

## Tsinghua to Enter the DRAM Business; China Embarks Once Again on the Road to DRAM Developmental Independency, Says TrendForce

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DRAMeXchange, a division of [TrendForce](#), says that Tsinghua Unigroup's official statement on June 30th has revealed its newly composed DRAM group, with Diao Shijing, former director of the Electronic Information Department of the Ministry of Industry and Information Technology, as the group's Chairman and Charles Kao as CEO. This forms a new milestone for China on the road to developmental independency of DRAM products after the US put JHICC on the Entity List.

According to TrendForce's estimations, although Tsinghua's DRAM group is still in its early stages, it already possesses plant-constructing experience derived from Yangtze Memory Technologies Co. (YMTC), with no major changes to the team of construction workers, and will have no difficulty in completing the construction of new DRAM facilities. Location-wise, Tsinghua Unigroup is not only in the process of constructing a plant in Nanjing, but is also working closely with Chongqing, which may become a new plant site option. In technology, Tsinghua Unigroup's IC design company, Unigroup Guoxin Microelectronics Co., is well versed in the development of DRAM products, and will contribute to the development of its DRAM group, should it be assimilated into Tsinghua. What Tsinghua currently lacks is DRAM process technology, an area hopefully to be shored up through the connections of its new CEO.

Observing the development of China's memory industry since 2014, we see the establishment of Big Fund and investments by local governments, culminating in the emergence of Innotron Memory and JHICC within the DRAM industry. YMTC formed the backbone of NAND flash industry development, but we also hear news of Foxconn Semiconductors' plans to enter the DRAM business after it announced in 2018 the signing of a strategic cooperation agreement with the Zhuhai government and a subsequent 12-inch semiconductor fab construction in Zhuhai. There has yet to be further news as of now.

TrendForce points out that this is not Tsinghua's first attempt to enter the DRAM industry. Tsinghua had already expressed its resolve to develop DRAMs back in 2014, later confirming to instead pursue NAND flash development for the sake of balanced development industry-wise and region-wise. This put an abrupt end to DRAM development. The reasons for Tsinghua Unigroup current decision to embark once again on DRAM development may be analyzed as follows: First, the road to mass production and future development were fraught with difficulties due to JHICC's plant becoming partly idle after JHICC was put on the Entity List by the US last year, and the termination of its cooperation agreement with UMC. Secondly, although Innotron Memory attended the GSA Memory+Conference in May and is expected to mass produce 8Gb DRAM product by this year-end, a single DRAM plant is insufficient to meet China's goal of reaching autonomy in DRAM product development. This is especially so since it has become a critical issue for China to possess a product that may connect and compete with the world after trade frictions appeared between itself and the US.

### About TrendForce

TrendForce is a global provider of the latest development, insight, and analysis of the technology industry. Having served businesses for over a decade, the company has built up a strong base membership base of 435,000 subscribers. TrendForce has established a reputation as an organization that offers insightful and accurate analysis of the technology industry through five major research divisions: DRAMXchange, WitsView, LEDinside, EnergyTrend and Topology. Founded in Taipei, Taiwan in 2000, TrendForce has extended its presence in China since 2004 with offices

in Shenzhen and Beijing. For more details about TrendForce, please visit [www.trendforce.com](http://www.trendforce.com)

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**WitsView** offers comprehensive coverage of the display industry from upstream components, midstream panels/touch modules to downstream system integrators, brands and channels.

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