
Section 57 of the Competition Act 2004

Grounds of Decision issued by the Competition and Consumer Commission of Singapore

In relation to the notification for decision on the proposed acquisition by ContiTech Global Holding Netherlands B.V. of Printing Solutions Sweden Holding AB

Date: 27 October 2022

Case number: 400-140-2022-003

<p>Confidential information in the original version of this Decision will be redacted from the published version on the public register. Redacted confidential information in the text of the published version of the Decision is denoted by [X].</p>
--

TABLE OF CONTENTS

TABLE OF CONTENTS	2
I. INTRODUCTION	3
II. THE PARTIES	3
III. THE PROPOSED TRANSACTION	4
IV. COMPETITION ISSUES	4
V. COUNTERFACTUAL	6
VI. RELEVANT MARKET.....	6
VII. MARKET STRUCTURE	7
VIII. COMPETITION ASSESSMENT	9
IX. EFFICIENCIES	10
X. ANCILLARY RESTRICTIONS	11
XI. CONCLUSION.....	13

I. INTRODUCTION

1. On 17 June 2022, the Competition and Consumer Commission of Singapore (“**CCCS**”) accepted a joint application by ContiTech Global Holdings Netherlands B.V. (“**ContiTech**”) and Trelleborg AB (“**Trelleborg**”) for a decision as to whether ContiTech’s proposed acquisition (the “**Proposed Transaction**”) of Printing Solutions Sweden Holding AB (the “**Target**”) from Trelleborg (collectively, the “**Parties**”) will infringe section 54 of the Competition Act 2004 (the “**Act**”), if carried into effect.¹
2. In reviewing the Proposed Transaction, CCCS conducted a public consultation and sought feedback from the Parties’ competitors, intermediate customers (i.e. distributors) and end-user customers (collectively, the “**third parties**”). While a few third parties noted possible outcomes following the Proposed Transaction such as the merged entity becoming the largest manufacturer of printing blankets and the possibility of a lack of alternatives to the Parties for one particular type of printing blanket, the majority of third parties did not raise competition concerns with respect to the Proposed Transaction.
3. At the end of the consultation process and after evaluating all available information, CCCS concludes that the Proposed Transaction, if carried into effect, will not infringe section 54 of the Act.

II. THE PARTIES

ContiTech

4. ContiTech is Continental AG’s engineered rubber products group,² which product offerings include, among others, the provision of printing solutions (such as manufacturing and supplying printing blankets, as well as ancillary printing solutions like surface materials for decorative and technical applications, and assembled products).³ In Singapore, within the printing solutions business, ContiTech supplies flat-backed / fabric printing blankets and self-adhesive blankets,⁴ which are sold under the brand names “Conti-Air” and “Phoenix Xtra Blankets”, as well as [X].⁵

Trelleborg

¹ Notification of the Proposed Transaction lodged by ContiTech and Trelleborg was sent to CCCS on 26 May 2022, but was not deemed complete until 17 June 2022.

² Paragraphs 7.1 and 10.10 of Form M1

³ Paragraph 10.10 of Form M1

⁴ Paragraph 10.1 of Form M1; paragraphs 5.1 and 5.2 of the Parties’ 30 June 2022 response to CCCS’s 23 June 2022 RFI; paragraph 15.1 of the Parties’ 21 September 2022 response to CCCS’s 29 July 2022 RFI.

⁵ Paragraph 10.5 of Form M1, paragraph 16.1 of the Parties’ 21 September 2022 response to CCCS’s RFI dated 29 July 2022.

