type: none"> 1. All information, including but not limited to, financial, tax, and legal information, provided to the Purchaser and its advisors in written or oral form is and remains true, complete and accurate in all respects; 2. The due diligence will not reveal material adverse information that will negatively impact the value of the Target or its operations; 3. The Target's provisions adequately cover all potential liabilities; including but not limited to the Target's legal claims, tax claims, and employees' compensations to be adequately provided for according to the Egyptian accounting standards; 4. Satisfactory completion of financial, tax, and legal due diligence on the Target 5. Holding extensive meetings with the Target's senior management, executives, directors and board members, if requested and as required 6. Performing site visits and walk-throughs of all the Target's facilities 7. The target's provision of all significant contracts with distributors and supplier, as well as any offtake agreements in place



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5	Transaction Process	Upon the signature of this NBO, the Target will procure that the Purchaser and its advisors receive the reasonable level of information it requires to assess the Transaction. The Purchaser intends to execute the Transaction in an agile process. The due diligence process is expected to be completed within 60 (Sixty) business days commencing on the date of the Purchaser accessing a reasonably complete data room, and assuming prompt response to all questions raised during the process.
General		
1	Legal Effect and Termination	The terms of this NBO are not intended to be, and are not, legally binding on the parties thereto, with the exception of the following sections: Legal Effect and Termination, Signatories, Counterparts, Governing Law and Dispute Resolution.
2	Signatories	Pachin Board, represented herein by Dr. Mohamed Salah El-Din in his capacity as its Chairman, and the Purchaser, represent to each other that the signatories to this Non-Binding Offer are individuals authorized to sign the Non-Binding Offer on behalf of their respective parties.
3	Counterparts	This Non-Binding Offer may be executed in one or more separate counterparts.
4	Governing Law and Dispute Resolution	<p>The terms of this Non-Binding Offer shall be governed and construed in accordance with the Egyptian law. Any dispute arising out of or in connection with this Non-Binding Offer shall be finally settled by arbitration by one arbitrator in accordance with the Rules of Arbitration of the International Chamber of Commerce. The place of arbitration shall be Cairo, Egypt and the language of the arbitration shall be Arabic.</p> <p>We look forward to receiving your response to our Non-Binding Offer and to moving forward to the next stages of the Transaction. Should you be in agreement with the terms of this Non-Binding Offer, we would be grateful if you could execute 2 (Two) original copies of this letter and return to us one of them.</p>

We look forward to working with you on this opportunity.

Yours Sincerely,

Mr. Samer Sayegh
Managing Director
National Paints Holdings Ltd



Accepted on behalf of Paints and Chemical Industries Company S.A.E.

Dr. Mohamed Salah El-Din
Chairman
Paints and Chemical Industries Company S.A.E.