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June 5, 2026 04:18 AM GMT

Investor Presentation | Asia Pacific

AI Still Taking Center Stage

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GREATER CHINA TECHNOLOGY HARDWARE

Asia Pacific

Industry View **In-Line**

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Greater China Technology Hardware

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GREATER CHINA TECHNOLOGY HARDWARE	
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Key Stock Ideas

Accton (2345.TW, OW, PT NT$3,350)

- Network switches to be the major revenue driver in 2026, with AI accelerator revenue picking up in 2H26.
- Optical solutions revenue to emerge in 2027 as it has been engaging with potential customers, but more meaningful contribution could materialize in 2028.
- PT of NT$3,350, based on 33x 2027e P/E vs. current valuation of 26x 2027e.

Bizlink (3665.TW, OW, PT NT$3,665)

- GM hiccup likely temporary and should normalize along with the new product ramp in the coming quarters.
- Cooper data interconnects to continue growing on increasing adoption among customers, as well spec upgrades, while power interconnects should be driven by server shipment growth this year and higher dollar content from the Rubin generation.
- Optical offerings to gain more traction in 2027, with the help of enhanced capability and customer relationship from the XFS acquisition.
- PT of NT$3,665, based on 30x 2027e P/E vs. current valuation of 19x 2027e.

Chroma (2360.TW, OW, PT NT$2,800)

- Power testing business to ride on the increasing power density of server racks and capacity expansions among major customers.
- Multiple drivers in the semi and photonics business, including: 1) new GPU SLT cycle and wider adoption; 2) metrology tools for the advanced packaging; 3) photonics testing for transceivers and CPO; 4) potential revenue from FT handlers and burn-in ovens.
- PT of NT$2,800, based on 50x 2027e P/E vs. current valuation of 46x 2027e.

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Key Stock Ideas

King Slide (2059.TW, OW, PT NT$6,650)

- Good proxy of the AI capex cycle given its dominant position in both the GPU and ASIC server market, supported by the comprehensive patent portfolio, solid execution and strong customer relationships.
- More devices on different racks are adopting rail kits for the ease of maintenance and repair, a positive tailwinds for King Slide.
- PT of NT$6,650, based on 34x 2027e P/E vs. current valuation of 28x 2027e.

Airtac (1590.TW, OW, PT NT$2,000) and Hiwin (2049.TW, OW, PT NT$400)

- Early innings of the broad based upcycle, consistent with both the top down (JMTBA, US/China/EU manufacturing PMIs) and bottom-up (monthly sales and quarterly earnings among industry players) datapoints.
- Tech sectors continuing to bolster demand, including semiconductors, components and assembly, while the battery orders in China are also solid.
- On top of the overall sector recovery, Airtac should benefit from share gains and incremental contribution from linear guides, while Hiwin should see margin expansions supported by higher utilization and price hikes.
- Airtac's PT of NT$2,000, based on 30x 2027e P/E vs. current valuation of 21x 2027e.
- Hiwin's PT of NT$400, based on 37x 2027e P/E vs. current valuation of 34x 2027e.

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Greater China Technology Hardware Valuation Comparison

Ticker	Company	Closing Price 6/4/2026	Rating	Price Target (LC)	Market Cap (US$mn)	EPS (Local Dollar) 26E	EPS (Local Dollar) 27E	P/E (X) 26E	P/E (X) 27E	P/B (X) 26E	P/B (X) 27E	P/S (X) 26E	P/S (X) 27E	EV/EBITDA 26E	EV/EBITDA 27E	ROE (%) 26E	ROE (%) 27E	ROA (%) 26E	ROA (%) 27E	Trading Volume (US$ mn)	26E
Tech conglomerate & Enablers																					
Taiwan																					
2301.TW	Lite-On Tech	248.50	E	176.00	18,292	8.72 e	11.19 e	28.5	22.2	6.0 e	5.7 e	2.7	2.2	18.71	14.39	21.56	26.28	8.99	10.08	133.01	3%
2308.TW	Delta	2,425.00	O	2700.0	200,198	41.52 e	65.05 e	58.4	37.3	14.3 e	11.2 e	7.9	5.6	33.20	22.30	29.61	36.69	14.84	18.14	452.68	0%
2317.TW	Hon Hai	293.00	O	310.0	130,403	16.38 e	19.90 e	17.9	14.7	2.0 e	1.8 e	0.4	0.4	7.99	6.74	11.30	12.87	4.32	4.83	460.30	3%
2354.TW	Foxconn Tech	62.30	U	54.00	2,801	3.47 e	3.81 e	18.0	16.4	0.5 e	0.5 e	0.6	0.6	0.28	0.65	4.32	4.62	2.34	2.58	24.44	2%
2421.TW	Sunon	168.50	E	165.0	1,537	10.18 e	11.65 e	16.5	14.5	4.5 e	4.0 e	1.9	1.7	9.19	7.93	29.21	29.51	14.94	15.27	25.26	3%
2455.TW	VPEC	402.00	E	290.00	2,362	4.88 e	7.60 e	82.4	52.9	20.1 e	17.0 e	17.9	14.0	56.02	37.80	25.73	34.64	18.26	25.06	58.49	1%
2474.TW	Catcher	242.00	U	160.0	4,318	12.03 e	12.52 e	20.1	19.3	0.9 e	0.9 e	7.6	7.1	34.51	33.54	4.65	4.81	3.23	3.32	26.91	5%
3017.TW	AVC	2,710.00	O	3333.00	33,778	96.50 e	145.03 e	28.1	18.7	13.4 e	8.8 e	4.7	3.6	16.31	10.85	57.33	55.61	19.71	22.07	320.71	1%
3081.TWO	LandMark	2,580.00	E	2850.0	7,586	17.62 e	28.78 e	146.4	89.6	39.2 e	23.6 e	50.9	31.7	104.56	66.18	31.52	32.71	26.72	28.67	100.78	0%
3324.TWO	Auras	1,185.00	E	1025.00	3,505	58.09 e	66.06 e	20.4	17.9	7.0 e	5.6 e	2.6	2.3	13.72	11.93	39.64	34.72	17.35	15.65	123.52	1%
6271.TW	Tong Hsing	243.50	E	116.0	1,618	8.16 e	9.47 e	29.8	25.7	1.8 e	1.7 e	4.1	3.8	23.99	20.61	6.25	6.94	4.72	5.27	18.78	1%
6805.TW	Fositek	1,985.00	O	2426.00	4,325	67.54 e	92.07 e	29.4	21.6	12.3 e	8.6 e	7.1	5.5	21.89	15.61	50.61	46.84	25.85	25.70	112.09	1%
HK/ China																					
002230.SZ	iFlytek	45.84	E	44.80	14,808	0.58 e	0.67 e	79.6	68.0	5.3 e	4.9 e	3.4	3.1	50.84	46.66	6.86	7.49	3.08	3.36	394.19	0%
002241.SZ	GoerTek	24.94	U	20.50	13,067	1.29 e	1.38 e	19.4	18.1	2.3 e	2.1 e	0.8	0.7	10.89	9.29	12.04	12.13	4.92	4.76	439.69	2%
002475.SZ	Luxshare	74.59	O	77.00	80,015	2.85 e	4.05 e	26.2	18.4	4.4 e	3.6 e	1.2	1.1	14.83	11.50	18.48	21.51	7.72	9.53	1,194.86	0%
002600.SZ	Lingyi	14.99	U	12.20	16,166	0.51 e	0.67 e	29.7	22.3	1.0 e	0.8 e	1.6	1.4	13.92	11.58	13.35	15.34	5.94	7.29	431.45	0%
601138.SS	FII	78.55	O	82.8	230,025	3.08 e	4.04 e	25.5	19.4	9.1 e	8.8 e	1.1	0.9	17.68	14.01	36.07	45.92	11.11	11.57	1,505.41	4%
Display & Industrial Automation																					
Taiwan																					
1590.TW	Airtac	1,310.00	O	2000.0	8,327	56.77 e	65.77 e	23.1	19.9	4.5 e	4.0 e	6.1	5.3	15.58	13.40	20.53	21.28	18.56	19.04	29.17	2%
2049.TW	Hiwin	358.00	O	400.0	3,279	8.77 e	10.77 e	40.8	33.3	2.3 e	2.2 e	4.2	3.6	20.84	17.73	8.02	9.22	5.36	5.88	37.25	1%
2360.TW	Chroma	2,620.00	O	2800.0	35,410	39.87 e	55.57 e	65.7	47.1	26.6 e	20.5 e	22.2	16.7	52.30	37.89	45.59	49.12	30.31	32.01	122.80	1%
2395.TW	Advantech	522.00	O	400.0	14,405	14.77 e	16.97 e	35.4	30.8	7.6 e	7.1 e	5.6	5.0	28.78	24.73	22.18	23.85	15.32	16.27	28.69	2%
2409.TW	AUO	29.25	E	14.0	7,016	0.25 e	0.51 e	116.4	57.3	1.5 e	1.4 e	0.8	0.7	6.03	4.29	1.24	2.56	0.42	0.88	74.21	1%
3481.TW	Innolux	55.80	E	19.5	14,168	0.36 e	0.56 e	153.6	98.9	2.0 e	2.0 e	1.8	1.7	13.55	12.35	1.37	2.13	0.88	1.35	167.42	0%
3665.TW	Bizlink	2,155.00	O	3665.0	13,361	63.77 e	120.77 e	33.8	17.8	7.5 e	5.6 e	4.3	2.8	20.93	11.69	24.01	35.51	13.85	21.31	178.94	1%
3714.TW	Ennostar	68.50	U	29.0	1,607	(0.08) e	0.01 e	NM	7,652.8	1.0 e	1.0 e	2.0	1.9	9.00	11.31	(0.11)	0.01	(0.09)	0.01	13.99	0%
6176.TW	Radiant	101.50	E	170.0	1,500	11.47 e	11.27 e	8.9	9.0	1.2 e	1.2 e	1.0	1.0	1.07	0.87	13.99	13.23	7.40	7.20	14.57	8%
8069.TWO	E Ink	214.50	O	250.0	7,856	11.37 e	13.07 e	18.9	16.4	3.3 e	3.0 e	5.7	4.9	14.77	12.46	17.91	18.95	11.82	12.80	41.77	3%
2059.TW	King Slide	5,350.00	O	6650.0	16,204	167.77 e	193.77 e	31.9	27.6	13.2 e	9.9 e	18.8	15.9	24.80	20.27	48.03	41.12	38.12	32.93	87.12	1%
2345.TW	Accton	2,510.00	O	3350.0	44,762	75.77 e	100.77 e	33.1	24.9	15.6 e	10.5 e	4.0	3.1	23.45	17.19	57.33	50.43	24.83	24.41	213.83	1%
8210.TW	Chenbro	1,420.00	O	1780.0	5,656	47.77 e	58.77 e	29.7	24.2	11.7 e	9.1 e	5.2	4.2	20.30	16.32	44.50	41.35	21.17	20.25	75.40	1%
HK/ China																					
000050.SZ	Tianma	8.24	U	6.3	2,889	0.21 e	0.25 e	38.4	32.8	0.7 e	0.7 e	0.5	0.4	5.49	4.84	1.77	2.04	0.66	0.74	38.87	0%
000100.SZ	TCL Corp.	4.92	E	4.7	15,102	0.32 e	0.37 e	15.6	13.2	1.8 e	1.8 e	0.5	0.4	4.99	4.66	11.45	13.54	1.48	1.70	284.35	4%
000725.SZ	BOE Tech	6.15	O	5.2	33,401	0.22 e	0.29 e	27.6	21.3	1.6 e	1.5 e	1.1	1.0	5.49	5.23	5.99	7.38	1.76	2.10	365.64	1%
300433.SZ	Lens Tech	43.64	E	31.0	33,100	0.82 e	1.39 e	53.0	31.4	4.0 e	3.6 e	2.8	2.2	18.47	14.13	7.47	11.75	4.85	7.47	428.33	1%
300567.SZ	Jingce	203.80	E	70.0	8,413	0.87 e	1.47 e	235.2	138.9	13.1 e	12.2 e	17.2	15.1	188.40	110.83	5.73	9.12	2.45	3.85	139.79	0%
600703.SS	Sanan Opto	17.06	U	9.0	12,560	0.27 e	0.37 e	63.6	46.1	2.1 e	2.0 e	3.7	3.1	18.52	15.95	3.32	4.43	1.84	2.31	294.11	0%

Source: FactSet, Morgan Stanley Research; E = Morgan Stanley Research estimates.
Note: Prices as of the close, June 3, 2026. NA = not available at this time.

