



Media Statement

For Immediate Release

14 October 2024

STATEMENT ON THE LATEST DECISIONS BY THE COMPETITION COMMISSION

The Competition Commission of South Africa (CCSA) held its ordinary meeting on Wednesday, 09 October 2024, 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 K2016336084 (South Africa) (Pty) Ltd (“K084”) / Accelerate Property Fund Ltd (“APF”)

The Commission has recommended that the Competition Tribunal (“Tribunal”) approves the proposed transaction whereby K084 intends to acquire APF, with conditions.

The primary acquiring firm, K084, is wholly owned and controlled by Urban Retail Property Investments 3 Proprietary Limited (“URP3”). URP3 is controlled by Investment Property Equity *En Commandite* Partnership (“IPE Partnership”) and Investment Property Debt *En Commandite* Partnership (“IPD Partnership”). IPE Partnership is controlled by its general partner, IP Equity GP Proprietary Limited (“IPE GP”). IPD Partnership is controlled by its general partner IP Debt GP Proprietary Limited (“IPD GP”). IPE GP and IPD GP are jointly controlled by First Energy Capital Proprietary Limited (“FECF”). FECF is ultimately controlled by a trust. K084 and all the firms controlling it are collectively referred to as the “Acquiring Group”.

The Acquiring Group is a consortium made up of private equity funds. The activities of the Acquiring Group includes investments across a wide range of industries, including primarily renewable energy projects and to a lesser extent, property. Of relevance to this merger assessment are the Acquiring Group’s non controlling shareholding in APF, the target firm. APF is involved in the property sector. The Acquiring Group’s intended acquisition of sole control over Castleview Property Fund Limited (“CVW”) via K2018365955 (South Africa) Proprietary Limited has been notified simultaneously with this proposed

merger (referred to as the “CVW Transaction”). The CVW Transaction will culminate in the Acquiring Group having control over a property portfolio which includes office and retail property.

The primary target firm, APF, is listed on the Johannesburg Stock Exchange (JSE). APF has a portfolio of 23 properties across South Africa in the retail and commercial / office sectors.

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

To address public interest concerns, the Acquiring Group has made commitments relating to the promotion of ownership by historically disadvantaged persons (HDPs).

1.2 Urban Retail Property Investments 1 (Pty) Ltd (“URP1”) / K2018365955 (SA) (Pty) Ltd (“K955”)

The Commission has recommended that the Tribunal approves the proposed transaction whereby URP1 intends to acquire K955, with conditions.

URP1 is controlled by Investment Property Equity *En Commandite* Partnership (“IPE Partnership”) and Investment Property Debt *En Commandite* Partnership (“IPD Partnership”). IPE Partnership is controlled by its general partner, IP Equity GP Proprietary Limited (“IPE GP”). IPD Partnership is controlled by its general partner IP Debt GP Proprietary Limited (“IPD GP”). IPE GP and IPD GP are jointly controlled by First Energy Capital Proprietary Limited (“FECF”). FECF is ultimately controlled by a trust. URP1 and all the firms controlling it are collectively referred to as the “Acquiring Group”.

The Acquiring Group constitutes a set of investment funds and their various portfolio companies that invest in firms across a wide range of industries, including renewable energy projects and to a lesser extent, property. The Acquiring Group has simultaneously filed a merger in terms of which it will acquire sole control over APF (the “APF Transaction”). Pursuant to the APF Transaction, the Acquiring Group will control an office and retail property portfolio.

The primary target firm, K955, is solely controlled by K2016458796 (SA) Proprietary Limited (“K796”).

Of relevance to this merger assessment are the Target Group’s activities through CVW. CVW is a public company listed as a real estate investment trust (REIT) on the AltX of the JSE. CVW has interests in office, residential and retail property in South Africa.

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

To address public interest concerns, the Acquiring Group has made commitments relating to the promotion of ownership by HDPs.

1.3 Government Employees Pension Fund (“GEPF”) represented by the Public Investment Corporation SOC Ltd (“PIC”) / Lanseria Holdings (Pty) Ltd (“Lanseria Holdings”)

The Commission has recommended that the Tribunal approves the proposed transaction whereby GEPF represented by PIC intends to acquire Lanseria Holdings, without conditions.

The primary acquiring firm, GEPF, is controlled by the South African Government. GEPF consists of a pension fund that is administered for the benefit of government employees. The GEPF through PIC, is invested in numerous sectors. GEPF, PIC and all the firms they control shall be referred to as the “Acquiring Group”.

