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**M.7391 - HUAYU AUTOMOTIVE SYSTEMS / KSPG / KS ALUTECH JV**

**SECTION 1.2**

**Description of the concentration**

The Commission received a notification of a proposed concentration pursuant to Article 4 of the EC Merger Regulation by which HUAYU Automotive Systems Co., Ltd., Shanghai/People's Republic of China (**HASCO**) and KSPG AG, Neckarsulm/Germany (**KSPG**), will indirectly create a 50/50 full-function joint venture in the European automotive casting sector. For this purpose, HASCO will indirectly acquire 50 % of the European automotive casting activities of KSPG comprising its wholly-owned subsidiary KS Aluminium-Technologie GmbH, Neckarsulm/Germany (**KS AluTech**), which, for its part, holds all the shares of Werkzeugbau Walldürn GmbH, Walldürn/Germany (**Werkzeugbau**), and 50 % of the shares of KS ATAG TRIMET Guss GmbH, Harzgerode/Germany (**ATG**). HASCO and KSPG will jointly control KS AluTech which will perform on a lasting basis all the functions of an autonomous economic entity. As a result of the concentration, HASCO and KSPG will create a full-function joint venture within the meaning of Article 3(4) of the EC Merger Regulation.

The business activities of the Parties are:

(i) HASCO: development, production, and sale of automotive components, e.g. engines, transmissions, powertrain, chassis, interior and exterior trim products, electronic appliances.

(ii) KSPG: development, production and sale of automotive components, e.g. pistons, engine blocks and components, plain bearings, modules and assemblies for fuel-consumption and emission reduction, solenoid valves, actuators, valve trains, oil/vacuum/water (circulation) pumps.

(iii) KS AluTech: development, production and sale of engine blocks and bedplates.

(iv) Werkzeugbau: planning and production of complete machines, machine parts and assembly systems as well as mechanical components and assembly groups.

(v) ATG: production and sale of engine blocks.