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Greater China Technology Hardware Valuation Comparison

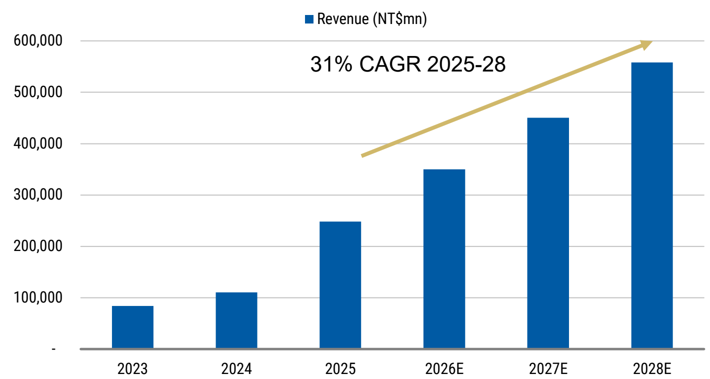
Ticker	Company	Closing Price 6/4/2026	Rating	Price Target (LC)	Market Cap (US$mn)	EPS (Local Dollar) 26E	EPS (Local Dollar) 27E	P/E (X) 26E	P/E (X) 27E	P/B (X) 26E	P/B (X) 27E	P/S (X) 26E	P/S (X) 27E	EV/EBITDA 26E	EV/EBITDA 27E	ROE (%) 26E	ROE (%) 27E	ROA (%) 26E	ROA (%) 27E	Trading Volume (US$ mn)	26E
PC / Data Center / Cyclical Components																					
Taiwan																					
2324.TW	Compal	42.35	U	23.00	5,932	1.98 e	2.23 e	21.4	19.0	1.2 e	1.2 e	0.2	0.2	9.4	8.9	5.7	6.2	1.9	2.0	46.6	2%
2327.TW	Yageo	743.00	O	1010.0	48,916	17.88 e	23.59 e	41.6	31.5	7.2 e	6.4 e	8.9	7.6	27.6	21.4	19.0	21.4	8.8	10.5	348.0	1%
2353.TW	Acer	39.10	U	21.00	3,788	1.54 e	1.61 e	25.4	24.3	1.5 e	1.4 e	0.4	0.4	10.9	10.1	5.3	6.0	1.9	2.0	26.2	3%
2357.TW	Asustek	892.00	U	570.0	21,057	59.22 e	57.19 e	15.1	15.6	2.2 e	2.1 e	0.7	0.7	11.7	12.5	14.9	13.8	7.0	6.1	89.0	5%
2368.TW	GCE	1,350.00	O	1660.00	22,185	47.19 e	82.32 e	28.6	16.4	12.9 e	8.3 e	6.5	4.3	19.4	10.9	54.7	61.5	24.2	28.4	213.2	1%
2376.TW	Gigabyte	374.00	E	375.0	7,963	32.40 e	29.75 e	11.5	12.6	3.4 e	3.4 e	0.5	0.5	8.0	9.1	32.4	27.1	12.3	9.7	59.5	4%
2382.TW	Quanta	404.00	O	385.00	49,596	24.66 e	28.80 e	16.4	14.0	5.0 e	4.1 e	0.4	0.4	13.1	11.0	33.6	32.3	5.6	5.1	204.5	3%
3231.TW	Wistron	176.00	O	210.0	17,790	13.95 e	18.11 e	12.6	9.7	1.9 e	1.7 e	0.2	0.1	3.9	3.1	15.8	18.2	3.5	3.7	201.0	2%
3533.TW	Lotes	2,400.00	E	2350.00	8,584	94.03 e	116.81 e	25.5	20.5	5.7 e	4.9 e	6.1	5.2	15.0	12.1	24.1	25.7	19.2	20.3	67.2	1%
4938.TW	Pegatron	97.00	E	85.0	8,268	5.39 e	7.61 e	18.0	12.7	1.0 e	0.9 e	0.2	0.1	5.2	4.0	5.6	7.5	2.2	2.6	24.9	0%
4958.TW	Zhen Ding	492.50	O	570.00	16,896	13.76 e	21.11 e	35.8	23.3	2.9 e	2.7 e	2.4	1.9	15.2	10.9	8.4	11.9	5.1	7.2	147.7	1%
8046.TW	Nan Ya PCB	878.00	O	1275.0	18,031	11.52 e	23.78 e	76.2	36.9	10.9 e	9.1 e	10.3	7.6	39.0	23.4	15.1	26.8	11.2	19.2	214.1	0%
3037.TW	Unimicron	971.00	O	1225.00	49,034	11.62 e	24.03 e	83.6	40.4	12.3 e	10.0 e	7.8	5.6	36.7	20.5	15.7	27.2	6.4	10.8	353.0	0%
6669.TW	Wiwynn	5,570.00	O	7500.0	32,899	357.51 e	466.82 e	15.6	11.9	6.3 e	4.8 e	0.7	0.4	10.6	8.4	46.0	45.6	17.3	16.4	234.7	3%
HK/ China																					
000977.SZ	Inspur	63.36	E	75.00	13,715	2.26 e	3.03 e	28.0	20.9	3.7 e	3.2 e	0.4	0.3	29.7	23.0	13.9	16.3	3.7	3.7	588.8	0%
600183.SS	Shengyi	143.96	E	74.0	51,605	2.06 e	2.84 e	69.8	50.6	16.0 e	13.6 e	8.9	7.1	50.3	37.3	24.6	29.1	15.7	18.3	419.7	1%
002916.SZ	Shennan Circuit	393.38	E	320.00	39,542	6.60 e	9.61 e	59.6	40.9	9.5 e	7.6 e	8.1	6.7	46.4	33.1	23.4	28.1	13.8	17.5	365.0	0%
0992.HK	Lenovo	25.00 HKD	E	14.2	39,581	1.42 e	1.43 e	17.7	17.5	3.9 e	3.5 e	0.4	0.4	7.0	6.7	26.1	22.7	5.0	4.8	137.6	3%
6088.HK	FIT Hong Teng	9.13 HKD	O	12.00	8,511	0.32 e	0.53 e	28.8	17.1	2.8 e	2.4 e	1.5	1.2	13.3	8.5	10.2	15.1	4.7	7.3	58.8	0%
Smartphone & Wireless Equipment																					
Taiwan																					
3008.TW	Largan	3,825.00	E	2450.00	15,901	153.49 e	165.87 e	24.9	23.1	2.4 e	2.2 e	8.5	8.0	12.7	11.5	10.2	10.0	9.0	9.2	70.2	2%
3406.TW	Genius	659.00	E	425.00	2,361	31.74 e	39.14 e	20.8	16.8	2.5 e	2.2 e	3.0	2.7	7.2	6.2	12.7	13.7	8.1	9.4	18.3	11%
HK/ China																					
000063.SZ	ZTE (A Shr)	37.74	E	34.30	25,170	0.83 e	1.16 e	45.5	32.7	2.3 e	2.2 e	1.1	1.0	22.6	20.6	5.2	6.9	1.8	2.3	790.5	2%
002036.SZ	LCE	8.85	U	8.50	1,381	0.20 e	0.24 e	44.3	36.3	3.2 e	3.0 e	1.0	0.9	10.4	9.2	7.5	8.5	1.3	1.6	74.8	0%
002236.SZ	Dahua	16.69	E	20.80	8,052	1.35 e	1.50 e	12.4	11.1	1.3 e	1.2 e	1.5	1.4	9.3	8.1	11.1	11.6	8.0	8.1	136.1	4%
002273.SZ	Crystal	37.18	O	30.00	7,630	1.08 e	1.25 e	34.4	29.6	5.1 e	4.8 e	6.4	5.5	22.6	19.4	15.0	16.7	11.9	13.0	207.1	2%
002373.SZ	TransInfo	7.61	E	9.70	1,547	0.44 e	0.50 e	17.4	15.2	0.9 e	0.9 e	1.4	1.3	7.4	6.0	5.6	6.0	3.9	4.2	58.3	0%
002415.SZ	Hikvision	30.63	E	35.80	41,426	1.75 e	1.87 e	17.5	16.4	2.9 e	2.6 e	2.8	2.6	12.0	10.6	16.9	16.7	11.2	11.2	258.9	4%
002456.SZ	SZ O-Film	10.05	U	8.00	4,980	0.06 e	0.11 e	182.6	87.9	6.4 e	5.8 e	1.6	1.4	30.9	25.0	3.6	6.9	0.8	1.6	177.6	1%
300098.SZ	Gosuncn	5.16	U	4.80	1,174	0.08 e	0.10 e	68.7	51.2	3.1 e	2.9 e	3.7	3.2	38.0	26.5	4.6	5.9	2.5	3.0	55.4	0%
300394.SZ	TFC	480.45	E	371.00	55,242	4.43 e	6.16 e	108.5	78.1	44.4 e	30.5 e	36.3	25.6	83.0	60.8	49.5	46.3	41.9	39.2	1,298.4	0%
002281.SZ	Accelink	220.56	U	166.00	26,256	2.30 e	3.38 e	95.9	65.3	15.4 e	13.0 e	11.3	8.4	61.9	44.3	17.1	21.6	10.6	13.1	575.0	0%
300502.SZ	Eoptolink	775.94	O	710.00	114,036	18.67 e	33.71 e	41.6	23.0	21.6 e	11.5 e	14.2	8.4	30.6	18.4	69.1	65.3	49.3	48.3	2,435.8	0%
600745.SS	Wingtech	20.57	U	15.00	3,778	(0.26) e	(0.17) e	NM	NM	1.0 e	1.0 e	7.4	6.9	(533.3)	374.6	(1.3)	(0.8)	(0.8)	(0.5)	223.4	0%
603297.SS	Yongxin	123.74	E	120.00	2,026	2.81 e	3.37 e	44.1	36.7	6.1 e	5.6 e	11.8	9.7	43.4	32.4	14.5	16.0	12.3	13.6	30.9	1%
688036.SS	Transsion	59.72	E	60.00	10,145	0.54 e	2.14 e	110.0	27.9	3.4 e	3.0 e	1.0	0.9	141.5	19.5	3.0	11.5	1.4	[illegible]	[illegible]	[illegible]
601869.SS	YOFC-A	455.89	U	202.25	40,831	9.07 e	15.38 e	50.3	29.6	15.1 e	10.6 e	9.5	7.6	25.9	16.8	35.1	42.1	18.0	[illegible]	[illegible]	[illegible]
603236.SS	Quectel	56.27	E	95.00	3,346	4.25 e	4.92 e	13.2	11.4	2.4 e	2.0 e	0.5	0.5	8.8	7.6	19.9	18.9	6.3	[illegible]	[illegible]	[illegible]
0285.HK	BYDE	29.64 HKD	O	39.00	8,524	2.00 e	2.63 e	14.8	11.3	1.5 e	1.3 e	0.3	0.3	5.6	4.4	12.2	14.5	4.7	[illegible]	[illegible]	[illegible]
0763.HK	ZTE (H Shr)	28.38 HKD	O	39.00	25,170	0.83 e	1.16 e	34.2	24.6	1.5 e	1.4 e	1.1	1.0	22.6	20.6	5.2	6.9	1.8	[illegible]	[illegible]	[illegible]
1478.HK	Q-Tech	9.38 HKD	U	7.20	1,430	0.72 e	0.91 e	13.0	10.3	1.4 e	1.2 e	0.4	0.4	7.3	5.2	12.8	14.7	4.2	[illegible]	[illegible]	[illegible]
1810.HK	Xiaomi	28.38 HKD	O	45.00	77,465	1.03 e	1.34 e	27.7	21.1	2.3 e	2.1 e	1.4	1.1	24.8	17.0	7.1	8.9	3.7	[illegible]	[illegible]	[illegible]
2018.HK	AAC	47.58 HKD	O	42.00	7,278	2.06 e	2.55 e	23.1	18.7	1.8 e	1.6 e	1.4	1.2	7.3	5.3	9.4	10.6	4.8	[illegible]	[illegible]	[illegible]
2382.HK	Sunny Optical	82.20 HKD	E	62.00	11,486	2.85 e	3.46 e	28.8	23.7	2.4 e	2.1 e	1.8	1.6	9.3	7.2	9.9	10.7	5.0	[illegible]	[illegible]	[illegible]
6869.HK	YOFC-H	250.80 HKD	E	230.00	40,831	9.07 e	15.38 e	27.7	16.3	7.2 e	5.1 e	9.5	7.6	25.9	16.8	35.1	42.1	18.0	[illegible]	[illegible]	[illegible]

Source: FactSet, Morgan Stanley Research; E = Morgan Stanley Research estimates.
Note: Prices as of the close, June 03, 2026. NA = not available at this time.

