



Media Statement

For Immediate Release

05 June 2023

STATEMENT ON THE LATEST DECISIONS BY THE COMPETITION COMMISSION

The Competition Commission of South Africa (CCSA) held its ordinary meeting on Tuesday, 30 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 Reunert ICT Holdings (Pty) Ltd (Reunert ICT)/ IQ Business (Pty) Ltd (IQ Business)

The Commission has recommended that the Competition Tribunal (Tribunal) approve the proposed transaction whereby Reunert ICT intends to acquire IQ Business, without conditions.

The primary acquiring firm is Reunert ICT, a wholly-owned subsidiary of Reunert Limited (Reunert). Reunert is not controlled by any firm.

Reunert manages a portfolio of businesses in various sectors including electrical engineering, information communications and technology (ICT), applied electronics, and other related fields. Of relevance to this transaction are Reunert's activities in the ICT sector specifically in relation to IT consulting and IT software development services.

The primary target firm is IQ Business. IQ Business is not controlled by any individual shareholder and is an independent management consulting firm. Its main activity relates to IT consulting and IT software development services.

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

1.2 K2023647843 (South Africa) Proprietary Limited (“SPE BidCo”)/ Danny’s Auto Body Parts Proprietary Limited (“Danny’s Auto”) and Danny’s Auto Property Holdings Proprietary Limited (“Danny’s Auto Property”) (collectively “the Target Firms”)

The Commission has recommended that the Tribunal approve the proposed transaction whereby SPE Bidco intends to acquire the Target Firms, without conditions.

The primary acquiring firm is SPE BidCo. SPE BidCo is controlled by SPE Mid-Market Fund 1 Partnership (the “SPE Fund”) (represented by the general partner, SPE Mid-Market Fund 1 General Partner Proprietary Limited (“SPE Fund General Partner”)). The SPE Fund General Partner is controlled by Sanlam Investment Management Proprietary (“Sanlam Investment Management”). Sanlam Investment Management is ultimately controlled by SIH Capital Holdings Proprietary Limited (“SIH Capital Holdings”). SIH Capital Holdings is controlled by Sanlam Limited. SPE Bidco does not control any firms. All the firms directly or indirectly controlled by SIH Capital Holdings are referred to as the “Acquiring Group”.

SPE BidCo is a newly established investment holding company and does not conduct any business activities. The Acquiring Group, through Sanlam, is active in the provision of financial services, including short- and long-term insurance, employees’ benefits, private equity, and investments. Furthermore, through SPE Fund Market, the Acquiring Group is active in pet care retail, meat production, waste and environment management, and payment collection services.

The primary Target Firms are Danny’s Auto and Danny’s Auto Property. The Target Firms are owned and controlled by Cooperman Family Holdings Proprietary Limited (“Cooperman Family Holdings”).

Danny’s Auto supplies automotive parts and accessories such as brake products, cables, fan belts, filters, gaskets, suspensions, alternators, starter motors, CV joints, and engine parts. Danny’s Auto is a wholesaler of aftermarket automotive parts and accessories for brands such as Dunlop, Lucas, and FIAMM (in addition to its own in-house developed brand, Imoto Chemicals) situated in Springfield.

Danny’s Auto Property is a property holding company and does not conduct any business activities. Danny’s Auto Property owns the property in Springfield on which Danny’s Auto conducts its business.

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

1.3 Mpande Property Fund General Partner Proprietary Limited (“Mpande Property Fund General Partner”)/ Simba Property and Nestlé Property from Equites Property Fund Limited (“Equites”)/ Chamber Lane Properties 3 Proprietary Limited (“Chamber Lane”)

The Commission has approved the proposed transaction whereby Mpande Property Fund General Partner intends to acquire undivided shares in two rental properties from Equites and another rental enterprise known as DSV from Chamber Lane, without conditions.

The primary acquiring firm is Mpande Property Fund General Partner. Mpande Property Fund General Partner is wholly controlled by Mpande Property Fund Manager Proprietary Limited (“Mpande Property Fund Manager”). Mpande Property Fund Manager is not controlled by any other firm or group of firms. Mpande Property Fund General Partner, all the firms that it controls, and the firms controlling it will collectively be referred to as the “Mpande Group.”

The Mpande Group is an asset management group that focuses on investments in unlisted properties in South Africa. It has a diversified property investment focus which includes retail, commercial/office, industrial, residential, and other (subsectors such as education, storage facilities, and/or health care).

