

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

To: All Media

Date: 24 November 2015

### **1. Key decisions on Mergers and Acquisitions**

#### **1.1 Large Mergers**

##### **Proposed merger between Housing Impact Fund South Africa (HIFSA) and Stay Southpoint Properties Proprietary Limited (SASP)**

The Commission has recommended to the Competition Tribunal (Tribunal) that the large merger whereby HIFSA intends to acquire shares in SASP, which is owned by South Point Management Services Proprietary Limited (SPMS) be approved without conditions. Post-merger, HIFSA and SPMS will have joint control of SASP.

HIFSA is a financier of development projects for the construction of homes in urban and underdeveloped areas in South Africa.

SASP is a property ownership firm focused primarily on student accommodation.

##### **Proposed merger between INVESTEC Property Fund Limited (Investec Property Fund) and Friedshelf 113 Proprietary Limited, Double Flash Investments 51 Proprietary Limited and certain property letting enterprises held by associated trusts and managed by ZENPROP Property Holdings Proprietary Limited (ZENPROP-Managed Portfolio)**

The Commission has recommended to the Tribunal that the large merger whereby Investec Property intends to acquire Zenprop-Managed Portfolio, be approved without conditions. Post-merger, Investec Property Fund will have sole control over the Zenprop-Managed Portfolio.

The Investec Group, an international specialised banking group, also owns office, retail/dealerships, industrial and hotel properties located throughout South Africa.

The Zenprop-Managed Portfolio comprises of industrial, retail and office properties, located in the Gauteng, KwaZulu-Natal and Western Cape Provinces.

## 1.2 Intermediate Mergers

### **Proposed merger between Edcot Trust and GROWTHPOINT PROPERTIES LIMITED in respect of the property letting enterprise known as Greenacres Office Park**

The Commission has approved, without conditions, the intermediate merger whereby Edcot Trust intends to acquire the Greenacres Office Park. Post-merger, the Edcot Trust will exercise sole control over the Greenacres Office Park.

The Edcot Trust specialises in commercial property investment and livestock farming in South Africa.

The Greenacres Office Park is a rentable Grade B office space located in Greenacres, Port Elizabeth, and comprises of 12, 055m<sup>2</sup> office space.

### **Proposed merger between is Old Mutual Life Assurance Company (South Africa) Limited (OMLACSA) and Safe Farm Ventures Proprietary Limited (SFV)**

The Commission has approved, without conditions, the intermediate merger whereby OMLACSA intends to acquire SFV, in respect of farms Bonathaba and Zwartfontein (Target Properties). Post-merger, the Target Properties will be controlled by OMLACSA through Black Orchid.

Black Orchid is a special purpose vehicle and is established to hold OMLACSA's investment in the transferred assets.

Bonathaba and Zwartfontein are adjacent properties, located approximately halfway between Wellington and Malmesbury in the Western Cape Province.

### **Proposed merger between Medu III SA Partnership, Medu III SA Development Fund, Medu III International Partnership, Medu III CI Development, Byron Cocoran, and the Key Management Entity (Acquiring Firms) and Leopard Transport Proprietary Limited (Elite Truck Hire)**

The Commission has approved, without conditions, the intermediate merger whereby the Acquiring Firms intend to acquire Elite Truck Hire. Post-merger, The Acquiring Firms will have joint control of Elite Truck Hire.

The Acquiring Firms form part of an investment group.

Elite Truck Hire is an approved service centre for General Motors (Isuzu).

**Proposed merger between Musa Capital Group (Pty) Ltd (Musa Group) and African Frontier Holdings (Pty) Ltd (AFH)**

The Commission has approved, without conditions, the intermediate merger whereby Musa Group intends to acquire AFH. Post-merger, the Musa Group will acquire indirect control over AFH.

The Musa Group is a newly incorporated holding entity and does not as yet perform any activities.

AFH is a holding company of various companies who are wholesalers of fruit and vegetables throughout South Africa.

**Proposed merger between Ciidot Trade and Invest (Pty) Ltd (Ciidot) and Technikon Holdings (Pty) Ltd (Tech Labs)**

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

Ciidot is a newly incorporated entity and does not provide any goods or services.

Tech Labs is an investment holding company. Technikon Laboratories, the operating arm of the business, is an independent licensed pharmaceutical manufacturer, packer and distributor operating in South Africa

**Proposed merger between Lodestone Brands (Pty) Ltd (Lodestone) and Sancella South Africa Proprietary Limited (Sancella)**

The Commission has approved, without conditions, the intermediate merger whereby Lodestone intends to acquire certain assets of the baby diaper business of Sancella.

Lodestone is a sub-Saharan Africa, brand focused, fast moving consumer goods (FMCG) company.

Sancella's baby diaper business manufactures and distributes two brands of baby diapers being the "Cuddlers" brand and the "Hey Baby" brand

**Proposed merger between Stockdale Street Investment Partnership IV (Stockdale) and Pearlstock Proprietary Limited (Pearlstock)**

The Commission has approved, without conditions, the intermediate merger in terms of which Stockdale seeks to acquire Pearstock. This transaction will be completed by a series of transactional steps.

**Proposed merger between Robinson Liquors (Pty) Ltd (Robinson Liquors) and Liberty Liquors (Pty) Ltd (Liberty Liquors)**

The Commission has approved, without conditions, the intermediate merger whereby Robinson Liquors intends to acquire Liberty Liquors. Post-merger, Robinson Liquors will own and control Liberty Liquors.

Robinson Liquors is a wholesaler and a retailer of liquor under Ultra Liquor branded stores.

Liberty Liquors operates liquor stores as a wholesaler and a retailer.

**Proposed merger between SGS Technical Services (Pty) Ltd (SGS) and Tenova Bateman Projects SSA (Bateman)**

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

SGS services can be divided into five broad categories, namely inspection, verification, testing, certification services, and engineering procurement and construction services for customers in various industries.

Bateman provides engineering, procurement and construction management services which entail conduction of feasibility studies for prospective mines for coal, copper, iron ore, gold and uranium processing plants as well as acting as a project manager to ensure that the project runs to completion.

**Proposed merger between K20144072894 (Pty) Ltd (K2014), Amrichprop 2 Properties (Pty) Ltd (Amrichprop) and Pick n Pay Centre Klerksdorp (PnP Klerksdorp)**

The Commission has approved, without conditions, the intermediate merger whereby K2014 and Amrichprop intend to acquire Pick n Pay Centre Klerksdorp (PnP Klerksdorp). Post-merger, K2014 and Amrichprop will co-own PnP Klerksdorp and will jointly control it.

K2014 forms part of the Interurban Group owning a portfolio of immovable retail rental enterprises in the Western Cape and Gauteng Provinces.

PnP Klerksdorp is an immovable property and rental enterprise, with a gross lettable area of approximately 18, 926 m<sup>2</sup> and classified as a community shopping centre, situated in the North West Province.

**Proposed merger between K2015068776 (South Africa) (Pty) Ltd (Global SPV) and Sail Rights Commercialisation (Pty) Ltd (Sail)**

The Commission has approved, without conditions, the intermediate merger whereby Global SPV intends to acquire Sail. Post-merger, Global SPV will have sole control of Sail.

Global SPV is a newly established entity with no operations prior to the proposed acquisition.

Sail is involved in rights commercialisation in the sport and entertainment industries.

**2. \*Non Referrals – The Commission has taken a decision to non-refer the following case for the following reason:**

- a) Llewellyn Michael Barton On Behalf Of Roof Truss Products V The Institute Of Timber Construction, Mitek South Africa And Roof Truss Products (Pty) Ltd – *The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*

Ends

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