



MEDIA RELEASE

21 December 2017

CCS consults on the Proposed Acquisition by Jacobs Douwe Egberts Holdings Asia NL B.V. of Shares of OldTown Berhad

1. The Competition Commission of Singapore (“**CCS**”) is conducting a public consultation from 21 December 2017 to 5 January 2018 to invite feedback on the proposed acquisition by Jacobs Douwe Egberts Holdings Asia NL B.V. (“**JDE Asia**”) of the entire issued and outstanding share capital of OldTown Berhad (“**OT**”) (the “**Proposed Transaction**”).

The Proposed Transaction

2. The acquisition by JDE Asia, of OT’s share capital will result in Jacobs Douwe Egberts B.V. (“**JDE**”) acquiring sole control over OT, as JDE Asia is its wholly-owned indirect subsidiary.
3. The Proposed Transaction was notified to CCS on 18 December 2017. The application for a decision by CCS as to whether the Proposed Transaction would infringe the prohibition in the Competition Act against anti-competitive mergers is made by JDE.¹
4. JDE is a global coffee company that owns brands in over 27 countries across Europe, Latin America and Australia. JDE also owns Super Group, Ltd. (“**SG**”), which manufactures and sells over 160 instant food and beverage products, including instant tea and coffee.
5. OT is a publicly-listed company on Bursa Malaysia, and is active in (i) the manufacturing of coffee and other beverages; (ii) the marketing and sales of coffee and other beverages in points of distribution globally; and (iii) the operation of retail cafes under the “OldTown White Coffee” brand.
6. JDE has submitted that the Proposed Transaction will not result in a substantially lessening of competition in any market in Singapore. According to JDE:

¹ Section 54 of the Competition Act prohibits mergers that have resulted, or may be expected to result, in a substantial lessening of competition in Singapore.

- a. The JDE group of companies (“**JDE Group**²”) and OT (collectively, the “**Parties**”) overlap in the sale and marketing of instant coffee mixes and other instant beverages in Singapore;
- b. The markets for the sale of instant coffee mixes and other instant beverages in Singapore are highly competitive given that existing and potential competing global instant coffee and tea manufacturers are able to, and do, supply and distribute instant coffee and tea products in Singapore;
- c. Post-Transaction, manufacturers and sellers of instant coffee and tea products would continue to be constrained by strong countervailing buyer power of large, sophisticated intermediate customers; and
- d. It is very difficult for competitors to coordinate their competitive behaviour post-Transaction as suppliers are required to both constantly innovate on their product range and price competitively in order to keep up with evolving trends.

Public Consultation

- 7. CCS is inviting public feedback on the proposed acquisition.
- 8. More information on the public consultation can be accessed and downloaded from the CCS website at www.ccs.gov.sg under the section “[Public Register and Consultation](#)”. The closing date for submissions is on **5 January 2018**. If the submission or correspondence contains confidential information, please also provide CCS with a non-confidential version of the submission or correspondence.

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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.

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

² The JDE Group comprises entities such as JDE, JDE Asia and Super Group Pte. Ltd.

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