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Common Market for Eastern
and Southern Africa

CCC Merger Inquiry Notice No. 10 of 2019

Notice of Inquiry into the Proposed Merger Involving Hytech Egypt USA LLC and Seedstone Holding

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 merger involving Hytech Egypt USA LLC (“**Hytech**”) and Seedstone Holding (“**Seedstone**”), intends to embark on an inquiry in terms of Article 26 of the Regulations.

The notified transaction entails Seedstone acquiring control over Misr Hytech Seed International S.A.E. (“**Misr Hytech**”), a subsidiary of Hytech. This is as a result of Seedstone having subscribed for all the shares in Hytech and most of the shares of the minority shareholders of Misr Hytech.

The parties have submitted that the Seedstone is a company that was recently incorporated for the purposes of this transaction which is ultimately jointly controlled by Helios Investment Partners LLP (“**Helios**”) and the Egyptian-American Enterprise Fund (“**EAEF**”). Helios is a private equity firm which was established in 2004 and is focussed on private investments in Africa, in particular, portfolios of diversified platform companies operating in the core economic sectors of the key African countries. The EAEF is a fund established by the government of the United States of America in order to invest in private enterprises in Egypt and thereby contribute to long-term, inclusive and sustainable economic growth. In COMESA, the acquiring group is active in Burundi, the Democratic Republic of Congo, Egypt, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Rwanda, Eswatini, Uganda, Zambia, and Zimbabwe.

The parties have submitted that the Target Firm is Hytech, an investment holding company with no activities. Hytech is the holding company of Misr Hytech, an Egyptian-based seed company that was established in 1993. Misr Hytech specialises in supplying proprietary hybrid seeds to farmers in Egypt. More particularly, Misr Hytech breeds and develops hybrids of corn, sorghum and squash for Upper and Middle Egypt and the delta region from its Crop Research and Development Station in Kanater and seed plant in Sadat City. In COMESA, the target undertaking is active only in Egypt.

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: sbooluck@comesa.int. All written representations should be sent to the Commission not later than **26th April 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 **Ms. Sandya Booluck, Senior Analyst, Mergers and Acquisitions** on Tel: +265 (0) 1 772 466 or E-mail sbooluck@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.