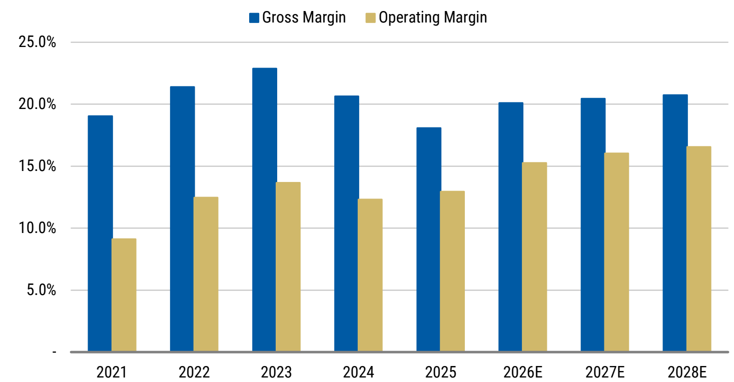
Morgan Stanley

Accton: Dual Drivers from Network Switches and AI Accelerator Modules

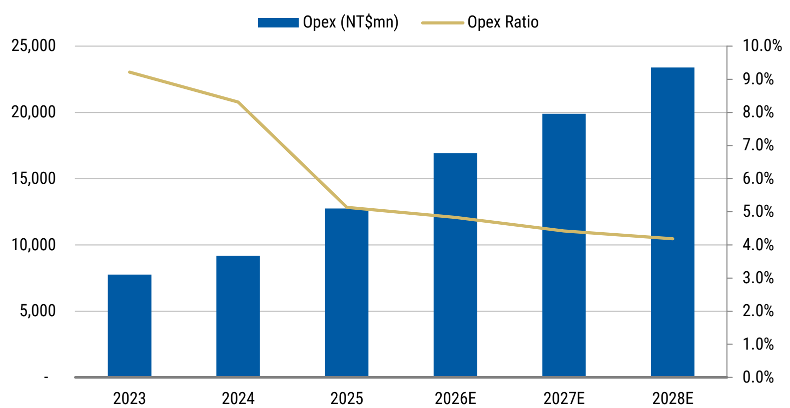
Overall Revenue Forecast



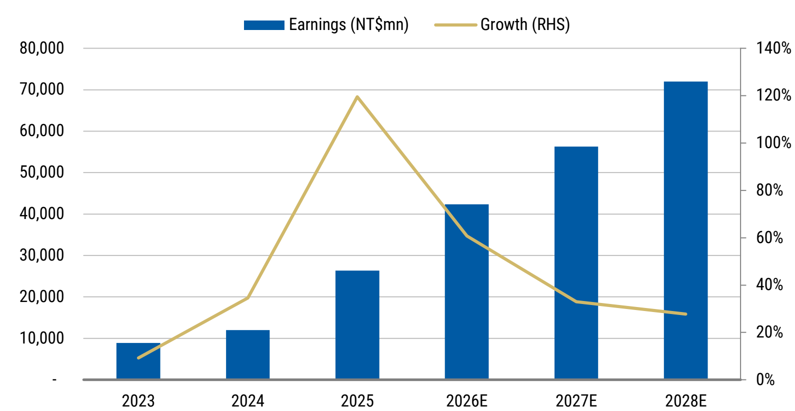
Margin Trend



Operating Expense Trend



Earnings Forecast

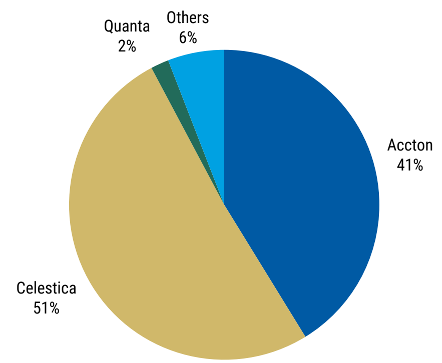


Source: Company data, Morgan Stanley Research estimates

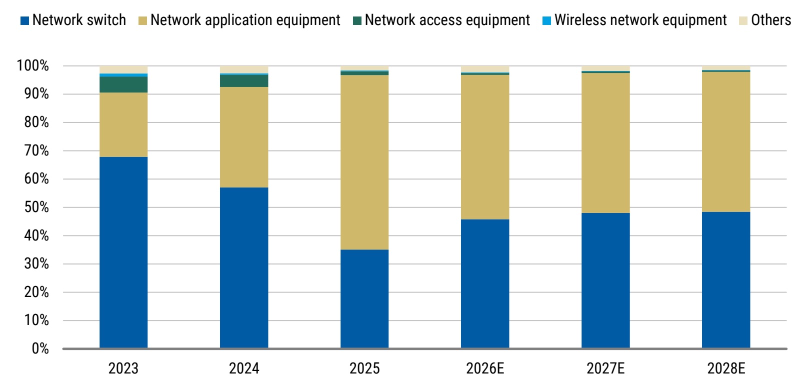
Morgan Stanley

Accton: Dual Drivers from Network Switches and AI Accelerator Modules

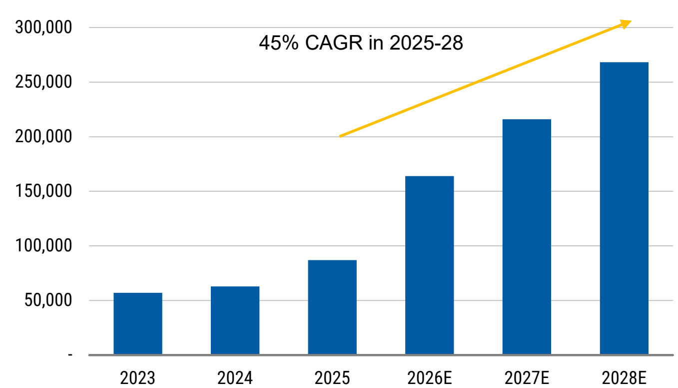
ODM Direct Market Share for Switches (2025)



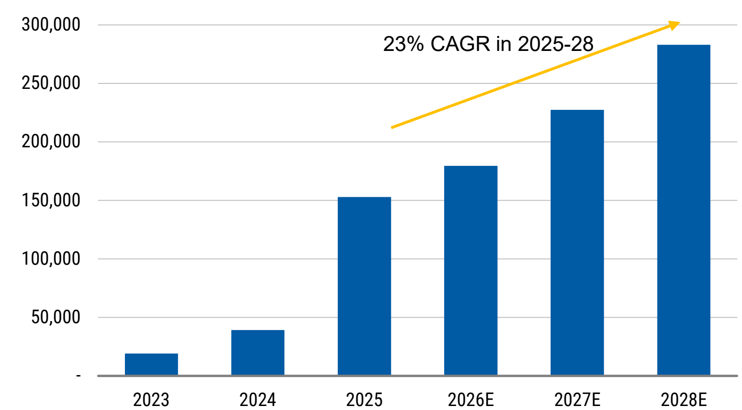
Revenue Breakdown



Network Switch Revenue Forecasts



Networking Application Revenue Forecasts



Source: Company data, IDC, Morgan Stanley Research estimates

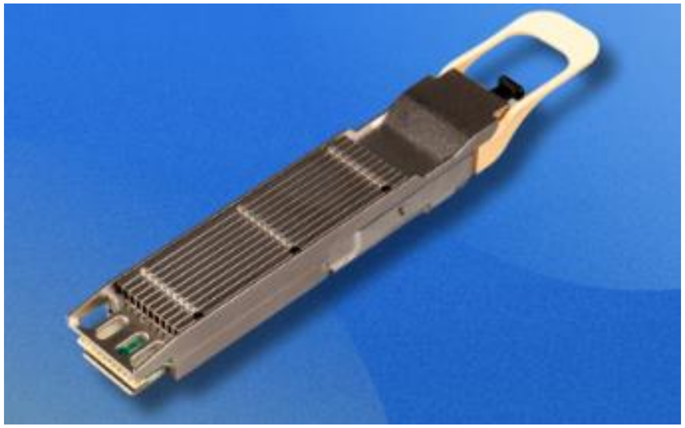
Morgan Stanley

Accton: Dual Drivers from Network Switches and AI Accelerator Modules

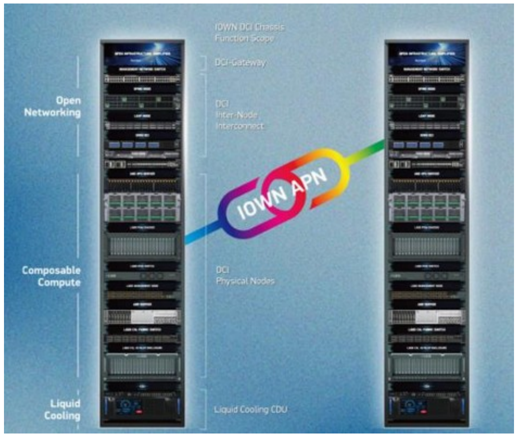
CPO Switch

OWS Switch

Optical Transceiver



Rack Solution

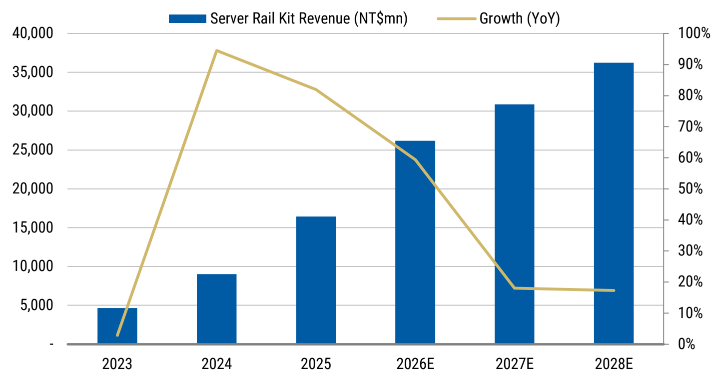


Source: Accton

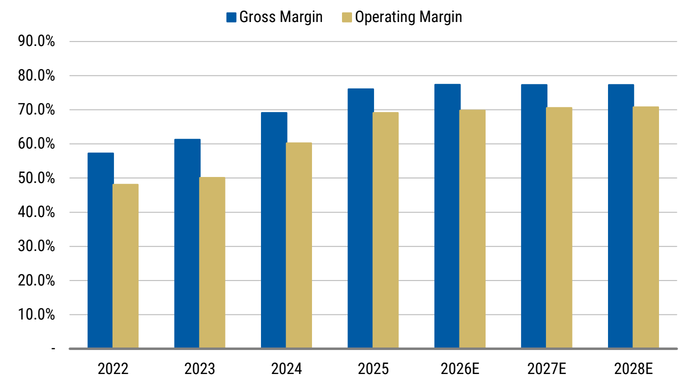
Morgan Stanley

King Slide: Favorable Dynamics for Server Rail Kit

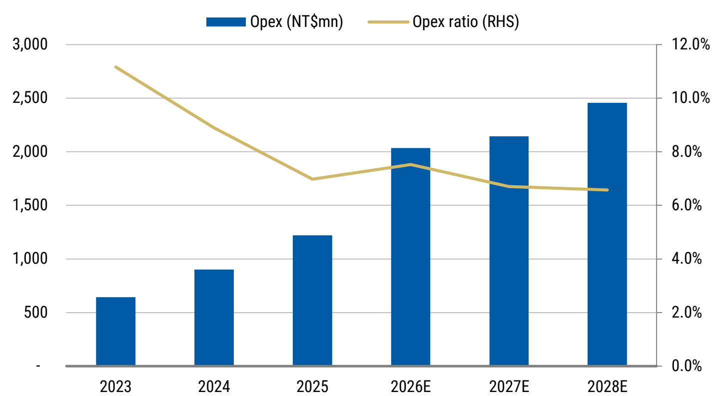
29% Revenue CAGR in 2025-28E



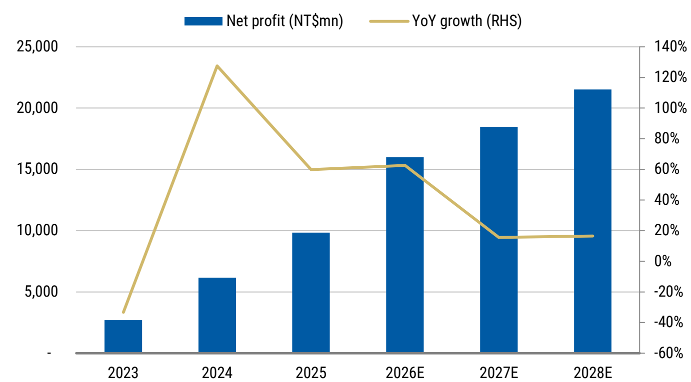
Margin Trend



Operating Expense Trend



30% Earnings CAGR in 2025-28E

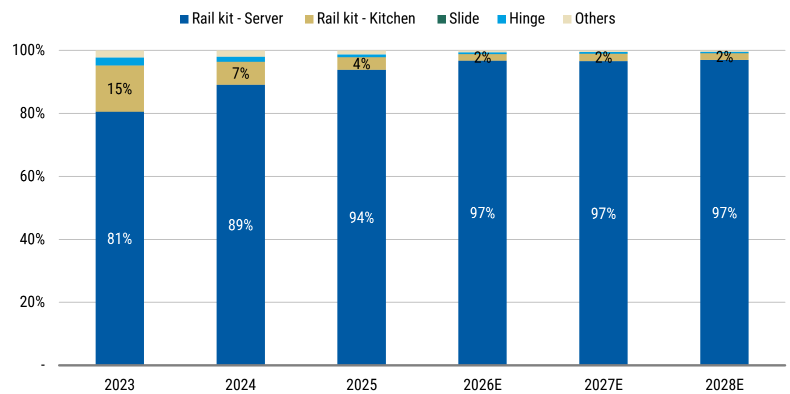


Source: Company data, Morgan Stanley Research estimates.

