



competition commission
south africa

Media Statement

For Immediate Release

09 December 2022

STATEMENT ON THE LATEST DECISIONS BY THE COMPETITION COMMISSION

The Competition Commission of South Africa (CCSA) held its ordinary meeting on Wednesday, 07 December 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 Old Mutual Life Assurance Company (South Africa) Limited (“OMLACSA”)/ Safe Farm Ventures (Pty) Ltd (“Safe Farm”)/ Safe Farm held by K2013162622 (South Africa) (Pty) Ltd (“SA Holdco”)

The Commission has recommended that the Tribunal approve the proposed transaction whereby OMLACSA intends to acquire the remaining shares in Safe Farm, without conditions.

The primary acquiring firm is OMLACSA. OMLACSA is wholly owned by Old Mutual Emerging Markets Proprietary Limited (“OMEM”). OMEM is in turn wholly owned by Old Mutual Group Holdings (SA) Limited (“OMSA”), which is in turn wholly owned by Old Mutual Limited (“OM”). OMLACSA controls 50% of Safe Farm (current Target Firm). OMLACSA and all the firms, directly and indirectly, will hereinafter collectively be referred to as the “Acquiring Group”.

The Acquiring Group is an international long-term savings, insurance, banking and investment group, offering a range of financial products and services. For purposes of the proposed transaction, the relevant subsidiary or associate companies are OMLACSA, Futuregrowth and Fruitone. One of the funds in the portfolio of funds managed by Futuregrowth is the Futuregrowth Agri-Fund (“Agri-Fund”), which specialises in the investment of agricultural land, biological assets, agriculture infrastructure and other farming-related implements. The Agri-Fund owns seven citrus farms in various provinces through Agri-Fund 1, Agri-Fund 2 and Safe Farm.

The primary target firm is Safe Farm. Safe Farm is jointly controlled by SA Holdco and OMLACSA. SA Holdco is controlled by Bluestone Investments Limited (Mauritius) ("Bluestone"), a company incorporated by the laws of the Republic of Mauritius. Safe Farm currently owns and leases farms which produce citrus (lemons, oranges, and grapefruit) and grapes in South Africa. The grapes and citrus fruit harvested on the farms owned by Safe Farm are predominantly supplied to the export 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 substantial public interest concerns.

1.2 CFAO Motors South Africa (Pty) Ltd ("CFAO Motors")/ Buddingtrade RF (87) (Pty) Ltd ("Buddingtrade")/ Continental Cars ("Continental Cars")

The Commission has recommended that the Tribunal approve the proposed transaction whereby CFAO Motors intends to acquire Buddingtrade in respect of its motor dealership trading as Continental Cars, without conditions.

The primary acquiring firm is CFAO Motors. CFAO Motors is jointly controlled by CFAO South Africa Group ("CFAO RSA") and Kapela Holdings ("Kapela"). CFAO RSA is in turn a wholly-owned subsidiary of CFAO SAS ("CFAO SAS"), which is, in turn, a wholly-owned subsidiary of Toyota Tsusho Corporation Africa Division ("TTC Africa"). TTC Africa is ultimately a wholly owned subsidiary of the TTC Group (the "TTC Group"), a company publicly listed on the Tokyo Stock Exchange, under the laws of Japan.

The Acquiring Group operates one of the largest automotive dealer networks in South Africa and its key product and service offerings are the sale of new and used vehicles, parts and accessories and after-market services. In addition, the dealerships facilitate credit facilities and insurance products. Relevant to assessing the proposed transaction, the Acquiring Group operates four motor vehicle dealerships in Gqeberha, Eastern Cape, including Haval Port Elizabeth, Isuzu Truck Centre Port Elizabeth, Algoa Toyota Port Elizabeth and Algoa Toyota.

The primary target firm is Continental Cars, a motor vehicle dealership which will henceforth be referred to as the "Target Dealership".

