



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF ADDITIONAL SHARES OF M/S.
CARLTON HOLDINGS (CAYMAN) LIMITED BY M/S. KARLTON LIMITED
FROM M/S. CARLTON INVESTMENT LIMITED

CASE NO. 1568/MERGER-CCP/2025



A handwritten signature in black ink, appearing to read "Kabir".

Dr. Kabir Ahmed Sidhu
Chairman

ORDER

1. On 9th September 2025, M/s. Karlton Limited (“Karlton” or the “Acquirer”) submitted a pre-merger application (the “Application”) to the Competition Commission of Pakistan (the “Commission”), notifying the Commission of its intended transaction. The Acquirer has sought authorization for the acquisition of an additional _____ shares of M/s. Carlton Holdings (Cayman) Limited (“Carlton” or the “Target”) from M/s. Carlton Investment Limited (the “Seller”) pursuant to the Share Purchase Agreement dated 2nd August 2025 (the “Agreement”).
2. The Application was filed under Section 11 of the Competition Act, 2010 (the “Act”) read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 (the “Merger Regulations”).

Merger Parties

Acquirer

3. Karlton Limited was incorporated on 12th September 2018 under the laws of the Cayman Islands. It is a holding company ultimately controlled by the Lee Family Organization through its sole director and beneficial owner, Mr. Bowei Lee. Karlton’s activities are limited to holding and managing its investment interests, including joint control of the Target. Aside from the equity in the Target, the Acquirer has no commercial presence, physical footprint, or revenues in Pakistan.

Target

4. Carlton Holdings (Cayman) Limited was incorporated on 10th July 2018 in the Cayman Islands. It functions as the holding company for the Lee Chang Yung group (LCY Group), a global chemical manufacturing group headquartered in Taipei, Taiwan. The LCY Group produces a diverse portfolio of chemical products, including methanol, solvents, electronic-grade chemicals, rubbers, performance plastics and related materials.

5. The Target supplies its products in Pakistan through its subsidiaries, LCY Chemical Corp. and _____ (Huizhou) Elastomers Corp., neither of which is incorporated in Pakistan.



Moreover, the products are distributed in Pakistan both directly and indirectly i.e., through distributors.

Seller

6. Carlton Investment Limited was incorporated on 10th July 2018 in the Cayman Islands. It is indirectly owned by funds and accounts advised or managed by various subsidiaries of KKR & Co. Inc., headquartered in New York, United States. The Seller currently holds approximately % shareholding in the Target and exercises joint control over the Target together with the Acquirer.

Transaction

7. At present, control of the Target is shared between the Acquirer and the Seller. The Acquirer holds shares (approximately % shareholding), while the Seller holds shares (approximately 50% shareholding). Pursuant to the Agreement, the Acquirer will acquire all shares held by the Seller. Following completion, the Acquirer will hold % of the issued and outstanding share capital of Target, thereby assuming sole control of the Target (the "Transaction"). The consideration for the acquisition is approximately USD (approximately, PKR)¹.

Phase-I Competition Assessment

Procedural Review

8. Based on the Application, the Commission undertook a Phase-I review to assess the competitive implications of the Transaction. The evaluation included an examination of the documentation to determine compliance with the provisions of the Act and the Merger Regulations, with particular focus on potential competitive concerns, including the likelihood of the creation or strengthening of a dominant position post-Transaction.

Relevant Market

9. The Target supplies several specialty chemical products in Pakistan through imports. These include Pentaerythritol (PENTA), Sodium Formate (SF), Isopropyl Alcohol (IPA), Propylene (PP), and Styrenic Block Copolymers (SBC). For the purposes of the



present assessment, each of these products constitutes a distinct relevant product market in view of their applications, chemical characteristics and non-substitutability. The relevant geographic market is Pakistan.

Market Share

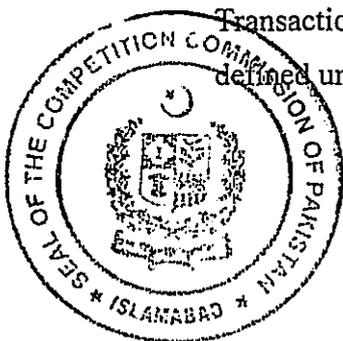
10. Based on the internal sales data of the Target for the year 2024 and figures from the Pakistan Bureau of Statistics and UN Comtrade provided in the Application, the Target's estimated market shares in Pakistan were % for PENTA, % for SF, % for IPA, % for SBC, and % for PP.

Competition Analysis

11. As the Acquirer is an investment company and the Target is active in the production and sale of chemicals, there are no horizontal overlaps between the Acquirer and the Target in the relevant markets. Accordingly, the Transaction does not remove any competitive constraint or otherwise alter the existing market structure in Pakistan.
12. As per the Application, the Transaction merely results in a shift from joint to sole control of the Target, as the Acquirer has no commercial activities in Pakistan and does not operate in any market overlapping with the Target's activities. Since the Acquirer already exercised joint control over the Target prior to the Transaction, the Target's market share, competitive position, and commercial footprint remain unchanged post-acquisition, and it will continue to operate in the same manner as before, with no impact on the nature or intensity of competition in the relevant markets.
13. In light of the foregoing, the Commission finds no basis to conclude that the Transaction raises any competition concerns or is likely to disturb prevailing competitive conditions in any relevant market in Pakistan.

Determination

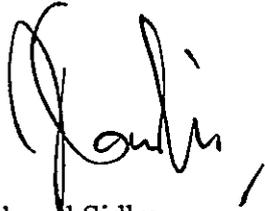
14. Based on the information provided, the Commission concludes that the proposed Transaction does not create or strengthen a dominant position in the relevant markets, as defined under Section 2(1)(e) read with Section 11 of the Act and the Merger Regulations.



Accordingly, the proposed Transaction is hereby authorized under Section 31(1)(d)(i) of the Act.

15. Notwithstanding the above, matters which may fall outside the scope of the Commission's jurisdiction, remain subject to applicable laws, judicial orders and the oversight of relevant regulatory bodies.

16. It is so ordered.



Dr. Kabir Ahmed Sidhu

(Chairman)



ISLAMABAD, DEC 30th, 2025.