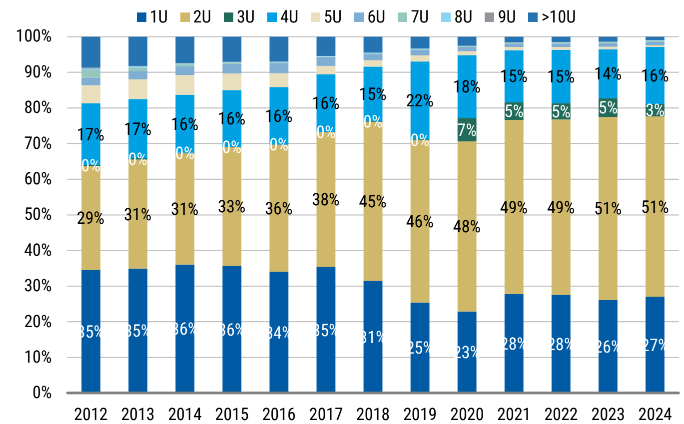
Morgan Stanley

King Slide: Favorable Dynamics for Server Rail Kit

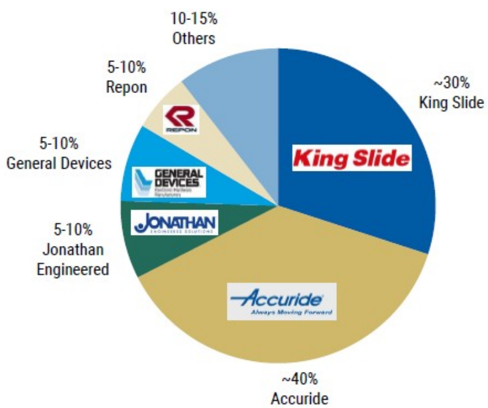
Revenue Breakdown



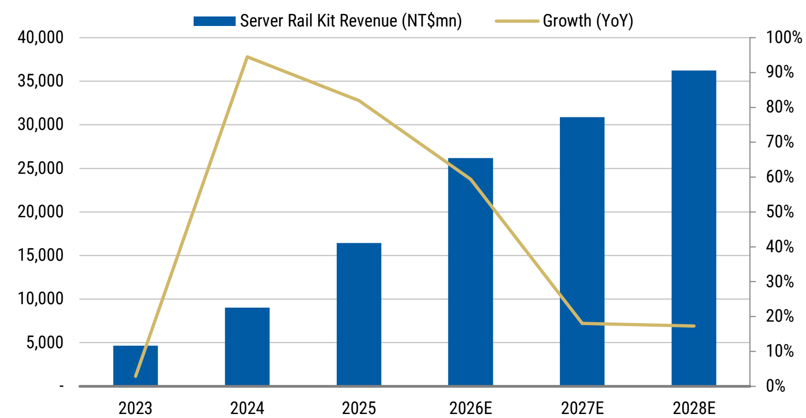
Global Rack Server Shipments, by Size



Server Rail Kit Market Share Breakdown



Server Rail Kit Revenue Trend

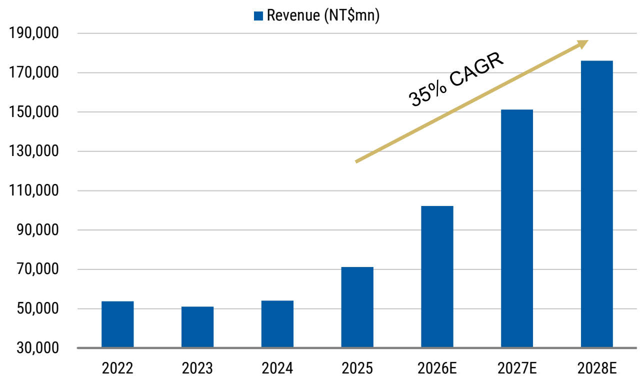


Source: Company data, IDC, Morgan Stanley Research estimates.