5. Trelleborg provides engineered polymer solutions that seal, damp and protect critical applications.⁶ In relation to printing solutions, Trelleborg's product offerings include developing, manufacturing and supplying printing blankets for offset and digital printing, carrier sleeves for flexo printing, as well as a supplementary local Italian coated fabrics business (collectively, the "**Target Business**").⁷ The Target Business is carried out largely through [X].⁸ In Singapore, within the printing solutions business, Trelleborg supplies, flat-backed/fabric printing blankets and self-adhesive printing blankets, which are sold under the brand name "Vulcan" and [X].⁹
6. The Target is a wholly owned entity of Trelleborg, which would only operate the Target Business.¹⁰ In Singapore, the activities of the Target Business would only comprise the supply of flat-backed / fabric printing blankets and self-adhesive printing blankets.¹¹

III. THE PROPOSED TRANSACTION

7. The Proposed Transaction relates to the acquisition by ContiTech of the entire shareholding of the Target from Trelleborg.¹²
8. CCCS considers that the Proposed Transaction constitutes an acquisition of direct control by one undertaking of the whole of another undertaking, which would amount to a merger under section 54(2)(b) of the Act.

IV. COMPETITION ISSUES

9. The Proposed Transaction concerns offset printing blankets, which are consumables consisting of a reinforced rubber sheet that receives ink impressions, for the purpose of transferring an image to a receiving medium / surface that is being printed (e.g. paper, tetra-packs).¹³ Offset printing blankets can be categorized into various types, including:¹⁴

⁶ Paragraph 10.11 of Form M1. CCCS understands that critical applications refer to Trelleborg's broad businesses in manufacturing products for polymer-based industrial applications and infrastructure projects, as well as polymer-based seals, off-highway and specialty tires, printing blankets of polymer-coated fabrics, offshore oil and gas exploration/extraction and rubber products. Annex A4 of Form M1.

⁷ Paragraph 10.11(d) of Form M1.

⁸ [X].

⁹ Paragraph 10.8 of Form M1.

¹⁰ The Parties submitted that prior to the Proposed Transaction, the Target would *only* operate the Target Business and no other business, and that the Target has not conducted any business activities in Singapore as at the date of notification (26 May 2022). Paragraph 11.2 of Form M1, paragraph 5.3 of the Parties' 9 June 2022 response to CCCS's 3 June 2022 RFI.

¹¹ Paragraph 2.2 of the Parties' 15 June 2022 response to CCCS's 13 June 2022 RFI.

¹² The Parties submitted that *prior* to the completion of the Proposed Transaction, [X]. Paragraphs 11.1 to 11.5 and Annex 2 of Form M1.

¹³ Paragraph 15.4 of Form M1.

¹⁴ Other types of offset printing blankets include metal back printing blankets, cylindrical printing blankets (i.e. offset sleeves), mylar backed varnishing blankets, specialty & security printing blankets and underblankets. The Parties submitted that they overlap in the manufacturing and supply of these other offset printing blankets on a global basis but not in Singapore. Beyond offset printing blankets, the Parties submitted that they overlap in the

- a. **Flat-backed / fabric printing blankets**, which have a back layer made of textile materials, and are used in all offset printing machines for printing carton or metal packaging, various packaging materials and labels, newspapers, magazines, flyers, and brochures; and
 - b. **Self-adhesive printing blankets**, which have a strong adhesive layer placed on top of a fabric in order to help it stick perfectly on printing press cylinders. They are used for dry offset applications, like the beverage cans industry¹⁵, continuous stationary printing, printing of business forms and envelopes, and printing of rigid plastic containers.¹⁶
10. The Parties submitted that in Singapore, they primarily overlap in the supply of flat-backed / fabric printing blankets to printing blankets distributors and end-user customers.¹⁷ While the Parties also both supply self-adhesive printing blankets in Singapore, the Parties submitted that given [X]’s ad-hoc and insignificant sales revenue in Singapore, the incremental market share (if any) would be insignificant. Accordingly, the Parties submitted that they do not overlap in the supply of self-adhesive printing blankets in Singapore, and that Trelleborg does not consider ContiTech to be a competitor in the supply of self-adhesive printing blankets in Singapore.¹⁸
11. CCCS has considered whether the Proposed Transaction will lead to non-coordinated and/or coordinated effects that would substantially lessen competition in relation to the manufacturing and supply of both overlapping products, i.e. (i) flat-backed / fabric printing blankets and (ii) self-adhesive printing blankets in Singapore, although CCCS has focused its assessment on the overlap in respect of flat-backed / fabric printing blankets, given that:
- a. This product type represents the significant majority (approximately [X] or more) of the Parties’ sales revenue in Singapore;
 - b. There are common factors in the competition assessment (e.g. competitive landscape, spare manufacturing capacity globally) that are also likely to apply generally to other types of offset printing blankets that the Parties overlap in (such as self-adhesive printing blankets in Singapore); and
 - c. CCCS has not received concerns from third parties on the supply of self-adhesive printing blankets in Singapore.

