



**COMPETITION TRIBUNAL  
REPUBLIC OF SOUTH AFRICA**

**Case No.:** LM164Feb24

In the matter between:

Hollywood Racing Enterprises (Pty) Ltd

**Primary Acquiring Firm**

And

Gold Circle (Pty) Ltd

**Primary Target Firm**

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Panel: L Mncube (Presiding Member)  
I Valodia (Tribunal Member)  
A Ndoni (Tribunal Member)

Heard on: 26 July 2024  
Decided on: 26 July 2024

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**ORDER**

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Further to the recommendation of the Competition Commission in terms of section 14A(1)(b)(ii) of the Competition Act, 1998 ("the Act") the Competition Tribunal orders that—

1. the merger between the abovementioned parties be approved subject to the conditions set out in "**Annexure A**" in terms of section 16(2)(b) of the Act; and
2. a Merger Clearance Certificate be issued in terms of Competition Tribunal Rule 35(5)(a).

Signed by: Liberty Mncube  
Signed at: 2024-07-26 11:28:04 +02:00  
Reason: Witnessing Liberty Mncube

*L. Mncube*

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**Presiding Member  
Prof. Liberty Mncube**

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**26 July 2024  
Date**

**Concurring: Prof. Imraan Valodia and Ms Andiswa Ndoni**



competitiontribunal  
SOUTH AFRICA

## Notice CT 10

### About this Notice

This notice is issued in terms of section 16 of the Competition Act.

You may appeal against this decision to the Competition Appeal Court within 20 business days.

### Contacting the Tribunal

The Competition Tribunal  
Private Bag X24  
Sunnyside  
Pretoria 0132  
Republic of South Africa  
tel: 27 12 394 3300  
fax: 27 12 394 0169  
e-mail: ctsa@comptrib.co.za

# Merger Clearance Certificate

Date : 26 July 2024

To : Cliffe Dekker Hofmeyr Attorneys

Case Number: LM164Feb24

Hollywood Racing Enterprises (Pty) Ltd And Gold Circle (Pty) Ltd

You applied to the Competition Commission on **30 January 2024** for merger approval in accordance with Chapter 3 of the Competition Act.

Your merger was referred to the Competition Tribunal in terms of section 14A of the Act or was the subject of a Request for consideration by the Tribunal in terms of section 16(1) of the Act.

After reviewing all relevant information, and the recommendation or decision of the Competition Commission, the Competition Tribunal approves the merger in terms of section 16(2) of the Act, for the reasons set out in the Reasons for Decision.

This approval is subject to:

no conditions.

the conditions listed on the attached sheet.

The Competition Tribunal has the authority in terms of section 16(3) of the Competition Act to revoke this approval if

- a) it was granted on the basis of incorrect information for which a party to the merger was responsible.
- b) the approval was obtained by deceit.
- c) a firm concerned has breached an obligation attached to this approval.

**The Registrar, Competition Tribunal**

*Tebogo Mphahlele*

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**ANNEXURE "A"**

**HOLLYWOOD RACING ENTERPRISES PROPRIETARY LIMITED**

**and**

**GOLD CIRCLE PROPRIETARY LIMITED**

**CASE NO: LM164FEB24**

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**CONDITIONS**

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**1 DEFINITIONS**

The following expressions shall bear the meanings assigned to them below and cognate expressions bear corresponding meanings:

- 1.1 **"Acquiring Firm"** means Hollywood Racing Enterprises Proprietary Limited;
  - 1.2 **"Acquiring Group"** means the Acquiring Firm, all firms directly or indirectly controlling the Acquiring Firm and all firms directly or indirectly controlled by the aforesaid;
  - 1.3 **"Approval Date"** means the date referred to on the Tribunal's merger clearance certificate (Form CT 10), being the date on which the Merger is approved in terms of the Competition Act;
  - 1.4 **"BCEA"** means Basic Conditions of Employment Act, 75 of 1997 (as amended);
  - 1.5 **"CC and SPA"** means the Capital Contribution and Share Purchase Agreement entered into between GCRC, the Acquiring Firm and the Target Firm on or about 1 September 2023;
  - 1.6 **"CHCU"** means the Coastal Horse Care Unit, a registered non-profit organisation that has, as its main objectives, the welfare and care of horses in KwaZulu-Natal;
  - 1.7 **"Commission"** means the Competition Commission of South Africa, a statutory body established in terms of section 19 of the Competition Act;
  - 1.8 **"Commission Rules"** mean the Rules for the Conduct of Proceedings in the Competition Commission;
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- 1.9        "**Competition Act**" means the Competition Act, No. 89 of 1998, as amended;
- 1.10       "**Conditions**" mean these conditions set out in this Annexure A;
- 1.11       "**Days**" mean any calendar day which is not a Saturday, a Sunday or an official public holiday in South Africa;
- 1.12       "**GCRC**" means the Gold Circle Racing Club, which firm, prior to the Implementation Date, wholly owns Gold Circle;
- 1.13       "**HDP**" means historically disadvantaged person as defined in section 3(2) of the Competition Act;
- 1.14       "**HDP-owned**" means majority owned, at least as to 50% plus 1 share by HDP(s);
- 1.15       "**Implementation Date**" means the date, occurring after the Approval Date, on which the Merger is implemented by the Merging Parties;
- 1.16       "**LRA**" means the Labour Relations Act 66 of 1995, as amended;
- 1.17       "**Merged Entity**" means the Target Group subject to the control of the Acquiring Group following the Implementation Date;
- 1.18       "**Merger**" means the proposed acquisition by the Acquiring Firm of the entire issued share capital of the Target Firm;
- 1.19       "**Merging Parties**" means collectively the Acquiring Firm and the Target Firm;
- 1.20       "**Moratorium Period**" means a period of 2 (two) years from the Implementation Date and includes the period between the Approval Date and the Implementation Date;
- 1.21       "**SAJA**" means the South African Jockey Academy, a registered non-profit organisation which aims to assist youth in qualifying as professional jockeys;
- 1.22       "**Target Firm**" means Gold Circle Proprietary Limited;
- 1.23       "**Target Group**" means the Target Firm and any firms directly or indirectly controlled by it;
- 1.24       "**Tribunal**" means the Competition Tribunal of South Africa, a statutory body established in terms of section 26 of the Competition Act; and
- 1.25       "**Tribunal Rules**" means the Rules for the Conduct of Proceedings in the Tribunal.
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## **2 EMPLOYMENT**

