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**OUTCOME OF MERGER HEARING - WEDNESDAY, 10 MAY 2017**

|  |  |  |  |
| --- | --- | --- | --- |
| Type of matter | Parties involved | Competition Commission’s recommendation to Tribunal | Tribunal decision |
| Large merger  | Hesteel International Holdings Ltd, Hesteel Group Co. Ltd And Xuanhua Construction Machinery Co. Ltd | Approve without conditions  | Approved without conditions |

**Tribunal approves merger of Hersteel Group and Smart Union Resources (Hong Kong) Co. Ltd**

The Competition Tribunal has approved without conditions the large merger involving Hesteel International Holding Co. Limited, Hesteel Group Co. Ltd, Xuanhua Construction Machinery Co. Limited and Smart Union Resources (Hong Kong) Co (SUHK). The target firm SUHK ultimately controls Palabora Mining Company Limited which in turn owns Palabora Copper (Pty) Ltd.

The acquiring companies are incorporated in accordance with the laws of the People’s Republic of China. The Hesteel Group is Chinese state-owned company that is primarily focused on steel production and produces steel products in China. The Hesteel Group is also active in other businesses spanning across the mining, mineral resources development, equipment manufacturing, financial services and logistics sectors.

The primary target firm is SUHK, a company incorporated in accordance with the laws of the People’s Republic of China. SUHK is an investment holding company which is based in Hong Kong.

Palabora Copper (Pty) Ltd operates a large block cave copper mine and smelter complex. PC’s copper production process also gives rise to by-products such as iron ore.

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