The Target Dealership operates a BMW motor dealership in Greenacres in Gqeberha. The Target Dealership is active in the sale of new BMW-branded passenger vehicles and used vehicles and is the only BMW dealership franchise operating within Gqeberha. The Target Firm further operates an after-market scheduled maintenance service and parts sale department and acts as an intermediary towards access to financial services related to the purchase of vehicles.

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 Telesure Investment Holdings (“TIH”)/ Renasa Holdings (Pty) Ltd (“Renasa”), Concourse Holdings (Pty) Ltd (“Concourse”), Summit Risk Holdings (Pty) Ltd (“Summit”) (collectively, the “Target Firms”)

The Commission has recommended that the Tribunal approve the proposed transaction whereby TIH intends to acquire the Target Firms, with conditions.

The primary acquiring firm is TIH, which is ultimately controlled by BHL Holdings Limited (“BHL”), a company incorporated by the laws of Guernsey.

TIH is the holding company for several financial services companies. Its portfolio includes a life insurance company, four non-life insurers, a financial services intermediary, an investment administrator, as well as a price comparison platform. Globally, TIH's parent company (BHL) provides insurance cover and price comparison services to approximately 11 million customers in eight countries, operating in a federal structure with its main centres of operation in London, Brisbane and Johannesburg.

The primary target firms are Renasa; Concourse; and Summit.

Renasa is a licenced non-life insurer operating in various non-life licence categories. Concourse (and its subsidiaries) is a diversified group of companies which provides certain claims settlement services, information technology systems necessary to administer insurance policies and claims processes for Renasa and its intermediaries. It also provides these services to various other insurers and their intermediaries in the intermediated segment of the South African non-life insurance market. Summit is an investment holding company with mainly minority interests in various underwriting management agencies, and brokerage firms, including non-life brokers and a reinsurance broker.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets.

To address certain public interest concerns, the TIH Group has agreed to establish an education initiative for historically disadvantaged persons (HDP Education Initiative) to provide tertiary education funding over a three-year period for historically disadvantaged learners (HDLs) who plan to or are already enrolled in tertiary institutions. Funding will be available for HDLs in the field of actuarial sciences, or HDLs pursuing a Bachelor of Commerce or Bachelor of Laws. Funding will be utilised for registration and tuition fees, student accommodation (at the relevant residences, or where possible and appropriate, at other third-party residences), study materials, a food and personal care allowance, and where applicable, transport allowance. Further, on successful completion of their studies, and subject to any terms, conditions and criteria determined by TIH, TIH shall endeavour to provide internships for HDLs funded through the HDP Education Initiative.

1.4 Famous Brands Limited (“Famous Brands”)/ Steers Properties Proprietary Limited (“Steers”)/ Halamandaris Props Proprietary Limited (“Halamandaris”)

The Commission has approved the proposed transaction whereby Famous Brands intends to acquire Steers and Halamandaris, without conditions.

Famous Brands is a quick service and casual dining restaurant franchisor that operates well-known franchise brands such as Steers, Wimpy, Debonairs Pizza and Mugg & Bean in South Africa, the rest of Africa and the Middle East.

The primary target firms are Steers and Halamandaris which are property holding companies that are ultimately controlled by the Halamandaris family.

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 Real Foods Investments Proprietary Limited (“RF Investments”)/ Highveld Honey Farms Proprietary Limited (“Highveld Honey”)

The Commission has approved the proposed transaction whereby RF Investments intends to acquire the remaining shares of Highveld Honey, with conditions.

RF Investments and the firms that control it, all firms controlled by those firms and all firms controlled by RF Investments are collectively referred to as the “Acquiring Group”.

The Acquiring Group provides health and wellness foods in South Africa. Of relevance to this merger is the Acquiring Group’s activities as a supplier of locally produced and imported honey and related products in South Africa. These products are supplied to a variety of customers such as national retail grocery chains, pharmacy chains and wholesalers.