manufacturing and supply of digital printing blankets and flexo(graphic) sleeves on a global basis but not in Singapore. Paragraphs 15.3 and 15.4, and 15.11 to 15.21 of Form M1; and paragraphs 12.1 to 12.5 of the Parties’ 30 June 2022 response to CCCS’s 23 June 2022 RFI.

¹⁵ Paragraph 15.6 of Form M1.

¹⁶ Paragraph 18.1 of the Parties’ 30 June 2022 response to CCCS’s 23 June 2022 RFI.

¹⁷ Paragraphs 15.1 and 20.3(a) of Form M1

¹⁸ Paragraphs 15.7 to 15.9 of Form M1

V. COUNTERFACTUAL

12. CCCS considers that absent the Proposed Transaction, the relevant counterfactual would be the status quo (i.e. the Parties would continue operating their offset printing blankets businesses independently). There was no evidence to suggest that the market structure or competitive dynamics in the counterfactual would differ from the status quo.

VI. RELEVANT MARKET

13. Based on the Parties' submissions and third parties' feedback, CCCS notes that:
 - a. Between different types of offset printing blankets, feedback suggests that demand-side substitutability (i.e. end-user customers' willingness to switch from one type of printing blanket to another, e.g. by modifying it to suit their requirements) is likely to be low. However, from a supply-side substitutability perspective, the information suggests that manufacturers are able to easily switch production between different types of offset printing blankets, with the observation that other global printing blankets manufacturers (such as Meiji, Kinyosha and Fujikura) have a diverse offering of different types of printing blankets; and
 - b. Although the supply chain for printing blankets generally includes the involvement of distributors¹⁹ who purchase printing blankets from manufacturers and on-sell them to end-user customers (including under the distributor's private / white label, if any), the distribution/retail of printing blankets to end-user customers (where distributors may in some circumstances compete with manufacturers to sell printing blankets to end-user customers) is likely to be distinct from the manufacturing and supply of printing blankets, where distributors are themselves also (intermediate) customers of manufacturers. In assessing the Proposed Transaction, given that the Parties supply most of their flat-backed / fabric printing blankets through distributors and only ContiTech sells to end-user customers directly on a limited basis in Singapore,²⁰ CCCS has focused its assessment on the *manufacturing and supply* of printing blankets.
14. However, CCCS considers that it is not necessary to conclude on a precise definition of the relevant market, as it does not affect the outcome of CCCS's competition assessment of the Proposed Transaction. Nonetheless, as a frame of reference for the purposes of the competition assessment of the Proposed Transaction, CCCS considered the market for the manufacturing and supply of: (i) on the wider basis, offset printing blankets as a

¹⁹ CCCS understands from the Parties' submissions and third party feedback that such distributors are able to independently make competitive decisions in relation to the offset printing blankets that they on-sell to end-user customers (e.g. selling prices, volumes and which products to offer to customers), and do not act as agents for the Parties.

²⁰ Paragraph 18.5 of Form M1 and paragraph 17.1 of the Parties' 21 September 2022 Response to CCCS's 8 September 2022 RFI.

whole, as well as (ii) on the narrower basis, the specific overlapping types of printing blankets in Singapore, i.e. flat-backed / fabric printing blankets and self-adhesive printing blankets, on both the global-to-global, and global-to-Singapore basis (holistically, the “**Relevant Market**”).

