COMESA Competition Commission

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Common Market for Eastern and Southern Africa

27 August 2025

CCC Merger Inquiry Notice No. 31 of 2025

Notice of Inquiry into the Merger Involving K2024528179 (South Africa) Proprietary Limited and Barloworld 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 involving K2024528179 (South Africa) Proprietary Limited ("**NewCo**" or the "**primary acquiring firm**") and Barloworld Limited ("**Barloworld**", or the "**target firm**"), intends to embark on an inquiry in terms of Article 26 of the Regulations.

The parties submitted that the proposed transaction involves a merger in terms of which Gulf Falcon Holding Limited ("**Falcon Holding**") and Entsha Proprietary Limited ("**Entsha**") (together, the "**Consortium**"), through NewCo will acquire all the issued ordinary shares in Barloworld, other than those held by Barloworld subsidiaries, the Barloworld Empowerment Foundation Trust, Zahid Tractor & Heavy Machinery Co. Ltd ("**Zahid Tractor**"), Mr Dominic Sewela and the Katlego Le Masego Trust (collectively, the "**Excluded Shareholders**"). The parties submitted that the proposed transaction will be implemented by way of a general offer by NewCo to Barloworld's eligible public shareholders (the making of which is conditional on the occurrence of a Standby Offer Trigger Event) to acquire all the Shares other than the Shares held by the Excluded Shareholders ("**Standby Offer**"), in accordance with sections 117(1)(c)(v) of the Companies Act[1] and Regulation 102 of the Takeover Regulations.[2]

The parties submitted that NewCo is a newly incorporated South African company established for the purpose of the proposed transaction. NewCo does not supply any products or services. It is jointly controlled by Entsha and Falcon Holding.

The parties submitted that Entsha is a newly incorporated South African company that is wholly owned by DKMS Group Proprietary Limited ("**DKMS HoldCo**"), which also is a newly incorporated South African company. DKMS HoldCo, in turn, is wholly owned by the Trust, an *inter vivos* trust established for the benefit of Mr Dominic Sewela and his family. The Trust does not control any other firm. Entsha and DKMS HoldCo were established for the purposes of the proposed transaction and do not supply any products or services within the Common Market.

[1] South African Companies Act, 71 of 2008.

[2] Promulgated in terms of section 120 of the South African Companies Act.

The parties submitted that Falcon Holding is a wholly owned subsidiary of Zahid Tractor. Falcon Holding and Zahid Tractor form part of the Zahid group of companies ("**Zahid group**"). The Zahid group is a multidisciplinary conglomerate headquartered in the Kingdom of Saudi Arabia. The Zahid group operates across 14 sectors throughout the Middle East, Europe, North America and Africa. Globally, the Zahid group is active in various industries, including construction, energy, transport & logistics, hospitality and real estate, among others. Within the construction sub-sector, the Zahid group supplies heavy machinery, including Caterpillar products. Within the Common Market, the Zahid group provides temporary power solutions and energy-related services in Burundi, Kenya and Uganda.

The parties submitted that Barloworld is a publicly listed company incorporated under the laws of South Africa with a primary listing on the Johannesburg Stock Exchange and a secondary listing on the A2X stock exchange. Barloworld is an industrial processing, distribution and services company, which distributes leading international brands and operates through two core divisions: equipment and consumer industries. The equipment division focuses on providing customers with mining, earthmoving and power systems, while the consumer industries division produces and supplies unmodified starch, glucose and related products. The operations of Barloworld in the Common Market pertain to the distribution of Caterpillar construction, mining, industrial equipment and providing temporary power solutions/systems. Within the Common Market, Barloworld operates in the Democratic Republic of Congo, Eswatini, Malawi, Mauritius, Zambia and Zimbabwe.

The Commission will, in accordance with the provisions of the Regulations, determine, among other things, whether the proposed transaction is likely to substantially prevent or lessen competition in the Common Market and whether the proposed transaction 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 parties to the proposed transaction to submit written representations with regard to the subject matter of the proposed inquiry by emailing them to: mdebessay@comesacompetition.org. All written representations should be sent not later than **19 September 2025.**

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. Mengistu Debessay, Principal Analyst, Competition Division** on Tel: +265 (0) 111 772 466 or mdebessay@comesacompetition.org.

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.