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Common Market for Eastern
and Southern Africa

CCC Merger Inquiry Notice No. 16 of 2019

Notice of Inquiry into the Proposed Acquisition of Shares in Paxton Investment Limited by Zambia Property Holdings Limited

It is hereby notified in terms of Article 26(6) of the COMESA Competition Regulations (the “**Regulations**”) that the COMESA Competition Commission (the “**Commission**”), after receiving a notification in terms of Article 24 of the Regulations regarding the proposed acquisition of shares in Paxton Investment Limited (“**Paxton**”) by Zambia Property Holdings Limited (“**ZPH**”), intends to embark on an inquiry in terms of Article 26 of the Regulations.

The parties have submitted that the acquiring undertaking, ZPH, is a Mauritian company with its registered address at c/o International Fund Services Limited, Level 5, Alexander House, Cybercity, Ebene, Mauritius. ZPH is a wholly owned subsidiary of Grit Real Estate Income Group Limited (“Grit”) via another wholly owned subsidiary known as Grit Services Limited. Grit is a real estate income company domiciled in Mauritius and listed on the Mauritian Stock Exchange, London Stock Exchange and Johannesburg Stock Exchange. Its mandate is to own and manage income producing real estate assets on the African continent. ZPH holds 50% of the issued share capital in the following Zambian entities: Kafubu Mall Limited, Cosmopolitan Shopping Centre Limited and Mukuba Mall Limited (“Mukuba”). Mukuba is a company incorporated in Zambia which owns and operates Mukuba Shopping Mall in the city of Kitwe in the Republic of Zambia.

The parties have submitted that the target undertaking, Paxton, is a company registered and incorporated under the Laws of Mauritius. Paxton owns 25% of the issued share capital of Mukuba. Paxton also holds a category 1 Global Business License, with its registered address at c/o Intercontinental Fund Services Limited, Level 5, Alexander House, 35 Cybercity, Ebene, Mauritius. It has further been submitted that Horizon Corporate Limited, a shareholder of Paxton, is a Guernsey company with registration number 12505 and registered address at Tudor House, Le Bordage, St Peter Port, Guernsey.

In terms of the proposed transaction, the parties have submitted that the ZPH, Horizon Corporation Limited and Paxton entered into a Subscription of Shares Agreement dated 3rd March, 2019 in terms of which the acquirer subscribed to 99.99% of the authorised share capital of the target. As a result of the proposed transaction ZPH will indirectly own 75% of the shares in Mukuba.

The Commission will, in accordance with the provisions of the Regulations, determine among other things whether or not the merger is likely to substantially prevent or lessen

competition within the Common Market and whether the merger is or would be contrary to the public interest as provided for under Article 26 of the Regulations. In view of this, the Commission hereby gives notice to all interested stakeholders, including competitors, suppliers and customers of the merging parties to submit written representations to the Commission with regard to the subject matter of the proposed inquiry by emailing them to: akamanga@comesa.int. All written representations should be sent to the Commission not later than **20th June, 2019**.

If you wish to seek further details and/or clarifications on any aspect of this proposed transaction or need assistance you may get in touch with **Mr. Ali Kamanga, Senior Analyst - Mergers and Acquisitions** on Tel: +265 (0) 1 772 466 or E-mail akamanga@comesa.int.

All written representations submitted to the Commission will be treated with the strictest confidentiality and will only be used for the purpose of this inquiry.