VII. MARKET STRUCTURE

(a) Market shares and market concentration

15. Based on the Parties’ market share estimates in relation to the Relevant Market (see summary tables below), CCCS noted the following:²¹

- a. The Parties are amongst the top three to four largest manufacturers in the worldwide (i.e. global-to-global) market for the manufacturing and supply of offset printing blankets and flat-backed / fabric printing blankets, with the Target having the largest market share pre-merger. The merged entity will remain the largest player after the Proposed Transaction, with the post-merger CR3 at [X<60-70]%. This would cross CCCS’s indicative thresholds;
- b. In the global-to-Singapore market, the Parties are also amongst the top three to four largest manufacturers for the manufacturing and supply of flat-backed / fabric printing blankets in Singapore, and the merged entity will become the largest player in Singapore after the Proposed Transaction. While the post-merger CR3 of [X<50-60]% (based on sales value) does not cross CCCS’s indicative thresholds, CCCS nonetheless notes that the post-merger concentration ratio is moderately high; and
- c. For self-adhesive printing blankets, the Target is the second-largest supplier in the global-to-Singapore market and the merged entity will remain as such post-Proposed Transaction, with [X<20-30]% of the total market share (increasing by [X<0-10]%). Although the market appears to be concentrated (with three main players before and after the Proposed Transaction), CCCS notes that the end-user estimated market size for self-adhesive printing blankets in Singapore is very small compared to that for flat-backed / fabric printing blankets, and given the relative estimated market shares of the two other main competitors in Singapore, the merged

²¹ In providing market size and share estimates, the Parties submitted that their Singapore estimates do not include the value and volume of flat-backed / fabric printing blankets sold to intermediate customers (i.e. distributors) located in Singapore that are intended for re-export (such re-export occurring because the Singapore market is a distribution hub in Asia where majority of the products are re-exported by distributors for sale to end-user customers located outside of Singapore); and it was not feasible for them to obtain information to estimate Singapore market sizes and shares that are inclusive of *all* sales made to customers (including distributors) based in Singapore, regardless of whether the products were subsequently re-exported by Singapore distributors. Hence, from a quantitative perspective, the impact of the Proposed Transaction on distributors as customers of the Parties in Singapore is not fully captured by the Parties’ market share estimates. Nonetheless, from a qualitative perspective, CCCS notes that third party feedback generally did not raise competition concerns on the Proposed Transaction, including insofar as it relates to Singapore distributors’ business (whether regarding distributors’ sales within Singapore or otherwise re-exported). Paragraph 22.3 of Form M1, and paragraphs 20.1, 20.2 and 20.3 of the Parties’ 5 September 2022 Response to CCCS’s 29 July 2022 RFI.

entity may continue to face competitive constraints from these two other competitors.

Combined Global Market Shares of the Parties in the Relevant Market						
Product	Years	Based on Sales Value		Based on Sales Volume		
		<i>Percentage Market Share</i>	<i>Post-Merger CR3 (2021)</i>	<i>Percentage Market Share</i>	<i>Post-Merger CR3 (2021)</i>	
Offset printing blankets	2019 – 2021	[<30-40]% – [<30-40]%	[<60-70]%	[<30-40]% – [<30-40]%	[<60-70]%	
Flat-backed / fabric printing blankets	2019 – 2021	[<30-40]% – [<40-50]%	[<60-70]%	[<30-40]% – [<40-50]%	[<60-70]%	

Combined Singapore Market Shares of the Parties in the Relevant Market						
Product	Years	Based on Sales Value		Based on Sales Volume		
		<i>Percentage Market Share</i>	<i>Post-Merger CR3 (2021)</i>	<i>Percentage Market Share</i>	<i>Post-Merger CR3 (2021)</i>	
Flat-backed / fabric printing blankets	2019 – 2021	[<20-30]% – [<20-30]%	[<50-60]%	[<20-30]% – [<20-30]%	[<60-70]%	
Self-adhesive printing blankets	2021	[<20-30]%	[<80-90]%	No data provided		

