

Chip maker Hynix to issue bonds worth \$500 million

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South Korean employees of Hynix Semiconductor walk past a logo of the company at a branch in Seoul in 2009. South Korea's Hynix Semiconductor, the world's second largest chip maker, said Thursday it would issue 500 million dollars of convertible bonds overseas, giving it a chance to expand as chip prices rise.

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The hi-tech giant said its board approved the issuance this year of 557.9 billion won in five-year convertible bonds to secure operating funds and expand production capacity.

Funds raised "can be used for various ways, including refinancing convertible bonds issued earlier or for capital spending", spokeswoman Park Seong-Ae told Dow Jones Newswires, adding this had still to be

decided.

Park said the company would not use the funds to build new memory chip plants despite robust demand for personal computers and smartphones, which have lifted chip prices.

In December 2007 Hynix issued 583 million dollars of convertible bonds to finance expansion. It has earmarked some 2.3 trillion won for capital spending this year, up from one trillion last year.

The company posted record quarterly sales in the three months to March on the back of strong demand, achieving a third straight quarter in the black.

Creditors have controlled Hynix since they rescued it with 4.6 billion dollars in 2001 and 2002, swapping the debt for shares.

They raised 813.5 million dollars by selling 6.67 percent of their stake in a block sale in March after failing to find a buyer for a major stake in the [chip maker](#).

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