

MERGER DECISIONS – SECOND QUARTER 2020/21

In this quarter the Commission analysed and adjudicated on three merger transactions.

1.1 ACQUISITION BY PAPE FUND 3 OF 45% OF THE SHARES IN EOEC AND DISPENSE LOGIC THUS ACQUIRING A CONTROLLING STAKE IN LIQUID LOGIC ESWATINI

1.1.1 Acquiring Firm

The acquiring firm is PAPE Fund 3, a generalist private equity fund investing in unlisted, mid-cap SME investments operating predominantly in South Africa. PAPE Fund 3 has no business interests or revenue generating activities in Eswatini. The funds of PAPE Fund 3 are managed by PAPE Fund 3 GP. PAPE Fund 3 GP is controlled by PAPE Fund Managers. PAPE Fund Managers is in turn controlled by PAPE Group Proprietary Limited.

1.1.2 Target Firm

The Target Group is made up of EOEC, Dispense Logic and their subsidiaries. EOEC is a company duly incorporated and existing under the laws of South Africa.

EOEC provides head office support functions such as human resources, finance and business analyst support to its operating entities. Its operating entities are:

Drinks Dispense Services Proprietary Limited and Liquid Logic Proprietary Limited which are involved in the supply, installation, service, repair and maintenance of beverage dispensing equipment (in relation to hot and cold beverages), refrigeration systems and air conditioning units. Drinks Dispense Services also provides warehousing and distribution services in respect of the described assets.



Dispense Logic is a company duly incorporated in the Republic of Mauritius. Dispense Logic is a holding company of the Target Group's operating entities throughout Africa (outside South Africa) and hold a number of subsidiaries which provide the services of the Target Group in a number of other jurisdictions. Immediately prior to the Acquiring Group acquiring a controlling stake in EOEC and Dispense Logic, EOEC will acquire the entire issued share capital of Liquid Logic Eswatini from Dispense Logic. Liquid Logic Eswatini is situated in Mbabane, Eswatini and provides refrigeration and draught services in Eswatini.

1.1.3 The Decision

The Commission considered the products of the firms and concluded that the relevant market is the provision of refrigeration and draught services in Eswatini. There are no overlaps between the activities of PAPE Fund 3 and the Target Group in the relevant market.

Post-merger, the market shares in the relevant market, market concentration, countervailing power and barriers to entry will not be affected and hence the transaction is unlikely to result in the substantial lessening or prevention of competition. The transaction was approved without conditions.

2.1 ACQUISITION OF 100% SHAREHOLDING BY LIBUYILE PROPERTIES (PROPRIETARY) LIMITED IN BIG TREE SHOPPING COMPLEX OWNED BY NCAMASE (PROPRIETARY) LIMITED.

2.1.1 Acquiring Firm

The acquiring firm Libuyile Properties (Proprietary) Limited, is a company incorporated in accordance with the laws of the Kingdom of Eswatini and is wholly owned by the Public Service Pension Fund.

2.1.2 Target Firm

The target firm is Ncamase (Proprietary) Limited which owns a property constituting Big Tree shopping complex and having its principal place of business in Matsapha Town situated in the Manzini District.

2.1.3 The Decision

The Commission considered the products of the merging firms and concluded that the relevant market is the provision of commercial space in the Big Tree Shopping Complex in Matsapha Town.

There are overlaps in the activities of Libuyile and Ncamase but these do not arise because of the transaction. There are no overlaps given the fact that commercial space such as a shopping complex owned by the merging parties are not in the same relevant market due to geographic location. Post-merger, the market shares in the relevant market, market concentration, countervailing power and barriers to entry will not be affected hence the transaction is unlikely to result in the substantial lessening or prevention of competition. The transaction was approved without conditions.

2.2 ACQUISITION OF 100% ISSUED SHARE CAPITAL IN WATERFALL DEVELOPMENT PROPRIETARY LIMITED BY MR SIBUSISO DLAMINI.

2.2.1 Acquiring Firm

The acquiring party, Mr Dlamini is a male adult citizen of Eswatini.

2.2.2 Target Firm

The target firm, Waterfall Development (Pty) Ltd ("Waterfall"), is a property development company duly registered and incorporated in accordance with the company laws of Eswatini. Waterfall was incorporated for purposes of acquiring, selling and developing immovable property. Since inception Waterfall is the owner



of immovable property described as remaining portion 3 of Farm No.9 Peebles Block (North), Manzini, Eswatini measuring approximately 563.9722 hectares.

2.3.2 The Decision

The Commission considered the products of the firms and concluded that the relevant market is farmland in the Manzini region in Eswatini.

There are no overlaps that are created as a result of the proposed transaction in the relevant market. Post-merger, the market shares in the relevant market, market concentration, countervailing power and barriers to entry will not be affected hence the transaction is unlikely to result in the substantial lessening or prevention of competition. The transaction was approved without conditions.