Media Statement
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STATEMENT ON THE LATEST DECISIONS BY THE COMPETITION COMMISSION

The Competition Commission of South Africa (CCSA) held its ordinary meetings on 16 and 23 May 2023, 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 K2023645019 (South Africa) (Pty) Ltd ("the SPV")/ Aurex Holdings RF (Pty) Ltd ("Aurex")

The Commission has recommended that the Competition Tribunal (Tribunal) approve the proposed transaction whereby RMB Ventures Eight (Pty) Ltd ("RMBV") and Bopa Moruo Fund 2 (Pty) Ltd ("Bopa Moruo") intend to acquire a minority share in Aurex through the SPV, with conditions.

The primary acquiring firm is the SPV, a special-purpose vehicle. The SPV does not control any other firm. The SPV is controlled by RMBV and Bopa Moruo. RMBV is ultimately controlled by FirstRand Limited. FirstRand Limited controls other firms. FirstRand Limited and the firms controlled by it, will collectively be referred to as "the FirstRand Group".

RMBV holds a minority stake in (i) Mafika Engineering (Pty) Ltd ("Mafika Engineering"), (ii) Mafika SA (Pty) Ltd ("Mafika SA") and (iii) Balcova Trading CC ("Balcova") collectively referred to as the "Mafika Engineering Group of Companies".

Bopa Moruo is controlled by Bopa Moruo Private Equity Fund Managers (Pty) Ltd ("Bopa Moruo Fund Managers"). Bopa Moruo Fund Managers is not controlled by any individual or firm. Bopa Moruo Fund Managers and all the firms controlled by it shall collectively be referred to as the "Bopa Moruo Group".

RMBV is a private equity firm which specialises in partnering with management and provides flexible equity and debt funding packages. The nature of RMBV's involvement is to provide strategic rather than operational input, leaving it up to management to run the daily business operations. RMBV uses the extensive FirstRand Limited's skills, experience and networks within South Africa and across the continent to unlock opportunities for its investee companies. These investee companies are active in the following sectors: telecommunications, manufacturing services, retail, property, agriculture and healthcare.

Mafika Engineering and Mafika SA are independent rebuilders and remanufacturers of high horsepower ("HHP") diesel engines which are used in front-line mining equipment, such as haul-trucks, dozers and excavators. Balcova houses the properties that are Mafika Engineering and Mafika SA's workshop and head office.

The Bopa Moruo Group comprises private equity firms with investments in digital signage software and screens, industrial services, plastic packaging, freight forwarding services, courier services and student accommodation.

The primary target firm is Aurex. Aurex is controlled by Aurex Invest (Pty) Ltd ("Aurex Invest"). Aurex controls Aurex Constructors (Pty) Limited ("Aurex Constructors") and Aurex Asset Holdings (Pty) Limited ("Aurex Asset").

Aurex is an investment holding company. Aurex Constructors is Aurex's operating company which is active in the construction business. Aurex Constructors is principally involved in providing industrial construction, turnarounds and maintenance solutions to various sectors, specifically in oil and gas, mining and metals, coal-fired power and renewables. The company's scope of work includes the management and execution of structural, mechanical, electrical and instrumentation activities. Aurex Asset is a property holding company.

The Commission found that the proposed transaction is unlikely to result in substantial prevention or lessening of competition in any relevant markets. To address the greater spread of ownership requirements, the merging parties have agreed to a condition to establish an Employee Share Ownership Plan (ESOP) for the benefit of qualifying workers of the Target Firm.

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

1.2 VCAP1 Alliances (Pty) Ltd ("VCAP1")/ Virtual Payments Solutions (Pty) Ltd ("VPS")/ Switchone (Pty) Ltd ("Switchone")

The Commission has recommended that the Tribunal approve the proposed transaction whereby VCAP1 intends to acquire VPS and Switchone, without conditions.

The primary acquiring firm is VCAP1. VCAP1 is a newly established special purpose vehicle ("SPV") incorporated for the purpose of the proposed transaction. The entire issued share capital of VCAP1 will be held by VCAP1 Partnership, VCAP1 Management Partnership, VCAP1 Participation Partnership, Celcom

Group (Pty) Ltd ("Celcom"), and Ulrinetix (Pty) Ltd ("Ulrinetix"). VCAP1 Partnership, VCAP1 Management Partnership and VCAP1 Participation Partnership are controlled by the Capitalworks Group.