The primary target firm is Highveld Honey. Pre-merger, Highveld Honey is jointly controlled by the Acquiring Group.

Highveld Honey is a honey producer. It distributes a broad range of South African honey products as well as imported honey to wholesale and retail markets.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets.

To remedy public interest concerns about the greater spread of ownership, RF Investments has agreed to sell a percentage of Highveld Honey to one or more historically disadvantaged persons post-merger. The merger does not raise any other public interest concerns.

1.6 Parkdene Junction Proprietary Limited (“Parkdene Junction)/ Parkdene Palms Shoprite Checkers Hyperama (“Target Property”)

The Commission has approved the proposed transaction whereby Parkdene Junction intends to acquire the Target Property, without conditions.

The primary acquiring firm is Parkdene Junction. Parkdene Junction does not control any firms. Parkdene Junction is controlled by Ellerine Group Proprietary Limited ("Ellerine"). Parkdene Junction, and all the firms controlling it, are collectively referred to as the “Acquiring Group”.

The Acquiring Group has investments in office, retail and commercial properties in the Western Cape and Gauteng Provinces.

The primary target firm is the Target Property. The Target Property is owned by Parkdene Palms Proprietary Limited ("Parkdene Company").

The Target Property is a community shopping centre.

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 Old Mutual Life Assurance Company (South Africa) Limited ("OMLACSA")/ South African College of Applied Psychology Proprietary Limited ("SACAP")

The Commission has approved the proposed transaction whereby OMLACSA intends to acquire shares in SACAP, without conditions.

The primary acquiring firm is OMLACSA. OMLACSA is represented by its duly authorised agent, Futuregrowth Asset Management Proprietary Limited (“Futuregrowth”). OMLACSA is wholly owned by Old Mutual Emerging Markets Proprietary Limited ("Old Mutual Emerging Markets"). OMLACSA, Futuregrowth, their controllers, and all firms controlled by them are collectively referred to as the "Acquiring Group”.

Relevant to the proposed transaction are the Acquiring Group’s activities relating to investments in higher/ tertiary education. In this regard, the Acquiring Group manages education impact funds. The Acquiring Group is invested in the broader education sector through the Schools and Education Investment Impact Fund of South Africa (“SEIIFSA”). Although SEIIFSA is predominantly invested in the private schools market, it currently holds one investment in the higher/ tertiary education market, namely in a Teacher Training College, Two Oceans Graduate Institute (“TOGI”). The primary focus of TOGI is to train teachers for public and private primary and secondary schools.

The primary target firm is SACAP. SACAP is currently controlled by a natural person. SACAP wholly owns Voraway Proprietary Limited, a private company incorporated in South Africa.

SACAP is a private company involved in the education sector, particularly in the market for the provision of higher/tertiary education and provides a range of accredited applied psychology courses and qualifications in (i) Psychology, (ii) Counselling, (iii) Human Resource Management, (iv) Business Management and (v) Social Work. SACAP has campuses in (i) Cape Town, (ii) Durban, (iii) Johannesburg, and (iv) Pretoria. It also offers online courses.

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 Aramco Overseas Company B.V. (“Aramco”)/ VGP Holdings LLC (“VGP”)

The Commission has approved the proposed transaction whereby Aramco intends to acquire VGP, without conditions.

The primary acquiring firm is Aramco, a private limited liability company incorporated under the laws of the Kingdom of the Netherlands. Aramco is a wholly owned subsidiary of Saudi Arabian Oil Company (“Saudi Aramco”), a joint stock company established by Royal Decree of the Kingdom of Saudi Arabia. The Government of Saudi Arabia is the largest shareholder in Saudi Aramco. In South Africa, Saudi Aramco only controls SABIC South Africa Proprietary Limited (“SABIC South Africa”), a private company incorporated under the laws of the Republic of South Africa.

