COMPETITION & CONSUMER AUTHORITY

Fair Markets, Empowered Consumers.

MERGER DECISION

MERGER DECISION NO 36: 2026

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

DECISION ON THE ASSESSMENT OF THE PROPOSED ACQUISITION BY THUNDERSTRUCK HOLDINGS PROPRIETARY LIMITED OF 100% SHAREHOLDING IN AUGUSTA STEEL PROPRIETARY LIMITED

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 by Thunderstruck Holdings Proprietary Limited ("Thunderstruck Holdings" or "Acquiring Enterprise") of 100% shareholding in Augusta Steel Proprietary Limited ("Augusta Steel" or "Target Enterprise"). Thunderstruck Holdings is appointed to be a nominee of a holding company, Barnes Group Holdings.

Merging Parties

The Acquiring Enterprise, The Acquiring Enterprise is a private company incorporated in accordance with the Laws of South Africa. The Acquiring Enterprise is wholly owned by Barnes Group Holding (Pty) ("Barnes Group Holdings") which is in turn wholly owned by Doron Barnes Holdings (Pty) Ltd ("Doron Barnes Holdings"), both incorporated in South Africa.

On the other hand, the Target Enterprise is also a company incorporated in accordance with the Laws of South Africa. The Target Enterprise is controlled by MyChina (Pty) Ltd ("MyChina") which is in turn controlled by the Bud Group (Pty) Ltd, both incorporated in South Africa.

Relevant Markets

The assessment findings have indicated that Thunderstruck Holdings does not control any other Enterprise. However, save for the Acquiring Enterprise, and for the purposes of the proposed merger transaction, Barnes Group Holdings directly and indirectly

controls, inter alia: Barnes Fencing Industries (Pty) Ltd, Barnes Tubing Industries (Pty) Ltd, Barnes Rebar (Pty) Ltd, and Barnes Reinforcing Industries (Pty) Ltd. The aforementioned entities are all referred to as the Acquiring Group. For completeness, In Botswana, the Acquiring Group through its subsidiaries is active in the supply of steel tubing and to a lesser extend open products. Similarly, the Target Enterprise does not control any other enterprise, and it is a supplier of various steel products derived from flat steel (flat-rolled coil) including steel tubing and open section products into Botswana. Additionally, its sole shareholder, MyChina has a subsidiary in Botswana called Uni-span Botswana (Pty) Ltd.

The analysis of the merger has therefore shown that there is an overlap in the Merging Parties' business activities in Botswana. However, the established overlap is because of the duo deriving turnover/ revenue from Botswana via the supply of similar products into the Botswana market. The assessment also established that there exist other competitors in the market that will offer a competitive pressure on the Merged Enterprise post-merger. Therefore, the Proposed Transaction is not expected to substantially prevent or lessen competition in any market that may be found to exist in Botswana. The proposed merger is expected to have insignificant impact on the competition landscape in the relevant market in Botswana upon its implementation and it does not present any competition or public interest challenges.

Competitive Analysis and Public Interest

It is important to note that the parties to the merger are domiciled in South Africa and therefore only generate revenue from Botswana via exports. However, the merger is not expected to result in acquisition of a dominant position by the merged entity or by any enterprise in the market under consideration or any other market in Botswana. Thus, the implementation of the proposed merger will not result in the Merged Enterprise attaining a 25% market share which is a threshold for dominance.

For clarity, a dominant position in the context of Section 2 of the Competition Act of 2018 refers to a situation in which one or more enterprises possess such economic strength in a market as to allow the enterprise or enterprises to adjust prices or output without effective constraint from competitors or potential competitors. Therefore, the approval of the proposed transaction is not expected to result in the acquisition of such economic strength by the merged entity. In addition, the proposed transaction is not expected to raise public interest concerns as contemplated under section 52 (2) of the Act. The merger contributes positively to public interest through consumer choice via import competition.

Based on the above considerations, the structure of the relevant market will not change upon implementation of the proposed transaction as the markets are indifferent. Therefore, the execution of the proposed merger will not result in a substantial lessening of competition, nor endanger the continuity of service in the market under consideration. Furthermore, the proposed merger will not have significant negative effects on public

interest matters in Botswana as per the provisions of section 52(2) of the Competition Act 2018.

The Determination

The Authority determined through the analysis of the facts of the merger and has pursuant to the provision of section 53 of the Act, decided that the the proposed acquisition by Thunderstruck Holdings Proprietary Limited of 100% shareholding in Augusta Steel Proprietary, be unconditionally approved.

However, as stated under section 61 of the Act, this approval does not 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 9th day of October 2026.

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