

## **Statement on the decisions of the Competition Commission**

To: All Media

Date: 01 April 2015

### **1. Key decisions on mergers and acquisitions**

#### **1.1 Large Mergers**

##### **Proposed merger between Accelerate Property Fund Limited (Accelerate) and Parktown Crescent Properties (Pty) Ltd (PCP) and Wanooka Properties (Pty) Ltd (Wanooka)**

The Commission has recommended to the Competition Tribunal that the large merger whereby Accelerate intends to acquire PCP and Wanooka be approved, without conditions. Post-merger, Accelerate will have sole control over PCP and Wanooka.

Accelerate is a property investment company, holding a property portfolio comprising of retail, office and industrial space located in various parts of South Africa. PCP and Wanooka are property holding companies in respect of the KPMG-Leased Properties and do not conduct any other business.

##### **Proposed merger between Vukile Property Fund Limited (Vukile) and the Nonesi Mall, currently owned by Four Arrows Investments 46 (Pty) Ltd (Four Arrows)**

The Commission has recommended to the Competition Tribunal that the large merger whereby Vukile intends to acquire the Nonesi Mall be approved, without conditions. Post-merger, Vukile will have sole control over Nonesi Mall.

Vukile is a listed property fund with controlling interests in various properties throughout South Africa. Nonesi Mall is a retail centre situated in Queenstown in the Eastern Cape Province.

#### **1.2 Intermediate Mergers**

##### **Proposed merger between Leaf Capital Infinitus (Pty) Ltd (LCI) and Opivax (Pty) Ltd (Opivax)**

The Commission has approved without conditions, the intermediate merger whereby LCI and Vital Health Food (Pty) Ltd (VHF) intend to acquire a stake in Opivax. Post-merger, LCI and VIH will have joint control over Opivax.

LCI is a private equity investment vehicle that provides capital for and becomes actively involved in established businesses.

VHF is a South African manufacturer and distributor of branded vitamins, minerals and supplements, as well as certain health food and beverage

products. Opivax is a special purpose vehicle established for the purpose of the proposed transaction.

### **Proposed merger between Heaven-Sent Capital Management Group Co. Limited (HSC) and Village Main Reef Limited (Village)**

The Commission has approved without conditions, the intermediate merger whereby HSC intends to acquire Village. Post-merger, HSC will have sole control over Village.

HSC's business activities include venture capital/private equity, private investment in public equity and private wealth management. Village is a South African resource-company controlling various mining projects within South Africa.

## **1.3 Termination of Conditions**

### **Termination of conditions imposed in the merger between Oceana Group Limited and the sole businesses of Phambili Fisheries, Bato Star Fishing, and entities within the African Marine Products Group of Companies**

On 9 July 2012, the Commission approved the above merger subject to certain public interest conditions. The purpose of the conditions was to ensure that Oceana does not retrench any employees for a period of 2 years from the approval date.

Upon examining the information received, the Commission is satisfied that Oceana has complied with the conditions.

### **Termination of conditions imposed in the merger between Tourvest Holdings (Pty) Ltd and Three Cities Management (Pty) Ltd**

On 14 August 2014, the Commission approved the above merger subject to certain public interest conditions. In terms of the conditions, the merging parties were to ensure that they do not retrench more than 13 affected employees and they were to further provide funding for the additional training of the qualifying employees, who only had a matric qualification.

Upon examining the information received, the Commission is satisfied that there has been sufficient compliance with the conditions.

### **Termination of conditions imposed in the merger between CA Sales Holdings (Pty) Ltd and Pack 'n Stack Holdings (Pty) Ltd**

On 12 June 2013, the Competition Tribunal approved the above merger subject to certain conditions. The conditions required CA Sales to advise the Commission in writing if the call option was exercised within 90 days of CA Sales receiving Pack 'n Stack's audited financial statements for the year ending 28 February 2014.

If CA Sales had exercised its call option after this date, being 27 July 2014, it would have to seek the Commission's approval prior to implementing the acquisition.

Upon examining the information received, the Commission is satisfied that CA Sales has complied with the conditions.

**Termination of conditions imposed in the merger between Tecsa Proprietary Limited and Reco, a division of African Oxygen Limited**

On 5 February 2013, the Commission approved the above merger subject to certain public interest conditions. The purpose of the conditions was to ensure that the merged entity did not retrench any semi-skilled employees during the moratorium period. The merged entity was also not allowed to retrench more than 11 skilled employees as a result of the merger.

Upon examining the information received, the Commission is satisfied that the merged entity has complied with the conditions.

**2. Non Referrals**

**2.1 The Commission has taken a decision to non-refer the following cases on the basis of the following reasons:**

- a) *Ethekwini Municipality v Akrt Investment CC; Tasset 13 (Pty) Ltd; Tauris Garden Trading CC; Brackley Investment CC; Moggeena Building Construction CC; Centwise 157 CC – The Commission found that there is insufficient evidence to support the allegation of collusive tendering.*
- b) *Theron Broers Bouaanners BK/Lourens Theron v Building Industry Bargaining Council of The Cape of Good Hope & The Minister of Department of Labour, Honourable Nelisiwe Mildred Oliphant – The Commission found that the complaint falls outside the scope of the Act and consequently, the mandate of the Commission.*
- c) *Tebogo Mosothoane v Discovery Health (Pty) Ltd – The Commission found that the complaint does not raise any competition concerns; it will thus be referred to the National Consumer Commission.*
- d) *Gay Carvalho v CEO of Kirby – The Commission found that the complaint is in fact a labour issue and does not raise any competition concerns.*
- e) *Bert Alexander v Vodacom – The Commission found that the matter does not raise any competition concerns; it will thus be referred to both the National Consumer Commission and ICASA.*

Ends

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