



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

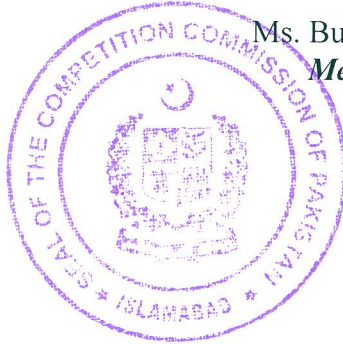
IN THE MATTER OF ACQUISITION OF % SHAREHOLDING IN M/S. SINO
SINDH RESOURCES (PRIVATE) LIMITED BY M/S. PROJECTPOWER PAK
LIMITED

CASE: 1170/Merger-CCP/21

Commission

Ms. Shaista Bano
Member

Ms. Bushra Naz
Member



ORDER

1. On 05th May 2021, the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") submitted by M/s. Sino Sindh Resources (Private) Limited ("**SSR**" or "**Target**") of the proposed acquisition of its % shareholding by M/s. ProjectPower Pak Limited ("**PPP**" or "**Acquirer**") pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") in accordance with Investment and Subscription Agreement ("**Agreement**"). All requisite information/documentation pertaining to the application was completed on June 25, 2021.
2. The Commission has examined the Application as well as all the documents attached therewith, the market scenario, and made its observations on the basis of an independent research/investigation in the relevant markets. The Phase I competition assessment of the intended transaction has resulted in the following findings:
 - i. The business activities of the undertakings concerned are:
 - a. For Acquirer: investments in projects in the power sector of Pakistan.
 - b. For Target: to construct, develop, finance, operate and maintain the coal mines.
 - ii. Pursuant to the Agreement, the proposed transaction is subscription of shares (% shareholding) of the Target by the Acquirer. The estimated consideration amount is estimated to be USD /- (Approx. PKR billion as on June 22, 2021), which will be remitted from Hong Kong.
 - iii. The relevant market in this case has been identified as of "**Coal Mining**" and the relevant geographic market is "**Pakistan**".
 - iv. As per the application, currently mining pit of the Target is not operational. However, upon commercial operation (May 2022) market share of the Target in the relevant market is estimated to be 28% for local coal production.
 - v. In Pakistan, there are no overlaps between the Target and the Acquirer. Currently, the Target is wholly owned via M/s. Global Mining (China) (Hong Kong) which is owned % by M/s. Shanghai Electric Group Company Limited ("**Ultimate Acquirer**"). Furthermore, the Ultimate Acquirer also indirectly owns % shareholding in the Acquirer.
 - vi. Therefore, by virtue of share issuance the Ultimate Acquirer is dispersing its stake in the Target. Consequently, post-transaction, market conditions will remain unchanged.
3. In conclusion, the proposed transaction does not meet the presumption of dominance as determined under Section (2) (1) (e) read with Section 3 of the Competition Act 2010 ("**Act**"). The proposed transaction is hereby authorized under Section 31 (1) (d) (i) of the Act.

4. It is so ordered.

(Ms. Shaista Bano)
Member

(Ms. Bushra Naz)
Member

Islamabad the JUNE 30, 2021.

