



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: LM217Oct17

In the matter between:

PSG Retirement Holdings (Pty) Ltd

Acquiring Firm

and

Evergreen Retirement Holdings (Pty) Ltd.

Target Firm

Panel	: Norman Manoim (Presiding Member)
	: Mondo Mazwai (Tribunal Member)
	: Medi Mokuena (Tribunal Member)
Heard on	: 16 November 2017
Order Issued on	: 16 November 2017
Reasons Issued on	: 07 December 2017

Reasons for Decision

Approval

- [1] On 16 November 2017, the Competition Tribunal (“Tribunal”) unconditionally approved the proposed transaction between PSG Retirement Holdings (Pty) Ltd (“PSG Retirement”) and Evergreen Retirement Holdings (Pty) Ltd and (“ERH”).
- [2] The reasons for approving the proposed transaction follow.

Parties to the Proposed Transaction

Primary Acquiring Firm

- [3] The primary acquiring firm is PSG Retirement, a private company incorporated in accordance with the company laws of South Africa and is wholly owned by PSG Alpha Investments (Pty) Ltd (“PSG Alpha”). PSG Alpha is ultimately controlled by PSG Group Limited (“the PSG Group”), a public company which is not controlled by any firm.
- [4] The PSG Group holds a number of controlling and non-controlling interests in public and private companies over a range of industries including banking, education, financial services and the food sector.
- [5] PSG Retirement is a newly established firm which is not currently active in any market.

Primary Target Firm

- [6] ERH is a private company incorporated in accordance with the company laws of South Africa and is a wholly owned subsidiary of Amdec Investments (Pty) Ltd (“Amdec”). Amdec is jointly owned and controlled by the Baker Family Trust and the Rower Family Trust. Amdec also controls a number of other firms.
- [7] ERH controls a number of entities including, Evergreen Property Developments (Pty) Ltd (“Evergreen Property Developments”), Evergreen Property Investments (Pty) Ltd (“Evergreen Property Investments”) and Evergreen Lifestyle Villages (Pty) Ltd (“Evergreen Lifestyle Villages”). ERH and all the firms controlled by it are collectively referred to as the Target Group.
- [8] The Target Group is a developer, owner and manager of retirement villages in the private sector. These retirement villages are located in the Western Cape and surrounds as well as Johannesburg.

Proposed Transaction and Rationale

- [9] PSG Retirement intends to acquire 50% of the issued share capital of ERH. The transaction involves a move from sole to joint control.¹ Upon implementation of the merger ERH will be jointly controlled by PSG Retirement and Amdec.

¹ Transcript 16 November 2017, at page 2.

[10] The proposed transaction will, *inter alia*, allow PSG Retirement to enter the retirement accommodation market with an established and experienced partner and will enable growth of ERH.

Impact on Competition

[11] The Commission found that there is no overlap in the activities of the merging parties since the PSG Group is not active in the market for the provision of retirement accommodation, being the market in which ERH is active. PSG Retirement is a new entrant in the market for the provision of retirement accommodation.

[12] The Commission is therefore of the view that the proposed transaction is unlikely to substantially prevent or lessen competition in any market. We concur with this finding.

Public Interest

[13] The Commission found that the proposed transaction is unlikely to have a negative effect on employment given that the merger does not result in a horizontal overlap and therefore any job duplications are unlikely to result.

[14] The Commission was of the view that the proposed transaction is unlikely to raise concerns on any other public interest grounds.

Conclusion

[15] In light of the above, we conclude that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market or raise any adverse public interest issues. Accordingly, we approve the proposed transaction unconditionally.



Ms Mondo Mazwai

Mr Norman Manoim and Mrs Medi Mokuena concurring

07 December 2017

DATE

Tribunal Researcher:

Hayley Lyle

For the merging parties:

Susan Meyer of Cliffe Dekker Hofmeyr.

For the Commission:

Nonhlanhla Msiza