



competition commission
south africa

Weekly Media Statement

For Immediate Release

19 August 2020

The Competition Commission of South Africa (CCSA) held its ordinary weekly meeting on Tuesday 18 August 2020, to review and take decisions on matters brought before the Commission by members of the public and corporate applicants, in terms of the Competition Act (89 of 1998). These matters include but are not limited to complaints, mergers and acquisitions.

LATEST DECISIONS BY THE COMPETITION COMMISSION

1.1 Equites Property Fund Limited (Equites)/ Retail Logistics (Pty) Ltd (Retail Logistics)

The Commission has recommended that the Tribunal approve the proposed transaction whereby Equites intends to acquire Retail Logistics without conditions.

Equites is a listed Real Estate Investment Trust, which owns and develops logistics properties in South Africa and the United Kingdom for purposes of entering into long-term leases. Within South Africa, Equites owns logistics properties (i.e. distribution centres) and other commercial properties located in the Gauteng, Western Cape, and KwaZulu-Natal provinces.

Retail Logistics is a newly established private company wholly owned by Shoprite, which is in turn wholly owned by Shoprite Holdings Limited. Retail Logistics was incorporated for the purpose of establishing the joint venture between Shoprite and Equites. Retail Logistics will own the Properties (i.e. the Brackenfell Property, Centurion Property and Cilmor Property). The Brackenfell Property and the Cilmor Property are located in Brackenfell, Western Cape Province. The Centurion Property is located in Centurion, Gauteng Province. The Properties comprise of distribution centres and warehouses utilised and occupied by Shoprite. Consequently, the business of Retail Logistics will involve the acquisition, development, ownership, operation and leasing of retail logistics facilities (i.e. distribution centres) only to Shoprite or its affiliates, or to

third party suppliers of Shoprite or its affiliates, as the tenant, and any ancillary business directly related thereto.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.2 Pioneer Metals (Pty) Ltd (Pioneer)/ certain assets owned by Hulamin Extrusions (Pty) Ltd (Target Assets)

The Commission has unconditionally approved the proposed merger whereby Pioneer intends to acquire the Target Assets.

Pioneer is active in the casting of semi-finished (secondary) copper alloy, brass, and bronze products (copper products). The copper products produced by Pioneer are cast in the form of billets, rods, and hollows. They are sold to downstream forging companies to be pressed into finished copper products such as tubing, flat bars, wire, and fittings. Pioneer thus specialises in the manufacture and exportation of semi-finished copper products to countries around the world, focussing particularly on China and Europe.

Hulamin specialises in the manufacture of semi-fabricated aluminium products. It supplies rolled and extruded aluminium to a variety of downstream manufacturers operating in various markets including the automotive, building, electrical, general engineering, packaging, renewable energy, and transport markets.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.3 Bismarck Irrigation and Development (Pty) Ltd (Bismarck)/ Piet Esterhuyse Boerdery (Esterhuyse Boerdery)

The Commission has unconditionally approved the proposed merger whereby Bismarck intends to acquire Esterhuyse Boerdery.

Bismarck is a special purpose vehicle which has been incorporated for purposes of the proposed transaction. Bismarck is jointly controlled by Zet-Zet-Twee Bestuursmaatskappy (Pty) Ltd (ZZ2) and Mahela Boerdery (Pty) Ltd (Mahela). The ZZ2 Group of companies are involved in the farming and sale of agricultural products including tomatoes, avocados, blueberries, onions, apples, pears, stone fruit, nursery fruit trees, almonds, cherries, dates, and cattle. Mahela is involved in the farming and sale of citrus products (namely lemons, valencias, grapefruit, naartjies, clementines and tango mandarins), avocados, bananas, litchis, kiwis and macadamias.

Esterhuyse Boerdery is active in the market for the farming and supply of sweetcorn for the fresh produce market, cotton to cotton gins and wheat. Esterhuyse Boerdery was also active in the market for the production of factory tomatoes for canning until 2019 when it stopped farming factory tomatoes.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.4 Rainbow UK Bidco Limited (Rainbow)/ The professional and Retail Hair Business of Coty International (The Target Businesses)

The Commission has unconditionally approved the proposed merger whereby Rainbow intends to acquire the Target Businesses.

Rainbow is a private limited liability company incorporated in accordance with the laws of England & Wales. Rainbow is owned by investment funds and separately managed accounts advised

and/or managed by affiliates of KKR & Co. Inc. (together with its affiliates KKR). Rainbow does not supply any products or services in or into South Africa. KKR is a global investment firm, which offers a broad range of alternative asset funds and other investment products to investors and provides capital markets solutions for the firm, its portfolio companies and other clients. KKR's affiliated private equity funds invest in companies in a variety of sectors. KKR either directly or indirectly controls various portfolio companies that have subsidiaries in South Africa.

The Target Businesses develop, market, manufacture and distribute professional and retail hair products and nail products. The Target Businesses sell their products internationally using various distribution models, including through salons, retailers, wholesalers, full service third-party distributors, e-commerce and group affiliates.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.5 Minopex Mining Operations (Pty) Ltd (Minopex)/ UMM Contracting Services (Pty) Ltd (UMM)

The Commission has unconditionally approved the proposed merger whereby Minopex intends to acquire UMM.

Minopex is controlled by Minerals Operations Executive (Pty) Ltd (Mineral Operations Executive) which is in turn controlled by DRA South Africa Limited (DRA South Africa). The DRA Group is a multinational consulting engineering services and engineering procurement and construction management business that provides technical, project and operational support services to particular customer segments such as mining, infrastructure, mineral processing plant design and construction. The DRA Group's activities can be divided into two main categories, that include engineering and project management services.

