



competition commission
south africa

Media Statement

For Immediate Release

2 October 2023

STATEMENT ON THE LATEST DECISIONS BY THE COMPETITION COMMISSION

The Competition Commission of South Africa (CCSA) held its ordinary meeting on Tuesday, 26 September 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 Capitalworks Continental Holdings Partnership (“CCHP”)/ Continental Compounders (Pty) Ltd (“CC”) and Continental Engineering Compounds (Pty) Ltd (“CEC”), collectively referred to as “Continental”

The Commission has recommended that the Competition Tribunal (“Tribunal”) approve the proposed transaction whereby CCHP intends to acquire Continental, with conditions.

The primary acquiring firm is CCHP, a newly established *en commandite* partnership which is part of the Capitalworks Group. The Capitalworks Group is a mid-market private equity business based in Johannesburg. The Capitalworks Group invests on behalf of its investors in a diversified range of mid-market companies operating principally in South Africa.

The primary target firms are CC and CEC, collectively referred to as “Continental”. The shares in Continental are widely held. Neither CC nor CEC directly or indirectly control any other firms in South Africa or elsewhere.

Continental is a specialist plastic compound manufacturer based in Pinetown, KwaZulu-Natal. Continental tests, develops and custom manufactures rigid and flexible polyvinyl chloride (PVC) and thermoplastic elastomer compounds servicing markets in South Africa and sub-Saharan 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 and the merging parties agreed to commitments aimed at addressing concerns regarding the greater spread of ownership by historically disadvantaged persons (HDPs) or workers.

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

1.2 Sanlam Life Insurance Limited (“Sanlam Life”)/ Sanlam Personal Loans (Pty) Ltd (“SPL”) as well as certain assets and employees associated with SPL (respectively, the “Sale Assets” and the “SPL-dedicated employees”).

The Commission has recommended that the Tribunal unconditionally approve the proposed transaction whereby Sanlam Life intends to acquire SPL as well as certain assets and employees associated with SPL (respectively, the “Sale Assets” and the “SPL-dedicated employees”).

The primary acquiring firm is Sanlam Life. Sanlam Life is wholly owned and controlled by Sanlam Limited (“Sanlam”). Sanlam is not controlled by any person or firm. Sanlam controls a significant number of firms, spanning multiple jurisdictions including but not limited to Uganda, Zambia, Namibia, Botswana, Tanzania, and Mauritius, amongst others. Sanlam, Sanlam Life, and all its subsidiaries are hereinafter referred to as the Acquiring Group or the Sanlam Group.

Of relevance to the proposed transaction are Sanlam’s activities related to the provision of credit in South Africa, including the following:

- The Sanlam Group is involved in the provision of unsecured personal loans through SPL, the target firm.
- Sanlam Private Wealth provides its high-net-worth clients with secured personal loans (equity-backed).
- Sanlam Life provides loans for operational purposes and capital market transactions.

The primary target firms are SPL and certain assets and employees associated with SPL (respectively, the “Sale Assets” and the “SPL-dedicated employees”). SPL is jointly owned and controlled by Sanlam Life and Direct Axis (SA) (Pty) Ltd (“Direct Axis”).

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 RGBC Holdings Proprietary Limited (“RGBC”)/ The Really Great Brand Company Proprietary Limited (“Target Firm”)

The Commission has approved the proposed transaction whereby RGBC intends to acquire the Target Firm, with conditions.

The primary acquiring firm is RGBC. RGBC is ultimately controlled by two Mauritius-based family trusts. RGBC, all the firms controlling RGBC, and all the firms controlled by those firms, will be referred to as the “Acquiring Group”.

The Acquiring Group has no activities and is a special-purpose vehicle through which the Acquiring Group proposes to implement the proposed transaction. The Acquiring Group is involved in investment activities which include holding non-controlling interests in various listed entities in jurisdictions such as the United States of America and European Union.

The Target Firm is not controlled by any single shareholder. The Target Firm is an importer and an exclusive distributor of various brands of alcoholic beverages such as whisky, bourbon, champagne, cognac, tequila, liqueur, rum, and premium white spirits, on an exclusive basis, 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.

To address public interest, the parties have tendered a package of remedies which will result in the Target Firm providing substantial financial support to Small Medium and Micro Enterprises (SMMEs) owned by HDPs in line with section 12A3(c) of the Competition Act.

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

1.4 Primeserv Pinnacle (Pty) Ltd (“Primeserv Pinnacle”)/ of AJR Enterprises CC (“AJR Enterprises”) and Pinnacle Solutions (Pty) Ltd (“Pinnacle Solutions”)

The Commission has unconditionally approved the proposed transaction whereby Primeserv Pinnacle intends to acquire AJR Enterprises and Pinnacle Solutions.

The primary acquiring firm is Primeserv Pinnacle. Primeserv Pinnacle is controlled by Primeserv Denverdraft (Pty) Ltd (“Primeserv Denverdraft”). Primeserv Denverdraft is ultimately controlled by Primeserv Group Limited (“Primeserv Group”). Primeserv Pinnacle, Primeserv Denverdraft, and Primeserv Group and all the firms that they control shall be referred to as the “Acquiring Group.”