Of relevance to this merger assessment is that pre-merger the Acquiring Group holds an interest in Lanseria Holdings, the primary target firm. Furthermore, through the PIC’s wholly owned subsidiary, ADR International Airports (Pty) Ltd (“ADR”), the Acquiring Group owns a non-controlling interest in the Airports Company of South Africa SOC Ltd (“ACSA”). ACSA controls OR Tambo International Airport (“ORTIA”), amongst others.

The Acquiring Group, through PIC, invests funds on behalf of public sector entities such as the GEPF. Of relevance to this merger assessment is the Acquiring Group’s investment in various airports, including the Target Group.

The primary target firm, Lanseria Holdings, is jointly controlled by, *inter alia*, the Acquiring Group. Lanseria Holdings is not controlled by any firm. Lanseria Holdings ultimately controls Lanseria International Airport (Pty) Ltd (“LIA”). Lanseria Holdings and all its subsidiaries will hereafter be referred to as the “Target Group”.

The Target Group is an airport business in the form of LIA which is also located in Johannesburg. LIA facilitates and handles cargo, charter and scheduled commercial flights. LIA further facilitates commercial passenger flights between two local airports, namely King Shaka International Airport and Cape Town International Airport. The Target Group further has limited regional passenger flights and can handle aircraft up to the size of a Boeing 737.

The Commission is of the view that the proposed transaction is unlikely to substantially lessen or prevent competition in any market since any information exchange concerns are mitigated by ongoing information exchange conditions from a previous merger involving the merging parties. The proposed transaction does not raise significant public interest concerns.

1.4 Dynamic Brands Manufacturing Proprietary Limited (“Dynamic Brands”) / The intellectual property, equipment and stock related to the dilutable non-alcoholic beverage brands Daly’s, Caribbean, Jungle Yum and Wild Island (“Target Brands”)

The Commission has approved the proposed transaction whereby Dynamic Brands intends to acquire the Target Brands from Pioneer Foods Groceries Proprietary Limited (“PFG”), with conditions.

The primary acquiring firm, Dynamic Brands, is controlled by Dynamic Hold 01 Proprietary Limited (“Dynamic Hold”) and KLT Dynamic Proprietary Limited (“KLT Dynamic”). Dynamic Brands is active in the manufacturing and supply of non-alcoholic dilutable concentrated and ready to drink (“RTD”) beverages sold under various brands. The concentrates manufactured and sold by Dynamic Brands include: (i) dairy-blend concentrates sold under the *Fusion* and *Delicious* brands; and (ii) fruit-based concentrates sold under the *Slimsy*, *Yello*, *Rascals*, *Mr Orange*, and *Burtons* brands. Dynamic Brands also manufactures and sells RTD beverages under its *Rascals*, *Mr Orange*, *Mr Berry*, *Slimsy* and *Burtons* brands. Dynamic Brands and the firms controlling Dynamic Brands will be referred to as the “Acquiring Group”.

The Target Brands comprise of: (i) *Wild Island* and *Caribbean*, both are dairy-blend concentrate brands; (ii) *Daly’s*, a fruit-based concentrate brand; and (iii) *Jungle Yum*, a fruit-based cordial brand.

The Commission found that the proposed transaction raises competition concerns in the manufacture and supply of dairy-blend concentrate. The Commission found that Dynamic Brands will be the largest supplier of dairy-blend concentrates in South Africa, post-merger. In order to address this horizontal competition concern, the Commission and the merger parties have agreed to a condition which will ensure that Dynamic Brands shall continue to provide products to its customers in the ordinary course of business and on commercially reasonable and practical terms. Further, Dynamic Brands shall not discriminate against small and medium sized businesses (as defined in the Competition Act 89 of 1998, as amended) or firms controlled or owned by HDPs (as contemplated in section 3(2) of the Competition Act).

To address public interest concerns, the merged entity shall not retrench any employees as a result of the merger for two years following the merger implementation date. The acquiring firm has also committed to making a financial contribution towards supplier, enterprise, and skills development for a period of two years from the merger implementation date.

1.5 Solevo MEA B.V. (“Solevo”) / Rolfes Holdings (Pty) Ltd (“Rolfes”)

The Commission has approved the proposed transaction whereby Solevo intends to acquire Rolfes, with conditions.

