



competition commission
south africa

Weekly Media Statement

For Immediate Release

27 February 2020

LATEST DECISIONS BY THE COMPETITION COMMISSION

1.1 The SPAR Group Ltd (Spar Group)/ Monteagle Africa Ltd (Monteagle)

The Commission has recommended that the Tribunal approve the proposed transaction whereby Spar Group intends to acquire Monteagle without conditions.

The Spar Group operates as the franchisor of the Spar brand in South Africa. In that regard, the Spar Group operates its own Spar branded retail franchises, whilst others are owned and operated by third party franchisees.

Monteagle is a general merchandise distributor that finds manufacturers to supply general merchandise items to Spar Group's private label programme. Monteagle identifies potential suppliers and provides them with logistic support services (transportation, warehousing, packaging) to enable them to supply their products to all of the Spar Group's national distribution centres.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.2 Thebe SPV (Pty) Ltd (Thebe)/ Schoonbee Nation Building (Pty) Ltd (SNB)

The Commission has recommended that the Tribunal approve the proposed transaction whereby Thebe intends to acquire SNB without conditions.

Thebe SPV is a special purpose vehicle created for the purposes of this transaction and is part of Thebe Investment Corporation (Pty) Ltd (Thebe Investment). Thebe Investment has investments in the energy and resources sector (i.e. power and water, oil and gas, mining and chemicals business units) and the services sector (i.e. investments in property and financial services food and logistics, tourism, as well as media and telecommunications).

SNB is an investment holding company. Through its subsidiaries, SNB is a grape and citrus producer and exporter based in Groblersdal, Limpopo Province. The main products produced are various types of soft citrus such as clementines, lemons, oranges and various table grapes (black, white and red varieties).

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.3 Luvon Investments (Pty) Ltd and Changing Tides 91 (Pty) Ltd (Changing Tides 91)/ Musina Mall & Great North Plaza (Target Property)

The Commission has recommended that the Tribunal approve the proposed transaction whereby Luvon Investments and Changing Tides 91 intends to acquire the Target Property from Investec Property Fund without conditions.

Luvon Investments is a property investment and development company with a diversified portfolio of commercial and retail assets. Changing Tides 91 does not control any firms. The Target Property is Regional shopping centre located in Musina.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.4 Lussin Piccolo Rustenburg Properties (Pty) Ltd (Lussin)/ The immovable property and rental enterprise known as Portion 11 (of 1) of ERF 26 Cornubia Township (Target Property)

The Commission has unconditionally approved the proposed merger whereby Lussin intends to acquire Target Property.

Lussin is involved in the property sector and controls a diversified property portfolio, which includes retail, industrial and office property.

The Target Property is a “Box Retail Centre”. Big Box Retail Centres are designed to fulfil a destination role and provide a unique retail offering where one single, large retailer occupies a free-standing building designed for their own use only (i.e. Makro, Builders Warehouse, furniture stores etc).

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.5 Growthpoint Properties (Pty) Ltd (Growthpoint)/ Magnolia Ridge Properties 24 (Pty) Ltd (Magnolia Ridge Properties), in respect of the letting enterprise known as Grand Prix Park

The Commission has unconditionally approved the proposed merger whereby Growthpoint intends to acquire Grand Prix Park from Magnolia Ridge Properties.

Growthpoint is a property investment holding company which has a property portfolio consisting of rentable retail, office and industrial space throughout South Africa. Relevant to the proposed transaction are the rentable industrial properties owned by Growthpoint in the Gauteng Province. Within Gauteng, Growthpoint owns industrial properties, comprising rentable light, heavy, motor dealership and retail space.

Grand Prix Park is a property comprising rentable light industrial space located in Gosforth Park, Germiston.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.6 National Pride (Pty) Ltd (National Pride)/ The Personal and Baby care division of Lodestone Brands (Pty) Ltd (Lodestone Brands)

The Commission has unconditionally approved the proposed merger whereby National Pride intends to acquire Lodestone Brands.

National Pride is a newly incorporated company for the purpose of the proposed transaction. National Pride consists of newly incorporated firms with no business operations.

Lodestone Brands is active in the manufacturing and distribution of branded and private label disposable diapers. It manufactures and distributes baby diapers, adult diapers, sanitary pads and wet wipes.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.7 Madison Park Properties 24 (Pty) Ltd (Madison Park)/ One Tripla L Projects (Pty) Ltd in respect of sectional title units in the Sectional Title Scheme known as Northgate (Target property)

The Commission has unconditionally approved the proposed merger whereby Madison Park intends to acquire the Target property from One Tripla L Projects.