(b) Barriers to Entry and Expansion

16. Third parties' feedback cited capital expenditure as the main barrier to entry into the Relevant Market, with labour and land prices as a prominent factor in setting up a manufacturing base, and that new entrants must possess some degree of technical know-how in manufacturing printing blankets, in order to manufacture high quality blankets that adhere to end-user customers' specific requirements and ensure that they are technically compatible with printing presses. Third parties' feedback also cited brand reputation as a potential entry barrier, with one end-user customer citing that it would prefer to obtain printing blankets from established brands.
17. Given the above, CCCS is of the view that the barriers to entry for new entrants into the Relevant Market are likely to be moderately high. In respect of barriers to expansion, supply-side substitutability appears to be high for existing manufacturers of different types of offset printing blankets (see paragraph 13.a) above), and CCCS notes that there is no evidence of capacity constraints on existing competitors.

(c) Countervailing Buyer Power

18. CCCS notes that the Parties' [<] largest customers in Singapore for the supply of offset printing blankets (including flat-backed / fabric printing blankets) account for a significant proportion of their turnover for FY 2021 (these largest customers all being

distributors).²² However, there was some mixed feedback from third parties on whether distributors source from multiple manufacturers (and thus can exercise leverage over the merged entity by promoting sales of competing products that the distributor carries in their portfolio instead of the Parties' products, or altogether excluding the Parties' products from their portfolio, as contended by the Parties²³), as well as end-user customers' willingness to switch between printing blanket suppliers.²⁴

19. Given the above, CCCS is of the view that although some of the Parties' large distributor customers in Singapore may possess a degree of countervailing buyer power (depending in particular on whether the distributor indeed obtains printing blankets from multiple manufacturers and thus possesses greater leverage over manufacturers in on-selling their products to end-users), this is unlikely to be the case for smaller customers.²⁵

VIII. COMPETITION ASSESSMENT

(a) Non-Coordinated Effects

20. Based on the information received from the Parties as well as third parties, CCCS has assessed that non-coordinated effects are unlikely to arise in the Relevant Market for the following reasons:
 - a. Although the merged entity will become the largest player after the Proposed Transaction (with moderate to high post-merger CR3), third party feedback generally did not indicate any particular closeness of competition between the Parties, with a number of third parties identifying large global manufacturers (such as Flint, Kinyosha, Meiji and Fujikura) to be suitable alternative manufacturers that are able to offer similar products to the Parties. Most third parties also generally indicated that it is easy for end-user customers to switch between different manufacturers of the printing blankets that they require, as the specifications of the printing blanket itself are usually generic, and thus the switching process simple. This could allow suitable alternative suppliers to exert competitive constraint on the Parties post-Proposed Transaction;

²² Paragraphs 4.9 and 4.12 of the Parties' 23 August 2022 response to CCCS's 29 July 2022 RFI, paragraph 49.1 of the Parties' 30 June 2022 response to CCCS's 23 June 2022 RFI, and paragraph 24.1 of the Parties' 21 September 2022 response to CCCS's 8 September 2022 RFI.

²³ Paragraphs 18.9 and 32.3 of Form M1.

²⁴ Paragraph 6.49 of the *CCCS Guidelines on the Substantive Assessment of Mergers* provide that a distributor's ability to exercise buyer power might be limited by the unwillingness by end-user customers to buy products of alternative manufacturers, and even if a distributor is able to buy from alternative manufacturers, this may not be credible if the products of the alternative supplier are not considered by the distributor's end-user customers as a suitable replacement.

