

Twiga Cement's parent firm in takeover of Tanga Cement

By Alex Malanga
@ChiefMalanga

amalanga@tz.nationmedia.com

Dar es Salaam. Twiga Cement's parent company is set to extend its market in Tanzania and beyond if regulatory authorities would approve the planned acquisition of Tanga Cement.

Scancem International DA (Scancem), a subsidiary of Heidelberg Cement AG, which owns Twiga Cement said in a joint statement with AfriSam Mauritius Investment Holdings Limited, the owner of Tanga Cement, that they have finalised the terms upon which the former would acquire 68.33 percent of the shareholding of Tanga Cement.

The Sh137.33-billion takeover

is now waiting for regulatory approvals including by the Tanzania Fair Competition Commission (FCC) and the Tanzania Mining Commission (TMC).

"The acquisition price is subject to adjustments related to debt, working capital, other expenses and other potential adjustments post the closing of the acquisition," the companies stated.

The buyout also will need to get the approval by shareholders of Tanga Cement for the acquisition being obtained, by way of special resolution passed at a duly convened extraordinary shareholders' meeting as required in terms of Regulation 9 (5) of the Capital Markets and Securities (substantial acquisitions, takeovers and mergers) Regulations, 2006.

Other conditions include, The Tanzania Revenue Authority (TRA) issuing a tax clearance certificate in relation to acquisition and approval by the Financial Surveillance Department of the South African Reserve Bank.

If all conditions are fulfilled, according to the advert, the acquisition will become unconditional and be implemented, in the second quarter of 2022.

The year the acquisition is expected to be finalised if all regulatory approvals are granted as expected

2022

If that occurs and as required in terms of General Principle 2 of the regulations, Scancem will, after the final acquisition price has been determined, make a general offer to acquire the remaining shares in Tanga Cement (General offer), which is required to be approved by the Capital Markets and Securities Authority (CMSA) of Tanzania.

In order to ensure that all shareholders of Tanga Cement receive an amount equal to the price per share paid by the Scancem to AfriSam pursuant to the acquisition as required by the regulations, the general offer will only be made after the final price payable by Scancem to AfriSam has been determined.

Going by the advert, the parties

were engaging with the regulatory authorities including CMSA, the Dar es Salaam Stock Exchange (DSE), the FCC and the TMC regarding the acquisition.

"Tanga cement shareholders are cautioned that there can be no certainty that all conditions will be fulfilled or waived timeously, and the acquisition implemented and thus no certainty that the general offer will be made," the statement said.

"Shareholders are advised to exercise caution when dealing in their Tanga Cement shares until a further announcement regarding the completion of the acquisition is made," it added.

The chairman of the Tanga Cement's board of directors, Mr Lawrence Masha, confirmed to *The Citizen* about the ongoing move, but was not in a position to comment.

A senior private sector specialist at the World Bank, Mr Gilead Teri, posted on Twitter that the "mega move" is poised to make Twiga Cement the country's largest cement producer by output and capacity.