



## TRIBUNAL HEARING OUTCOME FOR WEDNESDAY, 29 NOVEMBER, 2017

Type of matter	Parties involved	Competition Commission's recommendation to Tribunal	Tribunal decision
Large merger	Vestfund (Pty) Ltd And DiverCity Urban Renewal Fund	Approve without conditions	Approved without conditions
Large merger	HCI 111 Commissioner (Pty) Ltd And Redefine Properties Ltd In Respect of The Property Letting Enterprise Known as 111 Commissioner Street	Approve without conditions	Approved without conditions
Large merger	Bearing Man Group (Pty) Ltd And Fenner Conveyor Belting (South Africa) (Pty) Ltd	Approve without conditions	Approved without conditions
Large merger	Thebe Investment Corporation (Pty) Ltd and New Africa Investments Limited	Approve without conditions	Approved without conditions
Settlement agreement	Competition Commission And Evraz Highveld Steel and Vanadium Ltd	Confirm settlement agreement	Confirmed settlement agreement

### **Merger involving Vestfund and other Property enterprises approved**

The Tribunal has unconditionally approved the merger whereby Vestfund (Pty) Ltd (Vestfund) acquires control over a mixed use private holding, investment and development fund, DiverCity Urban Renewal Fund (“DiverCity”) and the control of four properties.

Vestfund is a diversified investment company, with a specific focus on property holdings and investments. Vestfund’s joint controllers, Old Mutual Life Assurance Company (South Africa) (Pty) Ltd and Circlevest Property Holdings (Pty) Ltd are engaged in a variety of businesses including asset management, life insurance, banking and investment products and property holding investments, respectively.

DiverCity Fund is a property investment and holding company which, pre-transaction holds an interest in Sterland Property Development which is a property holding special purpose vehicle which owns the property letting enterprise known as Sterland Centre.

The target properties are:

- Pan Africa Mall, a retail large community shopping centre situated in Wynberg, Johannesburg;
- Sterland Centre, a retail community shopping centre situated in Arcadia, Pretoria;
- Pixley House, a number of residential apartments in the Durban CBD; and
- Situation East, a collections of residential apartments in the Johannesburg CBD.

### **Merger involving HCI 111 Commissioner and Johannesburg CBD property approved**

The Tribunal has approved the acquisition by HCI Commissioner (Pty) Ltd (HCI 111 Commissioner), a wholly owned subsidiary of Hosken Consolidated Investments Limited, of the property known as 111 Commissioner Street from Redefine Properties Limited (Redefine) as a going concern, including immovable property, buildings, lease agreements and movable assets.

HCI 111 Commissioner is a property holding special-purpose vehicle that is controlled by HCI Limited. The HCI Group holds interests in various industries including hotel and leisure, interactive gaming, media and broadcasting, transport, mining, clothing and the property sector. Relevant to this transaction is the HCI Group’s property portfolio.

The primary target firm is the property letting enterprise known as 111 Commissioner Street, a multi-storey building located at 111 Commissioner Street, Johannesburg CBD, Gauteng. It comprises rentable Grade B office space as well as street level retail space. 111 Commissioner Street is currently managed by Redefine, a property investment firm and real estate investment trust.

The Tribunal has approved the transaction without conditions.

## **Bearing Man Group has been given approval to acquire Fenner sales and service business and distribution rights of Fenner Conveyor Belting**

Bearing Man Group (Pty) Ltd (BMG), controlled by JSE listed Invicta Holdings Limited, will acquire the Fenner sales and service business as well as certain distribution rights (target businesses) from Fenner Conveyor Belting (Pty) Ltd (Fenner) as a going concern.

BMG is a specialist distributor of numerous products such as bearings and belting used in the design, assembly maintenance and service of machinery in industrial plants. It supplies a range of belting products for light and heavy materials handling applications. BMG does not manufacture any conveyor belting products but imports them.

The target businesses are active in the sale, servicing and distribution of bulk/heavy material handling conveyor belting and ancillary products in South Africa. Fenner manufactures such products. In this transaction, the Target businesses only distributes and services heavy materials conveyor belts.

Relevant markets for this transaction is the supply and distribution of heavy material conveyor belts in SA and the market for supply of after sales services in SA.

The merger has been approved without conditions.

## **Tribunal confirms R1 million penalty for Evraz Highveld Steel (Highveld) and Vanadium Limited**

The Tribunal has confirmed the R1 million administrative penalty to be paid by Evraz Highveld Steel (Highveld) for conduct amounting to price fixing and market allocation with ArcelorMittal South Africa Limited (AMSA). Highveld is presently under business rescue.

In April 2008, the Commission initiated an investigation against flat steel producers Highveld and AMSA. The Commission found that during the period 1999 and 2009, AMSA and Highveld had an understanding in terms of which Highveld would follow AMSA's lead on pricing in the flat steel market.

The Commission also found that AMSA and Highveld through the South African Iron and Steel Association export monitoring subcommittee reached an understanding of volumes of flat steel products that each of them exported to different companies they defined as sensitive.

This conduct, on the Commission's conclusion, constituted price fixing and market allocation in contravention of the Competition Act. On 30 March 2012, the Commission referred a complaint against AMSA and Highveld to the Tribunal.

In terms of the consent agreement, Highveld admits that it provided monthly sales volumes in respect of flat steel products to SAISI, which information was shared by SAISI with AMSA, and that Highveld received similar information regarding AMSA, but does not admit that its admitted conduct constitutes a contravention of the Competition Act. The intention of the settlement is to clear any complaints against Highveld which would otherwise discourage buyers.

This is the full and final settlement and concludes all proceedings between the Commission and Highveld.

In November 2016 the Tribunal confirmed R1, 5 billion settlement involving ArcelorMittal South Africa Limited for the contravention involving Highveld and involving a number of other contraventions. In terms of the agreement, ArcelorMittal admitted having been involved in the long steel and scrap metal cartels.

In addition, ArcelorMittal committed to a R4.6 billion capital expenditure over the next five years.

### **Thebe Investment Corporation's merger with New Africa Investments and Kaya FM approved**

The Tribunal has approved the acquisition by Thebe Investment Corporation (Pty) Ltd (TIC) and New Africa Investment Limited (NAIL), controlled by Prime Media (Pty) Ltd, in order to increase its stake in Kaya FM (Pty) Ltd (Kaya FM). The merger was approved without conditions.

TIC is an investment company. It holds interests in companies that operate mainly in the following sectors: tourism, mining resources, infrastructure, renewable energy, petrochemicals, financial services and healthcare.

NAIL and Kaya FM are the primary target firms. NAIL is an investment holding company with investments only in Kaya FM. Kaya FM operates as a commercial radio station that broadcasts within the Gauteng area. The station broadcasts both talk and music content.

Issued by:  
Chantelle Benjamin  
Communications: Competition Tribunal  
Tel (012)394 1383  
Cell: +27 (0) 73 007 5603  
Twitter: @comptrib  
E-Mail: [chantelleb@comptrib.co.za](mailto:chantelleb@comptrib.co.za)

On Behalf Of:  
Lerato Motaung  
Registrar: Competition Tribunal  
Tel: (012) 394 3355

Cell: +27 (0) 82 556 3221  
E-Mail: [LeratoM@comptrib.co.za](mailto:LeratoM@comptrib.co.za)