



MERGER DECISION NO 32: 2020

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

THE PROPOSED ACQUISITION OF CONTROLLING INTEREST IN OLYMPIA CAPITAL CORPORATION LIMITED BY OLYMPIA CAPITAL HOLDINGS LIMITED. CASE FILE NO.CCA/ MER/032/2020

Introduction of the Merging Parties

1. The acquiring enterprise, OCHL is a company incorporated in accordance with the Laws of Kenya. OCHL has close to 30 shareholders and the major ones holding more than 9% are Dunlop Properties (26.20%), Ndungu, Paul Wanderi (11.99%) and Karen Enterprises Ltd (9.09%). OCHL is an investment holding company comprising several businesses in East and Southern Africa.
2. OCHL holds approximately 23% of the issued shares in the target enterprise and through the process of a rights offer by the target enterprise and underwriting thereof by OCHL, will increase this shareholding to 60.6% of the issued shares in the target enterprise.
3. The target enterprise, OCCL, is a company incorporated in accordance with the Laws of Botswana. OCCL is an investment holding company operating in the construction industry in Botswana. Through its subsidiary, Kalahari Floor Tiles (Pty) Ltd the company manufactures and markets a range of building materials that includes vinyl floor tiles, and aluminium and PVC windows and door frames. Through this subsidiary, the company also has interests in manufacturing and supplying industrial adhesives and glue, cleaning chemicals. Through the subsidiary Gaborone Enterprises (Pty) Ltd the company manages a portfolio of real estate investments.
4. The transaction under consideration, is basically an increase in shareholding in which the acquiring enterprise will increase its stake in the target entity from 23% to 60.6%.

The Markets

5. There is a vertical link between the Merging Parties as the Acquiring Enterprise has a 23% stake in the target, however, it lacks geographical overlap.
6. In terms of the market that the Merging Parties operate, the acquiring entity is an investment holding company and does not engage in any business similar to that of OCCL in Botswana. On the other hand, the target firm, is an investment holding company operating in the construction industry in Botswana. Through its subsidiary, Kalahari Floor Tiles (Pty) Ltd, the company manufactures and markets a range of building materials that include vinyl floor tiles, and aluminium and PVC windows and door frames. In addition, the company has interests in manufacturing and supplying industrial adhesives and glue, cleaning chemicals. Lastly, its subsidiary, Gaborone Enterprises (Pty) Ltd the company manages a portfolio of real estate investments.

Determination

7. The transaction represents an increase in shareholding by the acquiring entity which currently holds a 23% stake in the target firm to 60.6%. In light of this, it anticipated that there will be no change in the relevant market structure, as the status quo will be maintained post implementation.
8. Based on that, the Competition and Consumer Authority ("the Authority") determined through the analysis of the facts of the merger, that the proposed transaction is not likely to result in the prevention or substantial lessening of competition, or endanger the continuity of the services offered in the markets under consideration. The market structure in the relevant markets will not be altered, and as such this transaction does not raise any competition concerns. In addition, there are no public interest concerns that could arise as a result of the proposed transaction.

Pursuant to the provision of section 53 of the Act, the Authority has approved the proposed acquisition of controlling interest in Olympia Capital Corporation Limited by Olympia Capital Holdings Limited.

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.

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