

DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

NO. 6023

20 March 2025

NOTIFICATION TO APPROVE WITH CONDITIONS THE TRANSACTION INVOLVING:

PUTIREX (PTY) LTD AND 11 ADDERLEY PROPERTIES (PTY) LTD

AND

PARAMOUNT PROPERTY FUND LTD IN RESPECT OF THE LETTING ENTERPRISES
KNOWN AS GOLDEN ACRE, GRAND PARADE AND 11 ADDERLEY STREET

CASE NUMBER: 2024DEC0004

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 3 December 2024, the Competition Commission ("Commission") received a notice of an intermediate merger in terms of which Putirex Proprietary Limited ("Putirex"), (in its capacity as the General Partner of Ujima en-commandite partnership ("Ujima")), and 11 Adderley Properties Proprietary Limited ("11 Adderley Properties") each intend to acquire the immovable properties and rental enterprises known as (i) Golden Acre and (ii) Grand Parade and 11 Adderley Street ("Target Properties") from Paramount Property Fund Limited ("Paramount"). Post-merger, Putirex will exercise sole control over Golden Acre and 11 Adderley Properties will have sole control over Grade Parade and 11 Adderley Street.
2. The primary acquiring firms are Putirex and 11 Adderley Properties. The Acquiring Firms are both jointly owned by [CONFIDENTIAL]. Corevest is [CONFIDENTIAL] controlled by [CONFIDENTIAL] and the [CONFIDENTIAL]. Prodigious is [CONFIDENTIAL] controlled by [CONFIDENTIAL] and [CONFIDENTIAL].

3. The Acquiring Firms do not have any shareholding by historically disadvantaged persons ("HDPs") as contemplated in the Competition Act 89 of 1998 ("the Act").
4. Putirex is acting in its capacity as the General Partner of Ujima which has been structured as a newly formed en-commandite partnership. 11 Adderley Properties is a shelf company that does not currently trade. Corevest specializes in diverse property development. Prodigious is a specialist development and cost consultancy firm whose services entail cost management and mitigation of risk activities. The Acquiring Group owns [CONFIDENTIAL] offices and retail properties in the Western Cape.
5. The Target Properties are controlled by Paramount which is ultimately controlled by Growthpoint Properties Limited ("Growthpoint").
6. The Target Properties have 38.85% of their shareholding held by HDPs.
7. Paramount is a property investment company which holds a portfolio of industrial, office, retail, and parking properties throughout South Africa.

Competition Assessment

8. 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

9. The Commission found that the Acquiring Group does not have HDP ownership. To address this concern, the merging parties have tendered commitments to procure services from HDPs as outlined in **Annexure A** hereto.
10. There are no other public interest concerns arising.

Conclusion

11. The Commission therefore approves the proposed transaction subject to the conditions in **Annexure A**.

ANNEXURE A**PUTIREX PROPRIETARY LIMITED AND 11 ADDERLEY PROPERTIES PROPRIETARY
LIMITED****AND****PARAMOUNT PROPERTY FUND LIMITED IN RESPECT OF THE TARGET PROPERTIES****CASE NUMBER: 2024DEC0004**

CONDITIONS

1. DEFINITIONS

- 1.1 **“Acquiring Firms”** means collectively Putirex Proprietary Limited and 11 Adderley Properties Proprietary Limited, a private 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 the conditions in this **Annexure A**;
- 1.7 **“HDP”** means historically disadvantaged person as contemplated in section 3(2) of the Competition Act;
- 1.8 **“Implementation Date”** means the date, occurring after the Approval Date, on which the Merger is implemented by the Merger Parties;
- 1.9 **“JBSA/11 Adderley Transaction”** means proposed acquisition by JBSA Props Proprietary Limited of 11 Adderley Properties Proprietary Limited under Case No: 2024DEC0027;

- 1.10 “**Merger**” means the proposed acquisition by the Acquiring Firms of the Target Properties as notified to the Commission under Case No. 2024DEC0004;
- 1.11 “**Merger Parties**” means the Acquiring Firms and the Seller;
- 1.12 “**Seller**” means Paramount Property Fund Limited;
- 1.13 “**South Africa**” means the Republic of South Africa;
- 1.14 “**Target Properties**” means the property rental enterprises owned by the Seller known as *Golden Acre, 11 Adderley Street and Grand Parade*;
- 1.15 “**Tribunal**” means the Competition Tribunal of South Africa; and
- 1.16 “**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

2. HDP PROCUREMENT

- 2.1. In respect of *Golden Acre*, Putirex Proprietary Limited shall spend **[CONFIDENTIAL]** towards procuring cleaning, security, maintenance, and construction requirements from HDPs over a period of 3 (three) years from the Implementation Date. The expenditure amount shall be adjusted annually 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 1 (one) year from the Implementation Date.
- 2.2. By the third anniversary of the Implementation Date, the Acquiring Firm shall have spent a minimum amount of **[CONFIDENTIAL]** on the procurement of cleaning, security and maintenance, and construction services from HDPs.
- 2.3. For the avoidance of doubt and double counting, clause 2.1. and clause 2.2. of this Condition relates only to the Merger and does not apply to the JB SA/11 Adderley Transaction.

3. MONITORING OF COMPLIANCE WITH THE CONDITIONS

- 3.1. Putirex Proprietary Limited shall inform the Commission in writing of the Implementation Date within 10 (ten) Days of its occurrence.

3.2. For the duration of the Procurement Commitment Period, and within 30 (thirty) Days of each anniversary of the Implementation Date, Putirex shall submit to the Commission a Compliance Report detailing compliance with these Conditions.

3.3. The Commission may request any additional information from the Acquiring Firms which the Commission from time to time and as deemed necessary for the monitoring of compliance with these Conditions.

4. APPARENT BREACH

4.1. Should the Commission receive any complaint in relation to non-compliance with the above Conditions, or otherwise determine that there has been an apparent breach by the Acquiring Firms of these Conditions, the breach shall be dealt with in terms of Rule 39 of the Commission Rules.

5. VARIATION

5.1. The Acquiring Firms 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 Acquiring Firms 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 Acquisition Division at Private Bag X23, Lynnwood Ridge, 0040. Telephone: (012) 394 3200.