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Common Market for Eastern
and Southern Africa

CCC Merger Inquiry Notice No. 30 of 2019

Notice of Inquiry into the Merger Involving Rail Africa Ltd, Africa Rolling Stocks Solutions Limited and GPR Leasing Africa

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 on the merger involving Rail Africa Ltd (“**Railco**”), Africa Rolling Stock Solutions Limited (“**ARSS**”) and GPR Leasing Africa (“**GPR**”), intends to embark on an inquiry in terms of Article 26 of the Regulations.

The parties have submitted that the acquiring undertaking, RailCo, is new company incorporated for purposes of the proposed transaction and is currently a wholly-owned subsidiary of Sealyle International Ltd (“**Sealyle**”) whose address is 13A King George V Avenue, Floreal, Mauritius.

The parties have submitted that one of the target group comprises ARSS, a wholly-owned subsidiary of Sealyle International Ltd (“**Sealyle**”), which is incorporated in Mauritius and Trans-Zambezi Rolling Stock Solutions Limited (“**TZRS**”) a company incorporated in Zambia and directly or indirectly controlled by ARSS. The parties have submitted that the other target group comprises, GPR, a company incorporated in Mauritius. It has been submitted that the acquiring and target groups are both involved in the leasing of rolling stock in the Common Market for Eastern and Southern Africa (COMESA).

The parties have submitted that PRIF Afrinvest Ltd (“**PRIF**”) and Grindrod Mauritius (“**Grindrod**”) own all of the shares and loan accounts in GPR. Further, Sealyle owns all of the shares and loan accounts in ARSS which subsequently owns shares and loan accounts in TZRS. It has been submitted that in terms of the transaction, the shareholders of ARSS and GPR wish to combine and jointly control these businesses through a single holding company incorporated in Mauritius namely, Railco. The parties have submitted that in order to give effect to the proposed transaction, the shareholders of ARSS and GPR will transfer their shares in ARSS and GPR to RailCo. Once RailCo has acquired 100% of the shares of ARSS and GPR (the “**Target Shares**”) the issued shares in RailCo will be held and beneficially owned as follows: (i) PRIF: 25%; (ii) Grindrod: 30.6%; and (iii) Sealyle: 44.4%. Further, PRIF, Grindrod and Sealyle will each jointly control RailCo by virtue of minority protections that will be afforded to each in terms of shareholders’ agreement.

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 **21st October, 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.