



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No.: 017798

In the matter between

Industrial Electronics Investments Limited

Primary Acquiring Firms

New Gx TMT and Energy (Pty) Ltd

Community Investment Ventures Holdings (Proprietary) Limited

and

Dartcom (Proprietary) Limited

Primary Target Firms

Community Investment Ventures Holdings (Proprietary) Limited

Panel	:	Takalani Madima (Presiding Member) Mondo Mazwai (Tribunal Member) Medi Mokuena (Tribunal Member)
Heard on	:	20 November 2013
Order issued on	:	20 November 2013
Reasons issued on	:	19 December 2013

Reasons for Decision

Approval

[1] On 20 November 2013 the Competition Tribunal ("Tribunal") unconditionally approved the merger between Industrial Electronics Investments Limited ("IEI"), New Gx TMT and Energy (Pty) Ltd ("New GX"), Community Investment Ventures Holdings (Proprietary) Limited ("CIVH") and Dartcom (Proprietary) Limited

("Dartcom") and Community Investment Ventures Holdings (Proprietary) Limited ("CIVH").

[2] The reasons for approving the proposed transaction follow.

Parties to transaction

[3] The primary acquiring firms are IEI, New Gx and CIVH.

- IEI is wholly-owned by VenFin Technology (Pty) Ltd ("VenFin Technology"), which in turn is wholly-owned by VenFin Limited ("VenFin"), which in turn is wholly-owned by Remgro Limited ("Remgro"). Remgro is a publicly held company with its securities listed on the Johannesburg Stock Exchange ("JSE"). Remgro is an investment holding company whose investment portfolio currently includes more than 30 investee companies in a number of industries, such as banking and financial services, medical services, food, wine and spirits, petroleum products, glass products amongst others.¹
- New Gx is controlled by New Gx Capital Holdings (Pty) Ltd ("New Gx Capital"), which is controlled by the Khuno Share Trust.
- CIVH is an investment company which does not trade. It predominantly focuses on opportunities in the telecommunications, information technology and power and energy sectors.

[4] The primary target firms are CIVH and a yet to be established shelf company ("New Dartcom") which will acquire the business of Dartcom. New Dartcom will thus be owned by CIVH, New Gx and management.

- Dartcom is a specialist distributor of telecommunication equipment which is supplied to network operators, OEM suppliers and network integrators. The Dartcom range includes RF and microwave cables, connectors and

¹ See page 89 of Merger record.

assemblies, antennas, lighting protection for both internal and external application amongst others.²

Proposed transaction

[5] The proposed transaction involves a group restructuring and is comprised of various steps that will give rise to the following changes:

- IEI will acquire direct control of CVIH through the acquisition of issued share capital of CVIH,
- Dartcom will sell its entire business as a going concern to a newly-formed company New Dartcom and
- The remaining shares in the New Dartcom will be jointly held by New Gx, CVIH and management.

[6] In conclusion, the only acquiring group that will acquire control over business not previously controlled will be Remgro.

Competition assessment

[7] The proposed transaction results in no overlaps, as the proposed transaction is essentially a group restructuring. Since Remgro is the only firm that will be acquiring control over a business not previously owned, there is no firm in the Remgro group of companies that provides products and services which are substitutable with a product or service offered by the CVIH Group. Furthermore, Remgro already controls Muvoni Weltex, DFA, Market Demand Trading, MCT Telecomms, SAHPE and Dartcom.³

² See page 106 of Merger record for a detailed description of the activities of Dartcom.

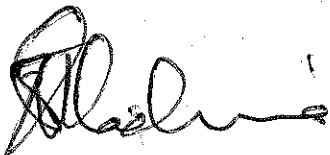
³ See page 13 of Commission's report.

Public interest

[8] The merging parties confirmed that the proposed transaction will have no adverse effect on employment⁴ and the proposed transaction raises no other public interest concerns.

CONCLUSION

[9] We therefore approve the merger unconditionally.



Dr Takalani Madima

19 December 2013
DATE

Ms. Mondo Mazwai and Ms. Medi Mokuena concurring

Tribunal Researcher: Caroline Sserufusa

For the merging parties: Janine Simpson of Webber Wentzel

For the Commission: Gilberto Biacuana

⁴ See page 111 of the Merger record.