

DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

NO. 6012

20 March 2025

NOTIFICATION TO APPROVE WITH CONDITIONS THE TRANSACTION INVOLVING:

SILVER LEAF PROPERTY FUND PROPRIETARY LIMITED

AND

K2015173325 (SOUTH AFRICA) PROPRIETARY LIMITED

CASE NUMBER: 2024DEC0025

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 13 December 2024, the Competition Commission (the "Commission") received a notice of an intermediate merger whereby, Silver Leaf Property Fund Proprietary Limited ("Silver Leaf Fund") intends to acquire 25.2% of the shares in K2015173325 (South Africa) Proprietary Limited ("K2015"). Silver Leaf Fund currently holds 74.8% shareholding and joint control in K2015. Thus, as a result of the merger, Silver Leaf Fund will increase its shareholding in K2015 from 74.8% to 100%. After implementation of the proposed transaction, Silver Leaf Fund will exercise sole control over K2015.
2. The primary acquiring firm is Silver Leaf Fund, a company incorporated in accordance with the laws of South Africa. Silver Leaf Fund is controlled by [confidential], a company incorporated in South Africa.
3. Apart from Silver Leaf Fund, [confidential].
4. Silver leaf Fund controls the following firms: (i) [confidential]; and (ii) K2015, the primary target firm in the instant transaction.
5. Silver Leaf Fund, [confidential] and all the firms controlled by [confidential] are collectively referred to as the "Acquiring Group".

6. The Acquiring Group does not have any shareholding held by historically disadvantaged persons ("HDPs") as contemplated in section 3(2) of the Competition Act No. 89 of 1998 (as amended) (the "Act").
7. The Acquiring Group invests in and owns commercial properties in South Africa. Relevant to the proposed transaction, the Acquiring Group owns a portfolio of specialist motor related retail properties, light industrial properties and a local convenience retail centre located in the Gauteng Province.
8. The primary target firm is the K2015. K2015 is jointly controlled by Silver Leaf Fund (74.8%) (i.e., the primary acquiring firm) and Breathfull Trade and Invest Proprietary Limited ("Breathfull") (25.2%). Breathfull is 100% controlled by [confidential], an HDP.
9. K2015 does not control any firms.
10. K2015 is 25.2% held by HDPs through Breathfull.
11. K2015 is a property-owning firm which currently only owns 1 (one) property, namely Menlyn Motor City. Menlyn Motor City is a specialist motor related retail centre situated at the corner of Garsfontein and Lois Avenue, Newlands, Pretoria, Gauteng.

Competition Assessment

12. The Commission found that the proposed transaction is unlikely to result in any substantial prevention or lessening of competition in any market.

Public interest considerations

13. To address the public interest concerns arising from the proposed merger, the parties have tendered the conditions set out in **Annexure A**.

Conclusion

The Commission approves the proposed merger subject to the conditions set out in **Annexure A** attached hereto.

ANNEXURE A**SILVER LEAF PROPERTY FUND PROPRIETARY LIMITED****AND****K2015173325 (SOUTH AFRICA) PROPRIETARY LIMITED****CASE NUMBER: 2024DEC0025**

CONDITIONS

1. DEFINITIONS

- 1.1 **"Acquiring Firm"** means Silver Leaf Property Fund Proprietary Limited;
- 1.2 **"Acquiring Group"** means all the firms controlling the Acquiring Firm;
- 1.3 **"Act"** means the Competition Act 89 of 1998, as amended;
- 1.4 **"Approval Date"** means the date referred to on the Commission's merger Clearance Certificate;
- 1.5 **"Property Management Services"** means all the activities required to manage a property portfolio on a day to day basis including leasing, billing, cash management and repairs and maintenance and tenant communications;
- 1.6 **"Commission"** means the Competition Commission of South Africa;
- 1.7 **"Commission Rules"** mean the Rules for the Conduct of Proceedings in the Commission;
- 1.8 **"Conditions"** mean, collectively, the conditions referred to in this document;
- 1.9 **"Days"** mean business days, being any day other than a Saturday, Sunday, or official public holiday in the Republic of South Africa;

- 1.10 **"HDPs"** mean historically disadvantaged persons, as contemplated in section 3(2) of the Act;
- 1.11 **"Implementation Date"** means the date, occurring after the Approval Date, on which the Merger is implemented by the Merging Parties;
- 1.12 **"Menlyn Motor City"** means the Target Property;
- 1.13 **"Merged Entity"** means the entity that will exist after the implementation of the Merger;
- 1.14 **"Merger"** means the Acquiring Group's acquisition of the Target Firm;
- 1.15 **"Merging Parties"** means the Acquiring Firm and the Target Firm;
- 1.16 **"South Africa"** means the Republic of South Africa;
- 1.17 **"Target Firm"** means K2015173325 (South Africa) Proprietary Limited;
- 1.18 **"Target Property"** means Menlyn Motor City; and
- 1.19 **"Tribunal"** means the Competition Tribunal of South Africa, a statutory body established in terms of section 26 of the Competition Act.

CONDITIONS

2. HDP Procurement

- 2.1 For a period of 3 years following the implementation of the proposed transaction, the Acquiring Group shall procure the Property Management Services at the Menlyn Motor City from HDPs.
- 2.2 The Acquiring Group's current spend on Property Management Services indicated at Clause 2.1 in the current year is R1,500,000 inclusive of VAT.

3. MONITORING OF COMPLIANCE WITH THE CONDITIONS

- 3.1 The Acquiring Firm shall inform the Commission in writing of the Implementation Date within 5 (five) Days of its occurrence.
- 3.2 The Acquiring Group shall submit a report to the Commission indicating its compliance with respect to Clause 2.1. These reports must be lodged within 5 (five) Days after each anniversary of the Implementation Date for a period of 3 (three) years.

4. APPARENT BREACH

- 4.1 Should the Commission receive 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, the breach shall be dealt with in terms of Rule 39 of the Commission 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 these Conditions must be submitted to the following email addresses: mergerconditions@compcom.co.za and ministry@thedtic.gov.za

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.