



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: LM235Jan19

In the matter between:

Cream Magenta 140 (Pty) Ltd and Metcap 14 (Pty) Ltd

Primary Acquiring Firms

And

**Southern View Finance Holdings (Pty) Ltd
and Century Capital (Pty) Ltd**

Primary Target Firms

Panel	: Norman Manoim(Presiding Member)
	: Enver Daniels (Tribunal Member)
	: Mondo Mazwai (Tribunal Member)
Heard on	: 27 February 2019
Order issued on	: 27 February 2019
Reasons issued on	: 04 April 2019

REASONS FOR DECISION

APPROVAL

- [1] On 27 February 2019, the Competition Tribunal ("Tribunal") approved a large merger transaction between Cream Magenta 140 (Pty) Ltd ("Cream Magenta") and Metcap 14 (Pty) Ltd ("Metcap") and Southern View Finance Holdings (Pty) Ltd ("SVF") and Century Capital (Pty) Ltd ("CenCap").
- [2] The reasons for unconditional approval follow.

PARTIES TO THE TRANSACTION

Primary Acquiring Firm

- [3] The primary acquiring firms are Cream Magenta and Metcap, both of which are companies incorporated in accordance with the laws of the Republic of South Africa.
- [4] Metcap is a wholly owned subsidiary of Capstone 597 (Pty) Ltd which is in turn ultimately controlled by the Clare Wiese Trust (“CLWT”).¹ Metcap does not have sole control over any other firm, however it jointly controls Trans Hex Group Limited along with Cream Magenta and RAC Investment Holdings.²
- [5] Cream Magenta is a wholly controlled subsidiary of Cool Ideas 225 (Pty) Ltd, which is in turn ultimately controlled by the Christina Wises Trust (“CLWT”).
- [6] Metcap, Cream Magenta, and all related firms shall collectively be referred to as the ‘Acquiring Group’.
- [7] The Acquiring Group holds the personal business interests and investment interests of the beneficiaries of both the Claire Wiese Trust and Christina Wiese Trust.

Primary Target Firm

- [8] The primary target firms are SVF and CenCap, companies incorporated in accordance with the laws of the Republic of South Africa. The target firms are collectively controlled by Wands investments (Pty) Ltd (“Wands”).
- [9] SVF is an investment firm and currently does not have any business activities. Its business activities are limited to being a vehicle in which loan claims against Wands are housed and on which it earns interest.

¹ The trustees to both CLWT and CWT are Christoffel Hendrick Wiese, Clare Wiese, Christina Wiese, MH Dix-Peek and MJ Black.

² Trans Hex is engaged in diamond exploration and mining activities. It has operations in South Africa and Angola.

- [10] CenCap is an unsecured lender to customers making large purchases of movable goods. The administration of the CenCap loans and collection of CenCap debtors' book was outsourced to Pepkor (Pty) Ltd ("Pepkor").

PROPOSED TRANSACTION

- [11] In terms of the proposed transaction, Wands seeks to liquidate SVF and CenCap in order to settle its debt owed to Metcap and the Cream Magenta.
- [12] The proposed transaction will result in Cream Magenta and Metcap acquiring Wand's loan claims against SVF and the old unsecured lending book owned by CenCap, this book will be sold through Pepkor.³

COMPETITON ANALYSIS

- [13] The Commission considered the activities of the merging parties and found that the proposed transaction will not result in any horizontal overlaps or a vertical relationship as the Acquiring Group does not hold any interest in any entity that provides the products and services similar to those provided by the Target Firms.
- [14] Accordingly, the Commission concluded that the transaction is unlikely to substantially prevent or lessen competition in any market as the proposed transaction is unlikely to change the structure of any market.

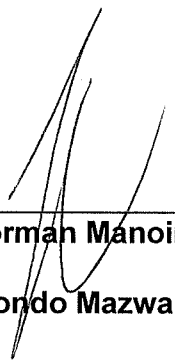
PUBLIC INTEREST

- [15] The Commission identified no public interest concerns likely to arise from the proposed transaction.

³ See our reasons in the Pepkor (Pty) Ltd and FGI Holdings (Pty) Ltd (LM234Jan19) matter. Note that these two cases were heard and decided at the same time.

CONCLUSION

- [16] Considering the above, we concluded 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.
- [17] Accordingly, we unconditionally approved the merger transaction.



Mr Norman Manoim

04 April 2019
Date

Ms Mondo Mazwai and Enver Daniels concurring

Tribunal Case Managers: Lumkisa Jordan
For the merging parties: Graeme Wickins from Werksmans Attorneys
For the Commission: Innocent Mhlongo and Zanele Hadebe