



MERGER DECISION NO 01: 2023

Notice in Terms of Section 53(4) (a) (ii) of the Competition Act 2018

DECISION ON THE ASSESSMENT OF THE PROPOSED ACQUISITION OF 81.5% OF THE ISSUED SHARE CAPITAL OF AMROD INVESTMENT (PTY) LTD BY ALCHEMY PROMOTIONS HOLDINGS LTD

Introduction of the Merging Parties

Pursuant to section 53(4)(a)(ii) of the Competition Act 2018 ("the Act"), notice is hereby given on the decision made by the Competition and Consumer Authority ("the Authority") in relation to the proposed acquisition of 81.5% of the issued share capital of Amrod investment (Pty) Ltd ("Amrod" or "Target Enterprise") by Alchemy Promotions Holdings Ltd ("Alchemy" or "Acquiring Enterprise"). The proposed transaction was notified on 19th December 2022 and the merger assessment was concluded on 7th February 2023.

The Acquiring Enterprise, Alchemy, is a company incorporated in accordance with the company Laws of Mauritius. Alchemy is wholly owned by OP Holdings Limited, which is in turn wholly owned by Oppenheimer Partners Limited ("OP"). OP is investment holding company incorporated in accordance with the Laws of the Isle of Man.

OP directly or indirectly controls the following Enterprises; Oppenheimer Partners Africa Advisors Proprietary Limited, a company incorporated in accordance with the Laws of the Republic of South Africa; OP Services Holdings and OP Industrial Holdings, both companies incorporated in accordance with the Laws of Mauritius; Icon Oncologists Holdings Proprietary Limited and GZ Industries (South Africa) Proprietary Limited, both companies are incorporated in accordance with the Laws of the Republic of South Africa; and lastly GZ Industries (Nigeria) Limited, a company incorporation in accordance with the Laws of Nigeria.

The Target Enterprise, Amrod, is a private company incorporated in accordance with the Laws of the Republic of South Africa. Amrod is controlled by CSSAF Amrod Holdings Limited ("CSSAF"), a company duly registered in accordance with the laws of Mauritius. CSSAF is ultimately controlled by The Carlyle Group, a public company listed on the New York Stock Exchange and ultimately it is not controlled by any one.

Carlyle directly or indirectly controls the following entities; Amrod Holdings Proprietary Limited, Acorp Gifts Proprietary Limited and Amrod Corporate Solutions Proprietary Limited all these companies are incorporated in accordance with the laws of the Republic of South Africa. The Carlyle Groups also controls Acorp Gifts Namibia Proprietary Limited, a company incorporated in accordance with the

laws of Namibia, Acorp Gifts Limited, a company incorporated in accordance with the laws of Kenya and lastly Acorp Gifts Zambia Limited, a company incorporated in accordance with the laws of Zambia.

Relevant Markets

In terms of the relevant markets, the assessment of the proposed merger indicates that OP is an investment holding company with a focus on the fast-moving consumer goods (FMCG), industrial and service sectors. Alchemy was established for purposes of the Proposed Transaction and as such, it does not currently have any business activities. Furthermore, OP does not directly or indirectly, control any enterprises incorporated in or having operations in Botswana. As such, the Acquiring Enterprise has never traded in Botswana prior to the notified transaction and does not own or control any entity in Botswana. OP has presence in South Africa, Mauritius, and Nigeria.

On the other hand, the Target Enterprise through Amrod Botswana, is a supplier of various branded promotional products in Botswana including gifting, apparel such as headwear, display and work wear ranges.

Based on the above mentioned, and in view of the nature of the products and services offered by the Target Enterprise, it is concluded that the relevant market should be defined as the supply of various branded promotional products in Botswana, specifically gifting and apparel such as headwear, display and work wear ranges.

Competitive Analysis and Public Interest

The proposed transaction involves an acquisition of shares by a Special Purpose vehicle (SPV). The Acquiring Enterprise, Alchemy was established for purposes of the Proposed Transaction and therefore does not have any business activities. However, through Amrod Botswana the Target Enterprise is a supplier of various branded promotional products. As such, the structure of the relevant market will remain the same. The Authority does not expect the Proposed Transaction to give rise to a Substantial Lessening of Competition; acquisition of dominance, restrict trade or the provision of services; or to endanger the continuity of supplies in the relevant market in Botswana. In addition, the proposed merger is not expected to result in any public interest concerns.

The Determination

The Authority determined through the analysis of the facts of the merger, that the structure of the relevant market will not change upon the implementation of the proposed merger and the Proposed Transaction is not likely to result in any adverse effects on competition, nor endanger the continuity of services in the relevant market. Furthermore, the proposed merger will not have any negative effect on public interest matters in Botswana as per the provisions of section 52(2) of the Competition Act 2018.

Pursuant to the provision of section 53 of the Act, the Authority has decided to unconditionally approve the proposed acquisition of 81.5% of the issued share capital of Amrod investment (Pty) Ltd by Alchemy Promotions Holdings Ltd.

However, as stated under section 61 of the Act, this approval does not override or negate any other mandatory statutory approvals or processes that any of the parties to this merger must comply with under the Laws of Botswana.

Dated at Gaborone on this 7th day of February 2023.

Tebelelo Pule, Chief Executive Officer, Competition and Consumer Authority,
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