

DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

NO. 5413

11 October 2024

COMPETITION COMMISSION**NOTIFICATION TO APPROVE WITH CONDITIONS THE TRANSACTION INVOLVING:****ROBERTSON AND CAINE PROPERTIES (PTY) LTD****AND****THE RENTAL ENTERPRISE ERF 109912 CAPE TOWN, CITY OF CAPE TOWN. DEED****OF TRANSFER NO. T054259/2001****CASE NUMBER 2024MAR0006**

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 05 March 2024, the Competition Commission ("Commission") received a notice of an intermediate merger wherein Robertson & Caine Properties Proprietary Limited ("RCP") intends on acquiring RF 109912 Cape Town, City of Cape Town, held under Deed of Transfer no. T054259/2001 ("the Rental Enterprise") from the Wool Trust. The property is situated at 6 - 10 Neptune Street, Paarden Eiland, Cape Town. Post-merger, RCP will wholly own the Rental Enterprise.
2. The primary acquiring firm is RCP. RCP is wholly owned by Vox Ventures B.V ("Vox Ventures"), which in turn is wholly owned by PPF Group N.V. ("PPF Group"). Vox ventures also controls Robertson & Caine Proprietary Limited ("R&C"). RCP owns a property situated at 7 Railway Street in Woodstock (Erf 168067 Cape Town, Woodstock under deed title number T75959/2003) ("7 Railway Property"). RCP, R&C, Vox Ventures, PPF Group and all the firms they directly and indirectly control are collectively referred to as the "Acquiring Group".
3. The Acquiring Group is not controlled or owned by any historically disadvantaged persons ("HDP") as contemplated in the Competition Act No. 89 of 1998 ("the Act").

4. RCP is a property holding company which houses one of R&C's production facilities for sailing and power catamarans, 7 Railway Property. RCP does not lease out its property to any other firms or individuals. R&C is a designer and manufacturer of sailing and power catamarans, with its range of catamarans being manufactured in Cape Town.
5. The primary target firm is the Rental Enterprise. The Rental Enterprise is controlled by the Wool Trust.
6. The Rental Enterprise is an industrial property, measuring 26 594m² located on 6 - 10 Neptune Street, Paarden Eiland, Cape Town. The Rental Enterprise is classified as a heavy industrial property and is currently leased by four tenants involved in manufacturing activities. The Acquiring Group, through R&C, is currently a tenant at the Rental Enterprise.

Competition assessment

7. The Commission considered the activities of the merging parties and found that there are no horizontal or vertical overlaps.
8. The Commission however, received concerns from the tenants of the Rental Enterprise with regards to sufficient notice and consequent non-renewal of their leases. The merging parties have agreed to conditions to address these concerns. The conditions are detailed in **Annexure A**, attached hereto.

Public interests

9. The Commission found that the proposed transaction is unlikely to raise any public interest concerns.

Conclusion

10. Considering the above, the Commission approves the proposed transaction subject to the conditions attached in **Annexure A** hereto.

ANNEXURE A
ROBERTSON AND CAINE PROPERTIES PROPRIETARY LIMITED
AND
THE RENTAL ENTERPRISE ERF 109912 CAPE TOWN, CITY OF CAPE TOWN. DEED
OF TRANSFER NO. T054259/2001
CASE NUMBER: 2024MAR0006

1 DEFINITIONS

The following expressions shall bear the meaning assigned to them below and cognate expressions bear corresponding meanings -

- 1.1 **"Acquiring Firm"** means Robertson & Caine Properties Proprietary Limited;
- 1.2 **"Approval Date"** means the date on which the Merger is approved by the Commission and as set out in the Commission's clearance ;
- 1.3 **"Commission"** means the Competition Commission of South Africa, a statutory body established in terms of section 19 of the Competition Act;
- 1.4 **"Commission Rules"** mean the Rules for the Conduct of Proceedings in the Competition Commission;
- 1.5 **"Competition Act"** means the Competition Act 89 of 1998, as amended;
- 1.6 **"Conditions"** mean, collectively, the conditions referred to in this document;
- 1.7 **"Days"** means any calendar day which is not a Saturday, Sunday or an official public holiday in South Africa;
- 1.8 **"Extended Lease Agreement"** means an agreement executed by Voyage Yachts and the Merged Entity subject to the terms and conditions in paragraph 3 of these Conditions;
- 1.9 **"Extended Lease Period"** means the period from 30 June 2024 to 31 August 2024; alternatively, the period from 30 June 2024 to 30 September 2024;
- 1.10 **"Implementation Date"** means the date, occurring after the Approval Date, on which the Merger is implemented by the Merging Parties;