The primary acquiring firm, VCAP1, does not trade. The controlling shareholder in the acquiring firm, the Capitalworks Group, is a mid-market private equity business that operates on an independent basis under its management from leading international and domestic investors. The Capitalworks Group invests in a diversified range of equity investments in mid-market companies operating principally in South Africa on behalf of its investors. The Capitalworks Group generates value for its stakeholders over the medium to long term by investing in niche opportunities.

The first primary target firm is VPS. VPS is a wholly owned subsidiary of Celcom, the minority shareholder in the acquiring firm. Prior to the proposed transaction, Celcom held the majority of the entire issued share capital in VPS. The remaining shares were held by Smartphone (Pty) Ltd ("Smartphone") and an individual.

VPS operates as an intermediary between mobile network operators ("MNOs") and retailers, by offering various virtual prepaid solutions. VPS's core business is the repackaging and bundling of airtime to be sold to customers through various channels. VPS's software then allows it to achieve or redeem that airtime. In conducting its core business as an intermediary between MNOs and retailers, VPS essentially acts as a trader of prepaid airtime. This airtime can then be sold to retail or wholesale customers.

The second primary target firm is Switchone. Switchone is a recently established company that operates as a technology-enabled Third-Party Payment Processor ("TPPP") and constitutes a new entrant in the market. Switchone has developed a cloud-native, bank-independent, financial switch that focuses on the provision of high volume, secure and convenient payment, prepayment, and value-added services ("VAS") to the South African market. Switchone operates as a South African Reserve Bank-approved TPPP that operates infrastructure which can be connected to all major South African banks and will facilitate third-party VAS transactions, including prepaid airtime, prepaid electricity, credit and debit card payments and cash transactions for some of South Africa's predominant retailers. Switchone also intends to operate a business-to-consumer business through an e-commerce platform that facilitates its complete product offerings. Switchone's core service offering includes transaction switching and point-of-sale payments service.

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 CFAO Motors Proprietary Limited ("CFAO Motors") / William Simpson Cars Proprietary Limited ("WSC")

The Commission has recommended that the Tribunal approve the proposed transaction whereby CFAO Motors intends to acquire WSC's motor vehicle dealership business located in Tokai, Cape Town, with conditions.

The primary acquiring firm is CFAO Motors. CFAO Motors is controlled by CFAO Holdings South Africa Proprietary Limited ("CFAO Holdings"), with the remaining non-controlling shareholding held by Kapela Holdings Proprietary Limited ("Kapela Holdings"). CFAO Holdings is wholly controlled by Toyota Tsusho Corporation ("TTC"), which is a public entity incorporated in Japan and is listed on the Tokyo Stock Exchange and the Nagoya Stock Exchange. CFAO Motors, all the firms it controls, all the firms controlling CFAO Motors, all the firms controlled by those firms shall be referred to as the "Acquiring Group".

Of relevance to this merger assessment is the Acquiring Group's retail of new and used passenger vehicles ("PVs") and light commercial vehicles ("LCVs") and the associated provision of scheduled maintenance and after-sales services (e.g., original equipment manufacturer parts, and accessories).

WSC is involved in the sale of new PVs and LCVs under the Alfa Romeo, Citroen, Fiat, Jeep, and Peugeot brands; the sale of used PVs and LCVs; and the provision of scheduled maintenance and after-sales (particularly for in-warranty vehicles).

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 employment concerns, the Commission recommended that the Tribunal approve the merger subject to a two-year moratorium on merger-related retrenchments. The Commission found that the proposed transaction does not raise any other public interest concerns.

1.4 Commercial Cold Holdings Proprietary Limited ("CCH")/ Sequence Logistics Holdings Proprietary Limited ("Sequence")

The Commission has recommended that the Tribunal approve the proposed merger whereby CCH intends to acquire Sequence Logistics Holdings, with conditions.

The primary acquiring firm is CCH, a newly incorporated entity. On implementation of the proposed transaction, CCH will be ultimately controlled by Old Mutual Limited ("OML") and Bauta Logistics Limited ("Bauta"), a company registered in accordance with the laws of the Republic of Ghana. OML, Bauta and all the firms they control are collectively referred to as the "Acquiring Group".

Of relevance to this merger is the Acquiring Group's provision of temperature-controlled warehouses (frozen and chilled) to third parties who are typically manufacturers or importers/exporters requiring bulk cold storage.

