



Media Statement

For Immediate Release

01 December 2023

STATEMENT ON THE LATEST DECISIONS BY THE COMPETITION COMMISSION

The Competition Commission of South Africa (CCSA) held its ordinary meeting on Monday, 27 November 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 Greenstreet 1 Proprietary Limited (“Greenstreet”)/ Solareff Proprietary Limited (“Solareff”)

The Commission has recommended that the Competition Tribunal (“Tribunal”) approve the proposed transaction whereby Greenstreet intends to acquire Solareff from DCT Holdings (RF) Proprietary Limited (“DCT”) and the existing shareholders' claims in Solareff from Alviva Treasury Services Proprietary Limited (“Alviva Treasury”), with conditions.

The primary acquiring firm, Greenstreet, is a renewable energy investment platform wholly owned by Stanlib Infrastructure Fund II (“Stanlib Infrastructure Fund II”), represented by its general partner Stanlib Infrastructure GP 2 Proprietary Limited (“SIGP2”).

Stanlib Infrastructure Fund II is a private equity investment fund. Stanlib Infrastructure Fund II, via Greenstreet, holds interests in various companies that operate as independent power producers (“IPPs”) in terms of the Renewable Energy Independent Power Producer Procurement Programme (“REIPPPP”).

The primary target firm, Solareff, is controlled by DCT, with the remaining shareholding held by two individuals.

Solareff is a supplier of renewable solar PV energy to the private, commercial, industrial, agricultural and mining sectors in South Africa.

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

To promote a greater spread of ownership, the merging parties shall establish an Employee Share Ownership Programme (ESOP) for the benefit of qualifying workers.

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

1.2 SKG Properties Fund II (Pty) Ltd (“SKG Properties Fund II”)/ Elixir Trust (“Elixir Trust”)

The Commission has recommended that the Tribunal approve the proposed transaction whereby SKG Properties Fund II intends to acquire all of the beneficial rights and interests in the Elixir Trust, with conditions.

The primary acquiring firm is SKG Properties Fund II. SKG Properties Fund II is a wholly owned subsidiary of SKG Property Holdings (Pty) Ltd (“SKG Property Holdings”), which is in turn ultimately controlled by a trust.

The various entities forming part of the SKG Properties Fund II are primarily engaged in the development and leasing of commercial, industrial and retail investment properties, including management of the properties. Relevant to the proposed transaction, SKG Group owns properties that provide office space to various tenants in Johannesburg, Gauteng Province.

The primary target firm is Elixir Trust which is controlled by the Trustee of the Alchemy Property Investments Trust (“Alchemy Property Investments Trust”). The Elixir Trust invests, owns and develops property in South Africa and is the registered and beneficial owner of an undivided share in Sasol Place.

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

To address public interest concerns, the acquiring firm shall ensure that Sasol Place procures part of its requirements for general maintenance, plumbing, and non-specialist electrical services from Historically Disadvantaged Person (HDP) suppliers.

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

1.3 3 Sisters (Pty) Ltd (“3 Sisters”)/ Capespan Group (Pty) Ltd (“Capespan”)

The Commission has recommended that the Tribunal approve the proposed transaction whereby 3 Sisters intends to acquire Capespan, with conditions.

The primary acquiring firm is 3 Sisters. 3 Sisters is controlled by Agrarius Agri Value Chain RF (Pty) Ltd (“Agrarius OpCo”), a ring-fenced private company. 3 Sisters does not control any firm. 3 Sisters and all the firms controlling it will collectively be referred to as the “Acquiring Group”.

The Acquiring Group is an investment vehicle and has investments in several firms active in vegetable and fruit farming, livestock farming, and fruit export.

The primary target firm is Capespan. Capespan is controlled by Zeder Financial Services Limited. Capespan and all its subsidiaries are collectively referred to as the “Target Group”.

