

# Samsung Electronics signs huge chip deal with mystery client

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Samsung Electronics has won a massive chip supply deal worth 22.8 trillion won (\$16.5 billion) with an undisclosed buyer, a recent regulatory filing revealed. The deal was signed last Saturday, but specific details about the terms and buyer have not been disclosed.

The contract is effective from July 26, 2024, and ends on December 31, 2033. It remains unclear which company signed this lucrative chip deal with Samsung. The South Korean tech giant did not respond to requests for comment.

Samsung said further details of the \$16.5 billion chip deal, including the name of the buyer, would not be disclosed until the contract ends in 2033. The reason was at the customer's request to "protect trade secrets." However, Samsung insisted it was a large global corporation.

*"As the main content of the contract has not been disclosed due to business confidentiality requirements, investors are advised to carefully consider when investing, considering the possibility that the contract may change or terminate,"* the company added.



The chip deal, worth \$16.5 billion, or 7.6% of Samsung's 2024 revenue, has boosted investor confidence. Samsung shares in its home market of South Korea rose 3.5% after the new chip deal was announced.

Samsung's chip business has faced major challenges in recent years, including declining production efficiency and the loss of major customers. These difficulties even forced the company to abandon the Exynos 2500 chip in the Galaxy S25 series and switch to Qualcomm processors.

Earlier this year, Korean news outlets reported that Samsung could cut investment in its struggling foundry business by 50 percent, but the new chip deal, which could potentially revive Samsung's ailing semiconductor business, has offered a glimmer of hope.

Samsung's new chip deal could also be good news for the US, as the South Korean tech giant had previously halted plans to build a chip factory in Texas due to difficulties finding customers.

***Update 7/28*** : Billionaire Elon Musk just confirmed on X that Samsung will produce the next generation AI6 chip for Tesla at its factory in Texas. Samsung is currently producing the AI4 chip for Tesla electric cars.

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