

## MERGER DECISION NO 37:2025

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

#### DECISION ON THE ASSESSMENT OF THE PROPOSED PURCHASE AND SALE OF LOT 20737, DIPHALANE MALL TOGETHER WITH THE UNDERLYING LEASES, FROM BENCHICKS INVESTMENTS PROPRIETARY LIMITED BY KHUMO PROPERTY ASSET MANAGEMENT (PTY) LTD ON BEHALF OF BOTSWANA PUBLIC OFFICERS PENSION FUND

#### 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 purchase and sale of Lot 20737, Diphlane Mall together with the underlying leases (“the Target Property”), from Benchicks Investments Proprietary Limited (“Benchicks Investments” or “Target Enterprise”) by Khumo Property Asset Management (Pty) Ltd (“Khumo Property” or “the Acquiring Enterprise”) on behalf of Botswana Public Officers Pension Fund (“BPOPF”).

Khumo Property Asset Management (Pty) Ltd, is a company incorporated in accordance with the Laws of Botswana. The Acquiring Enterprise is a wholly owned subsidiary of Eris Investment Holdings (Pty) Limited (“Eris Investment”), a company incorporated in South Africa and BIFM Holdings Company Limited incorporated in Botswana (“BIFM”). The Acquiring Enterprise does not directly or indirectly control any enterprise in Botswana.

Benchicks Investments is a company incorporated in accordance with the Laws of Botswana. It is controlled by Reagent Holdings Properties Limited, Benchicks Properties Limited, both companies registered in Botswana and Mariner Properties Limited, a British Virgin Islands based company.

#### Merging Parties

In terms of the activities of the Merging Parties, Eris is a property development and services group which provides a range of commercial property skills in the South African

and Sub-Saharan African markets. BIFM provides investment management solutions to institutional and individual clients both locally and internationally. Khumo Property is an asset management company. The Acquiring Enterprise has been duly appointed as the property asset manager of BPOPF and makes the acquisition for and on behalf of BPOPF. BPOPF is a pension fund duly licensed and established in accordance with the provisions of the Retirement Funds Act No. 38 of 2022 for public service employees. BPOPF holds commercial immovable rental property through property asset managers, including Khumo.

The Target Enterprise is the proprietor of the Benchicks Security Services company domiciled in Botswana and Diphlane Mall, situated in Lot 20737 in Palapye (the Property being sold). The Property measures approximately 5.0925 hectares, held under deed of lease number FT TL 311/2016 dated 11 May 2016. The Property being sold is a shopping mall with commercial space, retail space and parking space. The Property is leased out to various shops and offices for rental purposes. The Target Enterprise only holds the Target Property in its portfolio.

The proposed transaction reveals that the activities of the Merging Parties overlap in the real estate market. However, this overlap does not extend to geographic presence, as the Acquiring Firm has no operations in Palapye, where the Target Property is located. Furthermore, in Palapye there are five (5) shopping malls, including the Target Property, each under different ownership.

### **Competitive Analysis and Public Interest**

In the assessment of Substantial Lessening of Competition, the investigations have revealed that both the Acquiring and Target Enterprises are involved in the real estate market, particularly in the shopping mall segment with no geographic overlap. Therefore, the transaction under assessment is not expected to substantially lessen competition or restrict trade or the provision of services or to endanger the continuity of supplies in the relevant market or in any market in Botswana.

The implementation of the Proposed Merger is not expected to result in the acquisition of a dominant position in the relevant market in Botswana as the Acquiring Entity does not currently operate in the shopping mall market in Palapye. In addition, the market is highly competitive and characterised by many players in Botswana who will continue to provide competitive pressure on the Merged Enterprise.

In terms of Public Interest considerations, the Authority does not foresee any significant detriment to public interest that will arise because of the transaction under consideration. The Proposed Transaction is an investment for BPOPF whose ultimate beneficial owners are Botswana.

## The Determination

The Authority determined through the analysis of the facts of the merger that the structure of the relevant market is not going to significantly change upon implementation of the proposed transaction as the proposed transaction is not likely to result in a substantial lessening of competition, nor endanger the continuity of service in the market under consideration. Furthermore, the proposed merger will not have any significant negative effects on public interest matters in Botswana as per the provisions of section 52(2) of the Act.

Pursuant to the provision of section 53 of the Act, the Authority has decided to unconditionally approve the proposed purchase and sale of Lot 20737, Diphlane Mall together with the underlying leases, from Benchicks Investments Proprietary Limited by Khumo Property Asset Management (Pty) Ltd on behalf of Botswana Public Officers Pension Fund.

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 10<sup>th</sup> day of October 2025.

Gideon G. Nkala, Chief Executive Officer, Competition and Consumer Authority, P/Bag 00101, Gaborone, Plot 28, Matsitama Road, Tel: 3934278 Fax: 3121013