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Greater China Semiconductors | Asia Pacific

Old memory: Near-term outlook remains positive

What happened? On the evening of Monday Jun 29, GigaDevice published an announcement. It mentioned that the company's niche memory products are seeing price hikes due to supply gap as mainstream vendors focus on mainstream memory products. It warned that the total end market demand for niche memory remains relatively stable, and has been, to some extent, inhibited due to the price hikes, and that with niche memory capacity expansion, there may be substantial price declines in the future.

Our take: Across DDR4, SLC/MLC NAND and NOR flash markets, we see pricing strength into at least the end of 2026 (Old Memory: Better to buy more). We believe GigaDevice warned about a future industry risk faced by the old memory vendors that may still be relatively far ahead, and we do not see the substantial price decline in the near term. We remain OW on the old memory names under our coverage.

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GREATER CHINA TECHNOLOGY SEMICONDUCTORS
Asia Pacific
Industry View **Attractive**

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Valuation Methodology and Risks

GigaDevice Semiconductor Beijing Inc (603986.SS)

Our price target is our base case value, derived from our residual income model. Key assumptions: cost of equity of 8.9% (beta 1.1, risk-free rate 2% and risk premium 6%), a payout ratio of 40%, medium-term growth rate of 16.4%, and a terminal growth rate of 3.0%.

Risks to Upside

- NOR up-cycle driven by stronger demand
- Superior chip design, leading to increasing exposure to low-density NOR
- Faster-than-expected DRAM development

Risks to Downside

- NOR down-cycle driven by weaker demand
- Inferior chip design, leading to increasing exposure to mid-/high-density NOR
- Slower-than-expected DRAM development

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(as of June 30, 2026)
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Stock Rating Category	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
Overweight/Buy	1544	42%	453	49%	29%	757	44%
Equal-weight/Hold	1577	43%	390	42%	25%	769	44%
Not-Rated/Hold	3	0%	1	0%	33%	1	0%
Underweight/Sell	544	15%	89	10%	16%	204	12%
Total	3,668		933			1731	

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.

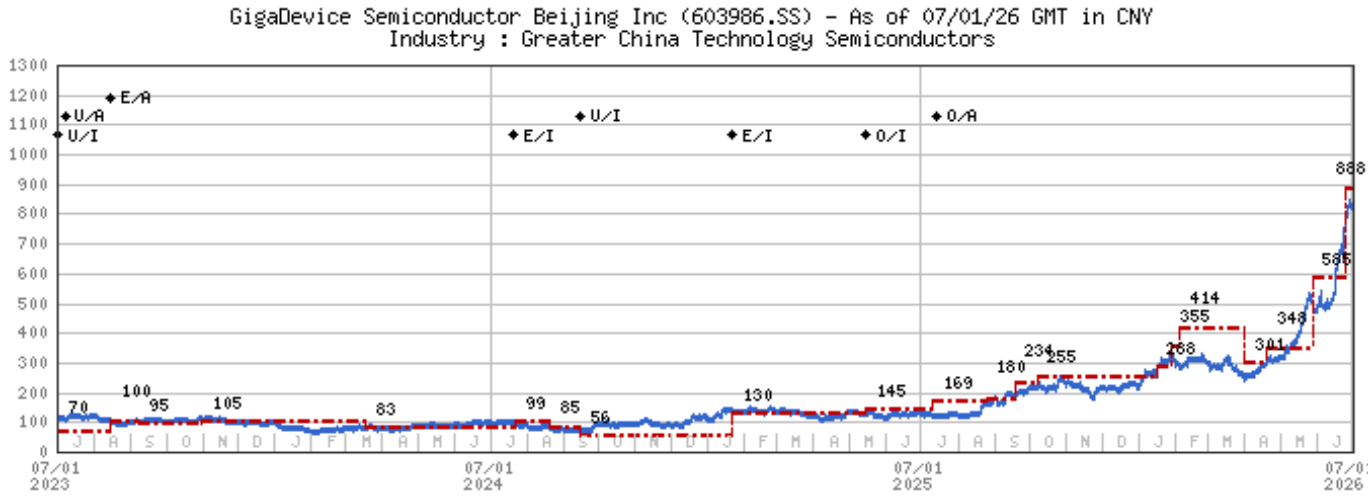
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Stock Rating History: 7/1/21 : O/I; 10/12/21 : O/C; 10/19/21 : E/C; 12/3/21 : O/C; 7/13/22 : E/C; 10/4/22 : E/A; 10/18/22 : U/A; 2/22/23 : U/I; 7/7/23 : U/A; 8/14/23 : E/A; 7/21/24 : E/I; 9/15/24 : U/I; 1/22/25 : E/I; 5/15/25 : O/I; 7/14/25 : O/A

