



**COMPETITION TRIBUNAL OF SOUTH AFRICA**

**Case No: LM097Sep16**

In the matter between:

**TRADEHOLD LIMITED**

Primary Acquiring Firm

and

**IMBALI PROPS 21 (PTY) LTD,  
SADDLE PATH PROPS 69 (PTY) LTD, AND  
COLLINS PROPERTY PROJECTS (PTY) LTD**

Primary Target Firms

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Panel : Anton Roskam (Presiding Member)  
: Imraan Valodia (Tribunal Member)  
: Medi Mokuena (Tribunal Member)  
Heard on : 28 September 2016  
Order Issued on : 28 September 2016  
Reasons Issued on : 19 October 2016

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**Reasons for Decision**

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**Approval**

[1] On 28 September 2016, the Competition Tribunal (“Tribunal”) approved the proposed transaction between Tradehold Limited and Imbali Props 21 (Pty) Ltd, Saddle Path Props 69 (Pty) Ltd and Collins Property Projects (Pty) Ltd.

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

## **Parties to proposed transaction**

### *Primary acquiring firm*

- [3] The primary acquiring firm is Tradehold Limited (“Tradehold”), a company incorporated in terms of the laws of South Africa and listed on the Johannesburg Securities Exchange (“JSE”). The top five shareholders in Tradehold are currently: Granadino Investments (Pty) Ltd (“Granadino Investments”), Titan Global Investments (Pty) Ltd (“Titan Global Investments”), Titan Share Dealers (Pty) Ltd (“Titan Share Dealers”), Redbill Holdings (Pty) Ltd (“Redbill Holdings”), and Teez Away Trading (Pty) Ltd (“Teez Away Trading”).
- [4] It is important for purposes of this transaction to note that Redbill Holdings and Teez Away Trading have a 16.4% shareholding in Tradehold.
- [5] Tradehold is indirectly controlled by Titan Group Investment (Pty) Ltd (“Titan Group Investment”) which is controlled by the Christo Wiese Family Trust. Titan Group Investment controls in excess of 43 firms. The entities directly or indirectly controlled by Titan Group Investments will be referred to as the “Acquiring Group”.
- [6] The Acquiring Group comprises of investment companies that hold interests in property holding companies that own retail, commercial and industrial properties outside of South Africa.
- [7] In South Africa, the Acquiring Group operates through Mettle Investments (Pty) Ltd (“Mettle Investments”) and Titan Group Investments. Mettle Investments provides financial services and administration solutions to international corporates as well as small and medium local enterprises and individuals. Titan Group Investments is a holding company with various subsidiaries holding investments in finance, farming, retail and property sectors.

### *Primary target firm*

- [8] The primary target firms are Imbali Props 21 (Pty) Ltd (“Imbali Props 21”), Saddle Path Props 69 (Pty) Ltd (“Saddle Props 69”), and Collins Property Projects (Pty) Ltd (“Collins Property Projects”). The portfolio of properties that is the subject of the proposed transaction are held by the entities within the Collins Group.

- [9] It should be noted that the “Collins Group” consists of Teez Away Trading, Redbill Holdings, H Collins & Sons (Pty) Ltd (“H Collins & Son), KAS Holdings (Pty) Ltd (“KAS holdings”), Meekers Investments (Pty) Ltd (“Meekers Investments”), Chantilly Trading 95 (Pty) Ltd (“Chantilly Trading”) and Crystal Ball Properties 145 (Pty) Ltd (“Crystal Ball Properties”) and their respective subsidiaries.
- [10] Saddle Props 69 and Collins Property Projects are owned by the following Collins Group Companies: H Collins & Sons, Teez Away Trading, Redbill Holdings, KAS Holdings, Meekers Investments, Chantilly Trading and Crystal Ball Properties.
- [11] Imbali Props 21 is jointly controlled by Teez Away Trading and Redbill Holdings. The remainder of the shareholding is held by KAS Holdings, H Collins & Sons, and Chantilly Trading.

#### **Proposed transaction and rationale**

- [12] The proposed transaction involves the disposal of a portfolio of properties (“Sale Properties”) held by the Collins Group entities to Tradehold. The disposal will take place through a combination of a Sale of Shares, Transfer of Properties, Assumption of Debt, Amalgamation and Share Buy-Back.
- [13] Imbali Props 21 and Saddle Props 69 will be used to house the Sale Properties. Tradehold will acquire the entire issued share capital of Collins Property Projects.
- [14] The Collins Group will increase its shareholding in Tradehold from 16.4% to 33.08%. Post-merger, Tradehold will control Imbali Props 21, Saddle Path 69, and Collins Property Projects and thus ultimately control the Sale Properties.
- [15] Tradehold submits that the proposed transaction provides Tradehold with substantial assets in South Africa together with an experienced property management team and that this will have a positive effect on the financial performance of the Tradehold Group.
- [16] The Collins Group submits that as consideration for the proposed transaction, the Collins Group will be issued shares in Tradehold. The Collins Group intends to sell its interest in the Sale Properties, in exchange for a more liquid investment with exposure to foreign assets.

## Impact on competition

- [17] The Competition Commission (“Commission”) submits that there is an overlap in the activities of the merging parties that leads to a horizontal overlap in the market for the provision of rentable space in Grade B office property and convenience centers.
- [18] The Acquiring Group owns one Grade B office property and eight of the Sale Properties are defined as Grade B office space. As such, when applying the Tribunal precedent<sup>1</sup>, there is an overlap between the merging parties in the provision of rentable space in Grade B office property.
- [19] The Acquiring Group owns a small free-standing convenience center and the Sale Property is also a small free-standing convenience center. As such, when applying the Tribunal precedent<sup>2</sup>, there is an overlap between the merging parties in the provision of rentable space in convenience centers.
- [20] The Commission found that the Acquiring Group has property located in the Western Cape whereas the target firms’ offices are located in KwaZulu-Natal and the Eastern Cape; therefore there is no geographic overlap between the office properties of the merging parties.
- [21] The Acquiring Group has two retail properties situated in Cape Town, Western Cape, whereas the target firms’ have one retail property located in Durban, KwaZulu-Natal; therefore there is no geographic overlap between the retail properties of the merging parties.
- [22] The Commission therefore concluded that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market.
- [23] We concur with the Commission’s conclusion that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market.

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<sup>1</sup> *Redifine Properties Limited and Leaf Property Fund (Pty) Ltd* where the Tribunal accepted the office property can be defined by grades.

<sup>2</sup> *Vukile Property Fund and NAD Property Income Fund Proprietary Limited* where the Tribunal accepted that free-standing convenience centres, community centres and neighbourhood centres fall within a single market of convenience centres.

## Public interest

[24] The merging parties submitted that there would be no retrenchments as a result of the proposed transaction.<sup>3</sup> Therefore, the Commission is of the view that the proposed transaction is unlikely to have a negative effect on employment.

[25] Further, the proposed transaction does not raise any other public interest concerns.

## Conclusion

[26] In light of the above, we conclude that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market. In addition, no public interest issues arise from the proposed transaction. Accordingly, we approve the proposed transaction unconditionally.



Mr Anton Roskam

19 October 2016

DATE

## Mr Imraan Valodia and Ms Medi Mokuena concurring

Case Manager: Kameel Pancham  
For the merging parties: Nick Altini of Baker & McKenzie  
For the Commission: Boitumelo Makgabo

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<sup>3</sup> Merger Record *inter alia* page 17.