²⁵ As the Parties submitted that they were not able to provide information on the largest end-user customers in Singapore indirectly served by the Parties (i.e. the Parties' printing blankets are sold to these end-users via distributors), CCCS is unable to assess the full extent, if any, to which such end-user customers may possess any countervailing buyer power against the Parties. Paragraphs 2.1, 2.6 and 2.8 of the Parties' response dated 18 July 2022 to CCCS's 13 July 2022 RFI, and paragraphs 2.1, 2.2, 2.5 and 2.6 of the Parties' response dated 25 July 2022 to CCCS's 21 July 2022 RFI.

- b. Although barriers to entry are likely to be moderately high, manufacturers within the offset printing blanket industry are generally able to easily switch to produce different types of offset printing blankets (including flat-backed/fabric printing blankets); and
- c. There is also likely to be sufficient spare capacity amongst existing competitors in the global production of offset printing blankets as well as flat-backed/fabric printing blankets, with high supply-side substitutability likely to mean that competing manufacturers may be able to adjust and allocate their production capacities across different types of offset printing blankets in response to market and customer demand,²⁶ and such existing competitors would be able to absorb demand from any customers switching away from the merged entity, which serves as a competitive constraint on the merged entity.

(b) Coordinated Effects

21. Based on the information received, CCCS has assessed that coordinated effects are unlikely to arise in the Relevant Market for the following reasons:
- a. The risks of coordination amongst market players are low due to a lack of price transparency among manufacturers (when they supply either to distributors, or directly to end-user customers), as well as distributors (when they on-sell the products to end-user customers), which would make it difficult for firms to monitor one another; and
 - b. End-user customers are able to switch between suppliers, with some distributors themselves multi-sourcing from different manufacturers' printing blankets, which makes coordination more difficult.

(c) CCCS's overall conclusion on competition assessment

22. Based on the above considerations, CCCS is of the view that the Proposed Transaction will not result in a substantial lessening of competition in Singapore.

IX. EFFICIENCIES

²⁶ Based on the Parties' production and excess capacity estimates, the overall excess capacity in offset printing blankets which collectively resides amongst all competing manufacturers globally is approximately [X%], compared to the Parties' excess capacities which are lower, at approximately [X%] and [X%] respectively. Paragraphs 25.1 and 25.2 of the Parties' 5 September 2022 response to CCCS's 29 July 2022 RFI; paragraphs 10.1, and 11.1 to 11.5 of the Parties' 21 September 2022 response to CCCS's 8 September 2022 RFI; and paragraph 2.1 of the Parties' 5 October 2022 response to CCCS's 26 September 2022 RFI.

23. Given that the competition assessment does not indicate a substantial lessening of competition, it is not necessary for CCCS to make an assessment on the claimed efficiencies by the Parties.

X. ANCILLARY RESTRICTIONS

24. The Parties submitted that the non-compete clause and non-solicitation clause in the sales and purchase agreement (the “SPA”) are ancillary restrictions²⁷ to the Proposed Transaction.²⁸

Non-Compete Clause²⁹

25. The non-compete clause in the SPA (the “**Non-Compete Clause**”) has a duration of [X], and it prohibits Trelleborg and its affiliates [X]. The Parties submitted that the Non-Compete Clause is directly related and necessary to the implementation of the Proposed Transaction, so as to ensure that (i) Trelleborg will not undermine ContiTech’s business after its acquisition of the Target Business, as Trelleborg remains operational post-Proposed Transaction and could tap on its pre-existing distribution network to re-enter the Relevant Market;³⁰ (ii) the Target Business can be integrated into ContiTech;³¹ and (iii) ContiTech will be allowed to obtain the full benefit from the goodwill (comprising the Target’s business relations with customers) and know-how (comprising trademarks/patents and technical knowledge) acquired as part of the Proposed Transaction.³²
26. In relation to the Parties’ view that it is necessary that the Target Business can be integrated into ContiTech, the Parties submitted that ContiTech requires time to establish a reputation of reliability with Trelleborg’s customers that is separate and apart from that currently held by Trelleborg; and (b) ContiTech would inherit Trelleborg’s contracts post-Proposed Transaction, and the Target Business would not be fully integrated into ContiTech’s operations if ContiTech remained obliged to fulfil these inherited contracts. In this regard, the Parties submitted that a duration of [X] would allow ContiTech to fulfil its obligations towards the inherited contracts and re-negotiate contracts that are reflective of its new and integrated operations, and only then would the Target Business be fully integrated into ContiTech’s operations.³³
27. CCCS accepts that the Non-Compete Clause is essential to the implementation of the Proposed Transaction, based on the Parties’ submission that the Non-Compete Clause

²⁷ Paragraph 10 of the Third Schedule of the Act.

