



competition commission
south africa

Media Statement

For Immediate Release

04 August 2022

STATEMENT ON THE LATEST DECISIONS BY THE COMPETITION COMMISSION

The Competition Commission of South Africa (CCSA) held its ordinary meeting on Tuesday 02 August 2022, 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) as amended. These matters include but are not limited to complaints, mergers, and acquisitions.

1. MERGERS AND ACQUISITIONS

1.1 Alexander Forbes Financial Services (Pty) Ltd (“AF Financial Services”)/ Sanlam Life Insurance Limited (“Sanlam Life”)

The Commission has recommended that the Competition Tribunal approve the proposed transaction whereby AF Financial Services intends to acquire 44 standalone Retirement Fund Administration (“RFA”) from Sanlam Life, with conditions.

The primary acquiring firm is AF Financial Services. AF Financial Services is controlled by Alexander Forbes Limited (“AF”), which, in turn, is indirectly controlled by Alexander Forbes Group Holdings Limited (AF Group). AF Financial Services and all the firms, directly and indirectly, controlling it will hereinafter be collectively referred to as the AF Group.

The AF Group provides a broad range of services which include retirement funds and asset consulting, actuarial, investment and administration services, employee risk benefits and healthcare consulting, personal lines insurance, individual financial advisory, and multi-manager investment solutions. The AF Group serves both the private and public sectors on the institutional side, as well as individual customers.

Relevant to the proposed transaction is the standalone RFA services offered by the AF Group.

The primary target firm is a portion of the Administration Business of Sanlam Life (“Target Administration Business”). The Target Administration Business and all the firms, directly and indirectly, controlling it will hereinafter collectively be referred to as the Sanlam Group.

The Sanlam Group conducts operations through four business clusters, which are insurance (life and general), financial planning, retirement, investment, and wealth management. Relevant to the proposed transaction is the standalone Retirement Fund Administration services offered by the Target Administration Business, a business unit of Sanlam Life.

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 found that the proposed transaction might result in employment concerns. To remedy these concerns, the Commission has recommended a condition that the merging parties will not effect any merger-specific retrenchments of employees as a result of the merger for a 2-year period following the implementation of the merger.

The Commission further found that the proposed transaction does not raise any other public interest concerns.

1.2 Redefine Properties Limited (“Redefine”)/ Setso Property Fund (Pty) Ltd (“Setso Property Fund”)

The Commission has recommended that the Competition Tribunal approve the proposed transaction whereby Redefine intends to acquire a 33.33% undivided share in Hertford Office Park (“Target Property”) from Setso Property Fund, without conditions.

The primary acquiring firm is Redefine. Redefine is a Real Estate Investment Trust (“REIT”) and is not controlled by any single shareholder. Redefine has several subsidiaries in South Africa. Redefine and its subsidiaries are collectively referred to as the “Acquiring Group”.

The Acquiring Group is a property investment holding company that holds a property portfolio consisting of rentable office, retail, residential and industrial space situated throughout South Africa. The Acquiring Group operates as a landlord of the properties that it owns and lets the properties to its tenants.

The Target Property is jointly controlled by Setso Property Fund, Tadvest Commercial (Pty) Ltd, and Sable Place Properties 106 (Pty) Ltd. The Target Property is an office property situated at 90 Bekker Road, Vorna Valley, Midrand, Gauteng, comprising 51,840.43m² of rentable grade P office space.

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 substantial public interest concerns.

1.3 Strategic Fuel Fund Association NPC (“SFF”)/ Avedia Energy Proprietary Limited (in business rescue) (“Avedia Energy”)

The Commission has recommended that the Competition Tribunal approve the proposed transaction whereby SFF intends on subscribing for shares in Avedia Energy (in business rescue), with conditions.

The proposed transaction arises from a business rescue plan following the application by a creditor to place Avedia Energy into business rescue proceedings.

The primary acquiring firm is SFF, a wholly owned subsidiary of the Central Energy Fund SOC Limited (“CEF”). CEF reports to the Department of Mineral Resources and Energy, and all of the shares in the CEF are held by the state. In addition to SFF, CEF controls numerous other entities mainly involved in the energy industries. CEF and SFF and all the firms that they control are collectively referred to as the Acquiring Group.

The primary target firm is Avedia Energy, a private company incorporated in South Africa.

