EUROPEAN COMMISSION

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PUBLIC VERSION

To the notifying parties

Subject: **Case M.9075 – Continental / CITC/ JHTD / JV**
Commission decision pursuant to Article 6(1)(b) of Council Regulation (EC) No 139/2004[1] and Article 57 of the Agreement on the European Economic Area[2]

Dear Sir or Madam,

1. On 3 October 2018, the European Commission received notification of a proposed concentration pursuant to Article 4 of the Merger Regulation by which Continental Automotive Holding Co., Ltd ("Continental Automotive", China), belonging to Continental AG (Germany), Sichuan Chengfei Integration Technology Corp., Ltd ("CITC", China), belonging to Aviation Industry Corporation of China (China) and Jiangsu Jintan Hualuogeng Technology Development Ltd ("JHTD", China) controlled by Changzhou Investment Holding Co., Ltd and Jintan Investment Holding Co., Ltd acquire within the meaning of Article 3(1)(b) and 3(4) of the Merger Regulation joint control of Continental CALB Battery Power System Co., Ltd ("JV", China) by way of purchase of shares in a newly created company constituting a joint venture.[3]

2. The business activities of the undertakings concerned are:

   – Continental Automotive is a foreign-invested holding company, indirectly wholly-owned by Continental AG, a German automotive manufacturing group mainly specialising in products for the automotive and transportation industries,

   – CITC is active in designing and manufacturing batteries and power systems via its subsidiary, China Aviation Lithium Battery Co., Ltd.. CITC is directly owned by Aviation Industry Corporation of China ("AVIC"), a state-owned enterprise,

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1 OJ L 24, 29.1.2004, p. 1 (the 'Merger Regulation'). With effect from 1 December 2009, the Treaty on the Functioning of the European Union ('TFEU') has introduced certain changes, such as the replacement of 'Community' by 'Union' and 'common market' by 'internal market'. The terminology of the TFEU will be used throughout this decision.

2 OJ L 1, 3.1.1994, p. 3 (the 'EEA Agreement').

3 Publication in the Official Journal of the European Union No C 366, 10.10.2018, p. 14.

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– JHTD is an investment vehicle. JHTD is controlled by two investment companies[4], which are in turn each controlled by two local government bodies of Changzhou[5],

– The JV will develop, produce and sell battery systems for mild hybrid electric vehicles. The product portfolio will feature low voltage battery systems, battery system application software, battery cells and battery management systems, as well as supply chain management of battery systems.

3. After examination of the notification, the European Commission has concluded that the notified operation falls within the scope of the Merger Regulation and of paragraph 5(b) of the Commission Notice on a simplified procedure for treatment of certain concentrations under Council Regulation (EC) No 139/2004.[6]

4. For the reasons set out in the Notice on a simplified procedure, the European Commission has decided not to oppose the notified operation and to declare it compatible with the internal market and with the EEA Agreement. This decision is adopted in application of Article 6(1)(b) of the Merger Regulation and Article 57 of the EEA Agreement.

For the Commission

(Signed)
Johannes LAITENBERGER
Director-General

4 Changzhou Investment Holding Co., Ltd. and Jintan Investment Holding Co., Ltd.

5 Changzhou City Government and Changzhou City Jintan District Government.

6 OJ C 366, 14.12.2013, p. 5.