

Merging parties and their activities

[3] The primary acquiring firm is PSG, an investment holding company. PSG is a wholly owned subsidiary of PSG Financial Services Limited, which, in turn, is a wholly owned subsidiary of PSG Group Limited ("PSG Group"). PSG Group holds various interests in a wide range of public and private companies. Of relevance to this transaction is that PSG has an existing direct interest in Precrete of 8.64% and directly and indirectly holds 92.02% of the issued share capital of Thembeke Mining Holdings (Pty) Ltd ("TMH"). TMH is an investment holding company with its only investment being its 39.36% interest in Precrete.

[4] The primary target firm is Precrete. The other current shareholders in Precrete other than PSG and TMH are: (i) Hans du Toit Family Trust (19.36%); (ii) Zico Capital (Pty) Ltd (19.2%); (iii) Piet Du Toit Family Trust (9.44%); and (iv) RA Aucamp Familie Trust (4%).¹

[5] Precrete is involved in the production and distribution of pre-mix concrete as well as the application and installation of secondary support systems in mines predominantly in the platinum sector.

Proposed transaction and rationale

[6] As stated above, PSG has a direct shareholding in Precrete of 8.64% pre-merger as well as a controlling interest in TMH which, in turn, has a shareholding in Precrete of 39.36% premerger. In terms of this transaction PSG, through its nominee TMH, intends to acquire a further 7.2% in the issued share capital of Precrete, thereby increasing its effective shareholding to a controlling interest of 55.2%. Upon completion of the proposed transaction PSG will thus have sole control of Precrete.

[7] PSG has been invested in Precrete since 2007 and views the business as successful with additional growth potential.

¹ Merger record, pages 29 and 30.

Market definition and competition analysis

[8] While PSG Group has interests in various industries, it has no interests in the pre-mix concrete industry save for its pre-existing interests in Precrete itself. This conclusion holds true on both a horizontal analysis and a vertical analysis.

[9] Given the lack of any potential overlaps between the activities of PSG Group and Precrete, there is no need for us to define any relevant markets. Furthermore, for the same reason, we conclude that there is no substantial prevention or lessening of competition likely to result from this transaction.

Public interest

[10] The merger parties confirmed that the proposed transaction will have no adverse effect on employment. It informed the National Union of Mineworkers (NUM) representing the employees of Precrete and the employee representative at PSG of the proposed transaction and its anticipated effect on employment.² The proposed transaction raises no other public interest concerns.

Conclusion

[11] For the reasons mentioned above, we approve the proposed transaction unconditionally.



ANDREAS WESSELS

16 August 2013

DATE

Anton Roskam and Takalani Madima concurring

Tribunal Researcher: Andrew Sylvester

For the Commission: Grashum Mutizwa

For PSG and Precrete: Nazeera Ramroop of Cliffe Dekker Hofmeyr
Inc.

² See *inter alia* pages 9 and 43 of the merger record.