The Target Group is a vertically integrated fruit producer with global marketing capabilities servicing growers and customers in key international markets. It focuses on grapes and citrus. It operates through a primary agriculture farming division consisting of several primary production units as well as a sales and marketing division, with a global footprint in sourcing and marketing fruit.

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

To address public interest concerns, the acquiring firm has agreed to a package of remedies which include the implementation of an HDP transaction; capital expenditure; skills and social development initiatives for HDPs; and provision of marketing services to a specific number of emerging HDP-owned farmers at a discount.

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

1.4 RMB Investments and Advisory Proprietary Limited (“RMBIA”)/ LM Propco Proprietary Limited (“LM Propco”)

The Commission has recommended that the Tribunal unconditionally approve the proposed transaction whereby RMBIA intends to acquire the rental property known as Leroy Merlin Fourways (“Target Property”) from LM Propco.

The primary acquiring firm is RMBIA. RMBIA is wholly owned by FirstRand Investment Holdings Proprietary Limited (“FRIHL”). FRIHL is wholly owned by FirstRand Limited (“FirstRand”), a public company listed on the Johannesburg Securities Exchange and the Namibian Stock Exchange. FirstRand is not controlled by any firm or shareholder. FirstRand and all the firms directly and indirectly controlled by it are collectively referred to as the “FirstRand Group”.

The FirstRand Group is a portfolio of integrated financial services businesses that provide a universal set of transactional, lending, investment and insurance products and services.

The primary target firm is LM Propco with regard to the Target Property. LM Propco is wholly owned by Fourways Precinct Proprietary Limited ("FWP"). FWP is wholly owned by Erilogix Proprietary Limited ("Erilogix"). Erilogix is wholly owned by a trust.

The Target Property is a retail warehouse which houses the operations of a retail hardware store, trading as Leroy Merlin Fourways.

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 substantial public interest concerns.

1.5 TPG Inc ("TPG")/ Clean TopCo Limited ("Target Firm")

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

The primary acquiring firm, TPG, is a public company registered in the State of Delaware, in the United States of America. TPG is listed on the NASDAQ stock market. TPG is ultimately controlled by three HDPs . TPG, all the companies controlled by TPG, and all the entities controlled by TPG will be referred to as the "Acquiring Group".

The Acquiring Group is involved in asset management. TPG controls various entities in South Africa that are broadly involved in the supply of medical devices and animal health technology, the provision of software services, pharmaceutical products, retail sales of digital goods, and marketing and television media production.

The primary target firm is Clean TopCo Limited. The Target Firm is controlled by investment funds, investment vehicles and/or accounts managed by KKR and Co Inc ("KKR"). KKR is an American global investment company listed on the New York Stock Exchange. In South Africa, the Target Firm indirectly controls A-Gas (South Africa) Proprietary Limited ("A-Gas South Africa") and A-Gas Electronic Materials Limited.

A-Gas South Africa is involved in the supply and distribution of speciality gases which are used in refrigeration, fire protection and halons, and industrial environments.

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

To promote a greater spread of ownership, the acquiring firm shall establish an ESOP for the benefit of qualifying workers.

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

1.6 AustralianSuper (Pty) Ltd (Trustee) / Vantage Data Centres Europe S.a.r.l. (Vantage EMEA)

The Commission has approved the proposed transaction whereby Trustee intends to acquire Vantage EMEA, with conditions.

The primary acquiring firm is Trustee on behalf of AustralianSuper. AustralianSuper is a superannuation and pension fund incorporated in the Commonwealth of Australia. AustralianSuper is not controlled or managed by any other entity. AustralianSuper directly controls AS Direct Investments UK Ltd (ASDI) which in turn directly controls AS Infra Hyper UK Ltd (AS Infra).

AustralianSuper offers services relating to superannuation, investment, retirement and insurance to its members. It manages approximately AUD250 billion in member assets investing in both public and private markets. AustralianSuper has investments in Australia and other countries globally. AustralianSuper does not have any business activities, assets or employees in South Africa.

