



**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

FIRST PHASE REVIEW

IN IN THE MATTER OF ACQUISITION OF % SHAREHOLDING OF M/S. SINO-KOREA GREEN NEW MATERIAL (JIANGSU) LIMITED BY M/S. JIAXING SATELLITE HOLDING COMPANY LIMITED FROM M/S. SK GEO CENTRIC CHINA LIMITED.

CASE: 1368/Merger-CCP/2023

Commission



*Ms. Rabhat Kaunain Hassan
Chairperson*

ORDER

1. On 14th April, 2023, the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") 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. SK Geo Centric China Limited ("**SK Geo**" or "**Seller**") concerning the proposed acquisition of % shareholding in M/s. Sino-Korea Green New Material (Jiangsu) Limited ("**SKGN**" or "**Target**") from the Seller. All requisite information/documentation pertaining to the Application was completed on 19th June, 2023.
2. The Commission has examined the Application as well as all the documents attached therewith and the information provided by the concerned undertaking(s). The Phase I competition assessment of the intended transaction has revealed the following facts:
 - i. The business activities of the undertakings concerned are:
 - a. For the Acquirer: a company incorporated under the laws of the People's Republic of China. it is an investment company sponsored by the M/s. Satellite Chemical Co. Limited ("**STL**"). STL is engaged in the production and sales of functional chemicals, new energy materials and new polymer materials.
 - b. For the Target: a company incorporated under the laws of People's Republic of China. Its principal line of business is the production of Ethylene Acrylic Acid ("**EAA**") products, which it aims to sell in the Chinese market. Currently the Seller holds 100% shareholding in the Target.
 - c. For the Seller: a company incorporated under laws of Republic of Korea. It is involved in manufacturing and sale of basic and petrochemical products. It is a wholly owned subsidiary of M/s. SK Inc. The Seller through M/s. SK Inc. ("**SKI**") which holds % of the Seller is indirectly active in Pakistan through sale of Lithium-ion Batteries, Storage Batteries and Lubricants.
 - ii. As per the Agreement, the Target is increasing its share capital from CNY to CNY (). The Seller/Parent will increase its capital share in the Target from CNY to CNY (%), Acquirer will subscribe CNY (%) share capital. The transaction will be taking place abroad and total consideration for the transaction amounts to CNY (Approx. PKR 1).
 - iii. Post-transaction the Seller and the Acquire will jointly control the management of the Target having a board of 5 members. Of 5 board members the Seller will nominate three and the Acquirer will nominate 2 board members.

The relevant markets for the instant transaction are "**Ethylene Acrylic Acid**" and "**Acrylic Acid**" and the relevant geographic market is China and South Korea. The Seller is indirectly active in Pakistan through sale of Lithium-ion



Batteries, Storage Batteries and Lubricants. Therefore, the identified relevant market will have no impact on the market share of Seller in Pakistan.

3. The proposed transaction does not meet the presumption of dominance as determined under Section 2(1)(e) read with Section 3 of the Act. Hence, it is hereby authorized under Section 31(1)(d)(i) of the Act.
4. In the subject transaction, matters which may fall outside the scope of the Commission's purview, remain subject to applicable laws.
5. It is so ordered.


(Ms. Rahat Kaurain Hassan)

Chairperson



Islamabad the JUNE 21st, 2023.