

MEDIA STATEMENT

For immediate release

Subject: Determinations on Mergers and Acquisitions Cases

- 1. Kano Prop (Pty) Ltd and Tulongeni Property Developers (Pty) Ltd**
- 2. Energy Utilities Operations (Pty) Ltd and Solsquare Energy (Pty) Ltd**
- 3. Vector Logistics (Pty) Ltd and EMIF Investments (Pty) Ltd**
- 4. KI Mining (Cyprus) Limited and QKR Corporation Limited**
- 5. Old Mutual Life Assurance Company (Namibia) Ltd and Hallie Investment Number 3162 (Pty) Ltd**
- 6. RCK Investment (Proprietary) Limited and Altron Technologies Namibia Proprietary Limited**
- 7. K2023647843 (South Africa) Proprietary Limited // Danny's Auto Body Parts Proprietary Limited and Danny's Auto Property Holdings Proprietary Limited**

The Namibian Competition Commission ("NaCC") at its Board of Commissioners meeting held on the 27 June 2023, adjudicated on the following proposed mergers:

1. Kano Prop (Pty) Ltd and Tulongeni Property Developers (Pty) Ltd

Introduction:

On 14 June 2023, the Commission received a notification in terms of Section 44(1) of the Competition Act No. 2 of 2003, on the proposed merger between Kano Prop (Pty) and Tulongeni Property Developers (Pty) Ltd. The proposed transaction entails Kano Prop (Pty) Ltd increasing its existing shareholding in Tulongeni Property Developers (Pty) Ltd by acquiring majority of the shareholding from Delmont Investments (Pty) Ltd.

The Primary Acquiring Undertaking Kano Prop (Pty) Ltd (Kano Prop), owns various immovable properties, a retailer and wholesaler of groceries and a retailer of fresh produce.

EX Officio: Mr. Vitalis Ndalikokule (CEO & Secretary to the Commission)

The Primary Target Undertaking Tulongeni Property Developers (Pty) Ltd (“Tulongeni Property Developers”), is a Namibian registered investment holding company which owns an immovable property, a larger mall development.

Competition analysis: The proposed transaction entails Kano Prop (Pty) Ltd an existing shareholder increasing its shareholding in Tulongeni Property Developers (Pty) Ltd and the merger will not result in market share accretion or the removal of an effective competitor.

Public Interest: The proposed transaction will have no negative effect on employment as there will be no job losses, including redundancies and retrenchments as a result of the implementation of the merger. No other public interest concerns arise from the implementation of the proposed transaction.

2. Energy Utilities Operations (Pty) Ltd and Solsquare Energy (Pty) Ltd

Introduction:

On 17 May 2023, the Commission received a notification in terms of Section 44(1) of the Competition Act, Act No. 2 of 2003, (the Act) on the proposed transaction which entails the acquisition by Energy Utilities Operations (Pty) Ltd (Energy Utilities) of the entire issued share capital of Solsquare Energy (Pty) Ltd (Solsquare). The Proposed Transaction will enable Energy Utilities to expand their business operations to include construction capabilities and therefore being able to provide holistic renewable energy solutions to the market.

The Primary Acquiring Undertaking, Energy Utilities is in the business of the development of renewable energy operations. Energy Utilities also provides utilities such as commercial refrigeration, portable water and energy intelligence.

The Primary Target Undertaking, Solsquare is involved in the design, supply, installation and service of small and large-scale solar water heating and photovoltaic systems. The operations of Solsquare can be classified into 3 main branches: commercial, residential, and service. Solsquare offers consulting,

planning, operations and maintenance, supply, and distribution installation as well as project engineering and procurement for within the off-grid and on-grid solar energy sector.

Competition analysis: The proposed merger is classified as vertical and is unlikely to raise input or customer foreclosure concerns. In addition, the proposed merger is unlikely to result in an undertaking, including an undertaking not involved in the proposed merger acquiring a dominant position. The Commission therefore conclude that the proposed merger is unlikely to prevent or substantially lessen competition in the relevant market.

Public Interest: The merger is unlikely to have any negative impact on employment because the current employees of both undertakings will be retained post-merger. Further, the merger does not raise any other public interest concerns.

3. Vector Logistics (Pty) Ltd and EMIF Investments (Pty) Ltd

Introduction:

On 30 March 2023, the Commission received a notification in terms of Section 44(1) of the Competition Act, Act No. 2 of 2003, (the Act) on the proposed transaction which entails the acquisition by EMIF Investments (Pty) Ltd of the entire issued share capital of Vector Logistics (Pty) Ltd.