The primary target firm is Vantage Data Centres Europe S.a.r.l. (Vantage EMEA), a firm incorporated in the Grand Duchy of Luxembourg. Vantage EMEA is ultimately and jointly controlled by Public Sector Pension Investment Board (PSP) and DigitalBridge Group Inc. (DigitalBridge).

Vantage EMEA supplies colocation data centre services which include providing space, power supply, cooling, and security services to customers.

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

To address public interest concerns, the merging parties shall procure a substantial amount of their requirements from firms that are majority-owned by HDPs, job creation, and skills development for the benefit of, in particular, HDP women.

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

1.7 WHP Investments, LLC (“WHP”)/ TM25 Holding B.V. (“TM25”)

The Commission has approved the proposed transaction whereby WHP intends to simultaneously acquire a majority interest in TM25, the entity that owns the intellectual property rights of G-Star RAW C.V. (“G-Star”) and a certain percentage of the operational assets of G-Star, with conditions.

The primary acquiring firm is WHP, a company duly incorporated under the laws of the USA. WHP is controlled by the funds managed and controlled by Oaktree Capital Group, LLC (together with its affiliated

investment funds and other entities (“Oaktree”). Oaktree is publicly listed on the New York Stock Exchange and is jointly controlled by Brookfield Corporation (together with the funds and investment vehicles it manages (“Brookfield”) and Oaktree Capital Group Holdings, L.P. (“Oaktree Capital”). Brookfield is incorporated under the laws of Canada and Oaktree Capital is incorporated under the laws of the USA. WHP and all the firms, directly and indirectly, controlling it, will hereinafter collectively be referred to as the “Acquiring Group”.

The Acquiring Group is a global entity that acquires, manages and licenses global consumer brands. The Acquiring Group, through WHP, owns brands such as Anne Klein, Bonobos, Joseph Abboud, Joe's Jeans, Isaac Mizrahi, William Rast, Lotto, Toys"R"Us, Babies"R"Us and the Express Brand. WHP also operates WHP+, a digital e-commerce platform for brands, and WHP Solutions, a sourcing agency based in Asia. For the preceding financial year, the Acquiring Group only had two licensees in South Africa, Amic Trading (Pty) Ltd (licensed the rights to Toys“R”Us) and Bearded Monkey (Pty) Ltd (licensed the rights to Lotto).

The primary target firm comprises of TM25 (an entity that owns the intellectual property (IP) rights of G-Star) and G-Star. G-Star is duly registered under the laws of the Kingdom of the Netherlands. G-Star is controlled by Stitching Bluebox Beheer (“Stitching”), a foundation incorporated under the laws of the Netherlands. In turn, Stitching, through G-Star, controls Saville Holding B.V. (“Saville”), also incorporated under the laws of the Netherlands. In South Africa, Saville directly controls G-Star RAW South Africa (Pty) Ltd (“G-Star SA”). TM25 and G-Star including their subsidiaries will henceforth be collectively referred to as the “Target Firm”.

The Target Firm is a denim-led apparel company focused on the design, manufacturing and distribution of clothing, footwear and accessories, based in the Netherlands. In South Africa, G-Star has brick-and-mortar stores across various cities. Some of the G-Star items are sold through select stores such as Fabiani, Markham, TAPE and XS Denim, as well as direct-to-consumer e-commerce platforms.

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

The merging parties have agreed to a set of public interest conditions including opening a new retail store in South Africa within 12 months of the implementation date and employing a certain number of employees, the majority of whom shall be HDPs, to operate and manage the intended store.

Additionally, G-Star SA aims to increase its support and development of HDP-owned Small to Medium Enterprises that provide tailoring services through its certified tailor programme. Finally, G-Star will maintain and, where commercially feasible, increase the scope of its human resources outsourcing to an HDP business for a period of three years from the implementation date.

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

[ENDS]

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