



## MERGER NOTICE NO 13: 2018

### THE PROPOSED ACQUISITION OF CONTROL OVER CONSOLIDATED INFRASTRUCTURE GROUP LTD BY FAIRFAX AFRICA HOLDINGS CORPORATION.

Pursuant to section 56(1) of the Competition Act (Cap 46:09), the Competition Authority has received a merger notification for the proposed acquisition of control over Consolidated Infrastructure Group Ltd ("**CIG**") by Fairfax Africa Holdings Corporation ("**FAH**").

The acquiring enterprise, FAH, is an investment holding company listed on the Toronto Stock Exchange; and is controlled by Fairfax Financial Holdings Ltd ("**FFH**"). Both companies are incorporated in accordance with the Laws of Canada. FFH has diverse business interests including in (i) Bryte Insurance Company Ltd ("**Bryte Insurance**"); (ii) APR Energy Plc ("**APR**"); while FAH's (indirect) interests include (iii) Atlas Mara Ltd ("**Atlas Mara**"); and (iv) AFGRI Group Holdings (Pty) Ltd ("**AFGRI**"). Bryte Insurance is a company registered in South Africa, which offers insurance in Botswana. APR, is a company registered in London; offering fast-track/ temporary mobile turbine power solutions to government and private utilities, as well as power-intensive industries in a number of countries, including Botswana. Atlas Mara is a financial services holding company listed on the London Stock Exchange, undertaking the acquisition of selected banks across Africa. AFGRI is an agricultural services company with a focus on grain commodities; providing financial support and solutions; as well as, inputs and equipment.

The Directors of FAH are V. Prem Watsa; Paul C. Rivett; Quinn McLean; Christopher D. Hodgson (all Canadian); Michael Wilkerson (American); Hisham Ezz Al-Arab (Egyptian & British); Ndidi Okonkwo Nwuneli (Nigerian & American); Richard Okello (Ugandan & American); and Louis van Zeuner (South African).

The target enterprise, CIG, is an infrastructure focussed company listed on the Johannesburg Stock Exchange. CIG has exposure to the power and extraction industries across Africa and the Middle East through its power division which is active in: (i) the supply of high voltage turnkey electrical substations, overhead power lines, renewable energy (wind and solar) and related products; (ii) the provision of long-term operational and maintenance services to wind farms, solar parks, municipalities and utilities; maintenance of power infrastructure for

clients; and provision of transformer erection services; (iii) customised secondary plant solutions to protect and automate extra high voltage, high voltage and medium voltage electrical infrastructure; as well as (iv) developing, structuring, investing in and overseeing the construction and operations of power generating assets. In Botswana, CIG provides its activities through its two subsidiaries: Consolidated Power Projects & Investments (Pty) Ltd ("**CPP Botswana**"), a Botswana registered company; and Conlog (Pty) Ltd ("**Conlog**"), a company registered in South Africa. CPP Botswana provides its power and extraction activities (i.e. supply of high voltage turnkey electrical solutions, including electrical substations, overhead power lines, renewable energy and related products; and secondary plant solutions to protect and automate extra high voltage, high voltage and medium voltage electrical infrastructure). Conlog, is not physically present in Botswana but is involved in the provision of electricity meters and associated services (including servicing and support, data integration and maintenance and consultancy services) by way of export sales from South Africa.

The Directors of CPP Botswana are David van Zyl; Leon Heymans (both South Africans); and Abdool Rahim Khan (Motswana). The Directors of Conlog are Raoul Gamsu; Logandhren Moodley; and Judi Nwokedi (all South Africans).

In the proposed transaction, FAH, through its subsidiary, Fairfax Africa Investments (Pty) Ltd, has agreed to invest in CIG by way of a secured convertible loan ("**Convertible Loan**") and has agreed to underwrite a rights issue to current shareholders to be undertaken by CIG ("**Rights Offer**"). It is anticipated that FAH will acquire shares in CIG pursuant to the Rights Offer and/or the Convertible Loan such that FAH will (whether directly or indirectly) acquire control of CIG.

According to section 57(3), of the Competition Act, "any person, including a third party not a party to the proposed merger, may voluntarily submit to the inspector or the Authority any document, affidavit, statement or other relevant information in respect of a proposed merger". The Competition Authority therefore seeks any stakeholder views for or against the proposed merger, which may be sent within 10 days from date of this publication to the following address:

Director, Mergers and Monopolies  
Competition Authority  
Private Bag 00101  
Plot 28, Matsitama Road, Main Mall  
Gaborone  
Tel: +267 3934278 Fax: +267 3121013  
Email: CA@competitionauthority.co.bw