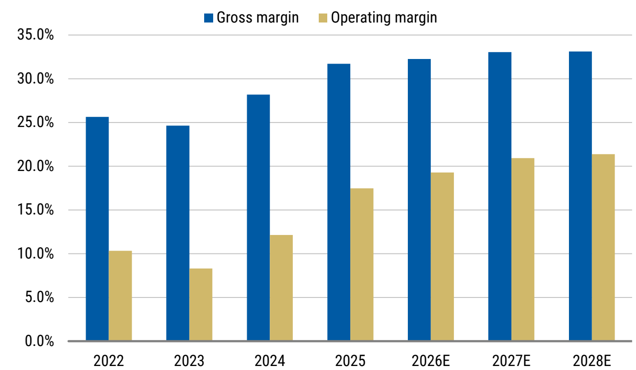
Morgan Stanley

Bizlink: Share Gains in AI Deployment Powering Growth

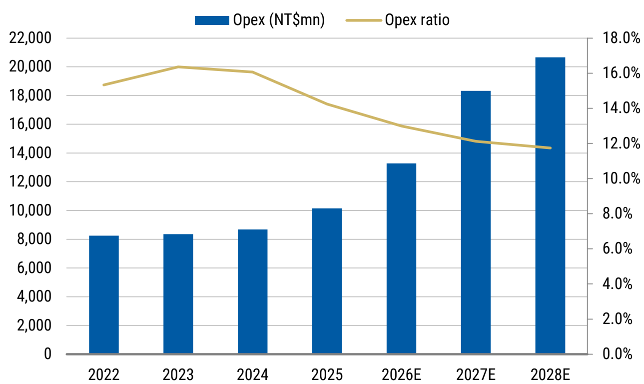
Overall Revenue trend



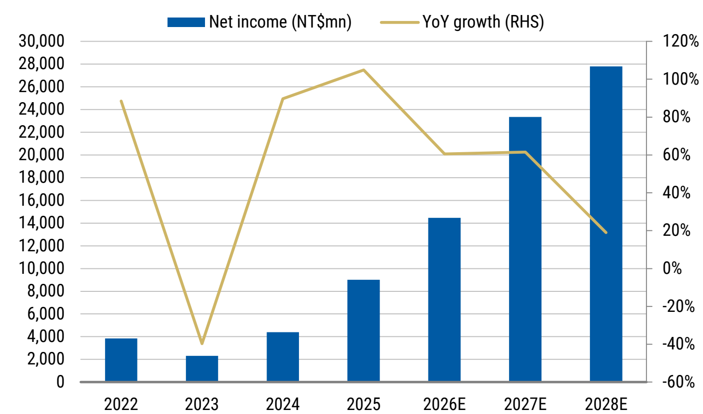
Margin trend



Operating expense trend



46% earnings CAGR in 2025-28E

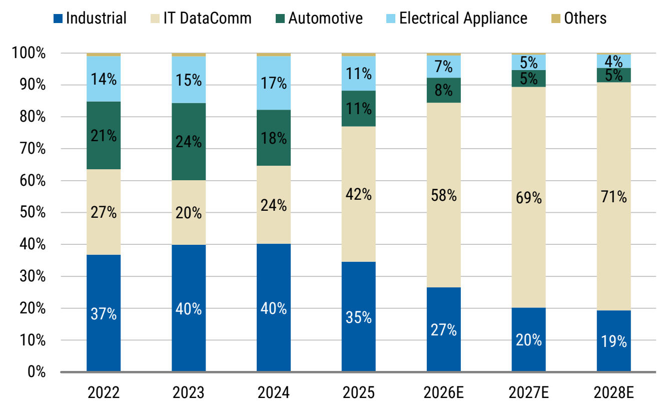


Source: Company data, Morgan Stanley Research estimates

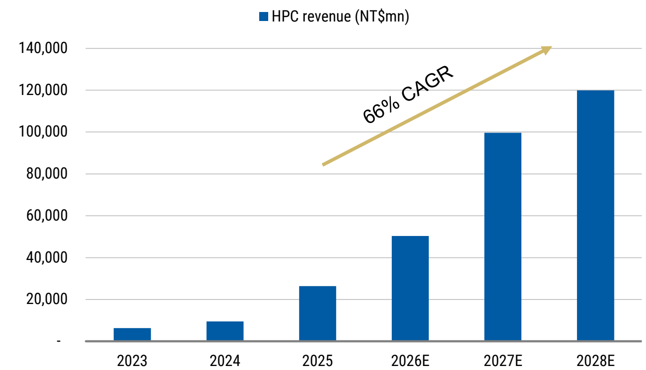
Morgan Stanley

Bizlink: Share Gains in AI Deployment Powering Growth

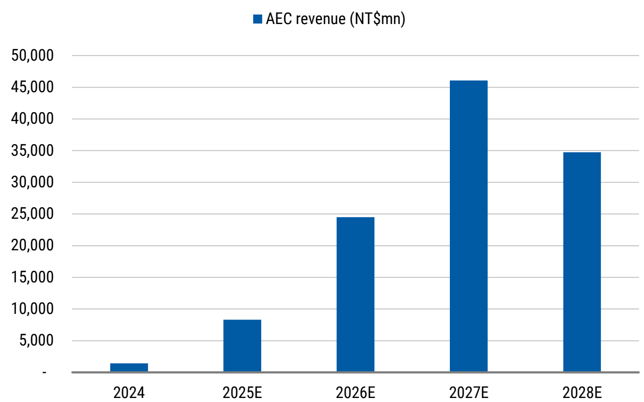
Revenue Breakdown by Segment



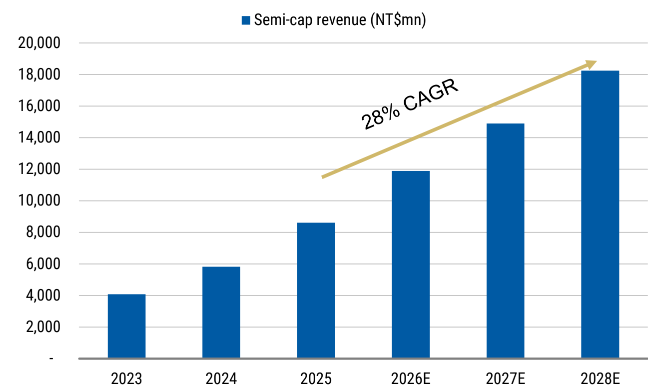
Datacenter/HPC Revenue Trend



Annual AEC Revenue Trend



Semi-capital Equipment Annual Revenue Trend

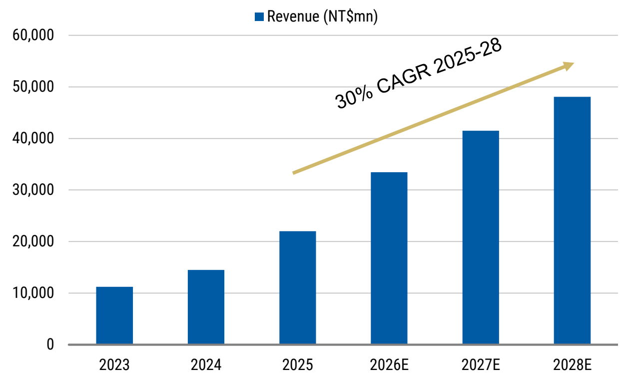


Source: Company data, Morgan Stanley Research estimates

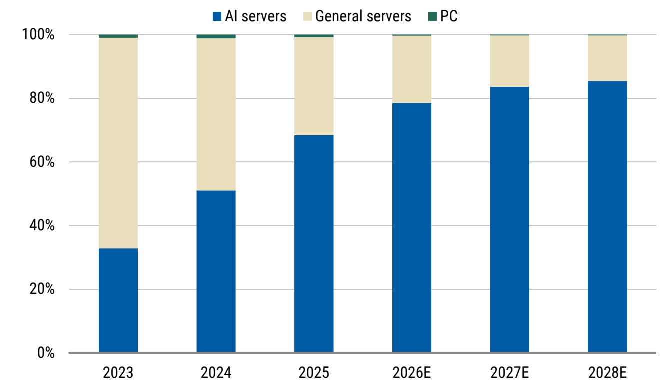
Morgan Stanley

Chenbro: Market Growth and Share Gains to Support Optimistic 2026 Outlook

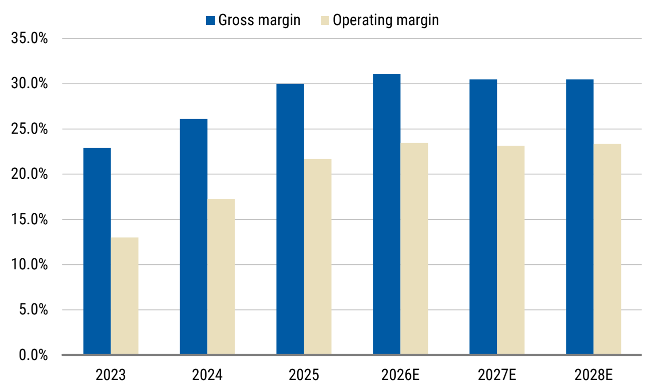
Annual Revenue Trend



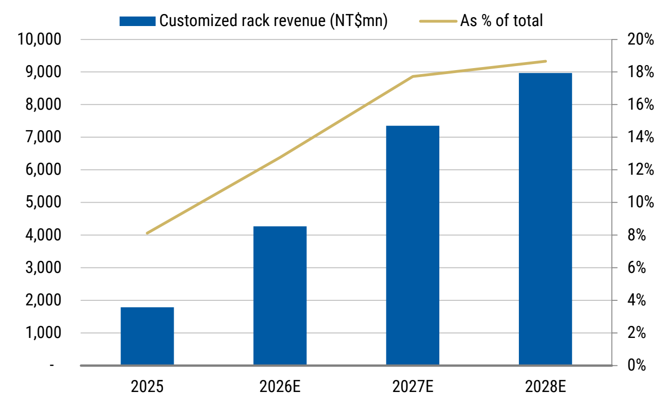
Revenue Breakdown



Margin Trend



Customized Rack Revenue Contribution

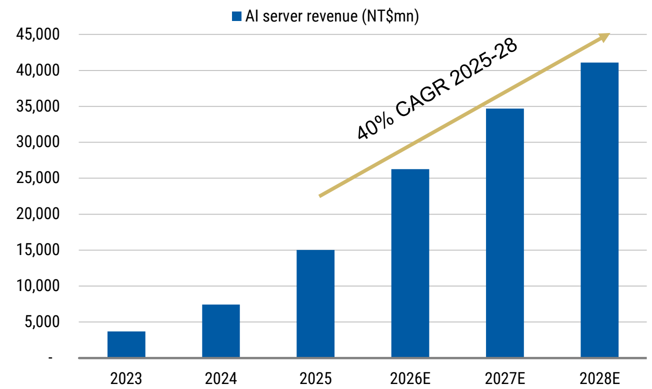


Source: Company data, Morgan Stanley Research estimates

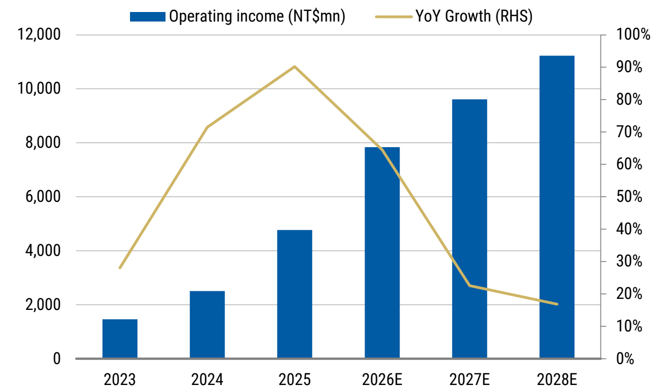
Morgan Stanley

Chenbro: Market Growth and Share Gains to Support Optimistic 2026 Outlook

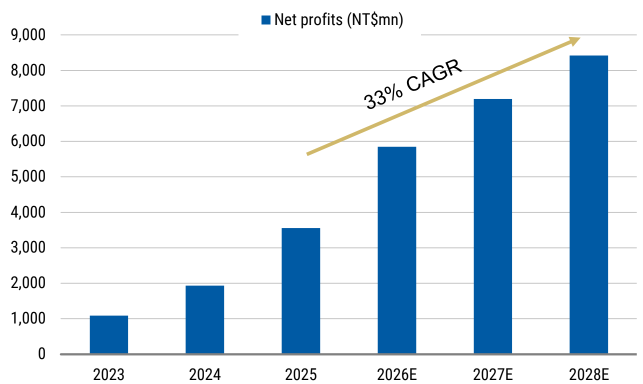
AI Server Revenue Trend



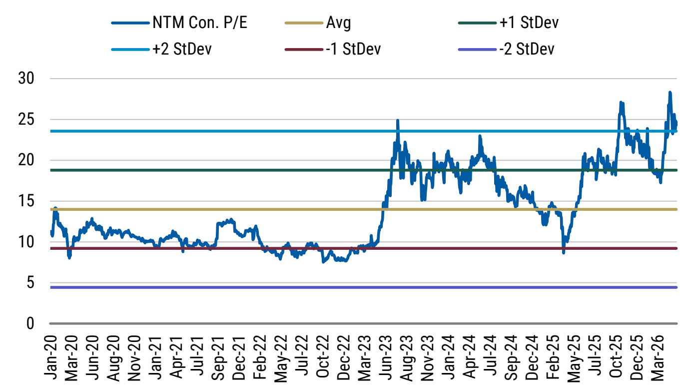
Operating Margin Trend



33% earnings CAGR in 2025-28E



Chenbro NTM P/E

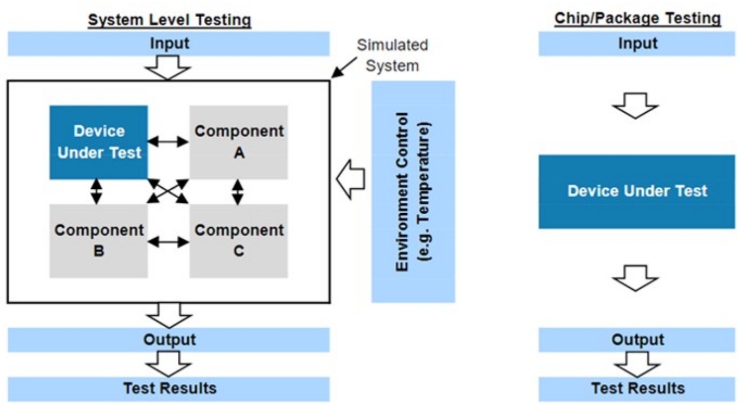


Source: Company data, Morgan Stanley Research estimates

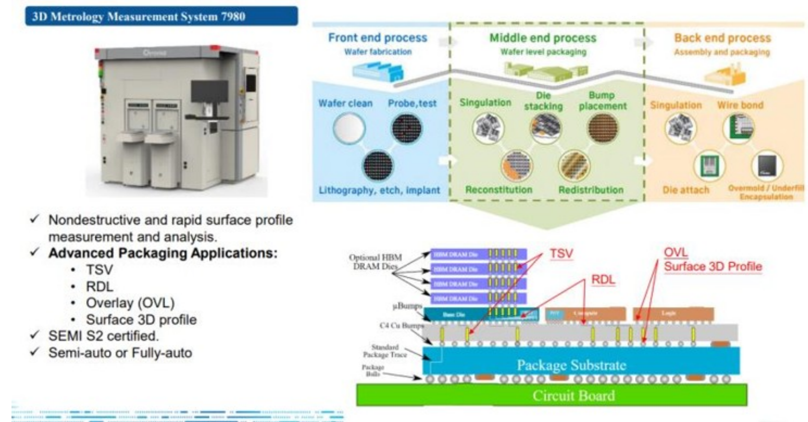
Morgan Stanley

Chroma: Fueled by Multiple AI Drivers

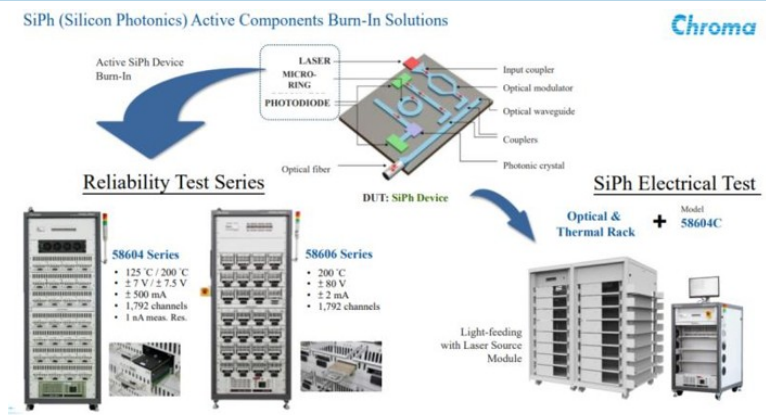
System-level Testing vs. Chip/Package Testing



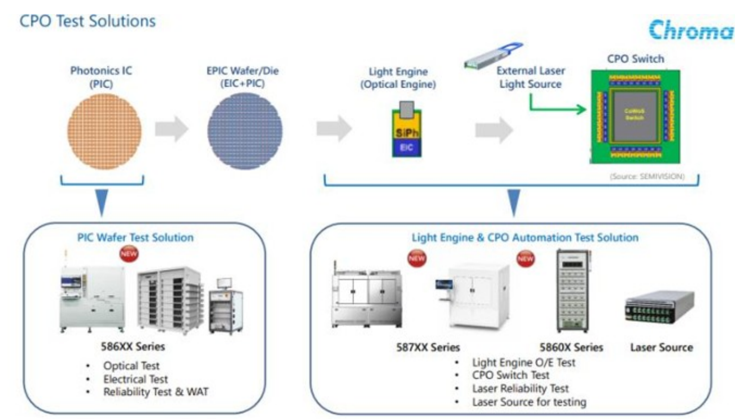
Offerings for Metrology in Advanced Packaging



Offerings in Silicon Photonics



Offerings in CPO Testing Solutions

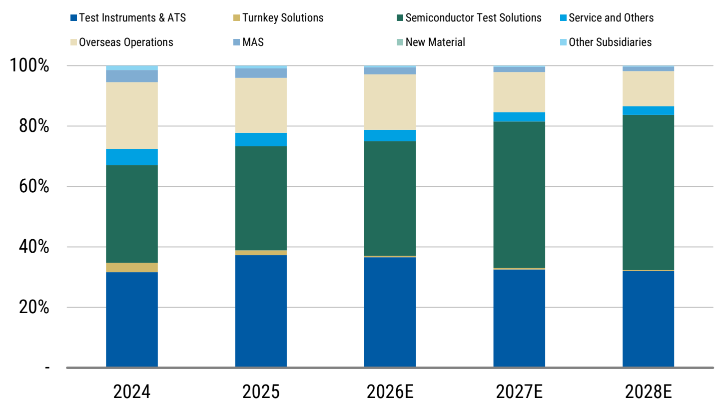


Source: Chroma, Morgan Stanley Research.