- 1.11 **"Occupied Area"** means the portion of the Rental Enterprise measuring approximately 3 027sqm (three thousand and twenty seven square meters) as defined as "the Premises" in paragraph 2.1.7 of the Voyage Yachts Lease Agreement and marked "A" on "Annexure 1" thereto;
- 1.12 **"Merged Entity"** means collectively the Acquiring Firm and the Transferred Firm;
- 1.13 **"Merger"** means the acquisition by the Acquiring Firm or any affiliate designated as an assignee of the Transferred Firms;
- 1.14 **"Merging Parties"** means the Acquiring Firm and the Transferred Firm;
- 1.15 **"Respective Tenants"** means Two Oceans Marine Manufacturing Close Corporation and Voyage Yachts Proprietary Limited;
- 1.16 **"Seller"** means the Trustees of the time-being of the Wool Trust;
- 1.17 **"Transferred Firm"** means the Rental Enterprise Erf 109912 Cape Town, City Of Cape Town. Deed Of Transfer No. T054259/2001 owned by Sellers;
- 1.18 **"Tribunal"** means the Competition Tribunal of South Africa;
- 1.19 **"Two Oceans"** means Two Oceans Marine Manufacturing Close Corporation with Registration Number CK 1999/013553/23;
- 1.20 **"Two Oceans Lease Agreement"** means the lease agreement entered into by Two Oceans and the Wool Trust, dated 19 August 2021;
- 1.21 **"Voyage Yachts"** means Voyage Yachts Proprietary Limited with Registration Number 1991/004330/07; and
- 1.22 **"Voyage Yachts Lease Agreement"** means the lease agreement entered into by Voyage Yachts and the Wool Trust, dated 20 November 2017 pertaining specifically to the Occupied Area of the Rental Enterprise.

2 THE EXISTING LEASE AGREEMENT

- 2.1 In accordance with and subject to the terms and conditions of the Two Oceans Lease Agreement, Two Oceans shall be entitled to renew the lease agreement for a period of 3 (three) years.

3 THE EXTENDED LEASE AGREEMENT

- 3.1 The relevant Merging Parties undertake to extend Voyage Yachts Lease Agreement until either 31 August 2024, alternatively 30 September 2024, subject to the following -
- 3.1.1 the Acquiring Firm, and specifically the professional service providers assisting the Acquiring Firm, be granted reasonable access to the Occupied Area during the Extended Lease Period;
- 3.1.2 that such access will be for the purpose of construction planning, assessment and testing (as may be required) including conducting "clean work" such as commencing electrical works; and
- 3.1.3 that such access will not impact Voyage Yachts' operations during the Extended Lease Period.

4 MONITORING OF CONDITIONS

- 4.1 The Merged Entity shall inform the Commission in writing of the Implementation Date of the Merger within 5 (five) Days of the Implementation Date.
- 4.2 The Merged Entity shall circulate a version of these Conditions to the Respective Tenants within 5 (five) Days of Approval Date.
- 4.3 As proof of compliance with clause 4.2, a senior executive of the Acquiring Firm, shall within 10 (ten) Days of circulating the conditions submit to the Commission an affidavit attesting to the circulation of the Conditions and provide a copy of the notice that was circulated to the Respective Tenants.
- 4.4 Provided that Voyage Yachts and the Merged Entity execute the Extended Lease Agreement, as per paragraph 3 of these Conditions, the Merged Entity hereby undertakes to deliver to the Commission an affidavit confirming that the Extended Lease Agreement has been concluded with Voyage Yachts within 5 (five) Days of the Approval Date.
- 4.5 As proof of compliance with clause 3, a senior executive of the Acquiring Firm, shall within 10 (ten) Days of renewing Two Ocean's lease, submit an affidavit attesting to same, as well as a copy of the signed extended Two Oceans Lease Agreement. The Commission may request any additional information from the Merging Parties which the Commission from time to time may deem necessary for purposes of monitoring the extent of compliance with these Conditions.

5 BREACH

- 5.1 If the Merged Entity appears to have breached the above Conditions or if the Commission determines that there has been an apparent breach by the Merged Entity of the Conditions, this shall be dealt with in terms of Rule 39 of the Commission Rules read with Rule 37 of the Rules for the Conduct of Proceedings in the Tribunal.

6 VARIATION

- 6.1 The Merging Parties may at any time, on good cause shown, apply to the Commission for the Conditions to be lifted, revised, amended and/or the time period for fulfilment of the Conditions to be extended. Should a dispute arise in relation to the variation of the Conditions, the Merging Parties shall apply to the Tribunal, on good cause shown, for the Conditions to be lifted, revised, amended and/or the time period for fulfilment to be extended as aforementioned.

7 GENERAL

- 7.1 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 3298