Saudi Aramco is primarily engaged in the prospecting, exploring, drilling, and extracting of hydrocarbon substances and the processing, manufacturing, refining, and marketing of these substances. In South Africa, Saudi Aramco is primarily active in the supply of crude oil and, to a more limited extent, in the marketing and selling of hydrocarbons and derivatives, as well as agri-nutrient products. SABIC South Africa provides marketing, sales support and management services for SABIC's sales in South Africa.

The primary target firm is VGP, a limited liability company incorporated under the laws of Delaware, United States of America (USA). VGP is indirectly controlled by Valvoline Inc. (“Valvoline”), a company incorporated under the laws of Kentucky, USA. Valvoline is listed on the New York Stock Exchange. Valvoline’s shares are widely held and, as such, no firm or individual directly or indirectly controls it. In South Africa, VGP only controls Valvoline South Africa (Pty) Ltd (“Valvoline South Africa”).

VGP constitutes the Global Products Business, which is one of the two business segments of Valvoline, the other business being the retail services business. The retail services business does not form part of the proposed transaction. The Global Products Business sells Valvoline and other branded and private label engine and automotive preventive maintenance products in more than 140 countries and territories to mass market and automotive parts retailers, installers and commercial customers, including distributors and licensees, as well as original equipment manufacturers (OEMs).

Valvoline South Africa imports high-performance automotive, commercial, and industrial lubricants and aftercare products which are sold via distributors throughout South Africa. Specifically, Valvoline supplies lubricants (automotive and industrial), coolants (automotive), coating products (automotive and industrial), and to a limited extent, automotive chemicals and equipment in 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 Erf 18 Zimbali Coastal Resort Proprietary Limited (“Zimbali”)/ Blend Property 15 Proprietary Limited (“Blend”)

The Commission has approved the proposed transaction whereby Zimbali intends to acquire control of Blend, without conditions.

The primary acquiring firm is Zimbali. Zimbali is wholly owned by Resrev Malta Limited ("Resrev"), a company incorporated by the laws of the Republic of Malta. Resrev is controlled by Gamar 2 Trust. The Gamar Trust owns Intamarket Properties Proprietary Limited ("Intamarket") which in turn controls The Capital Apartments and Hotels Group Proprietary Limited ("The Capital").

Zimbali currently owns one hotel in KwaZulu-Natal, South Africa, namely The Capital Zimbali. The Capital is the operator thereof. The Capital owns and operates several fully-serviced apartments and hotels in Johannesburg, Pretoria, Cape Town, and Durban. The Acquiring Group only owns one hotel in Cape Town.

The primary target firm is Blend. Blend is wholly owned by Spear Holdco Proprietary Limited. Blend is a property holding company that owns the "Target Property". The Target Property is located on Orange Street in Cape Town.

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 Open Text UK Holding Limited (“Bidco”)/ Micro Focus International plc (“Micro Focus”)

The Commission has approved the proposed transaction whereby Bidco intends to acquire Micro Focus, with conditions.

The primary acquiring firm is Bidco, a private company that was formed to implement the proposed transaction. Bidco is controlled by Open Text Corporation (“OpenText”), which, in turn, is not controlled by any single firm. Bidco and OpenText are firms incorporated by the laws of Canada. In South Africa, OpenText controls Open Text South Africa Proprietary Limited (“OpenText SA”). Bidco, OpenText, OpenText SA, and all firms controlled by OpenText will hereinafter be referred to as the “Acquiring Group”.

The Acquiring Group is a software and information technology company that develops and sells information management software. The Acquiring Group's software offerings fall under the following broad categories: (i) Enterprise Content Management; (ii) Business Networks; (iii) Artificial Intelligence (AI) & Analytics; (iv) Digital Experience; (v) Digital Process Automation; (vi) Discovery; and (vii) Security.

