



MEDIA RELEASE

24 August 2016

CCS APPROVES SAMWOH PREMIX PTE. LTD.'S PROPOSED ACQUISITION OF COMPETITOR LEY CHOON'S MANUFACTURING SITE AND PLANT

1. The Competition Commission of Singapore ("CCS") has cleared the proposed acquisition by Samwoh Premix Pte. Ltd. ("SWPPL") of the property together with the building and asphalt premix manufacturing plant situated at 55 Kranji Crescent, Singapore 728662 ("the Property") from competitor Ley Choon Constructions and Engineering Pte. Ltd. ("LCCE") (the "Transaction").
2. SWPPL is a wholly-owned subsidiary of Samwoh Corporation Pte. Ltd. ("Samwoh") (together the "Samwoh Group") and LCCE is a wholly-owned subsidiary of Ley Choon Group Holdings Limited ("Ley Choon") (together the "Ley Choon Group"). Both manufacture asphalt premix which is the main product used for surfacing roads and pavements.
3. In examining the impact of the Transaction in the market for the production of asphalt premix in Singapore ("Relevant Market"), CCS sought feedback from customers and competitors. None of the feedback received raised competition concerns with the Transaction. After reviewing the Parties' submissions and the feedback received, CCS concluded that the Transaction is unlikely to substantially lessen competition in the Relevant Market, and therefore will not infringe section 54 of the Competition Act (Cap. 50B).
4. In clearing the Proposed Transaction, CCS found that :

- a. The Transaction only involves the transfer of asphalt premix production capacity, not customer purchases or employees. Ley Choon Group would continue to be an independent competitor to the Samwoh Group in the Relevant Market after the Transaction, through its production of asphalt premix in another manufacturing plant;
 - b. Asphalt premix is a homogenous commodity which can be supplied by the other competitors, with low or marginal switching costs for customers; and
 - c. There is excess capacity in the market for the production asphalt premix. Samwoh's competitors have sufficient capacity to meet the demand of Samwoh's customers if they decide to switch their demand to the other manufacturers.
5. CCS issued its clearance decision for the Transaction to SWPPL and informed LCCE on 24 August 2016.
 6. More information on the clearance decision for the Proposed Transaction will be made available under "Public Register – Mergers & Acquisitions" on the CCS website in due course.

About the companies involved in the Proposed Transaction

7. SWPPL is part of a group of companies under common shareholding and control of Samwoh (collectively referred to as the "Samwoh Group"). The Samwoh Group is involved in several areas of business in Singapore, including the production, supply and laying of asphalt of premix and the supply of ready-mixed concrete and building materials; civil engineering and infrastructure; recycling of construction waste; and research & development/consultancy services. Specific to SWPPL, SWPPL's activities in Singapore are in road milling, and the supply and laying of asphalt premix.
8. LCCE's parent company, Ley Choon, has been listed on the Main Board of the SGX-ST since 2012. The Ley Choon and its subsidiaries are involved in the several areas of business in Singapore, including asphalt premix production; construction waste recycling; and underground utilities infrastructure construction and maintenance, sewer pipeline rehabilitation, and road and airfield construction and maintenance, which

include the supply and laying of graded stone, cement treated base, milling and laying of asphalt premix.

- End -

About The Competition Commission of Singapore (CCS)

CCS is a statutory board established under the Competition Act (Chapter 50B) on 1 January 2005 to administer and enforce the Act. It comes under the purview of the Ministry of Trade and Industry. The Act empowers CCS to investigate alleged anti-competitive activities, determine if such activities infringe the Act and impose suitable remedies, directions and financial penalties.

About the Section 54 Prohibition under the Competition Act & Merger Procedures

Section 54 of the Act prohibits mergers that have resulted, or may be expected to result, in a substantial lessening of competition in Singapore.

CCS is generally of the view that competition concerns are unlikely to arise in a merger situation unless:

- The merged entity has/will have a market share of 40% or more; or
- The merged entity has/will have a market share of between 20% to 40% and the post-merger combined market share of the three largest firms is 70% or more

Merging entities are not required to notify CCS of their merger but they should conduct a self-assessment to ascertain if a notification to CCS is necessary. If they are concerned that the merger has infringed, or is likely to infringe, the Act, they should notify their merger to CCS. In such cases, CCS will assess the effect of the merger on competition and decide if the merger has resulted, or is likely to result, in substantial lessening of competition in Singapore. CCS will endeavour to issue a decision within 30 -120 working days, depending on case complexity.

In the event that CCS makes an unfavourable decision, CCS has the power to issue directions to remedy, mitigate or eliminate the adverse effects arising from the merger situation.

For more information, please visit www.ccs.gov.sg.

For media clarifications, please contact:

Ms. Grace Suen

Assistant Director

International and Strategic Planning Division

Competition Commission of Singapore

Email: grace_suen@ccs.gov.sg

DID: 6325 8216/ 9835 8601

Ms. Loy Pwee Inn

Senior Assistant Director

International and Strategic Planning Division

Competition Commission of Singapore

Email: loy_pwee_inn@ccs.gov.sg

DID: 6325 8313