

DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

NO. 6022

20 March 2025

NOTIFICATION TO APPROVE WITH CONDITIONS THE TRANSACTION INVOLVING:

**ZININGI PROPERTIES PROPRIETARY LIMITED
AND
THE RETAIL LETTING ENTERPRISE KNOWN AS CHECKERS HYPER CENTRE
VANDERBIJLPARK FROM BURSTONE GROUP LIMITED**

CASE NUMBER: 2024DEC0024

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 ("Commission") was notified of an intermediate merger wherein Ziningi Properties Proprietary Limited ("Ziningi") intends to acquire the retail property and letting enterprise known as *Checkers Hyper Centre - Vanderbijlpark* ("Target Property") from Burstone Group Limited ("Burstone"). Upon implementation of the proposed transaction, Ziningi will exercise sole control over the Target Property.
2. The primary acquiring firm is Ziningi, a private company incorporated in South Africa.
3. Ziningi, all the firms controlled by Ziningi, all the firms controlling Ziningi and all the firms controlled by those firms, are collectively referred to as the "Acquiring Group".
4. The Acquiring Group is active in the leasing of rentable property including retail, office and residential space across South Africa. Relevant to the assessment of the proposed transaction is the Acquiring Group's retail property activities in Gauteng. These fall under the local convenience, neighbourhood and community centre classifications under the Independent Property Databank classifications ("IPD").

5. The merging parties submit that the Acquiring Group does not have any shareholding held by historically disadvantaged persons (“HDPs”) as contemplated in section 3(2) of the Competition Act 89 of 1998, as amended (the “Act”).
6. The primary target firm is the Target Property, a retail property letting enterprise with a gross lettable area (“GLA”) of 11 747m² and located at 165 Jan Van Riebeeck Avenue, Vanderbijlpark, Gauteng. Under the IPD classifications, the Target Property is classified as a hyper value centre as it is comprised largely of a single hyper store (Checkers Hyper) which covers over 70% of its GLA (i.e., 8 260m² of 11 747m²). The remaining GLA at the Target Property is made up of other tenants including pharmacies, clothing stores, cellphone stores and restaurants.
7. The Target Property is controlled by Burstone, a Real Estate Investment Trust listed on the Johannesburg Stock Exchange. Burstone is not controlled by any single shareholder. Burstone is 32.83% held by HDPs in terms of its latest Based Black Economic Empowerment (“B-BBEE”) certificate expiring on 9 July 2025

Competition Assessment

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

Public Interest

9. To address public interest concerns, the parties have agreed to the skills development initiatives set out in **Annexure A** hereto.

Conclusion

10. The Commission approves the proposed transaction subject to the conditions set out in Annexure A hereto.

ANNEXURE A**ZININGI PROPERTIES PROPRIETARY LIMITED****AND****THE RTEAIL LETTING ENTERPRISE KNOWN AS CHECKERS HYPER CENTER
VANDERBILPARK FROM BURSTONE GROUP LIMITD****CASE NUMBER: 2024DEC0024**

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 **"Burstone"** means Burstone Group Limited, a company registered in South Africa;
- 1.4 **"Commission"** means the Competition Commission of South Africa;
- 1.5 **"Commission Rules"** means the Rules for the Conduct of Proceedings in the Commission;
- 1.6 **"Competition Act"** means the Competition Act No. 89 of 1998, as amended;
- 1.7 **"Conditions"** means these conditions;
- 1.8 **"CPI"** means the Consumer Price Index as published by Statistics South Africa;
- 1.9 **"Days"** means business days, being any day other than a Saturday, Sunday or official public holiday in South Africa;
- 1.10 **"HDP"** means historically disadvantaged person 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 Merger Parties;
- 1.12 **"Merger"** means the acquisition of sole control over the retail property and associated letting enterprise owned by Burstone;
- 1.13 **"Merger Parties"** means the Acquiring Firm and the Target Firm;
- 1.14 **"South Africa"** means the Republic of South Africa;
- 1.15 **"Target Firm"** means the retail property and associated letting enterprises owned by Burstone that are being acquired by the Acquiring Firm;
- 1.16 **"Tribunal"** means the Competition Tribunal of South Africa; and
- 1.17 **"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 Acquiring Firm commits to procuring cleaning, security and maintenance services from HDPs, to the value of no less than *[CONFIDENTIAL]* per annum, at the Target Firm.
- 2.2. The Acquiring Firm shall adjust the annual expenditure *[CONFIDENTIAL]* in respect of the property maintenance services listed in 2.1 above in accordance with the percentage adjustment in the most-recent headline inflation of the CPI in respect of the preceding year. The first such adjustment to be effective no later than one year from the Implementation Date and 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.

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.