GLOBALFOUNDRIES and Chengdu Realign Joint Venture Strategy

October 26, 2018

To re-focus JV on high-demand, differentiated technologies for the Chinese market in line with GF's recently announced shift to its technology portfolio

Chengdu, People's Republic of China, Oct 26, 2018 – GLOBALFOUNDRIES and the Chengdu municipality signed an amendment to their investment and cooperation agreement today. Based on market condition changes, GF's recently announced renewed focus on differentiated offerings, and discussions with potential clients, the partners have decided to bypass the original phase one investment in mainstream process technology (180/130nm). It is also agreed that the project timeline will be adapted to better align capacity to meet China-based demand for differentiated offerings including GF's industry leading 22FDX® technology.

With more than $2 billion of design wins and more than 50 client designs, GF's 22FDX technology is demonstrating traction as the industry's leading platform for power-optimized chips across a broad range of high-growth applications such as automotive, 5G connectivity and the Internet of Things (IoT). GF's Chinese clients are beginning to adopt the technology at GF's advanced manufacturing site in Dresden, Germany, including seven customers and more than nine products in various stages of manufacturing ramp.

"We have a long-term relationship with GF and the 22FDX with its low power is very suitable for our various products, including AI and security," said Min Li, CEO of Rockchip. "Once we achieve the right level of readiness, we look forward to ramping our production closer to home in China."

The partners plan to continue to build a world-class FD-SOI ecosystem, including creating local technology infrastructure and bringing in more IP vendors and EDA partners, making Chengdu a center of excellence for FDX™ technology and thereby enabling local market adoption and demand generation.

"As a strategic partner of the GF and Chengdu joint venture, we believe this realignment of the project plan is based on recognizing rapidly changing market conditions," stated the Chengdu Shareholder. "The goal is to allow both parties sufficient time to better understand the demand picture in China so as to plan for optimal capacity and a production time."

"China, as one of the largest and fastest growing semiconductor markets around the globe, is a high priority for GF," said GF CEO Tom Caulfield. "FDX technology is particularly well-suited to the China market and we continue to see strong potential for its up-take in attractive segments such as 5G, IoT and edge computing. We'll be working with Chengdu to deepen our collaboration to jointly accelerate the FDX ecosystem and customer base in China."

About GF

GLOBALFOUNDRIES (GF) is a leading full-service foundry delivering truly differentiated semiconductor technologies for a range of high-growth markets. GF provides a unique combination of design, development, and fabrication services, with a range of innovative IP and feature-rich offerings including FinFET, FDX™, RF, and power/analog mixed signal. With a manufacturing footprint spanning three continents, GF has the flexibility and agility to meet the dynamic needs of clients across the globe. GF is owned by Mubadala Investment Company. For more information, visit globalfoundries.com.