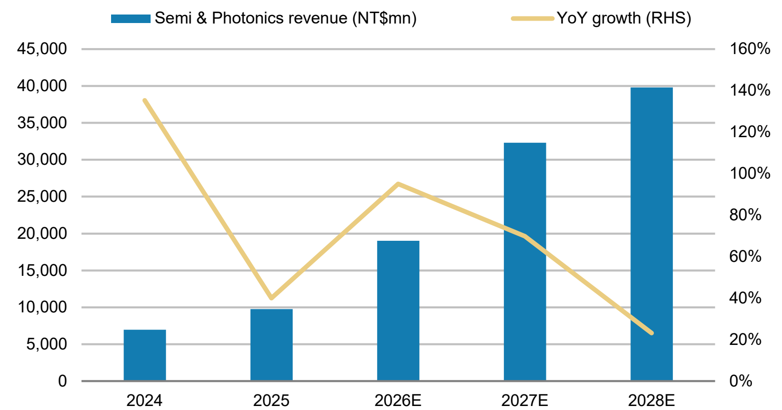
Morgan Stanley

Chroma: Fueled by Multiple AI Drivers

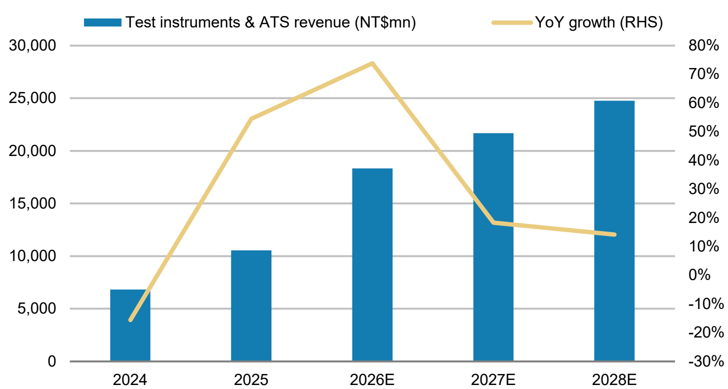
Revenue Breakdown



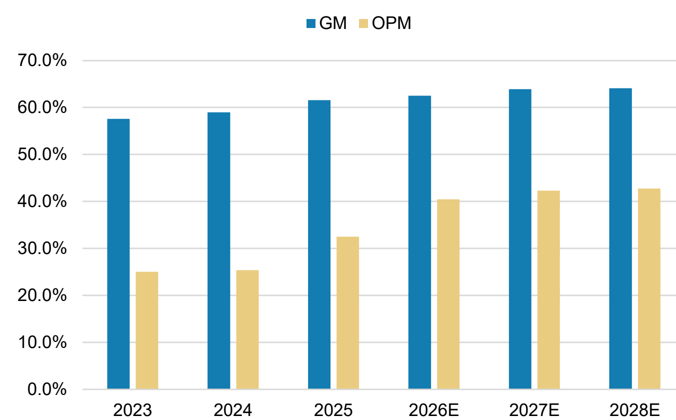
Semi & Photonics Revenue Trend



Testing Instruments & ATS Revenue Trend



Margin Trend

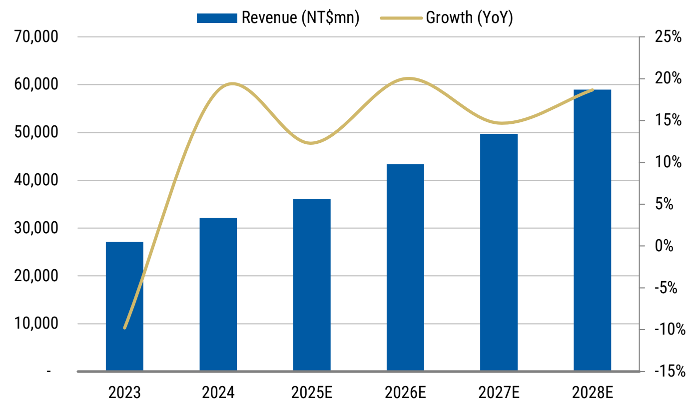


Source: Company data, Morgan Stanley Research estimates

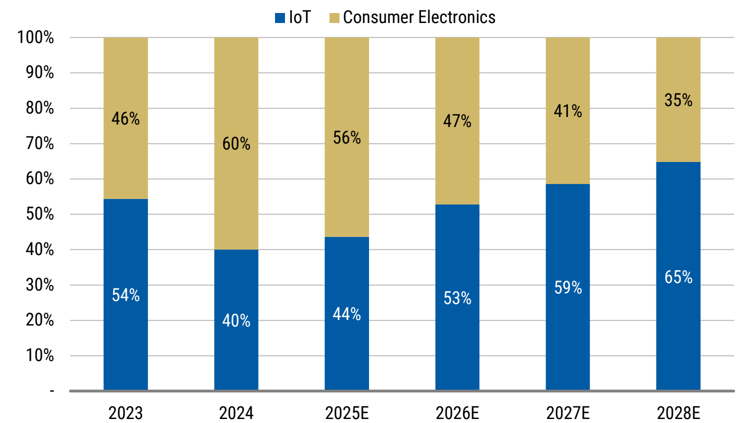
Morgan Stanley

E Ink: Back on the Radar; E-paper Opportunities to Drive Secular Growth

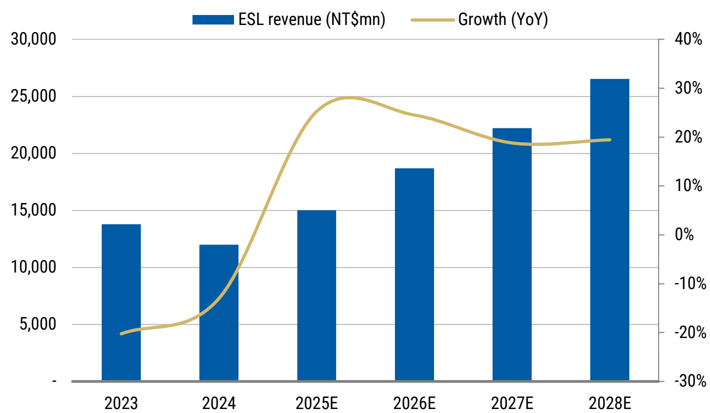
18% Revenue CAGR in 2025-28E



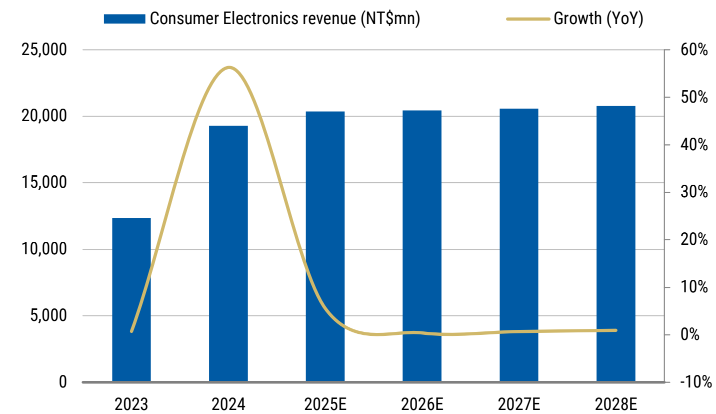
Revenue Breakdown



ESL Revenue Trend



Consumer Electronics Revenue Trend

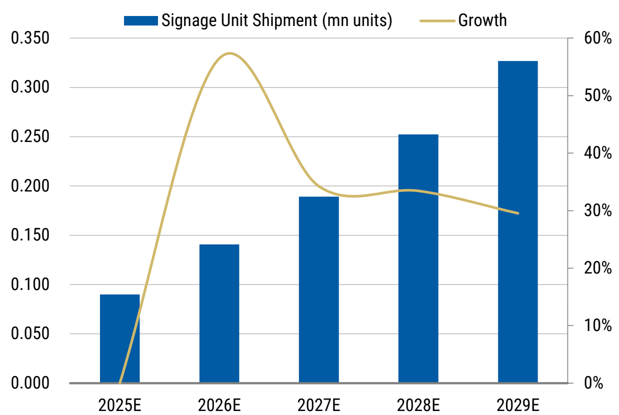


Source: Company data, TEJ, Morgan Stanley Research estimates, FactSet consensus.

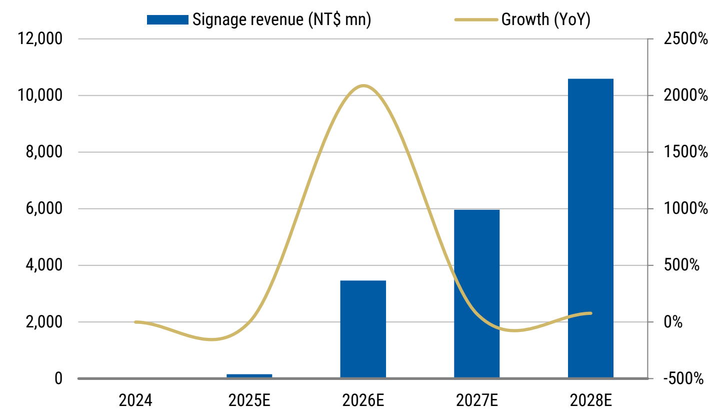
Morgan Stanley

E Ink: Back on the Radar; E-paper Opportunities to Drive Secular Growth

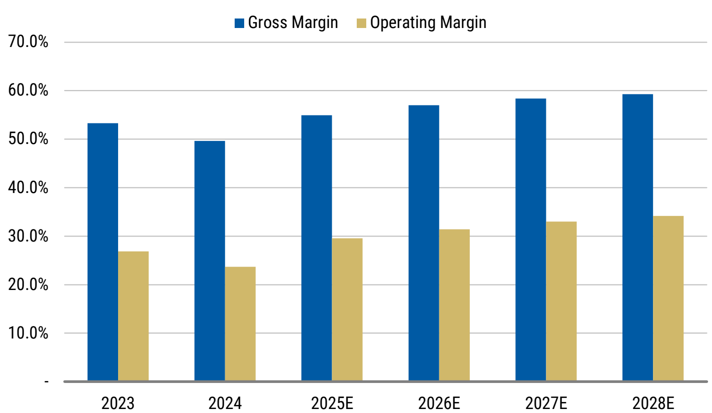
E-paper Signage Shipment Forecast



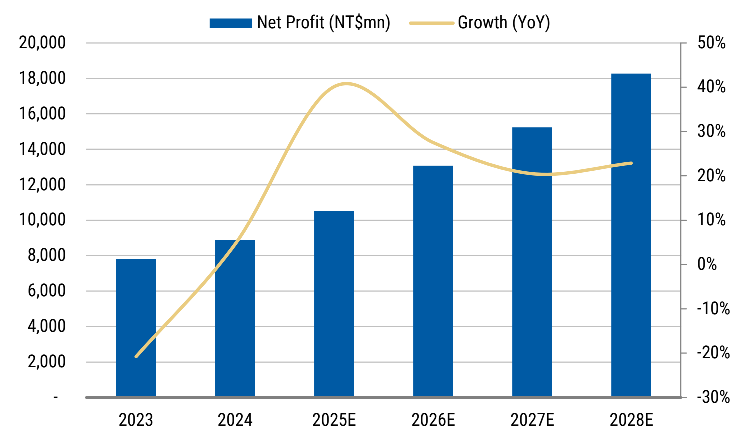
Signage Revenue Trend



Annual Margin Trend



20% Earnings CAGR in 2025-28E

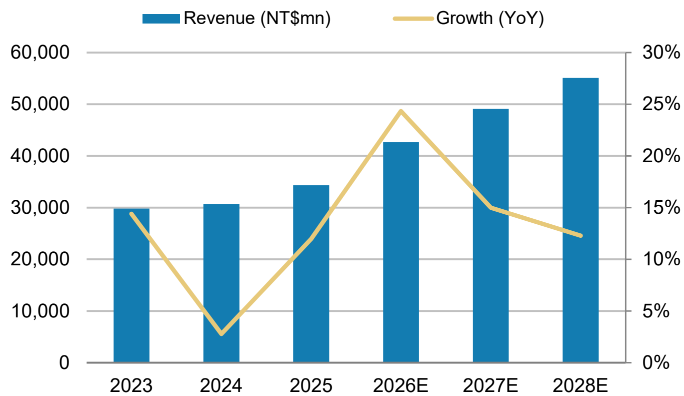


Source: Company data, TEJ, Morgan Stanley Research estimates, FactSet consensus.

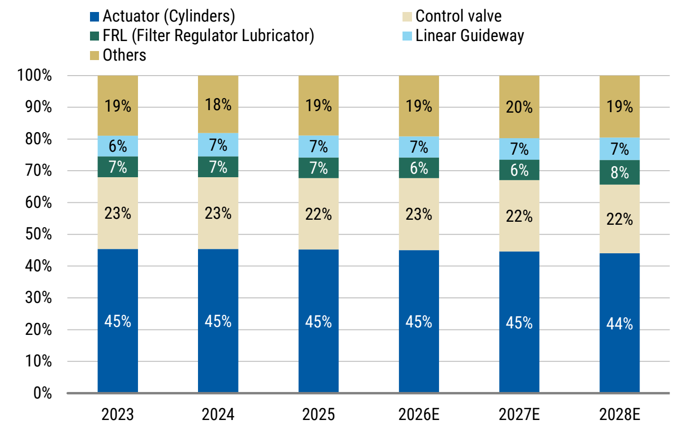
Morgan Stanley

Airtac: Share Gains Driving Continuous Growth

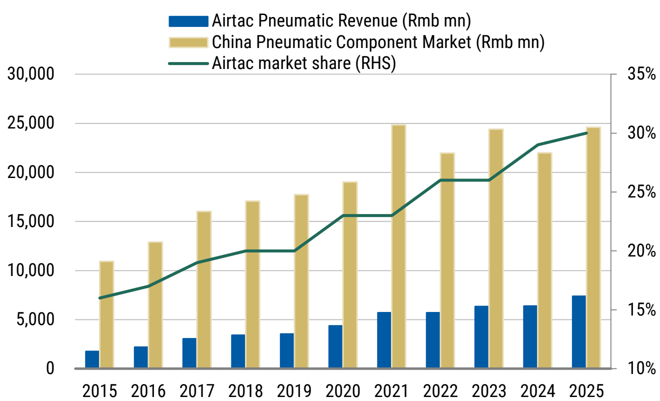
17% Revenue CAGR in 2025-28E



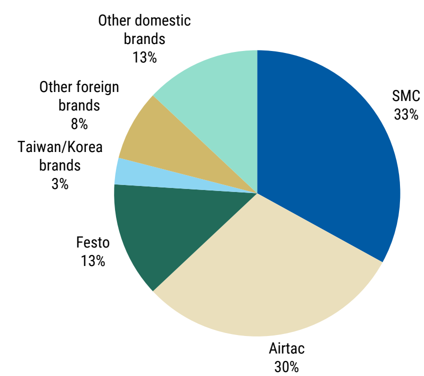
Revenue Breakdown



Market Share Gain in Pneumatic Market



Pneumatic Market Share (2025)

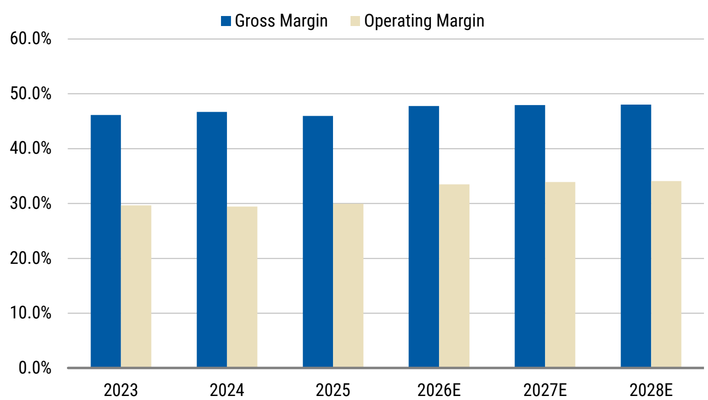


Source: Company data, Morgan Stanley Research.

