



## MERGER NOTICE NO 24: 2017

### **THE PROPOSED ACQUISITION OF 72% OF THE ENTIRE ISSUED SHARE CAPITAL IN KAMOSO DISTRIBUTION (PTY) LTD BY NEWSHELF 1392 (PTY) LTD AND IAPEF 2 RBMBV7 KAMOSO LTD, FROM STANDARD CHARTERED PRIVATE EQUITY (MAURITIUS) III LTD AND DEVELOPMENT CAPITAL PARTNERS, LLC .**

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 72% of the entire issued share capital in Kamoso Distribution (Pty) Ltd by Newshelf 1392 (Pty) Ltd and IAPEF 2RBMBV7 Kamoso Ltd ("IRK"), from Standard Chartered Private Equity (Mauritius) III Ltd ("SCPE") and Development Capital Partners, LLC ("DCP").

Newshelf, one of the acquiring enterprises, is a company incorporated under the Laws of the Republic of South Africa, and is controlled by Newshelf 1391 (Pty) Ltd ("Newshelf 2"); which is in turn controlled by RMB Ventures Seven (Pty) Ltd ("RMBV"), a subsidiary of RMB Private (Pty) Ltd, which is an indirect subsidiary of FirstRand Investment Holdings (Pty) Ltd ("FRIHL"). FRIHL, is a wholly owned subsidiary of FirstRand Ltd ("FirstRand"). RMBV is managed by Rand Merchant Bank ("RMB"), the investment banking arm of FirstRand. FirstRand is a public company listed on the stock exchanges in Johannesburg, Namibia and Botswana and is the holding company of the FirstRand Group. FirstRand Group operates through a portfolio of business franchises, namely RMB, First National Bank (offers a diverse array of financial products and services to the retail and corporate market segments); and WesBank (provides full-service instalment credit finance to both the retail and corporate markets). The Directors of Newshelf are E. Gray and A. Aitken, both South African nationals.

The other acquiring enterprise, IRK, is a company incorporated under the Laws of the Republic of Mauritius, and is controlled by Investec Africa Private Equity Fund 2 LP ("Investec Africa Fund") and by Newshelf (the other acquiring enterprise). Investec Africa Fund (equity investments company) is ultimately controlled by Investec Asset Management ("IAM") [a significant component and independently managed entity within the Investec group] which, in turn, is ultimately controlled by Investec (comprising Investec Plc and Investec Ltd) ("Investec"), a dual listed international, specialist bank and asset manager that provides a diverse range of financial products and services to a selected client base, and is publicly listed on the stock exchanges in Johannesburg and London. The anticipated Directors of IRK are V. Boyjonauth; S. Kong (both

Mauritian); A. Aitken (South African); P. Baird (American); and G. Cameron (British).

The target enterprise, Kamoso, is a diversified holding company incorporated under the Laws of the Republic of Botswana, and is controlled by SCPE. SCPE is a wholly owned subsidiary of Standard Chartered Plc, a public company listed on stock exchanges in London, Hong Kong and India. It invests and purchases equity stakes in pursuit of Standard Chartered Bank's private equity strategy and activities across the world. The other non-controlling shareholder in Kamoso, DCP, shall also be selling its stake. DCP is an investment management company registered in Mauritius, with an exclusive focus on frontier and emerging markets. The firm's primary strategy is to make long-term investments in a concentrated portfolio of businesses operating in Africa.

Kamoso distributes products and renders services throughout Botswana through its subsidiaries which comprise of the following: (i) Liquorama, a liquor distributor and retailer with 46 stores across the country, offering a selection of wines, beers and spirits; (ii) Builder's Mart, retails a range of building materials, hardware and electrical products through its 18 retail stores; (iii) Keriotic Investments (Pty) Ltd, is engaged in distributing various commodities from food to non-food products, as well as packaging materials to retailers; (iv) Mediland Healthcare Distributors (Pty) Ltd, specialises in importing and distributing medical health care products and equipment to private hospitals and the government of Botswana; (v) Honeyguide (Pty) Ltd, is involved in milling and packaging of sorghum and maize and producing mixed fowl feeds; (vi) ILO Industries (Pty) Ltd, is engaged in the processing and packaging of rice, samp, beans, spices, flour, pulses, soups and dried fruit; (vii) RBV Consultants (Pty) Ltd and (viii) RBV Marketing (Pty) Ltd, are involved in the manufacturing and distribution of tissue paper; (ix) Real Plastic Mould (Pty) Ltd, is involved in the production of bottled water, plastic cutlery and crockery, detergent and plastic pre-forms; and (x) Mont Catering and Refrigeration (Pty) Ltd, is involved in the import and supply of air-conditions, fridges and spare parts and catering equipment. The directors of Kamoso are V. Sanooj (Indian); B. Stewart; G. McLaughlin (both Americans); and R. K. Desai (Motswana).

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:

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