COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No.: LM047Jun26

In the matter between:

K2025746588 (South Africa) Proprietary Limited (Bidco)	**Primary Acquiring Firm**

And

Balwin Properties Limited	**Primary Target Firm**

Panel	:	I Valodia (Presiding Member)
	:	T Vilakazi (Tribunal Member)
	:	A Ndoni (Tribunal Member)
Heard on	:	21 July 2026
Order issued on	:	23 July 2026
Reasons issued on	:	05 August 2026

REASONS FOR DECISION

Introduction

[1] On 23 July 2026, the Competition Tribunal ("Tribunal") unconditionally approved a large merger in which K2025746588 (South Africa) Proprietary Limited (Bidco) intends to acquire control of Balwin Properties Limited ("Balwin"). Post-merger, Bidco will have sole control of Balwin.

The parties and their activities

[2] The primary acquiring firm is Bidco, a newly incorporated entity jointly controlled by the Government Employees Pension Fund ("GEPF")[1], through the Public

[1] GEPF is controlled by its Board of Trustees in terms of section 6(2) of the Government Employees Pension Law 21 of 1996.

Investment Corporation SOC Limited ("PIC")[2], and Volker Holdings Proprietary Limited ("Volker"). Other non-controlling shareholders in Bidco include Rodna Investments Proprietary Ltd ("Rodna") and GRE Africa Limited ("GRE").

[3] As a newly incorporated firm, Bidco has no prior business activities. Relevant to this transaction is the GEPF's existing property portfolio, which consists of residential properties located in the North-West, KwaZulu-Natal and Western Cape provinces.

[4] Collectively, Bidco, GEPF (as represented by the PIC), Volker and all firms directly controlled by them will be referred to as "the Acquiring Group".

[5] The primary target firm, Balwin, is a publicly listed company on the Johannesburg Stock Exchange Limited ("JSE") and is not controlled by any other firm.

[6] Balwin specialises in residential property developments, with operations primarily in KwaZulu-Natal, Gauteng and the Western Cape.

[7] Balwin, and all firms directly and indirectly controlled by it will be referred to as the "Target Group".

Transaction

[8] The proposed transaction entails Bidco acquiring all issued shares in Balwin, resulting in Balwin becoming a wholly owned subsidiary of Bidco and being delisted from the JSE.

[9] Post-merger, Bidco will remain jointly controlled by GEPF[3] and Volker[4], with Rodna and GRE retaining minority interests.

[2] The PIC is a state-owned firm that is appointed as the GEPF's asset manager and is controlled by the South African Government.
[3] As to 49.30%.
[4] As to 33.60%.

Competition Assessment

[10] The proposed transaction gives rise to a horizontal overlap between the merging parties' activities in the market for the provision of rentable residential property. While GEPF is not active in the sale of residential properties, its portfolio includes rentable residential properties.

[11] The Competition Commission ("Commission") assessed the transaction's impact on the rentable residential property market, focusing on the Western Cape and KwaZulu-Natal, where both the Acquiring Group and Target Group operate. The geographic market was assessed within an 8 km radius, consistent with the approach previously accepted by the Tribunal in *AFHCO Holdings (Pty) Ltd v Calgro M3 JCO Holdings (Pty) Ltd*.[5]

[12] The Commission found that the Acquiring Group's rentable residential properties in the Western Cape are approximately 50km away from the Target Group's only residential property in that province. Similarly, in KwaZulu-Natal, the properties owned by both groups are about 40km apart. Consequently, there is no geographic overlap between the residential properties owned by the Acquiring Group and the Target Group.

[13] Accordingly, the Commission concluded that the proposed merger is unlikely to substantially prevent or lessen competition in any relevant market. We concur with the Commission's assessment and findings.

Public Interest

Effect on employment

[14] The merging parties submitted that the proposed transaction will not have any adverse effects on employment in South Africa, as it will not result in any retrenchments.

[15] Bidco currently has no employees in South Africa.

[5] (LM084Aug20) [2020] ZACT 40; [2020] 2 CPLR 737 (CT) (4 November 2020) at paragraph 11.

[16] The Commission engaged with Balwin's employee representatives, who confirmed that employees were notified and raised no employment concerns regarding the proposed transaction.

Effect on the spread of ownership

[17] In relation to the effect on the spread of ownership, the Commission found that the proposed transaction introduces the GEPF, an institution benefiting historically disadvantaged persons and workers, as a shareholder. While GEPF does not hold a Broad-Based Black Economic Empowerment certificate, the Commission concluded that the transaction will positively impact the spread of ownership.

[18] We agree with this conclusion.

Other public interest considerations

[19] There is no evidence or submissions which were received suggesting that the proposed transaction raises any other public interest concerns.

[20] For these reasons, and those outlined by the Commission in its recommendations, we conclude that the proposed transaction does not raise any negative public interest concerns.

Conclusion

[21] We find that the proposed transaction is unlikely to result in any substantial negative competition or public interest effects. Accordingly, we approve the proposed transaction unconditionally.

Signed by:Imraan Valodia
Signed at:2026-08-05 11:25:22 +02:00
Reason:Witnessing Imraan Valodia

Imraan Valodia

Professor Imraan Valodia	**05 August 2026** **Date**

Concurring: Professor Thando Vilakazi and Ms Andiswa Ndoni

Tribunal Case Manager:	Sinethemba Mbeki and Tarryn Sampson
For the Merger Parties:	Susan Meyer, with Elhan Shaik and Zenande Mnyamana of Cliffe Dekker Hofmeyr Inc. And Mark Griffiths, with Reabetsoe Phori of Deneys Inc.
For the Commission:	Seapei Melamu and Themba Mahlangu