



## DETERMINATION OF MERGER NOTIFICATION M/19/001 – PAGANI HOLDING III LIMITED/ PCI LIMITED

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### Section 21 of the Competition Act 2002

### Proposed acquisition by Pagani Holding III Limited of sole control of PCI Limited

Dated 19 February 2019

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#### Introduction

1. On 18 January 2019, in accordance with section 18(1)(a) of the Competition Act 2002, as amended (“the Act”), the Competition and Consumer Protection Commission (the “Commission”) received a notification of a proposed acquisition whereby Pagani Holding III Limited (“Pagani”), an entity that is indirectly controlled by Platinum Equity Group (“PEG”), would acquire 100% of the issued share capital of PCI Limited (“PCI”), (collectively, the “Parties”), (the “Proposed Transaction”).

#### The Proposed Transaction

2. The Proposed Transaction will be achieved through the purchase and transfer to Pagani of all shares in PCI. This will be implemented pursuant to an implementation agreement (“the Agreement”) dated 4 January 2019 between Pagani and PCI. On the same date, Chuan Hup Holdings Limited, which owns a [...] % shareholding in PCI, signed two documents: 1) a transitional advisory agreement and 2) irrevocable undertakings with Pagani to implement the Proposed Transaction. As such, following implementation of the Proposed Transaction, Pagani will have sole control of PCI.

#### The Undertakings Involved

##### *The Acquirer - Pagani*

3. Pagani is indirectly wholly controlled by PEG, an investment firm which specialises in the merger, acquisition and operation of companies that provide services to customers in a broad range of businesses, including information technology, telecommunications,



logistics, metal services manufacturing and distribution. PEG consists of certain entities that are indirectly controlled, managed and/or advised by Platinum Equity LLC.

4. For the financial year ending 31 December 2017, PEG's worldwide turnover was approximately €[...], of which approximately €[...] was generated in the State.

#### *The Target – PCI*

5. PCI is a public limited company which was incorporated in 1998 and is listed on the Singapore Stock Exchange<sup>1</sup>.
6. PCI is an electronics manufacturing services provider offering design, manufacturing, logistics, testing and supply chains services to global customers. PCI has manufacturing facilities in China and Indonesia and design and engineering centres in Indonesia, the Philippines and Singapore.
7. For the financial year ending 31 December 2017, PCI's worldwide turnover was approximately €[...], of which approximately €[...] was generated in the State.

#### **Rationale for the Proposed Transaction**

8. The Parties state in the notification:

*“PEG considers that investing in PCI represents an attractive investment opportunity and provides long term growth prospects.”*

#### **Third Party Submissions**

9. No submission was received.

#### **Competitive Analysis**

##### *Horizontal Overlap*

10. There is no horizontal overlap in the activities of the Parties. None of the companies in the PEG portfolio which generated turnover in the State in 2017 are engaged in the same business activities as PCI, i.e., the provision of electronics manufacturing services.

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<sup>1</sup> PCI is listed on the Singapore Stock Exchange (“SGX”) under the company registration number: SGX:P19.

See: <https://sginvestors.io/sgx/stock/p19-pci/stock-info>



11. The Commission therefore considers that the Proposed Transaction does not raise any horizontal competition concerns in the State.

#### Vertical Relationship

12. The Parties informed the Commission that there are no vertical relationships between any of PEG's portfolio of companies and PCI which generated turnover in the State in 2017. The Commission has not identified any vertical relationship between the Parties.
13. The Commission therefore considers that the Proposed Transaction does not raise any vertical competition concerns in the State.

#### **Conclusion**

14. In light of the above, the Commission considers that the Proposed Transaction will not substantially lessen competition in any market for goods or services in the State.

#### **Ancillary Restraints**

15. No ancillary restraints were notified.



### **Determination**

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, has determined that, in its opinion, the result of the proposed acquisition whereby Pagani Holding III Limited, would acquire sole control of PCI Limited will not be to substantially lessen competition in any market for goods or services in the State, and accordingly, that the acquisition may be put into effect.

For the Competition and Consumer Protection Commission

**Brian McHugh**  
**Member**  
**Competition and Consumer Protection Commission**