The primary acquiring firm, Solevo, is registered in the Kingdom of the Netherlands. Solevo is ultimately controlled by Development Partners International LLP (“DPI”), a private equity firm registered under the laws of the United Kingdom (UK). DPI is not controlled by any firm. Solevo does not control any firms in

South Africa. However, Solevo has operations in Angola, Burkina Faso, Cameroon, Cote d'Ivoire, Ghana, Madagascar, Mali and Senegal. DPI controls several firms in South Africa. DPI and all the firms it controls will be referred to as the "Acquiring Group".

The Acquiring Group is involved in the development and supply of chemicals used in various sectors: agriculture; food and nutrition; personal care; hygiene; water treatment; construction; mining and energy; and packaging. These activities are also conducted in countries such as Angola, Burkina Faso, Cameroon, Cote d'Ivoire, Ghana, Madagascar, Mali and Senegal. The Acquiring Group does not supply any chemicals in South Africa.

The primary target firm, Rolfes, is not controlled by any single shareholder. Rolfes conducts its activities through nine subsidiaries. Rolfes and its subsidiaries will be referred to as "Rolfes".

Rolfes is a manufacturer and distributor of chemicals and organic products to the agricultural, food, industrial, leather and water sectors.

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

To address public interest concerns, the merging parties will implement an HDP transaction, and skills development initiatives. In addition, the merging parties have agreed to procure from suppliers with at least a B-BBEE Level 3 score.

1.6 Trouw Nutrition South Africa (Pty) Ltd ("Trouw") / Chemfit Fine Chemicals (Pty) Ltd ("Chemfit")

The Commission has approved the proposed transaction whereby Trouw intends to acquire Chemfit, with conditions.

The primary acquiring firm, Trouw, is a wholly owned subsidiary of Nutreco International B.V. ("Nutreco International"). Nutreco International is ultimately controlled by SHV Holdings N.V. ("SHV"), a company registered in the Kingdom of the Netherlands. SHV is controlled by a family through a foundation. Trouw does not directly or indirectly control any firm in South Africa or elsewhere. Nutreco International, SHV and all firms directly or indirectly controlled by them are, hereafter, collectively referred to as the "Acquiring Group".

In South Africa, the Acquiring Group produces a range of animal feed mixes, which it distributes to farmers and animal feed producers. The Acquiring Group produces a range of premixed vitamin and mineral supplements that are formulated to suit the dietary requirements of poultry, livestock and domestic animals. In addition to offering standard formulations, the Acquiring Group also produces and supplies (i)

customised premix formulations made to specifications; (ii) animal feed supplements; (iii) mineral blocks; (iv) animal feed additives and young animal feeds for poultry, swine, ruminants and fish; and (v) engineering solutions for lifting, transport, installation and decommissioning of large heavy structures.

The primary target firm is Chemfit, trading as AECI Animal Health. Chemfit is controlled by Chemical Services Limited ("Chemical Services"), which is ultimately wholly owned by AECI Limited ("AECI"). Chemfit does not directly or indirectly control any firm.

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

To address public interest concerns, the merging parties agreed not to retrench employees as a result of the merger for a period of two years from the merger implementation date. In addition, the merging parties have made a capital expenditure commitment towards the health, safety, and environment of the target firm's employees; and will invest in the development of the rural community of Burgersdorp. The merging parties will also support emerging HDP farmers for a period of five years following the merger implementation date.

1.7 Dutoit Group (Pty) Ltd ("Dutoit Group") / The Novo Fruit Packers ("Target Business") business owned by Capespan Agri (Pty) Ltd ("Capespan")

The Commission has approved the proposed transaction whereby the Dutoit Group, through DuToit Agri (Pty) Ltd ("Dutoit Agri"), intends to acquire the Target Business from Capespan, with conditions.

The primary acquiring firm, Dutoit Agri, is a wholly owned subsidiary of Dutoit Group. Dutoit Group is a wholly owned subsidiary of Dutoit Beherend (Pty) Ltd ("Dutoit Beherend"). Dutoit Beherend is controlled by Fruitgrow Investments (Pty) Ltd ("Fruitgrow"). Fruitgrow is controlled by a trust. The trust, its subsidiaries, and its controllers will collectively be referred to as the "Acquiring Group".

The Acquiring Group owns almost 4000 hectares of farmland in the Western Cape and Eastern Cape provinces. The Acquiring Group farms apples, pears, stone fruit and vegetables. The Acquiring Group also owns and operates fruit and vegetable packing and cold storage facilities in the same provinces. In the Western Cape, the Acquiring Group uses packhouses and cooling facilities internally for its own agricultural production activities and does not offer packhouse and cooling facilities to any external party.