The Commission found that the proposed transaction is likely to result in certain concerns relating to open access. In order to address these concerns, the Commission recommended that the proposed transaction be approved subject to the conditions that the merging parties shall operate SFF’s LPG Import Terminal Facility and LPG Storage Facility on an open access basis in accordance with its operating license conditions, the relevant provisions of, and regulations issued in terms of the Petroleum Pipelines Act. This is to enable third parties to have access on commercially reasonable terms to uncommitted capacity in the LPG Storage Facility and LPG Import Terminal Facility (when it becomes operational). The merger parties are further required to, publish on Avedia Energy’s website their uncommitted capacity whenever it is available and its allocation mechanism for uncommitted capacity and keep a copy at the storage facility to enable potential customers to understand the procedure for obtaining access.

The Commission further found that the proposed transaction does not raise any public interest concerns.

1.4 Lougot Property Investments (Pty) Ltd (Lougot)/ Autobahn Properties (Pty) Ltd (Autobahn)

The Commission has approved the proposed transaction whereby Lougot intends to acquire the property and rental enterprise that is currently being conducted as a going concern in respect of immovable property located at Erf 116 Eveready Road, Struandale, New Brighton, Gqeberha, Eastern Cape (Target Property) from Autobahn Properties (Pty) Ltd (Autobahn), without conditions.

The primary acquiring firm is Lougot. Lougot is controlled by The BRSALO Trust. Lougot owns various residential, industrial, and commercial/office properties in South Africa and also provides a comprehensive range of tailored logistical solutions throughout Southern Africa.

Of relevance to the proposed transaction is Lougot's industrial properties in Gqeberha, Eastern Cape Province.

The Target Property is a light industrial property located in Eveready Road, Struandale, New Brighton, Gqeberha, Eastern Cape with a GLA of 56 412m².

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 Pick n Pay Retailers (Pty) Ltd ("PnP Retailers")/ Pick n Pay Primrose Family Store ("PnP Primrose")

The Commission has approved the proposed transaction whereby PnP Retailers acquired PnP Primrose, without conditions.

The primary acquiring firm, PnP Retailers is controlled by Pick n Pay Stores Ltd ("Pick n Pay"). Through PnP Retailers, PnP controls and operates retail stores in South Africa and further in 6 (six) Southern African countries (Botswana, Lesotho, Namibia, Swaziland, Zambia, and Zimbabwe). In South Africa, PnP controls mainly "Pick n Pay" and "Boxer" branded retail outlets, available in multi-format businesses including fast-moving consumer goods ("FMCG"), clothing, alcoholic beverages, pharmaceuticals, etc.

Pick n Pay is a multi-format, multi-channel retailer which operates stores in a variety of formats ranging from large hypermarkets to smaller convenience stores. PnP retail stores are operated either as corporate-owned or franchise stores. PnP retail store formats include Pick n Pay Hypermarkets, Pick n Pay Supermarkets, Pick n Pay Express, Pick n Pay Liquor, Pick n Pay Clothing and Pick n Pay Liquor.

The primary target firm, PnP Primrose, is currently owned and operated by Lensmike (Pty) Ltd ("Lensmike"). The Target Firm operates in line with a broader Pick n Pay Group's offering and is characterised and branded as Pick n Pay Supermarket, Pick n Pay Clothing, and Pick n Pay Liquor.

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 Genesis Properties Strijdom Proprietary Limited ("Genesis")/ Redefine Properties Ltd ("Redefine") in respect of Strydom Industrial Park ("Target Property")

The Commission has approved the proposed transaction whereby Genesis acquired Strydom Industrial Park from Redefine, without conditions.

The primary acquiring firm is Genesis, a private company incorporated in South Africa.

The primary target firm is Redefine in respect of Target Property. The Target Property is owned and controlled by Redefine.

Redefine is a property loan stock company that operates in a diverse range of properties including office, retail, residential and industrial space situated throughout South Africa. Redefine controls several companies in South Africa.

The Target Property is a light industrial property situated at the corner of Hammer and Langwa Roads, Strydompark, Gauteng.

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 Rex Trueform Group Limited (“Rex”)/ Belper Investments Proprietary Limited (“Belper”)

The Commission has approved the proposed transaction whereby Rex acquired 51% share capital in Belper, without conditions.

Rex is the primary acquiring firm, which is a public company incorporated in South Africa and listed on the JSE Limited.

Rex has a diverse range of business interests which include the retailing of clothing and related accessories, property development, and an interest in the water infrastructure sector.

Belper is the primary target firm, which is a private company incorporated in South Africa.

Belper is a newly established property investment company and has a property portfolio of six properties located in the Western Cape province. The target properties consist of 5 (five) light industrial properties namely, Epping 1, Epping 2, Epping 5, Epping 6 and Moorsom.