The primary target firms are rental enterprises known as Simba Property, Nestlé Property and DSV Property. Simba and Nestlé are owned by Equites. DSV is owned by Chamber Lane. Chamber Lane is a wholly-owned subsidiary of Equites. Equites is a public company and as such it is not controlled by any individual shareholder.

The target firms comprise the following:

- The Simba Property is a logistics letting property located at 17 Greenhills Road, Elandsfontein, Germiston with a Gross Lettable Area (GLA) of 40,625 m² of rentable light industrial space. The only tenant occupying the Simba Property is Simba Proprietary Limited.
- The Nestlé Property comprises a logistics letting property that is located at 1 Nguni Drive, Longmeadow Business Estate, Edenvale with a GLA of 37,834 m² of rentable light industrial space on the Nestlé Property. Nestlé South Africa Proprietary Limited is the only tenant.
- The DSV Property is a logistics letting property located at Equites Park, 1 Meadowview Lane, Meadowview with a GLA of 42,601 m² of specialised industrial (pharmaceutical) space on the DSV Property. The only tenant occupying the space is DSV Solutions Proprietary Limited.

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

1.4 Weldamax (Pty) Ltd (Weldamax)/ EWNS Enterprises (Pty) Ltd (EWNS)

The Commission has approved the proposed transaction whereby Weldamax intends to acquire EWNS, without conditions.

The primary acquiring firm is Weldamax. Weldamax is directly controlled by Air Products South Africa (Pty) Ltd (APSA). APSA is jointly controlled by Air Products and Chemicals Incorporated (APCI) and Remgro Ltd (Remgro). APCI is a firm incorporated in the United States of America and is not controlled by any firm. Remgro is a South African diversified investment holding firm and it is also not controlled by any firm. Weldamax, APSA and all firms controlled by these firms will be referred to as the “Acquiring Group”.

Of relevance to this merger assessment are the Acquiring Group’s activities through APSA and Weldamax. APSA manufactures, supplies, and distributes industrial and specialty gas in South Africa. The industrial gas manufactured and supplied by APSA includes acetylene, argon, carbon dioxide, helium (specialty gas), hydrogen, nitrogen, and oxygen. These gases are used in welding and cutting applications.

Weldamax is a distributor of (i) APSA’s packaged industrial and specialty gas and (ii) welding equipment as well as welding consumables under the brand names Maxweld & Braze and Thermamax. The welding equipment and consumables include a range of manual metal arc welding, stick manual arc welding, and related consumables and accessories.

The primary target firm is EWNS, whose subsidiaries include EWNS Germiston (Pty) Ltd and EWNS Sasol (Pty) Ltd. EWNS and the firms it controls will be collectively referred to as EWNS.

EWNS is a distributor of APSA’s packaged industrial and specialty gases which are mainly used for welding applications. EWNS does not distribute any packaged industrial and specialty gas for APSA’s competitors. In addition, EWNS also sells welding equipment and consumables which it procures from Weldamax and other suppliers as well as LPG in cylinder format, filler materials, safety equipment, personal protective equipment, and abrasives.

The Commission found that the proposed transaction is unlikely to result in 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 Mpande Property Fund General Partner (Pty) Ltd (“Mpande”)/ Enyuka Prop Holdings (Pty) Ltd (“Enyuka”)/ Emira Property Fund Ltd (“Emira”)

The Commission has approved the proposed transaction whereby Mpande intends to acquire Enyuka from Emira, with conditions.

The primary acquiring firm is Mpande (in its capacity as the ultimate general partner of the Mpande Property Fund *en commandite* Partnership). Mpande is wholly controlled by Mpande Property Fund Manager (Pty) Ltd (“Mpande Property Fund”). Mpande Property Fund is not controlled by any single firm or shareholder. Mpande, all the firms that it controls, and the firms controlling it will collectively be referred to as the “Mpande Group.”

Mpande is an asset management group that focuses on investments in unlisted property in South Africa. It has a diversified property investment focus which includes retail, residential, and industrial properties throughout South Africa.

The primary target firm is Enyuka, a property holding company. Enyuka is jointly controlled by Emira and OEH2. Enyuka owns Mazon Investments (Pty) Ltd, a dormant firm.

Enyuka is a specialised property investment company that invests in mainly rural and peri-urban retail properties and has properties situated in the Eastern Cape, Gauteng, KwaZulu-Natal, Limpopo, and Mpumalanga provinces.

The merging parties have undertaken to use reasonable endeavours to remove exclusivity clauses in relation to three supermarket chain stores.