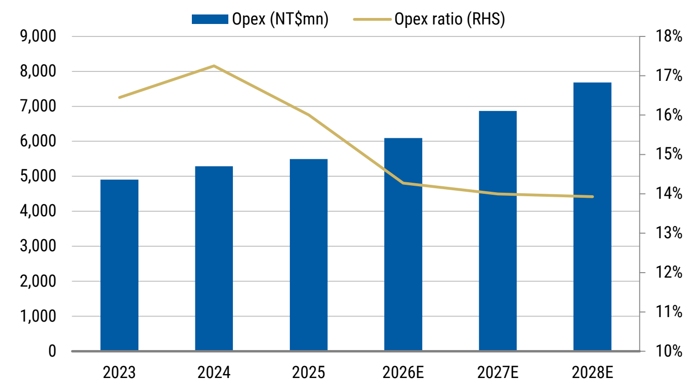
Morgan Stanley

Airtac: Share Gains Driving Continuous Growth

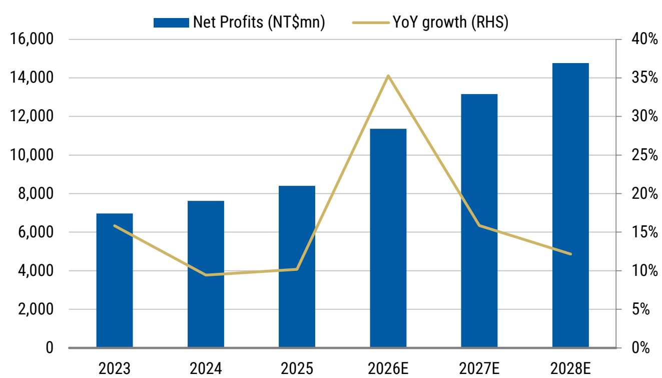
Margin Trend



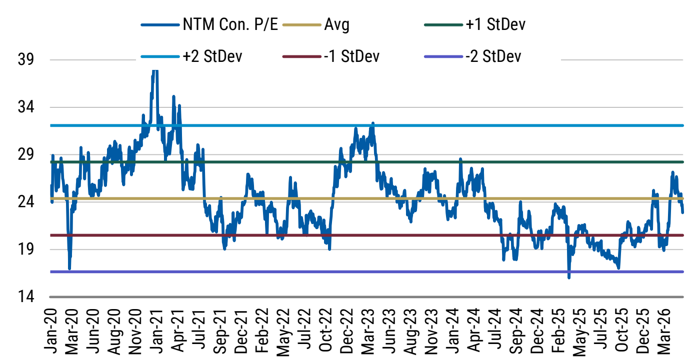
Operating Expense Trend



21% Earnings CAGR in 2025-28E



Airtac NTM P/E

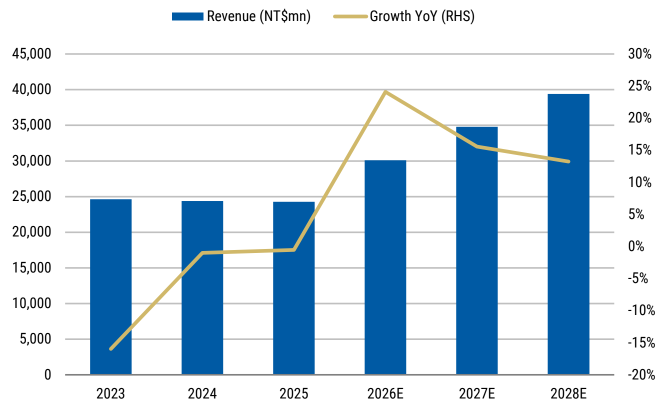


Source: Company data, Morgan Stanley Research.

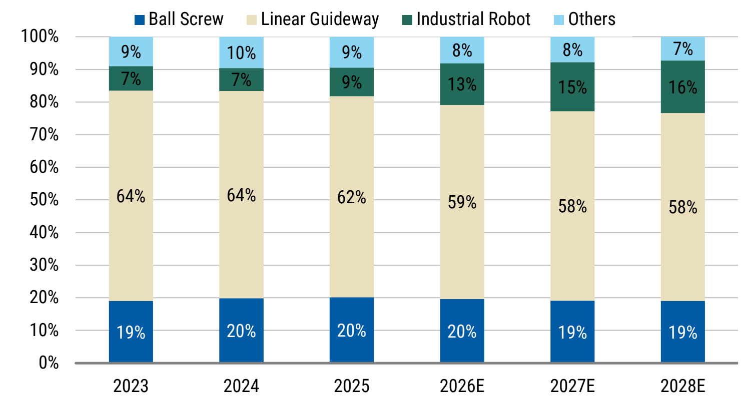
Morgan Stanley

Hiwin: Early Stage of Upcycle; Best is Yet to Come

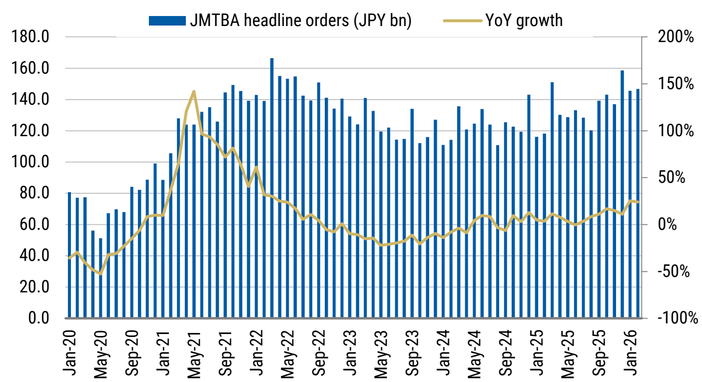
18% Revenue CAGR in 2025-28E



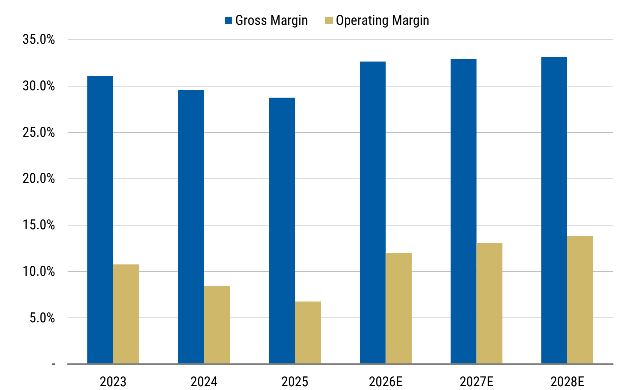
Revenue Breakdown



JMTBA Headline Orders



Margin Trend



Source: Company data, Morgan Stanley Research.

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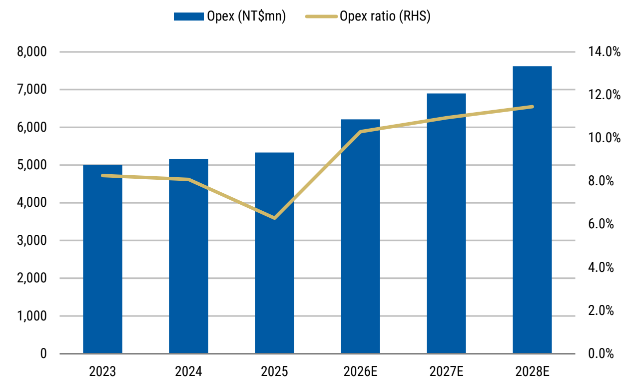
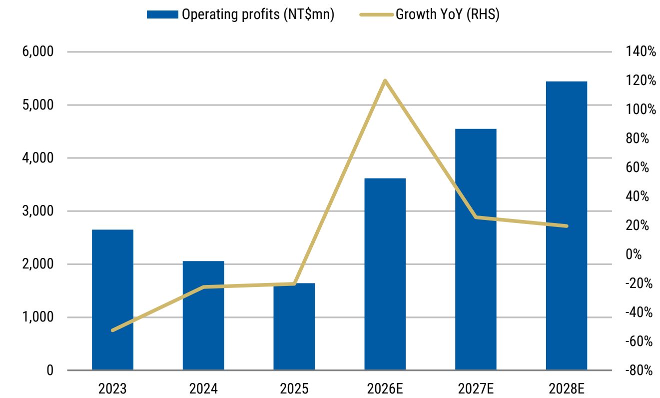
Hiwin: Early Stage of Upcycle; Best is Yet to Come

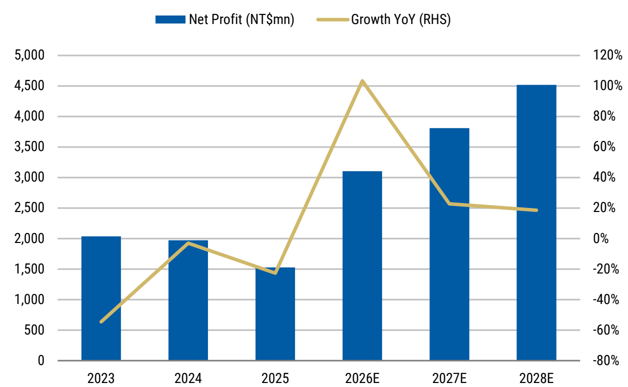
Operating Expense Trend



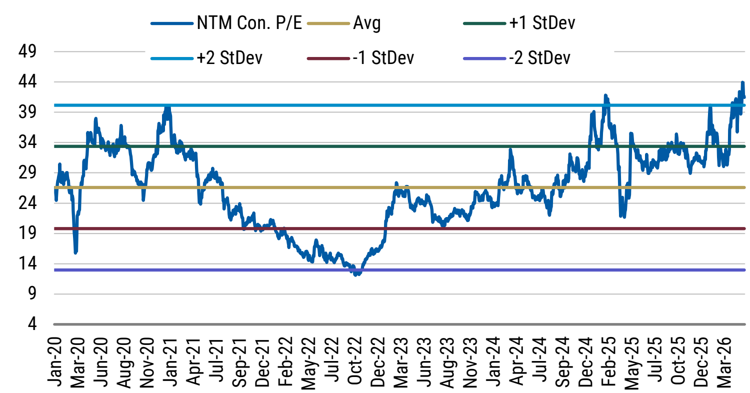
Operating Profit Trend



44% Earnings CAGR in 2025-28E



Hiwin NTM P/E



Source: Company data, Morgan Stanley Research.

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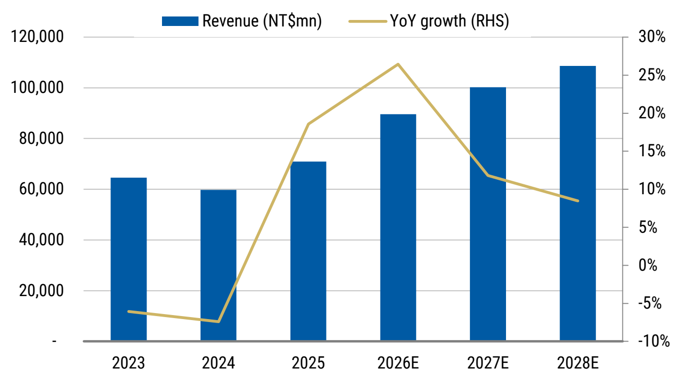
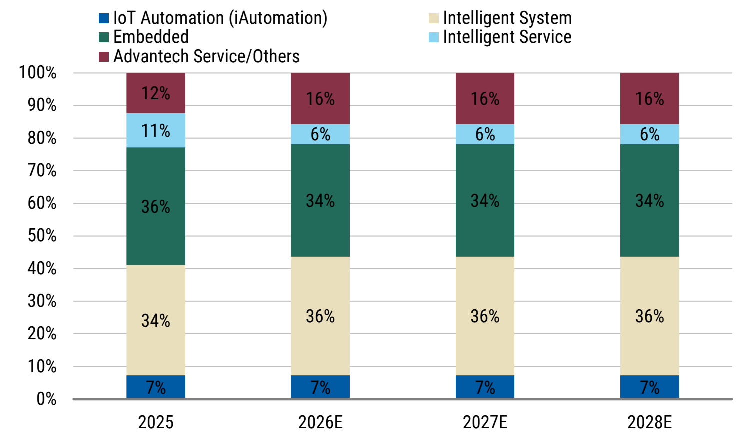
Advantech: Solid Order Outlook with Manageable Cost Pressure

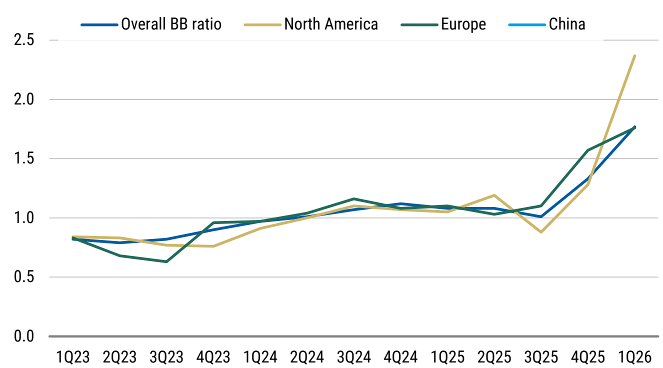
15% Revenue CAGR in 2025-28E



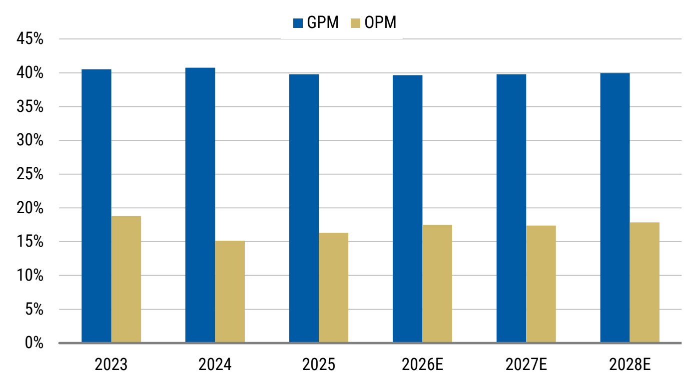
Revenue Breakdown by Segment



Book-to-Bill Ratio Trend



Margin Trend



Source: Company data, Morgan Stanley Research.