The primary target firm is the Target Business. The Target Business is owned and controlled by Capespan. The Target Business does not control any other firm. Capespan is controlled by Zeder Pome Investments (Pty) Ltd ("Zeder Pome").

The Target Business is a fruit packhouse and cooling facility known as "Novo Fruit Packers" located in Paarl. The Target Business provides fruit storage facilities and packing services for fresh fruit, particularly pome fruit (apples and pears).

To address competition and public interest concerns, the Acquiring Group will reserve a percentage of the Target Firm's existing dayshift packing and cooling facilities for utilisation by third parties on reasonable, market-related terms. This percentage is set and based on the space previously provided to third parties. In addition, the Acquiring Group shall, make a financial commitment towards emerging farmers to assist with the development of apple and pear orchards with the latest cultivars; and/or acquiring land which can be utilised for apple or pear farming.

1.8 Amber Hill Ventures (Pty) Ltd ("Amber Hill") / Cider House Investments (Pty) Ltd ("CHI")

The Commission has approved the proposed transaction whereby Amber Hill intends to acquire CHI from Livor Investments (Pty) Ltd ("Livor"), with conditions.

The primary acquiring firm, Amber Hill, is controlled by an individual. All the firms the individual controls will collectively be referred to as the "Acquiring Group". The Acquiring Group is active in retail gaming. It operates limited payout machines and a sports betting and entertainment company.

The primary target firm, CHI, is jointly controlled by Livor and Signal Hill Products Holdings (Pty) Ltd ("SHPH"). Livor is owned and controlled by an individual. CHI contracts all production, sales and distribution of the Strongbow brand to SHPH (and/or other entities within the SHPH group). In return, CHI receives royalties on all Strongbow sales. The SHPH group is active in the production, packaging, distribution and marketing of beer and flavoured alcoholic beverages ("FABs") in South Africa.

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

To address public interest concerns, the merging parties have made commitments that ensure they will abide by the previously imposed conditions on CHI which involve that the business will maintain HDP ownership within the control structure of the Strongbow license. In addition, the Acquiring Group shall establish an employee share ownership programme (ESOP) within three years from the merger implementation date. The Acquiring Group has also made local procurement, HDP support and small, micro, and medium enterprises (SMME) commitments over a period of five years from the merger implementation date. Further, the Acquiring Group shall employ new additional permanent employees at the merged entity within two years from the merger implementation date.

1.9 Project Horizon Bidco UK Limited (“Project Horizon Bidco”) / Travel Group Limited (“TTC”)

The Commission has approved the proposed transaction whereby Project Horizon Bidco intends to acquire TTC, without conditions.

The primary acquiring firm, Project Horizon Bidco, is a special purpose vehicle incorporated in England and Wales. Project Horizon Bidco is indirectly owned and controlled by investment funds managed by affiliates of Apollo Management L.P. (the “Apollo Funds”). The Apollo Funds is a Delaware limited partnership and a subsidiary of Apollo Global Management, Inc. (“AGM”).

In South Africa, the Acquiring Group indirectly controls numerous firms, including Armstrong Properties Proprietary Limited, Ingenico South Africa Proprietary Limited and Tenneco Automotive Holdings South Africa Proprietary Limited, amongst others. Project Horizon Bidco, the Apollo Funds, AGM, together with its consolidated subsidiaries, are collectively referred to as the “Acquiring Group”.

In South Africa, the Acquiring Group has controlling interests in firms that manufacture and/or supply motor vehicle components (such as brake systems, suspension, cooling components, wiper systems, auto electric components); energy solutions (solar, batteries, charging systems); gaming / casino machines; financial; and point of sale devices, amongst others.

The primary target firm, TTC, is a company incorporated in Guernsey, the United Kingdom. TTC is wholly owned by Travcorp Financial Services Limited, a company incorporated under the laws of Guernsey. In South Africa, TTC indirectly controls Trafalgar Tours Proprietary Limited (“Trafalgar”) and Travcorp SA Proprietary Limited (“Travcorp”).

In South Africa, TTC (through Trafalgar) operates as a general selling agent for tour operators. Additionally, if required by the customer, Trafalgar sells air travel and earns an administrative fee for this service. On the other hand, Travcorp acts as Trafalgar’s administration company.

The Commission is of the view that the proposed transaction is unlikely to substantially lessen or prevent competition in any market. The proposed transaction does not raise significant public interest concerns.

[ENDS]

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