²⁸ Paragraph 44.12 of Form M1.

²⁹ Article 11.5 of the SPA.

³⁰ Paragraph 44.2 of Form M1.

³¹ Paragraph 44.5 of Form M1.

³² Paragraph 44.7(b) of Form M1, paragraph 30.1 of the Parties’ 5 September 2022 response to CCCS’s 29 July 2022 RFI.

³³ Paragraphs 44.5(b) and 44.6 of Form M1. The Parties also explained that [X].

would allow ContiTech to obtain the full benefit of the goodwill and know-how that is developed by and associated with the Target Business, without having to compete with Trelleborg. In this regard, CCCS accepts that the Non-Compete Clause is properly limited and not overly restrictive of competition. In terms of the duration, CCCS considers that [X] is likely to be sufficient to ensure that ContiTech obtains the full value of the Target Business from the Proposed Transaction. In terms of the subject matter and scope, CCCS considers that the Non-Compete Clause is appropriately limited insofar as it applies only to [X].

28. However, CCCS does not consider the Parties' submissions on the remaining duration of contracts as detailed in paragraph 26 (i.e. that ContiTech would inherit from Trelleborg and which it would be obliged to fulfil) to be, *in and of itself*, sufficient in determining an appropriate duration of the Non-Compete Clause for CCCS's assessment.

Non-Solicitation Clause³⁴

29. The non-solicitation clause in the SPA (the "**Non-Solicitation Clause**") has a duration of [X] and covers [X]. The Parties submitted that the Non-Solicitation Clause is directly related and necessary to the implementation of the Proposed Transaction, as ContiTech would require a stable workforce that is sufficiently knowledgeable and trained in Trelleborg's printing solution business operations. The Parties also clarified that the Non-Solicitation Clause is not intended to apply towards any employees that are hired after completion of the Proposed Transaction.³⁵
30. CCCS considers that the Non-Solicitation Clause, as it relates to the Target's employees, is properly scoped insofar it relates only to [X]. In addition, the duration of [X] is properly limited and not overly restrictive of competition, insofar as such time is likely to be sufficient for ContiTech to obtain the full value of the Target Business (including its human resource assets) from the Proposed Transaction.

Conclusion on Ancillary Restrictions

31. In view of the above, CCCS concludes that:
- a. The Non-Compete Clause constitutes an ancillary restriction which falls within the Ancillary Restriction Exclusion; and
 - b. The Non-Solicitation Clause, as it relates to [X], constitutes an ancillary restriction which falls within the Ancillary Restriction Exclusion.

³⁴ CCCS highlights that the assessment is **based on the amended version of the Non-Solicitation Clause notified to CCCS on 13 October 2022**, which the Parties have informed CCCS that they intend to incorporate into their SPA at a later date.

³⁵ Paragraphs 34.1, 34.4 and 35.1 of the Parties' 5 September 2022 response to CCCS's 29 July 2022 RFI, email from WongPartnership LLP to CCCS dated 17 October 2022.

XI. CONCLUSION

32. For the reasons above and based on the information available, CCCS assesses that the Proposed Transaction, if carried into effect, will not lead to a substantial lessening of competition and consequently, will not infringe the section 54 prohibition.
33. In accordance with section 57(7) of the Act, the decision will be valid for a period of one year from the date of CCCS's decision.



Sia Aik Kor
Chief Executive
Competition and Consumer Commission of Singapore