- 2.1 Subject to the provisions of clause 2.2 below, the Merged Entity shall not retrench any permanent or fixed-term contract employees in South Africa as a result of the Merger ("**Merger specific retrenchments**") during the Moratorium Period.
- 2.2 For the sake of clarity, Merger-specific retrenchments do not include: (i) voluntary retrenchment and/or voluntary separation arrangements; (ii) voluntary early retirement packages; (iii) unreasonable refusals to be redeployed in accordance with the provisions of the LRA and the BCEA; (iv) resignations or retirements in the ordinary course of business; (v) retrenchments lawfully effected for operational requirements in terms of the LRA which are unrelated to the Merger; (vi) terminations in the ordinary course of business, including but not limited to, dismissals as a result of misconduct or poor performance; and (vii) any decision not to renew or extend a contract of a fixed-term third party contract employee or contract with a third party.

## **3 CAPITAL EXPENDITURE**

- 3.1 The Acquiring Group shall in aggregate over the next 3 (three) years commencing on the Implementation Date incur no less than R100 million (one hundred million Rand) of capital expenditure in the Target Group.
- 3.2 For the avoidance of doubt, the amount in 3.1. is over and above the capital contribution amount of R400 million (four hundred million Rand) which will be made available by the Acquiring Group to the Target Group upon the Implementation Date of the Merger on the terms and conditions set out in the CC and SPA.

## **4 SKILLS DEVELOPMENT**

- 4.1 The Acquiring Group shall, over a 2 (two) year period commencing on the Implementation Date, spend R6.8 million (six million eight hundred thousand Rand) per annum on skills development for the employees of the Target Group. These funds shall be used for bursaries for higher education and other learnerships.
- 4.2 For a 2 (two) year period from the Implementation Date, the Acquiring Group shall donate R2 million (two million Rand) per annum, to SAJA (or a similar non-profit organisation). For clarity, this spend is in addition to the skills development spend committed in 4.1.
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## **5 HDP PROCUREMENT**

- 5.1 The Acquiring Group shall, over the next 2 (two) years following the Implementation Date, ensure that the Target Group spends an additional R30 million (thirty million Rand) per annum on procuring products and/or services from HDP-owned businesses.
- 5.2 These spend commitments are made on the basis that the goods and services which the Target Group requires to be procured are available on reasonable, practical, and competitive terms which comply with regulatory requirements (as applicable) and the Target Group's reasonable requirements, particularly regarding availability, quantity, quality aligned with market standards, counterparty risk and pricing.

## **6 SOCIO-ECONOMIC DEVELOPMENT**

### **6.1 Grooms Initiatives**

For 2 (two) years commencing on the Implementation Date, the Acquiring Group shall donate not less than R600,000 (six hundred thousand Rand) per annum towards funding grooms' prizes at the Target Firm's races.

### **6.2 CHCU**

In aggregate over a 2 (two) year period commencing on the Implementation Date, the Acquiring Group shall donate a total of R900,000 (nine hundred thousand Rand) to the CHCU (or a similar non-profit organisation).

## **7 MONITORING OF COMPLIANCE WITH THE CONDITIONS**

- 7.1 The Merging Parties shall circulate a copy of the Conditions to all employees of the Target Firm and the Acquiring Firm within 5 (five) Days following the Approval Date.
- 7.2 As proof of compliance with 7.1 above, the Merging Parties shall within 5 (five) Days of circulating the Conditions, provide the Commission with an affidavit by a senior official of each of the Target Firm and the Acquiring Firm attesting to the circulation of the Conditions and attach a copy of the notice sent.
- 7.3 The Acquiring Firm shall inform the Commission in writing of the Implementation Date, within 5 (five) Days of it becoming effective.
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7.4 The Acquiring Firm shall submit a report to the Commission indicating its compliance with respect to these Conditions. These reports must be lodged within 5 (five) Days after each anniversary of the Implementation Date for a period of 3 (three) years.

## **8 APPARENT BREACH**

In the event that the Commission receives a complaint regarding non-compliance by the Merging Parties with these Conditions, or otherwise determines that there has been an apparent breach by the Merging Parties of the Conditions, the matter shall be dealt with in terms of Rule 37 of the Tribunal Rules read together with Rule 39 of the Commission Rules.

## **9 VARIATION**

The Merging Parties and/or the Commission may at any time, on good cause shown and on notice to the other, apply to the Tribunal for any of the Conditions to be waived, relaxed, modified or substituted.

## **10 GENERAL**

All correspondence in relation to the Conditions must be submitted to the following email addresses: [mergerconditions@compcom.co.za](mailto:mergerconditions@compcom.co.za) and [ministry@thedtic.gov.za](mailto:ministry@thedtic.gov.za).

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