



MEDIA RELEASE

22 August 2016

SEMICONDUCTOR MANUFACTURING TOOLS: CCS APPROVES ASML HOLDING N.V.'S PROPOSED ACQUISITION OF HERMES MICROVISION, INC.

1. The Competition Commission of Singapore ("CCS") has cleared the proposed acquisition by ASML Holding N.V. ("ASML") of Hermes Microvision, Inc. ("HMI") (collectively referred to as the "Parties") (the "Proposed Transaction").¹
2. ASML is involved in the development, production, marketing, selling and servicing of advanced high-tech lithography, metrology and software solutions for the semiconductor industry worldwide. In Singapore, ASML's activities comprise the sales of lithography equipment², overlay metrology equipment³ and process control software⁴. ASML also provides maintenance and customer services for its products. HMI is involved in the manufacturing of e-beam⁵ inspection tools for chip manufacturers worldwide. HMI has no offices or facilities in Singapore, and does not undertake manufacturing or R&D in Singapore, but supplies e-beam inspection tools to customers in Singapore. CCS understands that the rationale of the Proposed Transaction is to expand their range of products to better serve the Parties' customers and offer them more advanced tools. For example, HMI's e-beam technology would enable ASML to improve its products.⁶

¹ The Proposed Transaction has also been notified to the Korea Fair Trade Commission and Taiwan Fair Trade Commission.

² Lithography equipment is used to imprint specific patterns on wafers which are components of semiconductor devices.

³ Overlay metrology equipment is used to study patterned wafers during the chip manufacturing process, in order to ensure, for instance, that the next structural level on the wafer is applied spatially correct in relation to the previous ones.

⁴ Process control software is used to control and optimise processing equipment for chip manufacturing.

⁵ E-beam uses focused electron beam as the inspection source for wafer inspection.

⁶ See ASML Press Release "ASML to Acquire HMI to Enhance Holistic Lithography Product Portfolio", 16 June 2016. Source: <https://www.asml.com/press/press-releases/asml-to-acquire-hmi-to-enhance-holistic-lithography-product-portfolio/en/s5869?rid=53782>.

3. CCS examined the impact of the Proposed Transaction in the markets for the worldwide supply of: lithography equipment, overlay metrology equipment, process control software and wafer inspection equipment,⁷ to Singapore (collectively, the “Relevant Markets”).
4. In assessing the Proposed Transaction, CCS sought and received feedback from customers and competitors. None of the feedback received raised concerns with the Proposed Transaction. After reviewing the Parties’ submissions and the feedback received, CCS concluded that the Proposed Transaction is unlikely to substantially lessen competition in the Relevant Markets, and therefore will not infringe section 54 of the Competition Act (Cap. 50B).
5. In clearing the Proposed Transaction, CCS found that :
 - a. The Parties are not direct competitors in the Relevant Markets as their products do not overlap globally, including in Singapore;
 - b. Feedback from customers and competitors did not indicate that the Parties intend to take advantage of their expanded range of products to substantially lessen competition in the Relevant Markets; and
 - c. Existing competitors supplying optical inspection tools and developing e-beam inspection tools will continue to exert a competitive constraint on the merged entity.
6. CCS issued its clearance decision for the Transaction to the Parties on 10 August 2016.
7. More information on the clearance decision for the Transaction is available under [“Public Register – Mergers & Acquisitions”](#) on the CCS website.

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About The Competition Commission of Singapore (CCS)

CCS is a statutory board established under the Competition Act (Chapter 50B) on 1 January 2005 to administer and enforce the Act. It comes under the purview of the Ministry of Trade and Industry. The Act empowers CCS to investigate alleged anti-competitive activities, determine if such activities infringe the Act and impose suitable remedies, directions and financial penalties.

⁷ Wafer inspection equipment is used to check the chip structures for critical deviations and other irregularities.

About the Section 54 Prohibition under the Competition Act & Merger Procedures

Section 54 of the Act prohibits mergers that have resulted, or may be expected to result, in a substantial lessening of competition in Singapore.

CCS is generally of the view that competition concerns are unlikely to arise in a merger situation unless:

- The merged entity has/will have a market share of 40% or more; or
- The merged entity has/will have a market share of between 20% to 40% and the post-merger combined market share of the three largest firms is 70% or more

Merging entities are not required to notify CCS of their merger but they should conduct a self-assessment to ascertain if a notification to CCS is necessary. If they are concerned that the merger has infringed, or is likely to infringe, the Act, they should notify their merger to CCS. In such cases, CCS will assess the effect of the merger on competition and decide if the merger has resulted, or is likely to result, in substantial lessening of competition in Singapore. CCS will endeavour to issue a decision within 30 -120 working days, depending on case complexity.

In the event that CCS makes an unfavourable decision, CCS has the power to issue directions to remedy, mitigate or eliminate the adverse effects arising from the merger situation.

For more information, please visit www.ccs.gov.sg.

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