



**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

FIRST PHASE REVIEW

**ACQUISITION OF 49% SHAREHOLDING OF M/S. CHANGZHOU BTR NEW
MATERIAL TECHNOLOGY CO., LIMITED BY M/S. EVE ASIA CO., LIMITED AND
SK INNOVATION CO., LIMITED**

CASE: 1250/Merger-CCP/2022

Commission

ML.

Mr. Mujtaba Ahmad Lodhi
Member

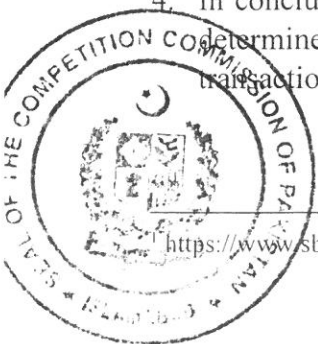


Ms. Shabana Bano
Member

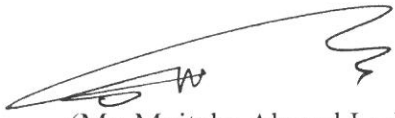
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ORDER

1. On 18th January, 2022 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") of a proposed acquisition pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") from M/s. EVE Asia Co., Limited ("**EVE**" or "**Acquirer 1**") whereby, Acquirer 1 is acquiring 75% shareholding and M/s. SK Innovation Co., Limited ("**SKI**" or "**Acquirer 2**") via its subsidiary SK On Co., Limited ("**SK ON**") is acquiring 25% shareholding of M/s. Changzhou BTR New Material Technology Co., Limited ("**BTR**" or "**Target**") a wholly owned subsidiary of M/s. BTR (JiangSu) New Material Technology Co., Limited ("**BTR JS**" or "**Parent**") in accordance with Joint Venture Contract ("**Agreement**"). All requisite information/documentation pertaining to the application was completed on 1st March, 2022.
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 market. 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 1: sale of battery products
 - b. For Acquirer 2: alternative energy, including the manufacture of batteries for electric vehicles.
 - c. For the Target: it will produce Ternary Cathode Material
 - ii. As per the Agreement, the Target is increasing its share capital from CNY 1,000,000,000 to CNY 1,500,000,000. The Parent will increase its capital share in the Target from CNY 500,000,000 to CNY 750,000,000 (50%), Acquirer 1 will subscribe CNY 250,000,000 (16.67%) share capital and Acquirer 2 will subscribe to CNY 500,000,000 (33.33%) capital share. The transaction will be taking place abroad and total consideration for the transaction amounts to CNY 1,500,000,000 (Approx. PKR 1,500,000,000,000).
 - iii. The reportable product market in this case has been identified as "**Ternary Cathode**" and the relevant geographic market is "**Pakistan**".
 - iv. Although, Acquirer 1 and Acquirer 2 have presence in Pakistan, however, they are not active in the relevant market, which leads to 0% market share of the Parties in Pakistan.
3. Ancillary restrictions have been reported with this transaction, which may require exemption under Section 5 of the Act, read with Regulation 4 of the Competition Commission (Exemption) Regulations 2020.
4. 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 Act. The proposed transaction is hereby authorized under Section 31 (1) (d) (i) of the Act.



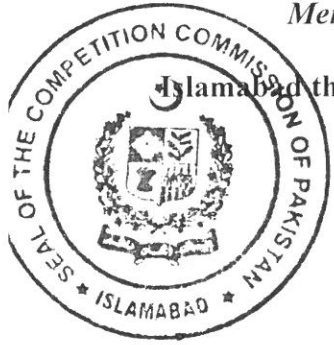
5. It is so ordered.



(Mr. Mujtaba Ahmad Lodhi)
Member



(Ms. Shaista Bano)
Member



Islamabad the 7th March, 2022.