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 K2022330998 (South Africa) Proprietary Limited (“Proposed Transaction”)/ Eptosat Proprietary Limited (“Eptosat”)

The Commission has approved the proposed transaction whereby Pallidus Alternative Investments Proprietary Limited (“PAI”) acquired a majority shareholding in Eptosat through a wholly owned special purpose vehicle, K2022330998 (South Africa) Proprietary Limited (“Proposed Transaction”), without conditions.

The primary acquiring firm is K2022330998 (South Africa) Proprietary Limited (“K2022330998 or the Acquiring Firm”). The Acquiring Firm is a newly incorporated special purpose vehicle that is wholly owned by a newly incorporated special purpose vehicle, PAI.

PAI is a newly incorporated investment vehicle established by Pallidus to invest in a variety of investment opportunities. PAI forms part of the Pallidus Group which is an independent corporate finance advisory, investment banking, and investment management firm based in South Africa.

The primary target firm is Eptosat, a private company incorporated in South Africa.

Eptosat is a newly incorporated entity and forms part of the Moolman Group. The Moolman Group controls a diversified property portfolio, both directly and indirectly through its subsidiaries, that comprises retail, office, and industrial properties located throughout 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.

1.9 Chemrite Equipment System Proprietary Limited (“Chemrite”)/ AMT (“AMT”)

The Commission has approved the proposed transaction whereby Chemrite acquired AMT, without conditions.

Chemrite is a wholly owned subsidiary of StonCor Group Holdings Proprietary Limited (“StonCor Holdings”). Chemrite is ultimately controlled by RPM International Inc. RPM (including all the firms it directly or indirectly controls) is collectively referred to as the Acquiring Group.

The Acquiring Group manufactures, markets, and sells various specialty chemical product lines, including high-quality specialty paints, infrastructure rehabilitation and repair products, protective coatings, roofing systems, sealants, and adhesives, all of which focus on the maintenance and improvement needs of the industrial, specialty and consumer markets. In South Africa, the Acquiring Group operates through StonCor Holdings and its subsidiaries. Of relevance to the proposed transaction is the fact that StonCor Holdings sells epoxy resin products.

The primary target firms are substantially all of the assets used in the operation of the business of AMT comprising the assets of Advanced Materials Technology Proprietary Limited and those of affiliated companies being AMT Composites Proprietary Limited, Advanced Materials Technology Properties Proprietary Limited, and GAIA Composites Proprietary Limited.

AMT sells a wide array of products, including adhesives, advanced thermosetting polymers, polyurethane moulding and casting compounds, woven fabrics, and core materials. These products are sold into several end-markets (i.e., marine, aerospace, manufacturing, mass transportation, rail, architectural,

water/wastewater, and mould-making) to several types of customers, including commercial, industrial, and hobbyists. The products that are sold include Epoxy resins, advanced thermosetting polymers, room temperature vulcanizing silicone, polyurethane moulding and casting compounds, and their ancillary products, such as pigments and fillers, and woven fabrics made of E-Glass, Kevlar, and carbon.

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.

1.10 Urusbid Restricted Limited (“Urusbid”)/ Unifruitti Investments Limited (“Unifruitti Investments”)

The Commission has approved the proposed transaction whereby Urusbid acquired 70% of Unifruitti Investments, without conditions.

The primary acquiring firm is Urusbid, a company established under the laws of the Abu Dhabi Global Market. Urusbid is ultimately controlled by Abu Dhabi Development Holding Company PJSC (“ADQ”), a company incorporated by the laws of the United Arab Emirates (“UAE”). ADQ is wholly owned and controlled by the Government of Abu Dhabi.

Urusbid is a special purpose vehicle established for the sole purpose of entering into the proposed transaction and, as such, it does not control any firms in South Africa. ADQ controls 12 (twelve) firms in South Africa. Urusbid, and ADQ, together with all firms they control shall collectively be referred to as the Acquiring Group.

ADQ is a holding company with investments across several sectors in Abu Dhabi's economy, including food and agriculture, aviation, financial services, healthcare, industries, logistics, media, real estate, tourism and hospitality, transport, and utilities.

The primary target firm is Unifruitti Investments. In South Africa, Unifruitti Investments operates various packing and farming operations located in the Eastern Cape, Limpopo, and the Western Cape, at which it farms and packages various citrus fruit and table grapes. Unifruitti Investments sources and trades stone fruit and pears, and exports citrus, deciduous and sub-tropical fruit to the global market.

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.