Price Target History: 5/27/21 : 175; 7/19/21 : 222; 8/12/21 : 233; 9/17/21 : 208; 10/19/21 : 150; 12/3/21 : 222; 4/29/22 : 192; 7/5/22 : 168; 7/13/22 : 120; 8/27/22 : 122; 9/28/22 : 105; 10/18/22 : 72; 5/2/23 : 70; 8/14/23 : 100; 9/8/23 : 95; 10/31/23 : 105; 3/18/24 : 83; 7/23/24 : 99; 8/21/24 : 85; 9/15/24 : 56; 1/22/25 : 130; 5/15/25 : 145; 7/11/25 : 169; 8/25/25 : 180; 9/18/25 : 234; 10/7/25 : 255; 1/16/26 : 288; 1/28/26 : 355; 2/5/26 : 414; 3/31/26 : 301; 4/20/26 : 348; 5/28/26 : 585; 6/26/26 : 888

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Stock Price (Not Covered by Current Analyst) Stock Price (Covered by Current Analyst)
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INDUSTRY COVERAGE: Greater China Technology Semiconductors

COMPANY (TICKER)	RATING (AS OF)	PRICE* (06/30/2026)
Charlie Chan		
ACM Research Inc (ACMR.O)	O (03/07/2023)	US$126.89
Advanced Micro-Fabrication Equipment Inc (688012.SS)	O (11/06/2023)	Rmb468.50
Advanced Wireless Semiconductor Co (8086.TWO)	U (07/14/2025)	NT$149.50
Alchip Technologies Ltd (3661.TW)	O (05/14/2021)	NT$4,180.00
ASE Technology Holding Co. Ltd. (3711.TW)	O (09/15/2024)	NT$680.00
Cambricon Technology Corporation (688256.SS)	O (04/27/2026)	Rmb1,595.55
Global Unichip Corp (3443.TW)	O (06/24/2026)	NT$4,845.00
GlobalWafers Co Ltd (6488.TWO)	E (05/19/2026)	NT$1,005.00
Gudeng Precision (3680.TWO)	O (11/25/2025)	NT$508.00
Hua Hong Semiconductor Ltd (1347.HK)	E (03/12/2026)	HK$215.20
Iluvatar CoreX Semiconductor Co., Ltd. (9903.HK)	O (04/27/2026)	HK$764.00
King Yuan Electronics Co Ltd (2449.TW)	O (03/03/2023)	NT$337.50
Maxscend Microelectronics Co Ltd (300782.SZ)	U (01/11/2021)	Rmb109.58
MediaTek (2454.TW)	O (11/28/2025)	NT$4,245.00
MetaX Integrated Circuits (688802.SS)	E (04/27/2026)	Rmb828.30
Nanya Technology Corp. (2408.TW)	O (05/28/2026)	NT$452.50
NAURA Technology Group Co Ltd (002371.SZ)	O (11/06/2023)	Rmb884.56
OmniVision Integrated Circuits Group Inc (603501.SS)	E (11/17/2025)	Rmb94.85
Phison Electronics Corp (8299.TWO)	E (02/25/2026)	NT$2,385.00
SG Micro Corp. (300661.SZ)	E (11/03/2025)	Rmb143.48
Silergy Corp. (6415.TW)	U (05/19/2026)	NT$598.00
SMIC (0981.HK)	O (10/21/2025)	HK$89.40
TSMC (2330.TW)	O (02/07/2022)	NT$2,410.00
UMC (2303.TW)	O (05/19/2026)	NT$164.50
Vanguard International Semiconductor (5347.TWO)	E (01/14/2026)	NT$216.00
WIN Semiconductors Corp (3105.TWO)	U (07/14/2025)	NT$426.00

