

MERGER DECISION NO 14: 2026

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

DECISION ON THE ASSESSMENT OF THE PROPOSED ACQUISITION OF 100% OF THE ORDINARY SHARES OF AFRISAM HOLDINGS PROPRIETARY LIMITED AND ITS SUBSIDIARIES BY WEST INTERNATIONAL NEW BUILDING MATERIALS PTE. 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 100% of the ordinary shares of AfriSam Holdings Proprietary Limited and its subsidiaries (“AfriSam” or “Primary Target Enterprise”) by West International New Building Materials Pte. Ltd (“West International” or “Primary Acquiring Enterprise”). Pursuant to a successful implementation of the Proposed Transaction, West International will acquire sole control over AfriSam together with its subsidiaries including, AfriSam Botswana (Pty) Ltd (“AfriSam Botswana”).

The Primary Acquiring Enterprise, West International, is a private company registered in accordance with the laws of Singapore. It is wholly owned and solely controlled by Yaobai International Holding Limited (“Yaobai”). Yaobai is, in turn, wholly owned and solely controlled by West China Cement Limited (“WCC”). WCC is a public company listed on the Hong Kong Stock Exchange. WCC controls various firms, including its African subsidiary, Mocambique Dugongo Cimentos, S.A. (“Dugongo”). Dugongo is a company based in Mozambique. The Acquiring Group does not directly or indirectly control any enterprise in Botswana.

The Primary Target Enterprise, AfriSam, is a company incorporated in accordance with the Laws of The Republic of South Africa; and it is controlled by various shareholders. In Botswana, the Primary Target Enterprise has a 100% controlled subsidiary, AfriSam Botswana.

Merging Parties

In terms of the activities of the Acquiring Group, it primarily manufactures and sells cement and cement-related products, with its core markets in mainland China and an expanding presence in parts of Asia and Africa, including Uzbekistan, Mozambique, the Democratic Republic of Congo, and Ethiopia. In Africa, the Acquiring Group operates as an exporter of cement via its subsidiary, Dugongo which is based in Mozambique, where it operates an integrated cement plant. WCC does not supply any products into Botswana. On the other hand, the Primary Target Enterprise supplies building and construction materials, including cement in Southern Africa, with operations in Eswatini, Namibia, Lesotho and South Africa. AfriSam currently supplies its imported 50kg bags of cement from its South African operations into Botswana.

In light of the above, the proposed merger indicates the existence of a horizontal overlap in the activities of the Parties, as both the Acquiring Group and the Primary Target Firm are involved in the manufacturing and sale of cement-related and cement-related products. However, only the products of the Primary Target Entity, specifically 50kg bags of cement are exported into Botswana from South Africa. Although the Acquirer operates a cement manufacturing plant in Africa, located in Mozambique, it does not currently supply cement into the Botswana market. Accordingly, the identified product overlap does not translate into geographic presence as the Acquirer has no presence in Botswana.

In view of the nature of the product offered by the Target Enterprise in the merger under assessment, the relevant market is thus defined as the market for the supply of cement in Botswana.

Competitive Analysis and Public Interest

The analysis of the facts of the merger have shown that there are no substantive competition concerns that will arise in the market for the supply of cement in Botswana, given that:

- i. The proposed transaction is not expected to alter the structure of the markets under consideration; and
- ii. The merger would not result in the Merged Entity attaining a dominant position in the market under consideration; rather, the Merged Entity would inherit the dominant position already held by the Target Entity prior to the transaction.

The Authority is alive to the alleged relationship between WCC and Cheetah Cement Botswana (Pty) Ltd (“Cheetah Botswana”), which, if confirmed, may give rise to competition concerns, including potential unilateral and coordinated effects in the cement market. Notwithstanding the foregoing, the Authority is of the view that the proposed merger may generate potential positive benefits for the Botswana market, particularly through the materialisation of a cement packaging plant by the Merging Parties, which is

expected to contribute to job creation and employment opportunities within the relevant market.

The Determination

Pursuant to the provision of Section 53 of the Competition Act, 2018, the Authority has decided to approve the proposed acquisition of 100% of the ordinary shares of AfriSam Holdings Proprietary Limited and its subsidiaries (“AfriSam” or “Primary Target Enterprise”) by West International New Building Materials Pte. Ltd, subject to the following conditions:

- A. The Merged Entity shall establish and commission a cement packaging plant in Botswana within 12-24 months from the date of merger approval;
 - i. For the purpose of this condition, commissioning means the facility has been constructed, equipped and licensed by all applicable Botswana regulatory Authorities and ready for commercial use.
- B. The Merged Entity shall maintain contractual engagement with Botswana-registered transport service providers currently providing logistics services to AfriSam Botswana's operations subject to such service providers' continued ability to meet operational, safety, and commercial requirements;
- C. The Merged Entity shall supply clinker to local cement manufacturers on commercially reasonable and competitive (non-discriminatory) terms subject to it being economically viable to do so and sufficient volumes of clinker being available for supply.
- D. The Merged Enterprise shall notify the Authority in writing of the implementation date of the merger within 30 business days of the date on which the transaction is implemented;
- E. The Merging Parties shall submit a written progress report to the Authority within 12 (twelve) months of the approval date and thereafter every 6 months until the packaging plant is commissioned, detailing;
 - ii. construction milestones and procurement activities and the projected commissioning date, and
 - iii. staffing data
- F. The Merged Enterprise shall for a period of (three) 3 years from the implementation date submit to the Authority, a report on each anniversary of the implementation date, detailing its compliance with the above-mentioned conditions.

- G. This decision by the Authority may change, subject to the alleged relationship between the Acquiring Enterprise and the Cheetah Cement Botswana (Pty) Ltd.
- H. Should market circumstances change materially to such an extent that they may undermine the commercial viability of the Merged Enterprise, then the Merged Enterprise may, at any time, apply to the Authority for any of the conditions set out above to be waived, relaxed, modified or substituted. Should a dispute arise in relation to the variation of the conditions, the Merging Enterprise shall be entitled to apply to the Tribunal, on good cause shown and on notice to the Authority, for the conditions to be waived, relaxed, modified and/or substituted.

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 20th day of April 2026.

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