

DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION**NOTICE 3073 OF 2025****COMPETITION COMMISSION****NOTIFICATION TO APPROVE WITH CONDITIONS THE TRANSACTION INVOLVING:****ZININGI PROPERTIES LIMITED****AND****AFROPROP GROUP****CASE NUMBER: 2024OCT0051**

The Competition Commission hereby gives notice, in terms of Rule 38 (3)(c) of the 'Rules for the Conduct of Proceedings in the Competition Commission', that it has approved the transaction involving the abovementioned firms subject to conditions set out below:

Background

1. On 23 October 2024, the Competition Commission ("Commission") received notice of an intermediate merger wherein Ziningi Properties Proprietary Limited ("Ziningi"), intends to acquire the industrial properties and associated letting enterprises owned by the Afroprop Group (the "Target Firms").

Parties and their activities

2. The primary acquiring firm is Ziningi, a company incorporated under the laws of South Africa. Ziningi is ultimately controlled by the [Confidential]
3. [Confidential], are collectively referred to as the "Ziningi Group"/ "Acquiring Group".
4. [Confidential].
5. The primary target firms comprise of 11 industrial properties and associated letting enterprises, which together comprise part of the business of the Afroprop Group ("Target Firms"). The Target Firms are owned and controlled by Afroprop Natal Proprietary Limited , Afroprop, Gateway Property Trust.[Confidential].

6. [Confidential].

7. [Confidential].

Indivisibility

8. The Commission notes that the proposed transaction involves a single purchaser acquiring 11 industrial properties from the same seller. All the target properties are industrial properties and are subject to common ownership. Therefore, the Commission assessed the proposed transaction as a single indivisible transaction.

Competition assessment

9. The Commission found that the proposed merger is unlikely to result in the substantial prevention or lessening of competition in any relevant market in South Africa.

Public Interest

10. To address public interest concerns arising from the proposed merger, the Acquiring Firm has tendered the commitments set out in **Annexure A**.

Conclusion

11. The Commission approves the proposed transaction subject to the conditions attached hereto as **Annexure A**.

ANNEXURE A
ZININGI PROPERTIES PROPRIETARY LIMITED
AND
THE AFROPROP GROUP
CASE NUMBER: 2024OCT0051

CONDITIONS

1. DEFINITIONS

The following terms have the meaning assigned to them below, and cognate expressions have corresponding meanings –

- 1.1 **"Acquiring Firm"** means Ziningi Properties Proprietary Limited, a company registered in South Africa.
- 1.2 **"Approval Date"** means the date on which the Merger is approved by the Commission and set out in the Commission's Clearance Certificate (Notice CC 15) in terms of the Competition Act;
- 1.3 **"Commission"** means the Competition Commission of South Africa;
- 1.4 **"Commission Rules"** means the Rules for the Conduct of Proceedings in the Commission;
- 1.5 **"Competition Act"** means the Competition Act No. 89 of 1998, as amended;
- 1.6 **"Conditions"** means these conditions;
- 1.7 **"Days"** means business days, being any day other than a Saturday, Sunday or official public holiday in South Africa;
- 1.8 **"HDPs"** means historically disadvantaged person as contemplated in section 3(2) of the Act;

- 1.9 **"Implementation Date"** means the date, occurring after the Approval Date, on which the Merger is implemented by the Merger Parties;
- 1.10 **"Merger"** means the acquisition of sole control over the industrial properties and associated letting enterprises owned by the Afropop Group;
- 1.11 **"Merger Parties"** means the Acquiring Firm and the Target Firm;
- 1.12 **"South Africa"** means the Republic of South Africa;
- 1.13 **"Target Firm"** means the industrial properties and associated letting enterprises owned by the Afropop Group that are being acquired by the Acquiring Firm;
- 1.14 **"Tribunal"** means the Competition Tribunal of South Africa; and
- 1.15 **"Tribunal Rules"** means the Rules for the Conduct of Proceedings in the Competition Tribunal, issued in terms of section 27 of the Competition Act.

CONDITIONS TO THE APPROVAL OF THE MERGER

2. PROCUREMENT COMMITMENT

- 2.1. The Seller currently spends an annual amount of approximately [**Confidential**] on HDPs at the Target Properties in respect of electrical, painting and security services.
- 2.2. The Acquiring Firm commits to procuring property maintenance services from HDPs in respect of the following services: electrical, painting, security services, air conditioning and refrigeration services, servicing fire equipment, fire detection systems, hardware and plumbing suppliers and will increase (the "**Increase**") the annual expenditure of [**Confidential**] referred to in 2.1 above, to [**Confidential**]. The Increase shall be effective no later than one year from the Implementation Date.
- 2.3. The Acquiring Firm shall adjust the annual expenditure of [**Confidential**] in respect of the property maintenance services listed in 2.2 above in accordance with the percentage adjustment in the most-recent headline inflation of the Consumer Price Index as published by Statistics South Africa in respect of the preceding year. The first such adjustment to be effective no later than one year from date of the Increase, for a period of 3 (three) years from the Implementation Date.

3. MONITORING OF COMPLIANCE WITH THE CONDITIONS

- 3.1. The Acquiring Firm shall inform the Commission in writing of the Implementation Date within 10 Days of its occurrence.
- 3.2. The Acquiring Firm shall submit an affidavit on an annual basis to the Commission within three months after the anniversary of the Implementation Date attesting to the compliance with the conditions in clause 2 above, for a period of 3 (three) years.
- 3.3. Any person who believes that the Acquiring Firm has failed to comply with the Conditions may approach the Commission with their complaint.
- 3.4. The Commission may request any additional information from the Acquiring Firm which the Commission from time to time and as deemed necessary for the monitoring of compliance with these Conditions.

4. APPARENT BREACH

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

5. VARIATION

- 5.1. The Merging Parties may at any time, on good cause shown, apply to the Commission for the Conditions to be waived, relaxed, modified and/or substituted. Should a dispute arise in relation to the variation of the Conditions, the Merging Parties shall apply to the Tribunal, on good cause shown and on notice to the Commission, for the Conditions to be waived, relaxed, modified and/or substituted.

6. GENERAL

- 6.1. All correspondence in relation to the Conditions must be submitted to the following e-mail address: mergerconditions@compcom.co.za and ministry@thedtic.gov.za.
- 6.2. Enquiries in this regard may be addressed to the Manager: Mergers and Acquisitions Division at Private Bag X23, Lynnwood Ridge, 0040. Telephone: (012) 394 3200.