The Commission found that the proposed transaction is unlikely to result in 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 AJP Steeldale Pty (Ltd) (“AJP Steeldale”)/ Steeldale Mall, a property letting asset located at 9 Linroy St, Steeldale, Johannesburg, 2197 (“Target Property”)

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

The primary acquiring firm is AJP Steeldale. AJP Steeldale is controlled by AJP Group Holdings (Pty) Ltd (“AJP Group”). AJP, its controllers and AJP Steeldale shall be referred to as the “Acquiring Group”.

The Acquiring Group is a retail property investment firm. The retail property portfolio of the Acquiring Group is based in and around the Gauteng Province and consists of neighbourhood centres; community centres; and a local convenience centre.

The primary target firm is the Target Property which comprises Steeldale Mall, a property letting asset located at 9 Linroy St, Steeldale, Johannesburg. The Target Property is owned by Steeldale Property Holdings (Pty) Ltd (“Steeldale Property”). Steeledale Property is controlled and owned by HBW Group (Pty) Ltd (“HBW Group”). The Target Property is classified as a small regional centre located in Steeledale, Johannesburg.

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

1.7 Capital Appreciation Limited (“Capital Appreciation”)/Dariel Solutions (Pty) Ltd (“Dariel Solutions”)

The Commission has approved the proposed transaction whereby Capital Appreciation intends to acquire Dariel Solutions, without conditions.

The primary acquiring firm is Capital Appreciation. Capital Appreciation, its subsidiaries, and all the firms, directly and indirectly, controlling it, will hereinafter be collectively referred to as the “Capital Appreciation”.

Capital Appreciation is active in the information technology sector. It invests in and manages emerging and established financial technology enterprises and other technology companies. Capital Appreciation’s business is primarily comprised of two divisions, the payments division and the software division. The payments division manages payment infrastructure, payment technology solutions and a lay-by platform on behalf of financial institutions. The services offered include operating and managing payment infrastructure and networks as well as developing tailor-made payment platforms. The software division develops software applications, codes, and implements systems such as web and mobile digital applications. It provides these services through its subsidiaries Synthesis, Responsive and Halo.

The primary target firm is Dariel Solutions. Dariel Solutions is a software services provider, involved in providing software development services. Its services include consulting, integration as well as maintenance and support. Dariel Solutions’ activities are primarily focused on the development of business-focused software applications and customised software services. It also provides business process analysis, software architecture, software design, software testing, and managed services to operate any of its customers' applications.

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

1.8 Apis Growth II (Petunia) Pte. Ltd. (“Apis Petunia”)/ Baobab Payments GmbH (“Baobab”)

The Commission has approved the proposed transaction whereby Apis Petunia intends to acquire Baobab, without conditions.

The primary acquiring firm, Apis Petunia, is a private company duly incorporated under the laws of the Republic of Singapore. Apis Petunia is a subsidiary of Apis Growth II L.P. and Apis Growth II (B) L.P. (“Apis Growth”). Apis Growth is ultimately controlled by Apis Partners LLP (“Apis Partners”), a limited liability partnership registered under the laws of England, United Kingdom. Apis Petunia, Apis Growth, Apis Partners, and any other funds or firms controlled, managed, or advised by these firms will henceforth be collectively referred to as the “Apis Group”.

The Apis Group operates through various funds through which private equity investors invest alongside the Apis Group. Apis Partners acts as the manager of the funds in the Apis Group. The Apis Group focuses on investing in capital-light and tech-enabled financial services companies across global markets. Relevant to the proposed transaction, Apis Petunia owns a significant non-controlling stake in Crossfin Apis Transactional Solutions (Pty) Ltd (“CATS”), which owns Adumo (RF) (Pty) Ltd (“Adumo”). Adumo is active within the online payment solutions, focusing on card online payment solutions.

The primary target firm, Baobab, is a company duly incorporated in accordance with the laws of the Federal Republic of Germany. Baobab is jointly controlled by two individuals. In South Africa, Baobab controls Peach Payment Services (Pty) Ltd (“Peach Payments”).

Peach Payments is an online payment services provider, mainly providing various software and related services to South African businesses to assist them in accepting online payments from their customers. The services provided by Peach Payments include supporting merchants with accepting and making online payments across a range of payment methods and channels, including instant EFT, digital wallets, and mobile money via platforms such as Masterpass, Mobicred, 1ForYou, Apple Pay, and Paypal. Peach Payments’ services further include payouts, risk management, and recurring payments.

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

[ENDS]

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