



## **MEDIA RELEASE**

14 September 2017

### **CCS Consults on the Proposed Poultry Slaughtering Hub Joint Venture between Mr. Tan Chin Long, Kee Song Holdings Pte. Ltd., Sinmah Holdings (S) Pte. Ltd., Tong Huat Poultry Processing Factory Pte. Ltd. And Tysan Food Pte. Ltd.**

1. The Competition Commission of Singapore (“CCS”) is seeking feedback on the Proposed Joint Venture between Mr. Tan Chin Long (“TCL”),<sup>1</sup> Kee Song Holdings Pte. Ltd. (“KSH”), Sinmah Holdings (S) Pte. Ltd. (“Sinmah”), Tong Huat Poultry Processing Factory Pte. Ltd. (“Tong Huat”) and Tysan Food Pte. Ltd. (“Tysan”) (collectively referred to as the “Applicants” and each as an “Applicant”).
2. CCS received a notification for decision from the Applicants, with regard to the intention to establish a joint venture company, Singapore Poultry Hub Pte. Ltd. (“SPH”), by means of entering into a shareholders’ agreement (“SHA”) (the “Proposed Transaction”). The joint venture company will be involved in the provision of poultry slaughtering services.<sup>2</sup> CCS accepted the notification as complete on 12 September 2017.
3. The notification is made under section 44 of the Competition Act (Cap. 50B) (the “Act”), in relation to section 34 of the Act which prohibits agreements between undertakings, decisions by association of undertakings or concerted practices which have as their object or effect the prevention, restriction or distortion of competition within Singapore.
4. CCS understands from the notification that the Applicants are in the business of trading in or distributing fresh chicken products in Singapore and each Applicant (together with its respective affiliates) operates its business independently. The Proposed Transaction relates to the establishment of SPH, which will undertake slaughtering services for and on behalf of each Applicant (or its respective affiliates).

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<sup>1</sup> Mr. Tan Chin Long, together with his wife, is the controlling shareholder of Boong Poultry Pte. Ltd.

<sup>2</sup> Poultry slaughtering services comprises the following processes: killing and bleeding; scalding and de-feathering; evisceration; inspection of eviscerated carcasses; cooling of carcasses; and tagging of dressed poultry.

As part of the Proposed Transaction, the Applicants have entered into a SHA which will govern their relationship as shareholders as well as the terms of their investment in SPH. The Applicants have submitted that all of the Applicants (or their affiliates) will retain activities that are upstream and downstream to the slaughtering services.<sup>3</sup>

5. The Applicants submit that the Proposed Transaction will achieve greater economies of scale with respect to the slaughtering of poultry for the eventual sale of fresh poultry to consumers in Singapore or frozen poultry products to consumers outside of Singapore as well as other benefits including the alleviation of land scarcity in Singapore, increasing worker productivity and maintaining and enhancing food security in Singapore.

6. The Applicants submit that SPH intends to commence operations of its poultry slaughtering facility by mid-2019.

### **Public Consultation**

7. CCS is inviting public feedback in relation to the Proposed Transaction.

8. In particular, CCS will like to better understand the following issues:

- a. The current and future outlook on the demand and supply of poultry slaughtering services, in the context of the overall poultry supply chain in Singapore.
- b. The current state of competition and the impact of the Proposed Transaction on competition in:
  - (i) the provision of poultry slaughtering services;
  - (ii) the upstream procurement of live poultry from AVA-approved farms in Malaysia; and
  - (iii) the downstream marketing and distribution of fresh and frozen chicken products to the wholesale market in Singapore.(The Applicants have submitted that the upstream and downstream activities will be retained by each Applicant.)
- c. The feasibility and probability of the economic benefits and efficiencies claimed by the Applicants.

9. More information on the public consultation can be accessed and downloaded from the CCS website at [www.ccs.gov.sg](http://www.ccs.gov.sg) under the section "Public Register and

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<sup>3</sup> The upstream activities relate to the procurement of live poultry from AVA-approved farms in Malaysia. The downstream activities relate to further processing services (such as the marinating, cooking and freezing services), marketing and distribution of fresh and frozen chicken products to the wholesale market in Singapore.

Consultation". The closing date for submissions is on or before 4 October 2017. If the submission/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](http://www.ccs.gov.sg).

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