The Acquiring Group through Primeserv Pinnacle is a provider of labour brokerage services which include permanent recruitment and temporary recruitment services for entities.

The primary target firms are AJR Enterprises and Pinnacle Solutions. AJR Enterprises and Pinnacle Solutions are both controlled by an individual. AJR Enterprises and Pinnacle Solutions shall be referred to as “Target Firms”.

The Target Firms are providers of temporary labour brokerage services for companies within the logistics, transportation and distribution; information technology; engineering; financial; and manufacturing sectors.

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 Huaxin (Hong Kong) International Holdings Limited (“Huaxin”)/ Natal Portland Cement Company Proprietary Limited (“NPC”)

The Commission has approved the proposed transaction whereby Huaxin intends to acquire NPC, with conditions.

The primary acquiring firm is Huaxin, a private company incorporated in accordance with the laws of Hong Kong. Huaxin is wholly owned and controlled by Huaxin Cement Co. Limited (“Huaxin Cement”), a public company registered in accordance with the laws of the People’s Republic of China (“China”). Huaxin Cement is listed on the Shanghai Stock Exchange and the Stock Exchange of Hong Kong and is not controlled by any firm. Huaxin is not active in South Africa.

Huaxin produces a range of building materials including cement, ready-mixed concrete and aggregates, engineering, procurement and construction for cement projects. It operates in China as well as in Zambia, Malawi, Tanzania, Tajikistan, Kyrgyzstan, Uzbekistan, Cambodia, Nepal and Oman.

The primary target firm is NPC. NPC is wholly owned and controlled by InterCement Trading Inversiones, S.A.U. (“InterCement”), a joint-stock company incorporated under the laws of the Kingdom of Spain. InterCement is wholly owned and controlled by InterCement Portugal S.A., a private company registered in accordance with the laws of the Portuguese Republic. NPC controls the following firms in South Africa: InterCement South Africa Proprietary Limited; and NPC InterCement (RF) Proprietary Limited. NPC and all the firms directly and indirectly controlled by it will hereinafter collectively be referred to as the “NPC Group”.

The NPC Group manufactures and distributes cement, ready-mixed concrete, aggregate products and concrete products largely on the east coast 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 and the merging parties have agreed to a set of conditions which include that the Acquiring Firm will invest an agreed amount into NPC over a period of five years. Further, the merged entity shall dispose of a set percentage of the Target Firm to HDP shareholders or through an Employee Share Ownership Plan (ESOP).

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

1.6 Twelve Oaks Trading Proprietary Limited (“Twelve Oaks”), Silver Growth Investments Proprietary Limited (“Silver Growth”) and Gold Lightening Proprietary Limited (“Gold Lightening”) (collectively referred to as the “Acquiring Firms”)/ Africa Sun Oil Refineries Proprietary Limited (“Africa Sun”) and Africa Palm Products Proprietary Limited (“Africa Palm”) (collectively referred to as the “ASOR Group of Companies”)

The Commission has unconditionally approved the proposed transaction whereby the Acquiring Firms intend to acquire the ASOR Group of Companies.

The Acquiring Firms are Twelve Oaks, Silver Growth and Gold Lightening. Twelve Oaks is held by the SAA Joosab Family Trust (“SAAJ Trust”), Silver Growth is held by the Anwar Hoosen Moosa Family Trust (“AH Moosa Family Trust”) and Gold Lightening is held by the MHA Joosab Family Trust (“MHAJ Trust”).

The Acquiring Firms are investment holding entities that do not have active business operations. The only activities of the Acquiring Firms are their shareholding in the ASOR Group of Companies.

The primary target firms are Africa Sun and Africa Palm (collectively referred to as the ASOR Group of Companies). The shares in the ASOR Group of Companies are held by Twelve Oaks; Gold Lightening; Silver Growth (the Acquiring Firms); and Agvestco Proprietary Limited (“Agvestco”). Agvestco is held by FR Waring Holdings Proprietary Limited.

The ASOR Group of Companies manufacture and refine industrial and consumer format cooking oils, cooking fats, baking and confectionary fats and margarines; and produce products for both domestic and industrial use.

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 Bidvest Office Proprietary Limited (“Bidvest Office”)/ Brandability Proprietary Limited (“Target Business”)

The Commission has unconditionally approved the proposed transaction whereby Bidvest Office intends to acquire the business conducted by the Target Business.

The primary acquiring firm is Bidvest Office. Bidvest Office is a wholly owned subsidiary of Bidvest Branded Products Holdings Proprietary Limited (“Bidvest BP”). Bidvest BP is a wholly owned subsidiary of the Bidvest Group Limited (“Bidvest”). Bidvest Office does not control any firms. Bidvest controls several firms. All firms directly and indirectly controlled by Bidvest are referred to as the “Acquiring Group”.