The Primary Acquiring Undertaking EMIF II Investments (Pty) Ltd, is a newly incorporated undertaking for the purposes of this transaction. EMIF therefore does not provide goods or services in Namibia. EMIF is ultimately controlled by A.P /Moller Capital P/S, a Danish limited partnership. In Namibia, the acquiring group predominantly provides container liner shipping services, inland haulage and container-freight services.

The Primary Target Undertaking Vector Logistics (Pty) Ltd, is a company incorporated in the Republic of South Africa. In Namibia, Vector Logistics (Pty) Ltd controls Vector Logistics Namibia (Pty) Ltd (“Vector Logistics Namibia”). Vector Logistics provides an end-to-end service to domestic business-to-business customers through the transport, storage and distribution of frozen foods and other related items.

Competition analysis: The merger is classified as a conglomerate merger in that it involves undertakings in unrelated markets. The proposed merger is unlikely to raise tying/bundling/portfolio effects associated with conglomerate mergers.

Public Interest: The proposed transaction will have no negative impact on any public interest considerations, including employment.

4. KI Mining (Cyprus) Limited and QKR Corporation Limited

Introduction:

On 03 May 2023, the Commission received a notification in terms of Section 44(1) of the Competition Act, Act No. 2 of 2003, (the Act) on the proposed transaction which entails a change in control, from joint control to sole control. KI Mining Ltd (“KI Mining”) intend to increase its existing shareholding in QKR Corporation Ltd (“QKR”). Upon implementation of the proposed transaction, KI Mining will hold the majority of the shares in QKR, thus exercise sole control over QKR.

The Primary Acquiring Undertaking, KI Mining is a wholly owned subsidiary of the Kulczyk Investments S.A. In Namibia the acquiring group is involved in gold mining through the target undertaking and has investments in biotech, construction, soda manufacturing, silicates manufacturing, real estate, and evaporated salt production in other parts of the world.

The Primary Target Undertaking, QKR is an investment vehicle which serves to hold the shareholding in QKR Namibia and in turn, QKR Navachab. The shareholders of QKR are KI Mining (Cyprus) Limited, Qatar Holding LLC and Leganes Limited. QKR Navachab primarily prospect for and exploit commercially viable deposits of precious metals and/or associated base metals in the Karibib Area and operates the Navachab gold mine that produces gold bullion in Karibib, Erongo region, Namibia.

Competition analysis: This is a conglomerate merger. On the international market the merging parties are insignificant competitors and compete with larger gold producers. The proposed transaction does not raise horizontal overlap and vertical integration in the activities of the merging parties in Namibia. Consequently, the proposed transaction will not result in an accretion in market share or market power nor result in either

customer or input foreclosure in any markets in Namibia, given that the proposed transaction is just a change in control. It is, therefore, unlikely that the proposed merger would result in the prevention or substantial lessening of competition or to restrict trade or the provision of any service or to endanger the continuity of supplies or services in the relevant market.

Public Interest: The merger is unlikely to have any negative impact on employment. As all of the primary target undertaking employees will continue their employment under the management of the acquiring group following implementation of the merger. Further, the merger does not raise any other public interest concerns.

5. Old Mutual Life Assurance Company (Namibia) Ltd and Hallie Investment Number 3162 (Pty) Ltd

Introduction:

On 26 May 2023, the Commission received a notification in terms of Section 44(1) of the Competition Act, Act No. 2 of 2003, (the Act) on the proposed transaction involving the acquisition of assets, shares or other interest in Hallie 3162 Hallie Investment Number 3162 (Pty) Ltd (“Hallie 3162”) by Old Mutual Life Assurance Company (Namibia) Limited (OMLAC Namibia).

The Primary Acquiring Undertaking OMLAC Namibia provides a diverse range of non-banking financial services including short-term and long-term insurance solutions, investment solutions, wealth management solutions and micro loans for retail customers.

The Primary Target Undertaking, Hallie 3162 Hallie Investment Number 3162 (Pty) Ltd (“Hallie 3162”), is active in the property development market.

Competition analysis: The merger is classified as a conglomerate merger in that it involves undertakings in unrelated markets. The proposed merger is unlikely to raise tying/bundling/portfolio effects associated with conglomerate mergers.

Public Interest: The proposed transaction will have no negative impact on employment or any public interest considerations.

