



MEDIA RELEASE

16 April 2021

CCCS Consults on the Proposed Acquisition by SK Hynix Inc. of Intel Corporation's NAND and SSD business

1. The Competition and Consumer Commission of Singapore ("**CCCS**") is inviting public feedback on the proposed acquisition by SK Hynix Inc. ("**SK Hynix**") of Intel Corporation's ("**Intel**") NAND and Solid State Drive ("**SSD**") business (the "**Target Business**") (collectively, the "**Parties**") (the "**Proposed Transaction**").
2. CCCS received a joint application from the Parties for a decision on the Proposed Transaction, and accepted the application as complete on 15 April 2021. CCCS is now assessing whether the Proposed Transaction would infringe section 54 of the Competition Act (Cap. 50B), which prohibits mergers that have resulted, or may be expected to result, in a substantial lessening of competition within any market in Singapore.

The Parties

SK Hynix

3. SK Hynix is a publicly traded company, headquartered in South Korea and listed on the Korea Stock Exchange since 1996. SK Hynix has one registered entity in Singapore, SK Hynix Asia Pte. Ltd., which conducts marketing and sales activities and supports multinational enterprise customers in Southeast and Southwest Asia. It does not have manufacturing plants in Singapore, and trades under the "SK Hynix" name and brand.
4. SK Hynix is active in (i) memory semiconductors, such as NAND flash memory and Dynamic Random Access Memory, (ii) storage solutions such as SSDs, and (iii) system semiconductors, such as Complementary Metal Oxide Semiconductor image sensors.

Intel

5. Intel is a public company listed on NASDAQ and headquartered in Santa Clara, California, USA. Intel has a broad product portfolio comprising (i) platform products such as CPU and chipset, a System-on-Chip, or a multichip package, and (ii) adjacent products that can be combined with platform products to form comprehensive platform solutions to meet customer needs. Intel's subsidiaries in Singapore mainly conduct sales and marketing activities, providing sales and support at the Original Equipment Manufacturer, developer and end-user levels in Singapore and Southeast Asia.
6. The Target Business is active in developing, designing, manufacturing, assembling, testing, marketing and selling products utilizing the NAND flash memory technology. The Target Business is also active in developing, designing, manufacturing, assembling, testing, marketing and selling SSDs that utilize NAND flash memory technology.
7. In Singapore, Intel (which includes the Target Business) primarily trade under "Intel" name and brand. Intel does not have a dedicated field sales office or factory within Singapore.

The Proposed Transaction

8. The Proposed Transaction relates to the anticipated acquisition of sole control by SK Hynix over the Target Business. SK Hynix will become the owner of all the assets of the Target Business through the acquisition of assets and shares. The Proposed Transaction does not impact on Intel's other activities in Singapore or worldwide.
9. The Parties submit that they overlap in the supply of NAND flash memory, enterprise SSDs and client SSDs, and that the relevant markets are:
 - a) the worldwide market for manufacturing and supply of NAND flash memory;
and
 - b) the worldwide markets for manufacturing and supply of enterprise SSDs and client SSDs.
10. According to the Parties, the Proposed Transaction will not result in a substantial lessening of competition in Singapore because:
 - a) The Parties will remain subject to intense competition from strong, well-resourced competitors, including new entrants;

- b) The Parties will continue to face significant countervailing buyer power from large and sophisticated customers;
- c) Generally, there are limited to no barriers to entry for the supply of NAND flash memory and SSDs in Singapore;
- d) Coordinated effects are unlikely to arise, taking into account the number of credible competitors, countervailing buyer power and the relevant markets being characterised by intense innovation; and
- e) SK Hynix and the Target Business would not have the incentive or the ability to foreclose competitors in both upstream (i.e. input) and downstream markets.

Public Consultation

- 11. CCCS is inviting public feedback on the Proposed Transaction from **16 April 2021 to 30 April 2021**. Comments should reach CCCS no later than 30 April 2021, 2 p.m.
- 12. More information on the public consultation can be accessed and downloaded from the CCCS website at www.cccs.gov.sg under the section "[Public Consultation](#)". If the submission or correspondence contains confidential information, please also provide CCCS with a non-confidential version of the submission or correspondence.

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About the Competition & Consumer Commission of Singapore (CCCS)

The Competition and Consumer Commission of Singapore ("CCCS") is a statutory board of the Ministry of Trade and Industry. CCCS administers and enforces the Competition Act (Cap. 50B) which empowers CCCS to investigate and adjudicate anti-competitive activities, issue directions to stop and/or prevent anti-competitive activities and impose financial penalties. CCCS is also the administering agency of the Consumer Protection (Fair Trading) Act (Cap. 52A) or CPFTA which protects consumers against unfair trade practices in Singapore. Our mission is to make markets work well to create opportunities and choices for business and consumers in Singapore.

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

For media clarifications, please contact:

Ms. Grace Suen

Senior Assistant Director (Communications)

Competition and Consumer Commission of Singapore

Email: grace_suen@cccs.gov.sg

DID: 6325 8216

Ms. Nawwar Syahirah

Senior Assistant Director (Communications)

Competition and Consumer Commission of Singapore

Email: nawwar_syahirah@cccs.gov.sg

DID: 6325 8313