The Acquiring Group is a South African services, trading, and distribution company. Relevant to the assessment of the proposed merger, the Acquiring Group supplies branded corporate gifting and promotional products.

The Target Business is owned by Brandability Proprietary Limited which is solely controlled by an individual.

The Target Business is active in the branding and wholesale of corporate gifting and promotional items.

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 K2022757542 (South Africa) Proprietary Limited (“K2022”)/ Wanooka Enterprise and the Wellington Property from K2012150042 (South Africa) Proprietary Limited (“K2012”)

The Commission has unconditionally approved the proposed transaction whereby K2022 intends to acquire the Wanooka Enterprise and the Wellington Property from K2012.

The primary acquiring firm is K2022. K2022 is controlled by the Apex Digital Backed Infrastructure Fund, an *en commandite* partnership. K2022 controls Putivista Proprietary Limited (“Putivista”). K2022, its controllers and subsidiaries will be referred to as the “Acquiring Group”.

The Acquiring Group invests in property in South Africa and through its subsidiary, Putivista, only owns one office property in Cape Town.

The primary target firm is K2012 in respect of the Wanooka Enterprise and the Wellington Property, collectively the “Target Properties”. K2012 is controlled by Old Mutual Real Estate Holdings Company Proprietary Limited. The Target Properties are described as follows:

- The "Wanooka Enterprise" which is collectively: Erf 888 Parktown Township, Gauteng, measuring 8 156 m²; and Erf 953 Parktown Township, Gauteng, measuring 1.0623 hectares; on which a commercial rental enterprise is conducted; and
- The "Wellington Property" which is the remainder of Erf 548 Parktown Township, Gauteng, measuring 3 379 m².

The Wanooka Enterprise is a Grade A office property with a Gross Lettable Area ("GLA") of 25 167m² situated at St Andrews Road, Parktown, Johannesburg. The Wellington Property is situated at 9 Wellington Road, Parktown, Johannesburg, and is a vacant property that has been mothballed. The Wanooka Enterprise and the Wellington Property are located adjacent to each other.

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. COMPLAINTS (NON-REFERRALS)

Following its investigations, the Commission has decided not to refer the following matters to the Competition Tribunal for prosecution.

2.1 Sheldon Henen v Xneelo (Pty) Ltd and Righardt Van Zyl, Master Consultant

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

2.2 Anonymous v Presto Electrical (Pty) Ltd ("Presto") and Citilec (Pty) Ltd ("Citilec")

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

2.3 Stewarts Solutions (Pty) Ltd v Pick 'n Pay

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

2.4 Ishmael Mutavhatsindi v Acebis 387 (Pty) Ltd T/A Seeff Properties Centurion

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

2.5 Mzuvuile Benjamin Mfazwe as a proxy of Dulcie Phumla Gadi v Massmart

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

2.6 Anonymous v Mie, Nelson Mandela Metropolitan University, Tshwane University of Technology, Cape University of Technology, University of Pretoria, University of Fort Hare, Rhodes University, University of Venda, University of Kwazulu-Natal, University of Stellenbosch, University of Potchefstroom, Free State University, Central University of Technology

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

2.7 The Tax Faculty NPC v the South African Institute of Taxation NPC

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

2.8 Anonymous v Bobshop

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

2.9 Mzimkhulu Aaron Seroto v PEC Utility Management (Pty) Ltd

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

2.10 Nkosi Paulus Khwenenyane v Bright Alloys Pty (Ltd)

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

2.11 Lydia Sibiya v Constantia Metering

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

2.12 Maheshnee Govender v Ethekewini Municipality

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

2.13 Mr Kgaile Mogoye v various schools in the Johannesburg Area

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

2.14 Nadezhda Cox v Curro Douglasdale

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

2.15 Anonymous v Providence Academy School

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

2.16 Anonymous v Steyn City School and School and Leisure

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

2.17 Anonymous v Kiddies Playhouse Day Care and Pre-School

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

2.18 Anonymous v Birch Acres Primary School

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

2.19 Anonymous v Sunnyridge Primary School

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

2.20 Anonymous v Delft-North Primary School

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

2.21 Anonymous v IH Harris and Denver Primary School

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

2.22 Anonymous v Laerskool Dirkie Uys

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

2.23 Anonymous v Schools in Jouberton

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

2.24 Anonymous v Ratanda Secondary School, Khanya Lesedi, Bertha Gxowa Primary, Fountain Five Primary School and Bon Marche

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

2.25 Anonymous v Raisethorpe Secondary School

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

2.26 The Special Investigating Unit v Future Advertising and Marketing CC

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

2.27 The Special Investigating Unit v Pitje Services (Pty) Ltd

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

2.28 The Special Investigating Unit v Be-sure Events Solutions (Pty) Ltd

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

2.29 The Special Investigating Unit v Sedilaka Trading Project Management CC

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

2.30 The Special Investigating Unit v Ribilwa Trading Enterprise

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

[ENDS]

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