6. RCK Investment (Proprietary) Limited and Altron Technologies Namibia Proprietary Limited

Introduction:

On 21 April 2023, the Commission received a notification in terms of Section 44(1) of the Competition Act, Act No. 2 of 2003, (the Act) on the proposed transaction concerning a management buy-out where the acquiring undertaking, RCK Investment (Proprietary) Limited, will acquire all the issued share capital of Altron Technologies Namibia (Proprietary) Limited.

The Primary Acquiring Undertaking, RCK Investment (Proprietary) Limited, is a newly established entity with the aim to serve as a special purpose vehicle for the acquisition of shares in the target undertaking and does not sell or deliver services to the Namibian market.

The Primary Target Undertaking, Altron Technologies Namibia (Proprietary) Limited, is controlled by Altron Limited (“Altron Group”) which provides information technology services in South Africa, the Middle East and Australia. Similarly, Altron Namibia is involved in the provision of information technology equipment, auxiliary products and services to the Namibian market such as Banking (“ATM’s”), Retail Point of Sale machines (“POS machines”), Printing and IT Support.

Competition analysis: No competition is eliminated as the proposed transaction represents a change of ownership at management level and it will not affect existing concentration levels or market conditions. It is, therefore, unlikely that the proposed merger would result in the prevention or substantial lessening of competition.

Public Interest: The merger is unlikely to have any negative impact on employment as the proposed transaction will not give rise to any merger related retrenchments in Namibia. Further, the merger does not raise any other public interest concerns.

7. K2023647843 (South Africa) Propriety Limited// Danny's Auto Body Parts Propriety Limited and Danny's Auto Property Holdings Propriety Limited

Introduction:

On 13 April 2023, the Commission received a notification in terms of Section 44(1) of the Competition Act, Act No. 2 of 2003, (the Act) on the proposed transaction which entails the acquisition by K2023647843 (South Africa) Proprietary Limited ("SPE BidCo") of the entire issued share capital of Danny's Auto Body Parts Proprietary Limited ("Danny's Auto") The proposed transaction takes place in South Africa and involves South African legal entities, with only a tangential link to Namibia through export revenues by the Primary Target Undertakings.

The Primary Acquiring Undertaking, SPE BidCo is a newly established investment holding company and does not conduct any business activities in Namibia. SPE BidCo is controlled by SPE fund which in turn is controlled by the Sanlam group¹ which provides life insurance, non-life insurance, reinsurance, investment management and other financial services in Africa, India and South-East Asia, the United Kingdom, the United States and Australia. In Namibia, the acquiring group is also engaged in the provision of insurance and other financial services.

The Primary Target Undertaking, Danny's Auto and Danny's Auto Property are South African based undertakings that have no physical presence or assets in Namibia. Danny's Auto is a wholesaler of aftermarket automotive parts and accessories for various vehicle types in Southern Africa that export products from South Africa to customers in Namibia.

Competition analysis: An effective competitor would not be eliminated as a result of the proposed transaction given that it is a conglomerate merger. Considering the nature of the merging parties' business activities, it is unlikely that the merger will give rise to any form of tying and bundling. Consequently, the proposed transaction will not result in an accretion in market share or market power nor result in either customer or input foreclosure in any markets in Namibia. It is, therefore, unlikely that the proposed merger would result in the prevention or substantial lessening of competition.

¹ Being Sanlam Limited and all the undertakings it directly and indirectly controls.

Public Interest: The merger is unlikely to have any negative impact on employment since the target undertakings do not have physical presence or employees in Namibia, and all current employees of the acquiring group will be retained. Further, the merger does not raise any other public interest concerns.

Conclusion:

All the above-mentioned mergers were approved without conditions.

The Commission's decisions are based on the grounds that the proposed mergers are not likely to prevent or lessen competition in Namibia, as envisaged by Section 47(2) of the Competition Act, 2003.

Note that the Commission has the authority, in terms of Section 48(1) of the Act, to revoke a decision approving the implementation of a proposed merger if-

- a) *the decision was based on materially incorrect or misleading information for which a party to the merger is responsible; or*
- b) *any condition attached to the approval of the merger that is material to the implementation is not complied with.*

Issued by: Dina //Gowases
Corporate Communications Practitioner
On behalf of the Office of the CEO & Secretary to the Namibian Competition Commission

Date: 17 July 2023

Find us on the following social media platforms:

Twitter: @CompCo_Nam
Facebook: The Namibian Competition Commission

EX Officio: Mr. Vitalis Ndalikokule (CEO & Secretary to the Commission)