

Taiwan's AU Optronics, China firm to set up joint venture

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Taiwan's AU Optronics Corp said Monday it would set up a flat panel display joint venture with China's Sichuan Changhong Electric Co as it tries to tap the huge Chinese market.

Both will invest 100 million yuan (15 million US) to build a liquid crystal display (LCD) module plant in Sichuan province with the Taiwanese firm taking a 51 percent stake and Changhong the remainder, an AU Optronics spokeswoman said.

AU Optronics currently operates LCD module plants in Xiamen, Suzhou and Shanghai.

"The Sichuan [joint venture](#) shows AU Optronics are moving from the Chinese coastal cities to the inner area to embrace the huge market," the spokeswoman said.

"Since Changhong has been one of our clients in China, the project is kind of a strategic investment," she said.

Changhong is one of China's leading home appliance manufacturers, while AU Optronics is the world's third largest flat panel maker in terms of sales after [Samsung Electronics](#) Co. and LG Philips Co.

The spokeswoman said the investment is pending approval from authorities on both sides of the [Taiwan](#) Strait, adding the [joint venture](#) is expected to begin operations in the fourth quarter of this year.

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