

Hynix and ProMOS Sign Contract for Long-term Strategic Alliance

27 January 2005

Hynix Semiconductor Inc. and ProMOS Technologies Inc., the high quality DRAM manufacturer today announced the signing of a definitive agreement for a long-term strategic alliance will further enhance the competitiveness of the two companies and contribute to the mutual profits. It creates approximately one quarter of world's second-largest DRAM output.

The alliance between Hynix and ProMOS is forged to bring a levered growth to both companies on a long-term basis. The partnership is combining Hynix' advanced DRAM manufacturing technology and ProMOS's 300mm wafer processing competence. Under the agreement, the two companies would also undertake certain future joint development activities.

Through the alliance, Hynix will be able to secure additional 300mm wafer processing capacity without its own investments. Hynix also expects to diversify its business infrastructure to cope with the rapidly changing market demand and secure the effective solutions for the current trade issues by signing this agreement.

During the 1st half of this year, Hynix will ramp up the volume production of 300mm wafers in its own Ichon site. ProMOS will use Hynix' memory semiconductor technology to run the 300mm foundry service and it will begin at the end of this year. The other 300mm wafer fab for the company will be built in China under the joint investment with Europe's biggest chipmaker STMicroelectronics. With such strategic moves, that are believed to be essential for a long-term viability of the company, Hynix will keep maintaining its competences in the coming era of the 300mm wafer production.

Founded in 1996, ProMOS was the only Taiwan DRAM companies to self develop 0.12-micron process and 0.11 shrink technology, and since 2004 has branded products with high ranking of quality in tier-1 OEM customers. Meanwhile,

ProMOS was the only Taiwan DRAM manufacturer to design and test 256M and 512M DDR2 mainstream products.

According to iSuppli figures for 2004, the combined branding based 256Mb Eq. DRAM unit market share of Hynix and ProMOS is approximately 23 percent. The alliance will dramatically strength both sides' presence in the fast-growing information marketplace.

"This is a winning transaction for customers and both companies," said Min-liang Chen, Chairman & President of ProMOS. "Our two companies are a perfect fit sharing a common cultural commitment to innovation, customer service and shareholder value. ProMOS will pursue an aggressive yet prudent growth strategy to become a full-blown memory solution provider. Today's announcement further strengthens our focus on the enterprise, while creating a new global business collaboration model that is better positioned to capture the opportunities in the information industry going forward".

APA citation: Hynix and ProMOS Sign Contract for Long-term Strategic Alliance (2005, January 27) retrieved 23 January 2022 from <https://phys.org/news/2005-01-hynix-promos-long-term-strategic-alliance.html>

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