

SUMMARY OF THE PROPOSED COMBINATION

*[UNDER REGULATION 13(1A) OF THE COMPETITION COMMISSION OF INDIA
(PROCEDURE IN REGARD TO THE TRANSACTION OF BUSINESS RELATING TO
COMBINATIONS) REGULATIONS, 2011 (AS AMENDED)]*

A. Name of the parties to the combination

1. Sinochem Group Company Limited
2. China National Company Corporation Limited
3. New holding company.

B. The nature and purpose of the combination

4. Each of Sinochem Group Company Limited (**Sinochem**) and China National Chemical Corporation Limited (**ChemChina**) are limited liability companies incorporated under the laws of the People's Republic of China (**PRC**) and wholly owned by China State-owned Assets Supervision and Administration Commission of the State Council (**Central SASAC**).
5. Sinochem and ChemChina are proposing to enter into a transaction involving a strategic restructuring in China whereby Central SASAC will transfer 100% of the shares in Sinochem and 100% of the shares in ChemChina to a new holding company, which is proposed to be newly established by Central SASAC in China (**Proposed Combination**).

C. The nature of the products, services and business(es) of the parties to the combination

6. Sinochem is engaged in a wide variety of businesses globally and is headquartered in China. In India, Sinochem is, directly or indirectly, primarily

engaged in the following businesses: (i) Sale of crude oil; (ii) Sale of natural rubber and rubber antioxidants; (iii) Sale of a variety of chemicals, including agrochemicals (i.e. sale of insecticides, herbicides, fungicide and other such products); and (iv) Sale of pharma and health products.

7. ChemChina is engaged in a wide variety of businesses globally and is headquartered in China. In India, ChemChina is mainly engaged in the following businesses: (i) Sale of chemical products (including methionine, carbon and silicon products); (ii) Sale of passenger car tires, bus and truck tires; (iii) Sale of chemical equipment; and (iv) Sale of solar PV modules.
8. The new holding company is not incorporated yet and accordingly has no business activity.

D. Respective markets in which the parties to the combination operate

9. In India, Sinochem and ChemChina overlaps in the market for sale of formulated crop protection products in India, more specifically, in the following four segments: (i) herbicides; (ii) insecticides; (iii) fungicides; and (iv) bio-stimulants.
10. The Proposed Combination will not give rise to any competition concerns, as (i) the markets, including the narrowest segments, are highly fragmented with the presence of equally strong and large enterprises and many small scale enterprises; (ii) the overlapping product markets are largely off-patented generic products. These products are available from multiple suppliers at low switching costs; (iii) the market shares of Sinochem and ChemChina in all markets, including the narrower segments, are low to moderate; and (iv) the overlapping markets are characterized by high imports and exports.