The primary target firm is Sequence Logistics Holdings and its subsidiaries ("Sequence"). Sequence also provides chilled and frozen warehousing to third parties. In addition, sequence also provides break bulk cold storage to third parties, which includes "fine picking", road freight transportation and supply chain management.

The Commission is of the view that the proposed transaction is unlikely to substantially lessen or prevent competition in any relevant market in South Africa.

To address employment concerns, the parties have tendered a condition placing a moratorium on merger-related retrenchments. The Commission found that the proposed transaction does not raise any further public interest concerns.

1.5 Vox Ventures B.V ("Vox Ventures")/ Robertson & Caine Proprietary Limited ("R&C")/Robertson & Caine Properties Proprietary Limited ("RCP")

The Commission has approved the proposed transaction whereby Vox Ventures intends to acquire R&C and RCP (collectively, the "Target Firms"), with conditions.

The primary acquiring firm is Vox Ventures. Vox Ventures does not control any firm in South Africa. Vox Ventures is wholly controlled by the PPF Group N.V. ("PPF Group") which is in turn controlled by Renata Kellnerova and her family. The PPF Group does not control any firm in South Africa. The PPF Group and all the firms that it controls will be referred to as the "Acquiring Group".

Of relevance to this merger notification is the Acquiring Group's activities as a provider of sailing yachts and catamaran charter services. These activities entail renting or chartering sailing yachts and catamarans to customers in and/or to/from various destinations such as the Mediterranean, the Caribbean, the Indian Ocean, the South Pacific North America, to name a few. Additionally, the Acquiring Group also sells yachts.

The Target Firms are involved in the design and manufacture of catamarans and is one of the global leaders in this regard.

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

To promote public interest, the merging parties have tendered a package of remedies that promotes employment, enhances skills, supplier and socio-economic development and localisation. The Commission found that the merger does not raise any further public interest concerns.

1.6 K2022444743 South Africa (Pty) Ltd (to be renamed Crane CPT (Pty) Ltd) ("Crane CPT")/ Stonehill Property Fund (Pty) Ltd ("Stonehill")

The Commission has approved the proposed transaction whereby Crane CPT intends to acquire Stonehill, with conditions.

The primary acquiring firm is Crane CPT.

Crane CPT has been incorporated for the purpose of the proposed transaction. Therefore, Crane CPT does not own any assets, does not generate any income, and does not sell any products or provide any services. Of relevance to the proposed transaction, is the Cape Grace Hotel. The Cape Grace Hotel is a 5-star luxury hotel that provides hotel accommodation as well as ancillary services such as fine dining, conference, and spa facilities.

The primary target firm is Stonehill. Stonehill wholly owns Radisson Blu Hotel & Residence ("Target Hotel"), a 4-star hotel located in Cape Town. The Target Hotel has a fitness centre and provides conference facilities as well as several dining options to patrons.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. To promote a greater spread of ownership, the merged entity will, after the completion of a specified Capital Expenditure Programme, introduce a historically disadvantaged persons (HDP) shareholding within the Target Firm.

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

1.7 Trefoil Stationery Proprietary Limited ("Trefoil Stationery")/ Trefoil Manufacturing Proprietary Limited ("Trefoil Manufacturing")

The Commission has approved the proposed transaction whereby Trefoil Stationery intends to acquire Trefoil Manufacturing, without conditions.

The primary acquiring firm is Trefoil Stationery. Trefoil Stationery is jointly controlled by various trusts collectively referred to as the "Family Trusts". Family Trusts also controls several firms including Freedom Stationery Proprietary Limited; and Interstat Stationery Proprietary Limited. Trefoil Stationery, Family Trusts, and all the firms controlled by the Family Trusts will hereinafter be referred to as the "Acquiring Group".

The Acquiring Group is active in the manufacture, supply, and wholesale distribution of a wide range of stationery items including bond paper, books, covers, files, and filing accessories largely to the lower-income mass-consumer market. The Acquiring Group is also involved in the supply of scholastic stationery to provincial government departments, schools, independent retailers, supermarkets, and chain stores.

The primary target firm is Trefoil Manufacturing. Trefoil Manufacturing does not control any firm.

Trefoil Manufacturing is a specialist converter of book rolls, rubber bands, and clipboards. It operates as an importer and wholesale distributor of scholastics and office products to the stationery trade both in commercial and retail industries. Trefoil Manufacturing sells only to re-sellers and not to the general public.