Madison Park is a subsidiary of SA Corporate Real Estate Ltd (SA Corporate). SA Corporate controls SA Retail Properties (Pty) Ltd, SA Corporate Real Estate Fund Managers (Pty) Ltd and Dune Lark Investments (Pty) Ltd. SA Corporate and all the firms it directly or indirectly controls are hereafter collectively referred to as the Acquiring Group. The Acquiring Group is an investor and developer of residential, commercial and retail properties in and around the Gauteng Province.

The Target property is residential units that are situated in Northgate, Randburg. The Target property does not control any firms.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.8 Boxwood Property Investment fund en Commandite Partnership (Boxwood Property)/ LBH 1 Properties (RF) (Pty) Ltd (LBH 1) in respect of the rental enterprise known as Picbel Parkade (Target property)

The Commission has unconditionally approved the proposed merger whereby Boxwood Property intends to acquire the Target property from LBH 1.

Boxwood EC Partnership is structured as an En Commandite Partnership (ECP). The properties are purchased and held by Boxwood EC Partnership with Boxwood Property Investment in its capacity as general partner having full control of the partnership. The Limited Partners are pension funds with no control. The Acquiring Group's property portfolio consists of office, retail and warehouse properties in Cape Town.

The Target property comprises of a total of 15,708 m² consisting of (i) 5,219 m² of rentable retail convenience space (ii) 10,489 m² of rentable C grade office space and (iii) 880 parking bays.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.9 The Terroir Founders Partnership (TFP)/ DGB (Pty) Ltd (DGB)

The Commission has unconditionally approved the proposed merger whereby TFP intends to acquire DGB.

TFP is controlled by Capitalworks Private Equity Fund III (CWPE III). CWPE III is a private equity investment fund which seeks to invest in a diversified portfolio of privately negotiated equity or equity-related investments in middle market companies operating principally in South Africa. TFP

is an en commandite partnership created solely for the purposes of acquiring and holding shares in DGB. The Capitalworks Group is a mid-market private equity business which operates private equity funds under their management. The investors include domestic institutional investors, commercial banks, insurance companies, pension funds and high net worth individuals.

DGB controls in excess of five entities across the globe and the following entities in South Africa: (i) The Old Road Wine Co (Pty) Ltd, (ii) Douglass Green (Pty) Ltd, (iii) Redrock Brewing Company (Pty) Ltd, (iv) Bellingham Estates (Pty) Ltd and (v) DGB Production (Pty) Ltd. DGB and the entities controlled by DGB shall be referred to as the Target Group.

The Target Group is involved in the production, bottling and distribution of wine and spirits in South Africa. In addition, it produces and distributes bottled wines and spirits as well as beer and ready-to-drink alcoholic and non-alcoholic beverages. The Target Group also provides hospitality services which include accommodation, food or beverage offerings, wine tasting and venue hire for events to the public. Internationally, the Target Group mainly exports wine to more than 72 countries through direct shipments to agents and customers.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.10 Atterbury Property Fund (Pty) Ltd (APF)/ Pan Africa Development (Pty) Ltd (PAD)

The Commission has unconditionally approved the proposed merger whereby APF intends to acquire PAD.

APF is an investment holding company with a diversified portfolio of commercial and retail assets.

PAD is a holding company with a fixed asset of a shopping centre known as Pan Africa, situated in Alexandra Township, Gauteng.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.11 Calibre Investment Holdings (Pty) Ltd (Calibre Investment) and The Reef Group (Boxwood Property)/ NewCo, to be incorporated by Unicorn Capital (NewCo)

The Commission has unconditionally approved the proposed merger whereby Calibre Investment and The Reef Group intends to acquire NewCo.

Calibre Investment is an investment holding company and through its subsidiaries is active in business segments which include pharmaceuticals and complementary medicines, dispensary consumables and distribution agreements.

The Reef Group, is also an investment holding company and through its subsidiaries is involved in the manufacturing of low voltage switchgear and pneumatic drills for the mining industry.

Newco and all the companies, that directly or indirectly, control it will be referred to as the Target Group. The Target Group provides the following services to the mining industry: coal stockpile management services, exploration drilling, overburden drilling and blasting and mobile crane hire services.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

[ENDS]

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