UMM is a provider of underground contract mining activities within South Africa and its activities can be split into two main units. Firstly, on-site assistance or mine planning, which includes the provision of drill and blast engineers and planning, due diligence and reviews as well as reserving sign-offs for SAMREC (the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves), JORC (the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves) and Ni.43-101 (Standards of Disclosure for Mineral Projects).

Secondly, underground contract mining in terms of which UMM provides mechanised underground mining services. As part of its service offering UMM provides decline and lateral development, as well as secondary support to its clients. UMM provides underground construction services relating to crushers, conveyors, workshops, dams etc. and provides long hole mining turn-key solutions which includes rig designs, long hole drilling, charging, blasting and production loading.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.6 Perele Investments (Pty) Ltd (Perele Investments) / Steinhoff Properties (Pty) Ltd (Steinhoff Properties), JD Group Property Holdings (Pty) Ltd (JD Group), and Lurand (Pty) Ltd (Lurand Investments) in respect of a portfolio of properties (the “Target Properties”)

The Commission has unconditionally approved the proposed merger whereby Perele Investments intends to acquire the Target Properties from Steinhoff Properties, JD Group and Lurand Investments.

Perele Group is involved in property investment and development activities pertaining to retail, office, light industrial and residential property across South Africa.

The Target Properties are comprised of four light industrial properties letting enterprises and a vacant piece of land situated in various provinces of South Africa.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.7 Cavaleros Group Holdings (Pty) Ltd (CGH)/ Penalten Investments (Pty) Ltd (Penalten)

The Commission has unconditionally approved the proposed merger whereby CGH intends to acquire Penalten.

CGH is a property holding and investment company that owns a diversified portfolio of immovable properties such as agricultural land, office space, hotels and a warehouse in the Gauteng province.

Penalten holds diverse investments in immovable rental enterprise properties such office space, a warehouse, hotel and retail centres in Gauteng, KwaZulu-Natal and Western Cape provinces.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.8 TAH Properties (Pty) Ltd (TAH Properties)/ The property letting enterprise known as Tetford Circle (Target Property) owned by Redefine Properties Limited (Redefine)

The Commission has unconditionally approved the proposed merger whereby TAH Properties intends to acquire the Target Property from Redefine.

TAH Properties provides furnished and serviced office space. The entities conduct business in betting (horse racing, sports and gaming), administration and management services, training services, learnerships, internships, outsourced procurement, distribution and fleet management services, publishing and printing.

The Target Property is situated at 6 Tetford Circle, La Lucia, Umhlanga, Kwa-Zulu Natal. The Target Property is a rentable light industrial property comprising rentable grade A office space and warehouse space including storage.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.9 Jabula Sisonke Investments (Pty) Ltd (JSI) and Rutendo Investment Holdings (Pty) Ltd (“Rutendo”) / Jabula Plant Hire (Pty) Ltd (Jabula Hire)

The Commission has unconditionally approved the proposed merger whereby JSI and Rutendo intend to acquire Jabula Hire.

JSI and Rutendo are investment holding firms whose activities include, treasury and consulting services, property development and game farming as well as holding a non-controlling share in Jabula Hire.

Jabula Hire is involved in providing load haulage transportation to the coal, platinum, manganese, and chrome sectors as well as open cast mining on a contract basis.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

2 Non-Referrals: The Commission has taken a decision to non-refer (not to prosecute) the following cases:

2.1 Chanaaz Blauw v Johnny Rockett/ Rockett Industries

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.2 Lerato Thekiso v Pick n Pay, Birch Acres Mall

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.3 Godfrey Martin v Mercedes-Benz South Africa, Bedfordview Dealership Johannesburg

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.4 V Reddy v MTN and/or their Agent: Rewardsco

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.5 Marble Mokhele v Westbank (CHM Finance)

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.6 Anonymous v Errol Juan, Brenda Juan directors of Revive Herbal Health Franchises

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.7 Lekobakoba Construction and Projects v Johannesburg Property Company (JPC)

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.8 Wandile Sibeko v Hollard Insurance

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.9 Drummond Hammond Bosveld Diesel v Danie of Bafana Mok Diesel Wholesaler

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.10 Kasimira Trading 59 (Pty) Ltd v Pick 'n Pay Retailers (Pty) Ltd

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.11 Anonymous v Bauen Contracts (Pty) Ltd

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.12 Ntshekisang Gladwin Ditibane v Olivetti Connect

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.13 Naseng Maleka v Tourvest Group, Flight Centre South Africa, Thompsons Travel Group, Tsogo Sun, Sun International, African Travel Concept, Cullinan Holdings, Club Leisure Group, EuropCar, Hertz-Rent-A-Car, Rennies BCD Travel and Avis South Africa

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.14 Edith Salamina Kgatla v Constantia Metering Pretoria

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.15 Andrew Backstrom - Get Stoked Distributions (Pty) Ltd v Brandon Els - Rush Sports

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.16 Nora Barnard v SAAHSP, PCASA and SPCP

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.17 Zacharias Andreas Van Niekerk v MIA Telecomms (Pty) Ltd

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.18 Michael Buthelezi v banking industry and other financial institutions

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.19 Vuyani Dlayiya v Constantia Metering Pretoria

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.20 Anonymous v Tiger Brands (Pty) Ltd

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.21 Mr Lister Alexander v JT Group Developments (Pty) Ltd

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.22 Mnr and Mev C. J. Botha v Mev G Marias (Matrone)

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.23 Ishmael Lebipi v GlaxoSmithKline

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.24 Douglas Donovan Prins v Xinergistix Transport

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

Members of the public can now lodge their complaints by SMS @084 743 0000

[ENDS]

Issued by:

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