The Commission is of the view that the proposed transaction is unlikely to substantially lessen or prevent competition in any market in South Africa. The proposed transaction promotes a greater spread of ownership, in particular, by increasing the levels of ownership of HDPs in the market. The Commission further found that the proposed transaction does not raise any other public interest concerns.

1.8 Manuchar South Africa Proprietary Limited ("MSA")/ Anorel Proprietary Limited ("Anorel")

The Commission has approved the proposed transaction whereby MSA intends to acquire Anorel, without conditions.

The primary acquiring firm, MSA, is a wholly owned subsidiary of Manuchar NV ("MNV"), a limited liability company incorporated and existing under the laws of the Kingdom of Belgium. MNV is a majority-owned subsidiary of affiliates of Lone Star Funds ("Lone Star"), a private equity firm incorporated under the laws of Texas, in the United States of America. Lone Star controls numerous firms globally. In South Africa, Lone Star controls Chemechem Proprietary Limited ("Chemechem"), Crystal Ball Properties 171 Proprietary Limited ("Crystal Ball Properties"), MB Construction Chemicals Solutions South Africa (Pty) Ltd, SPX Flow Technology (Pty) Limited, and XSYS South Africa (Pty) Ltd. In South Africa, MNV controls MSA and Crystal Ball Properties. MSA wholly owns Chemechem. MSA (including firms controlled by MSA) and its controllers will collectively be referred to as the "Manuchar Group".

The Manuchar Group operates a globally and locally integrated network in 37 countries situated across Latin America, Africa, the Middle East, and Asia, with its headquarters in Antwerp, Belgium. The group's business involves logistics, chemical distribution, back-to-back trade services in commodities such as steel, polymers and paper, and dealing in goods and services servicing the home and personal care, food and feed and agriculture and mining industries. In South Africa, the Manuchar Group conducts its business through MSA.

MSA's business includes the importing and distribution of wax and chemical raw materials, the provision of third-party distribution services, and the sale of fertilisers. Relevant to the proposed transaction are MSA's third-party distribution services business and the fertiliser business which relates to the sale of water-soluble fertilisers to distributors and to fertiliser manufacturers who use them in their own fertiliser blends. MSA's customers are based throughout South Africa.

The primary target firm, Anorel, is wholly owned by a Belgian national. Anorel's business primarily involves the sale of water-soluble fertilisers. The water-soluble fertilisers sold by Anorel are supplied by Anorel NV and imported by Anorel. Anorel's water-soluble fertiliser customers also include distributors and fertiliser manufacturers who use Anorel's products in their own fertiliser blends.

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

2. COMPLAINTS (NON-REFERRALS)

2.1 Gerrit Top v British Airways and Virgin Atlantic

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

2.2 Attie Dercksen v Jan Mafokeng (Eastplats) Mine

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

2.3 Belinda Tshehla C/O LNM Attorneys v Balwin Properties C/O Brian Kahn Attorneys

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

2.4 Nadine Van Der Haar v Standard Bank and Capitec Bank

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

2.5 Anonymous v Dean Henstock, owner of Urbanet (Pty) Ltd

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

2.6 Mandla Mkhungo v SA Home Loans

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

2.7 Ebrahim Kaloo Janoo v Outsurance

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

2.8 Thabo Moniwa V v Emoyeni Suspended Flooring CC

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

2.8 Dinesh Haribhai v Flysafair and Lift SA

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

2.9 Portland Aggregates v Afrimat – Bevin Cornelius, Riaan Engelbrecht and Pieter Grove

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

2.10 Simon Maritz on behalf of Fine Fragrance Collection (Pty) Ltd v entities and landlords of two shopping malls: Cresta Shopping Centre (“Cresta") and Menlyn Park owned by Pareto Ltd and Gateway Theatre of Shopping (“Gateway”) owned by Old Mutual Ltd

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

2.11 Jonathan Jooste v Peony Pavilion Limited

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

2.12 Bantubenzani Phillip Sibiya v N2 Bonjour Hluhluwe

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

3. COMPLAINTS (WITHDRAWALS)

The Commission has accepted the withdrawal of the following complaints:

3.1 Muaz Ghoor v Ticketmaster

3.2 Integrity Tools (Pty) Ltd v Vermont Sales (Pty) Ltd

[ENDS]

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