

January 17, 2016



Qualcomm and Guizhou Province Sign Strategic Cooperation Agreement and Form Joint Venture to Design and Sell World-Class Server Chipsets in China

SAN DIEGO and BEIJING, Jan. 17, 2016 /PRNewswire/ -- In a ceremony today at the China National Convention Center in Beijing, Qualcomm Incorporated (NASDAQ: QCOM) and officials from the People's Government of Guizhou Province signed a strategic cooperation agreement and unveiled a joint venture – the Guizhou Huaxintong Semi-Conductor Technology Co., Ltd. The joint venture, with initial registered capital of RMB 1.85 billion (approx. \$280 million USD), will be 55 percent owned by the Guizhou provincial government's investment arm and 45 percent owned by a subsidiary of Qualcomm. The joint venture will focus on the design, development and sale of advanced server chipset technology in China, the second largest country in the world for server technology sales, according to industry analysts. In attendance at the ceremony were Steve Mollenkopf, chief executive officer of Qualcomm Incorporated, Derek Aberle, president of Qualcomm Incorporated, and other senior Qualcomm executives, as well as Chinese officials including Chen Min'er, secretary of the Guizhou Provincial Committee of the Communist Party of China (CPC) and Sun Zhigang, acting governor of Guizhou Provincial Government.

The joint venture is an integral part of the strategic cooperation formed between Qualcomm and the People's Government of Guizhou Province. In addition, Qualcomm also will establish an investment company in Guizhou that will serve as a vehicle for future investments in China. The overarching agreement establishes a long-term commitment between the two parties to work closely together to identify and pursue business opportunities in the province.

"The actions announced today are important steps for Qualcomm as we deepen our level of cooperation with, and investment in, China. We have worked actively with our partners in China for more than 20 years; however, the strategic cooperation with Guizhou represents a significant increase in our collaboration in China," Aberle said. "We are not only providing investment capital, but we also are licensing our server technology to the joint venture and assisting with R&D process and implementation expertise; this underscores our commitment as a strategic partner in China."

"This server technology joint venture is a win-win scenario for Qualcomm and our Guizhou partner and will yield mutual benefits for both sides as we together pursue a very large data center opportunity in China," said Anand Chandrasekher, senior vice president and general manager, Qualcomm Datacenter Group, Qualcomm Technologies, Inc.

"The central government has attached great importance to development of the integrated circuit (IC) industry by formulating the IC Industry Development Outlook and setting up the National IC Industry Investment Fund to boost the development of the IC industry," said Qin Rupei, executive vice governor, Guizhou Provincial Government. "Qualcomm's partnership with Guizhou on its industry-leading server chip technology is a strategic choice made by the world leader in wireless technology, and also a big opportunity for Guizhou to develop the IC industry. I believe the collaboration will certainly achieve fruitful results."

Guizhou Huaxintong Semi-Conductor Technology Co., Ltd. will be registered in Guian New Area, Guizhou, with operations in Beijing. As part of the deal, Qualcomm Technologies, Inc. will license its proprietary server chip technology and provide R&D processes to the joint venture to support the commercial viability and success of the new company. Guizhou Province is the first to build an industrial cluster for big data development in China. Guian New Area in Guizhou is an important base for the development of the big data industry and will include a green datacenter cluster of more than 2.5 million servers for companies including China Telecom, China Unicom and China Mobile.

This announcement is on the heels of several other investments by Qualcomm in China, including [Qualcomm's cooperation with Semiconductor Manufacturing International Cooperation \(SMIC\)](#) to manufacture smartphone chips, investment into the [SMIC Advanced Technology Research and Development \(Shanghai\) Corp equity joint venture](#) and the creation of a [\\$150 million USD China Investment Fund](#).

About Qualcomm Incorporated

Qualcomm Incorporated (NASDAQ: QCOM) is a world leader in 3G, 4G and next-generation wireless technologies. Qualcomm Incorporated includes Qualcomm's licensing business, QTL, and the vast majority of its patent portfolio. Qualcomm Technologies, Inc., a subsidiary of Qualcomm Incorporated, operates, along with its subsidiaries, substantially all of Qualcomm's engineering, research and development functions, and substantially all of its products and services

businesses, including its semiconductor business, QCT. For more than 30 years, Qualcomm ideas and inventions have driven the evolution of digital communications, linking people everywhere more closely to information, entertainment and each other. For more information, visit Qualcomm's [website](#), [OnQ blog](#), [Twitter](#) and [Facebook](#) pages.

Qualcomm Contacts:

Pete Lancia, Corporate Communications

Phone: 1-858-845-5959

Email: corpcomm@qualcomm.com

Warren Kneeshaw, Investor Relations

Phone: 1-858-658-4813

Email: ir@qualcomm.com

To view the original version on PR Newswire, visit <http://www.prnewswire.com/news-releases/qualcomm-and-guizhou-province-sign-strategic-cooperation-agreement-and-form-joint-venture-to-design-and-sell-world-class-server-chipsets-in-china-300205503.html>

SOURCE Qualcomm Incorporated