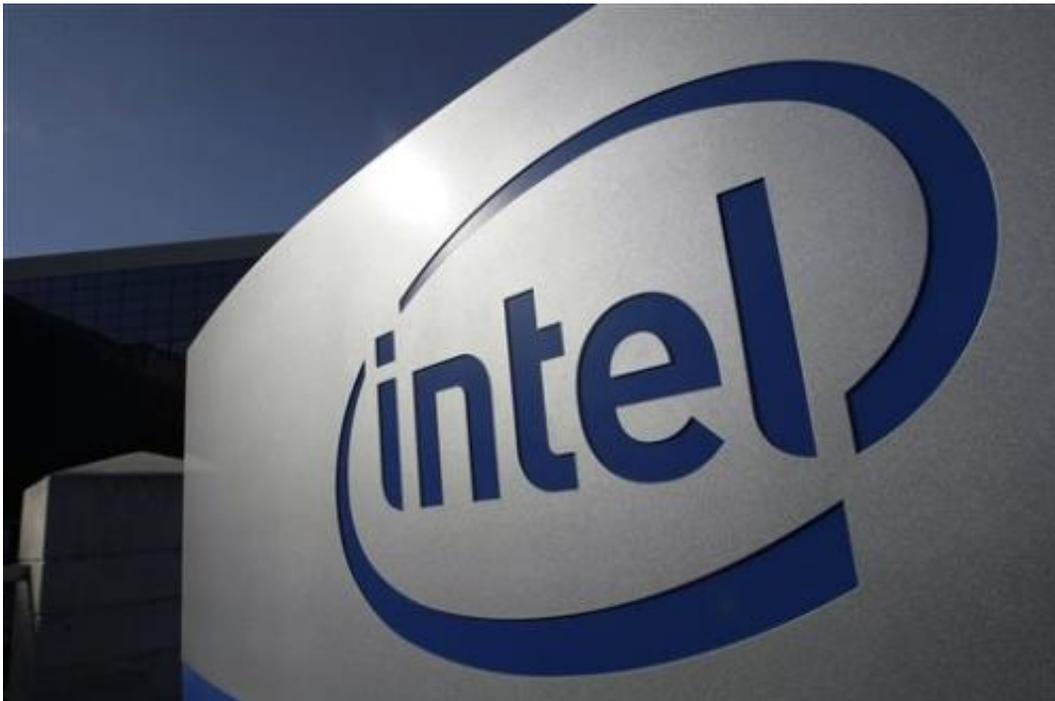


Intel invests up to \$1.5B in China mobile venture

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In this Jan. 12, 2011, file photo, the Intel logo is displayed on the exterior of Intel headquarters in Santa Clara, Calif. Intel Corp., says it will invest up to 9 billion yuan (US\$1.5 billion) to take a 20 percent stake in Chinese chipmakers Spreadtrum Communications and RDA Microelectronics, which are controlled by Tsinghua Unigroup Ltd., a state-owned company funded by Tsinghua University. (AP Photo/Paul Sakuma, File)

(AP)—Intel will pay up to \$1.5 billion for a 20 percent stake in a Chinese venture that will design and make Intel-branded chips for

mobile phones and other electronics.

The Chinese chipmakers Spreadtrum Communications and RDA Microelectronics are controlled by Tsinghua Unigroup Ltd., a state-owned company funded by Tsinghua University in Beijing.

Intel is also attempting to become a tougher competitor in the mobile chip business, which it has been unable to dominate the way it has desktop and laptop computers. The company is also pushing for a larger share of China's growing mobile market, which is already the largest in the world.

The push has taken on added urgency as the popularity of smartphones and tablets and led to sales declines for traditional personal computers, Intel's main business for years.

The companies said Friday that Spreadtrum and Intel will create a new family of chips for wireless phones. Those chips should be available in the second half of next year.

The deal is expected to close in early 2015.

This is Intel's second corporate team-up targeting mobile chips in the past year. In May, Intel announced it would cooperate with another Chinese chipmaker, Rockchip, to use Intel chips in low-cost tablet computers running the Android operating system.

Tsinghua has rapidly become an emerging power in the mobile chip business. It has acquired both Spreadtrum and RDA in the past year.

Shares of Intel Corp., based in Santa Clara, California, slipped 13 cents to \$34.01 in morning trading Friday. They had been trading near 52-week highs.

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