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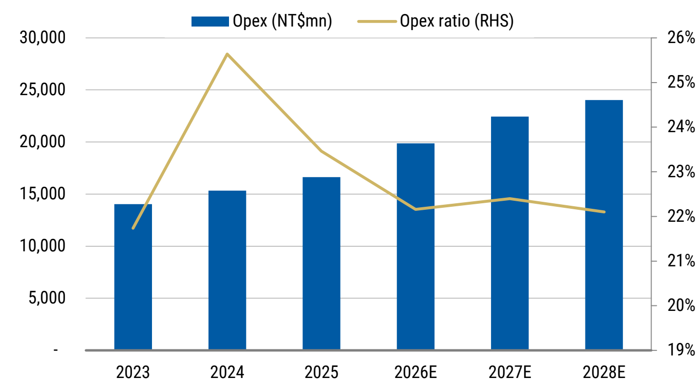
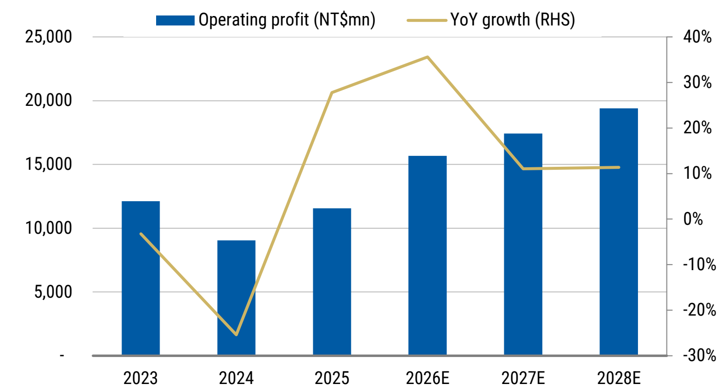
Advantech: Solid Order Outlook with Manageable Cost Pressure

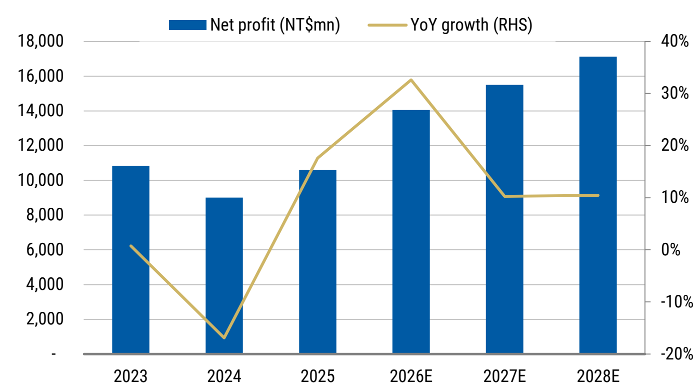
Operating Expense Trend



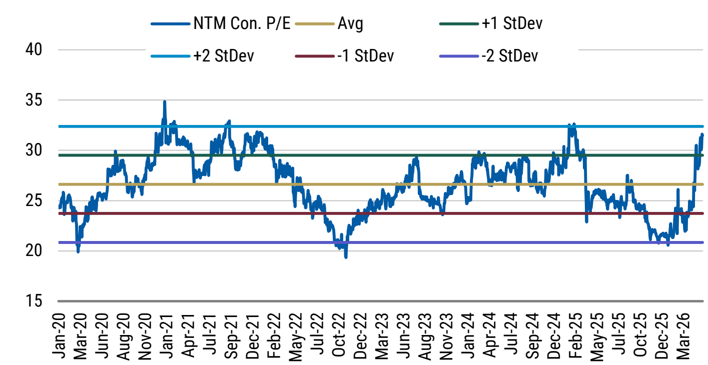
Operating Profit Trend



17% Earnings CAGR in 2025-28E



Advantech NTM P/E



Source: Company data, Morgan Stanley Research.

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(as of May 31, 2026)

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	Coverage Universe		Investment Banking Clients (IBC)			Other Material Investment Services Clients (MISC)	
Stock Rating Category	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
Overweight/Buy	1542	42%	465	51%	30%	707	43%
Equal-weight/Hold	1571	43%	369	40%	23%	723	44%
Not-Rated/Hold	3	0%	0	0%	0%	1	0%
Underweight/Sell	551	15%	86	9%	16%	201	12%
Total	3,667		920			1632	

Data include common stock and ADRs currently assigned ratings. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months. Due to rounding off of decimals, the percentages provided in the "% of total" column may not add up to exactly 100 percent.

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INDUSTRY COVERAGE: Greater China Technology Hardware

COMPANY (TICKER)	RATING (AS OF)	PRICE* (06/04/2026)
Andy Meng, CFA		
AAC Technologies Holdings (2018.HK)	O (01/29/2024)	HK$47.58
Accelink Technologies Co. Ltd. (002281.SZ)	U (05/12/2022)	Rmb220.56
BYD Electronics (0285.HK)	O (04/28/2023)	HK$29.64
China TransInfo Technology Co Ltd (002373.SZ)	E (07/18/2023)	Rmb7.61
Dahua Technology Co. Ltd. (002236.SZ)	E (12/12/2024)	Rmb16.69
Eoptolink Technology Inc Ltd (300502.SZ)	O (02/27/2026)	Rmb775.94
Genius Electronic Optical Co. Ltd. (3406.TW)	E (04/23/2025)	NT$659.00
Gosuncn Technology Group Co Ltd (300098.SZ)	U (11/07/2022)	Rmb5.16
HIKVision Digital Technology (002415.SZ)	E (12/12/2024)	Rmb30.63
Largan Precision (3008.TW)	E (10/17/2025)	NT$3,825.00
LianChuang Electronic Technology Co Ltd (002036.SZ)	U (06/12/2024)	Rmb8.85
OFILM Group Co Ltd (002456.SZ)	U (06/12/2024)	Rmb10.05
Q Technology (Group) Company Ltd (1478.HK)	U (03/23/2026)	HK$9.38
Quectel Wireless Solutions Co Ltd (603236.SS)	E (10/09/2024)	Rmb56.27
Shanghai Conant Optical Co Ltd (2276.HK)	O (04/10/2026)	HK$42.02
Shenzhen Transsion Holdings Co Ltd (688036.SS)	E (03/23/2026)	Rmb59.72
Sunny Optical (2382.HK)	E (03/23/2026)	HK$82.20
Suzhou TFC Optical Communication Co Ltd. (300394.SZ)	E (11/06/2025)	Rmb480.45
Wingtech Technology Co Ltd (600745.SS)	U (05/18/2026)	Rmb20.57
Xiaomi Corp (1810.HK)	O (04/14/2021)	HK$28.38
Yangtze Optical Fibre and Cable JSC Ltd (601869.SS)	U (10/13/2021)	Rmb455.89
Yangtze Optical Fibre and Cable JSC Ltd (6869.HK)	E (04/20/2023)	HK$250.80
Yongxin Optics Co Ltd (603297.SS)	E (11/15/2022)	Rmb123.74
Zhejiang Crystal-Optech Co Ltd (002273.SZ)	O (11/15/2022)	Rmb37.18
Zhongji Innolight Co Ltd (300308.SZ)	++	Rmb1,280.00
ZTE Corporation (0763.HK)	O (06/04/2026)	HK$28.38
ZTE Corporation (000063.SZ)	E (06/04/2026)	Rmb37.74

Derrick Yang		
Accton Technology Corporation (2345.TW)	O (06/06/2024)	NT$2,510.00
Advantech (2395.TW)	O (01/20/2021)	NT$522.00
AirTAC International (1590.TW)	O (04/16/2025)	NT$1,310.00
AU Optronics (2409.TW)	E (02/10/2026)	NT$29.25
Bizlink (3665.TW)	O (03/10/2025)	NT$2,155.00
BOE Technology (000725.SZ)	O (09/06/2019)	Rmb6.15
Chenbro (8210.TW)	O (07/23/2025)	NT$1,420.00
Chroma Ate Inc. (2360.TW)	O (10/05/2021)	NT$2,620.00
E Ink Holdings Inc. (8069.TWO)	O (05/11/2026)	NT$214.50
Ennostar Inc (3714.TW)	U (09/23/2022)	NT$68.50
Hiwin Technologies Corp. (2049.TW)	O (03/30/2026)	NT$358.00
Innolux (3481.TW)	E (04/07/2025)	NT$55.80
King Slide Works Co. Ltd. (2059.TW)	O (11/08/2023)	NT$5,350.00
Lens Technology (300433.SZ)	E (07/22/2020)	Rmb43.64
Radiant Opto-Electronics Corporation (6176.TW)	E (03/01/2024)	NT$101.50
Sanan Optoelectronics (600703.SS)	U (08/21/2023)	Rmb17.06
TCL Corp. (000100.SZ)	E (04/07/2025)	Rmb4.92
Tianma Microelectronics (000050.SZ)	U (01/24/2018)	Rmb8.24
Wuhan Jingce Electronic Group Co Ltd (300567.SZ)	E (11/26/2021)	Rmb203.80
Howard Kao		
Acer Inc. (2353.TW)	U (04/23/2025)	NT$39.10
Asustek Computer Inc. (2357.TW)	U (11/16/2025)	NT$892.00
Compal Electronics (2324.TW)	U (04/23/2025)	NT$42.35
FIT Hon Teng Ltd (6088.HK)	O (11/03/2025)	HK$9.13
Giga-Byte Technology Co. Ltd. (2376.TW)	E (11/16/2025)	NT$374.00
Gold Circuit Electronics Ltd. (2368.TW)	O (10/06/2022)	NT$1,350.00
Inspur Electronic Information (000977.SZ)	E (08/28/2023)	Rmb63.36
Lenovo (0992.HK)	E (11/16/2025)	HK$25.00
Lotes Co. Ltd. (3533.TW)	E (05/12/2025)	NT$2,400.00
Nan Ya PCB (8046.TW)	O (02/23/2026)	NT$878.00
Pegatron Corporation (4938.TW)	E (03/25/2026)	NT$97.00
Quanta Computer Inc. (2382.TW)	O (05/01/2023)	NT$404.00
Shengyi Technology Co Ltd. (600183.SS)	E (05/26/2022)	Rmb143.96
Shennan Circuits Co Ltd (002916.SZ)	E (08/24/2023)	Rmb393.38
Unimicron (3037.TW)	O (02/23/2026)	NT$971.00
Wistron Corporation (3231.TW)	O (07/12/2023)	NT$176.00
Wiwynn Corp (6669.TW)	O (11/10/2025)	NT$5,570.00
Yageo Corp. (2327.TW)	O (10/28/2025)	NT$743.00
Zhen Ding (4958.TW)	O (05/18/2026)	NT$492.50

Sharon Shih

Asia Vital Components Co. Ltd. (3017.TW)	O (07/30/2024)	NT$2,710.00
Auras Technology Co Ltd (3324.TWO)	E (05/04/2023)	NT$1,185.00
Catcher Technology (2474.TW)	U (11/17/2025)	NT$242.00
Delta Electronics Inc. (2308.TW)	O (07/13/2017)	NT$2,425.00
Fositek Corp (6805.TW)	O (06/25/2025)	NT$1,985.00
Foxconn Industrial Internet Co. Ltd. (601138.SS)	O (07/10/2019)	Rmb78.55
Foxconn Technology (2354.TW)	U (04/23/2025)	NT$62.30
GoerTek Inc (002241.SZ)	U (04/23/2025)	Rmb24.94
Hon Hai Precision (2317.TW)	O (03/15/2024)	NT$293.00
LandMark Optoelectronics Corporation (3081.TWO)	E (03/26/2026)	NT$2,580.00
Lingyi Itech Guangdong Co (002600.SZ)	U (04/23/2025)	Rmb14.99
Lite-On Technology (2301.TW)	E (01/15/2025)	NT$248.50
Luxshare Precision Industry Co., Ltd. (002475.SZ)	O (10/24/2016)	Rmb74.59
Sunonwealth Electric Machine Industry Co (2421.TW)	E (02/23/2024)	NT$168.50
Tong Hsing (6271.TW)	E (03/18/2019)	NT$243.50
Visual Photonics Epitaxy Co Ltd (2455.TW)	E (09/11/2023)	NT$402.00

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* Historical prices are not split adjusted.