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M.8268 - NORINCO / DELPHI'S MECHATRONICS BUSINESS

SECTION 1.2

Description of the concentration

1. Northeast Industries Group Co. Ltd. ("Northeast"), on the one hand, and, on the other hand, a number of Delphi affiliates entered into a Sale a Purchase Agreement aimed at the acquisition, within the meaning of Article 3(1)(b) of the EUMR, of the operation of identified businesses of the mechatronics division of Delphi (the "Proposed Transaction").
2. Based in Changchun, China, Northeast is a diversified industrial group focusing on the automotive sector in China, Producing automotive parts including brake systems, engine parts, drive shafts, clutches, mirrors and lamps, ultimately controlled by China North Industries Group Corporation ("Norinco"), a conglomerate with operations in different sectors mainly focusing on markets outside of Europe (Asia, Latin America and Africa). The key business lines of Norinco are in the defence, petroleum and gas, mineral, engineering, civilian explosives, automotive, photoelectric and service industries.
3. The relevant market involved is that of manufacture of different mechatronic car components in the EEA, specifically driver-operated switches (i.e. switch modules, column switches and simple switches).
4. The parties do not compete as they are active in different markets for automobile components and as such, the Proposed Transaction is not likely to give rise to competition issues both in the same relevant markets and / or the upstream / downstream markets.
5. Norinco's intention is to combine businesses which are highly complementary in their geographic and product mix in order to generate efficiencies which will better position Norinco globally.