The target firm is Micro Focus, a company incorporated under the laws of England and Wales. Micro Focus is not controlled by any single firm. In South Africa, Micro Focus controls Micro Focus South Africa Proprietary Limited ("Micro Focus SA"); Micro Focus Software South Africa Proprietary Limited; and Autonomy Systems Software South Africa Proprietary Limited. Micro Focus, Micro Focus SA, Micro Focus Software South Africa Proprietary Limited, and Autonomy Systems Software South Africa Proprietary Limited will hereinafter be referred to as the "Target Group".

The Target Group is a software and information technology company, whose solutions help organizations leverage existing IT investments, enterprise applications, and emerging technologies to address complex business requirements while protecting corporate information. Its product portfolio includes technology for security, IT operations, applications delivery, governance, modernisation, and analytics.

To address employment concerns, the merging parties have agreed that it will not retrench any employees within its South African operations for a period of two years from the implementation date.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets.

1.11 Broadcom Inc. ("Broadcom")/ VMware Inc. ("VMware")

The Commission has approved the proposed transaction whereby Broadcom intends to acquire VMware, without conditions.

The primary acquiring firm is Broadcom, a company duly incorporated in the USA and listed on the NASDAQ Global Select Market. Broadcom is not controlled by any single entity.

Broadcom is a technology company that designs, manufactures, and provides a broad range of semiconductors and certain types of infrastructure software solutions. In South Africa, Broadcom is engaged in both hardware and software businesses. Broadcom does not have an operating office in South Africa, operations are only through the services of contractors and are limited to providing marketing, sales, pre-sales, post-sales and customer support services.

The primary target firm is VMware, a company duly incorporated in the USA and listed on the NASDAQ Global Select Market. VMware is not controlled by any single entity.

VMware is active in IT software, including virtualization and related workload management technologies for data centres and cloud computing environments, application development, and endpoint management. VMware SA provides general marketing and promotional services, including sales and technical support,

to clients in South Africa on behalf of VMware International Unlimited Company ("VIUC") (Ireland). VMware SA does not design or develop products, the services it provides concern products developed by VMware's group entities elsewhere, notably in the USA. These solutions are supplied to South African clients pursuant to contracts with VIUC.

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.

1.12 Benav Properties Proprietary Limited ("Benav")/ Celtis Ridge Shopping Centre ("Celtis Ridge")

The Commission has approved the proposed transaction whereby Benav intends to acquire a letting enterprise known as Celtis Ridge from SA Retail, without conditions.

The primary acquiring firm is Benav.

Benav forms part of the acquiring group which is a property investment group with a portfolio of properties situated throughout South Africa.

The primary target firm is a shopping centre known as Celtis Ridge Shopping Centre ("Celtis Ridge").

Celtis Ridge is a retail shopping centre located at Corner Seedcracker Street & Ruimte Road, Heuwelsig Estate, Centurion, 01731 with a Gross Lettable Area ("GLA") of 7 122m².

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. To address certain public interest concerns, the primary acquiring firm agreed to appoint an HDP-owned business as a cleaning contractor at the Celtis Ridge Shopping Centre. This will benefit participation in the economy by HDP-owned firms.

1.13 Spear REIT Limited/Inospace 2 (Pty) Ltd on behalf of its immovable property and industrial rental enterprise known as "The Island"

The Commission has approved the proposed transaction whereby Spear intends to acquire the immovable property and industrial retail enterprise known as The Island, without conditions.

The primary acquiring firm is Spear.

The Acquiring Group is a diversified property ownership firm, with a portfolio of multiple immovable properties and rental enterprises. The Acquiring Group's property portfolio is split into industrial, commercial, retail, and hospitality. All of the Acquiring Group's industrial properties are situated in the Western Cape.

The Primary Target Firm is the immovable property and industrial rental enterprise known as "The Island" situated at 9 Milner Street, Paarden Eiland, Cape Town, Western Cape ("Target Property").

The Target Property is an industrial park with a total GLA of approximately 21,774m² and offers warehouse, storage, and ancillary 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 public interest concerns.

[ENDS]

Issued by:

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