1.11 Pick n Pay Retailers (Pty) Ltd/ Lerou Consulting Services (Pty) Ltd

The Commission has approved the proposed transaction whereby Pick n Pay Retailers (Pty) Ltd acquired Pick n Pay Hazyview, without conditions.

Post-merger, the grocery and liquor retail business of Pick n Pay Hazyview will continue to trade as Pick n Pay branded supermarket and liquor store, however, it will no longer be an independently owned franchise as it will form part of the Pick n Pay Stores Ltd (“Pick n Pay”) corporate group.

The primary acquiring firm, Pick n Pay Retailers, is a wholly owned subsidiary of Pick n Pay. Pick n Pay Retailers controls other entities in South Africa which include Score Supermarkets Operating Ltd, Pick n Pay Pharmaceutical Wholesalers (Pty) Ltd, to name a few. Pick n Pay Retailers and all the firms that directly and indirectly control it, as well as all the firms that it, directly and indirectly, controls are collectively referred as the Acquiring Group or the Pick n Pay Group.

The primary target firm is Pick n Pay Hazyview, a private company incorporated in South Africa.

Pick n Pay Hazyview conducts its business as a franchise Pick n Pay supermarket and liquor store located at Twin City Blue Haze Shopping Centre, Hazyview.

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 substantial public interest concerns.

1.12 SMS Mining Holdings (Pty) Ltd (“SMS Holdings”)/ ARC Fledge Fund/ PBR Logistics (Pty) Ltd (“PBR Logistics”)/ EC Blaauw Transport (Pty) Ltd (“EC Blaauw Transport”)

The Commission has approved the proposed transaction whereby SMS Holdings acquired PBR Logistics and EC Blaauw Transport, without conditions. As part of the proposed transaction, ARC Fledge Fund intends to acquire shares in SMS Holdings.

The primary acquiring firms are SMS Holdings and ARC Fledge Fund. SMS Holdings is controlled by Silver Dandelion Investments (Pty) Ltd (“Silver Dandelion”). ARC Fledge Fund is a special purpose vehicle established for the proposed merger. ARC Fledge Fund is 100% controlled by ARC SMS (Pty) Ltd (“ARC SMS”). Silver Dandelion, SMS Holdings, ARC SMS, and ARC Fledge Fund and the firms that they control shall be referred to as the Acquiring Group.

The Acquiring Group is active within the mining value chain. In particular, the Acquiring Group is active in providing ancillary mining services to mining houses. The Acquiring Group through its subsidiaries is involved in the following activities:

- Above-ground mining services: These services comprise of (i) the movement of ore; (ii) transport of tailings (iii) primary and secondary mining development; (iv) portal development and support; (v) silo rehabilitation, (iii) underground construction; (iv) open cast mining and (v) grout treatment.
- Underground mining services: The underground services comprise of (i) material handling; (ii) ore movement; (iii) and (iv) the transportation of tailings.

The primary target firms are EC Blaauw Transport and PBR Logistics. EC Blaauw Transport is 100% controlled by Silver Dandelion, part of the Acquiring Group in the instant transaction. EC Blaauw Transport and PBR Logistics shall be referred to as the Target Firms.

The Target Firms are active within the mining value chain and provide above-ground mining services which include (i) the movement of ore; (ii) transportation of tailings, and (iii) leasing of mining machinery.

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 substantial public interest concerns.

1.13 Raps Stores (Pty) Ltd (“Raps”)/ Westend SuperSpar and Westend Tops (“Target Firms”)

The Commission has approved the proposed transaction whereby Raps acquired the Target Firms, without conditions.

The primary acquiring firm is Raps, a private company incorporated in South Africa. All firms directly and indirectly controlled by Raps are collectively referred to as Acquiring Group.

The Acquiring Group is active in the operation of grocery and liquor retail businesses and owns certain Spar grocery and Spar Tops liquor retail businesses which are situated in Mpumalanga.

The primary Target Firms are the businesses comprising of the Westend SuperSpar and Westend Tops.

The Target Firms comprise one Spar grocery, food, and general merchandise store and one Spar Tops liquor store located in Mpumalanga.

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 substantial public interest concerns.

2. COMPLAINTS (NON-REFERRALS)

2.1 Stephen Quaye on behalf of Marlisa Quaye v Alex Hofmeyr, Phocos AG and Dewald du Plessis, Unlimitit

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

2.1 Sushilla Ramballi v Hollard Insurance, Pretor Body Corporate of Brookdale Suppliers of Services (Garden and Maintenance)

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/WhatsApp @084 743 0000

[ENDS]

Issued by:

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