Daisy Dai, CFA		
ASMPT Ltd (0522.HK)	O (07/24/2025)	HK$238.80
China Resources Microelectronics Limited (688396.SS)	U (03/02/2026)	Rmb97.55
Elan Microelectronics Corp (2458.TW)	O (10/03/2025)	NT$189.00
Empyrean Technology Co Ltd (301269.SZ)	E (01/17/2025)	Rmb119.42
Hangzhou Silan Microelectronics Co. Ltd. (600460.SS)	U (08/25/2025)	Rmb54.66
Innoscience (2577.HK)	E (10/13/2025)	HK$64.70
JCET Group Co Ltd (600584.SS)	E (01/16/2026)	Rmb103.55
Shanghai Fudan Microelectronics (1385.HK)	O (03/07/2025)	HK$31.06
SICC Co Ltd (688234.SS)	O (03/20/2026)	Rmb173.51
StarPower Semiconductor Ltd (603290.SS)	E (05/14/2026)	Rmb152.94
Unigroup Guoxin Microelectronics Co Ltd (002049.SZ)	U (01/10/2023)	Rmb88.75
Universal Scientific Ind. (Shanghai) (601231.SS)	O (11/05/2025)	Rmb32.40
Yangjie Technology (300373.SZ)	O (06/10/2022)	Rmb157.23
Daniel Yen, CFA		
AP Memory Technology Corp (6531.TW)	O (07/11/2025)	NT$998.00
ASMedia Technology Inc (5269.TW)	U (10/03/2025)	NT$1,470.00
Aspeed Technology (5274.TWO)	O (06/09/2025)	NT$16,495.00
Egis Technology Inc (6462.TWO)	E (01/28/2026)	NT$117.50
Espressif Systems (688018.SS)	O (05/15/2023)	Rmb127.92
GigaDevice Semiconductor Beijing Inc (603986.SS)	O (05/15/2025)	Rmb815.00
Macronix International Co Ltd (2337.TW)	O (09/18/2025)	NT$155.50
Montage Technology Co Ltd (6809.HK)	O (03/18/2026)	HK$464.60
Montage Technology Co Ltd (688008.SS)	O (03/18/2026)	Rmb309.90
Novatek (3034.TW)	U (02/04/2026)	NT$535.00
Nuvoton Technology Corporation (4919.TW)	U (11/10/2025)	NT$173.50
Parade Technologies Ltd (4966.TWO)	O (05/27/2026)	NT$629.00
Powerchip Semiconductor Manufacturing Co (6770.TW)	O (10/27/2025)	NT$79.70
Realtek Semiconductor (2379.TW)	E (01/30/2026)	NT$806.00
Shenzhen Goodix Technology Co Ltd (603160.SS)	U (07/14/2025)	Rmb61.71
Winbond Electronics Corp (2344.TW)	O (05/28/2026)	NT$207.50
WPG Holdings (3702.TW)	O (03/16/2026)	NT$107.00
WT Microelectronics Co. Ltd. (3036.TW)	O (01/27/2026)	NT$214.00
Duan Liu		
Dosilicon Co Ltd (688110.SS)	U (09/06/2024)	Rmb203.70
Shenzhen Longsys Electronics Co Ltd (301308.SZ)	E (02/25/2026)	Rmb703.80
Tiffany Yeh		
AllRing Tech Co. (6187.TWO)	O (09/23/2025)	NT$998.00
FOCI Fiber Optic Communications Inc (3363.TWO)	O (01/15/2025)	NT$578.00
Himax Technologies Inc (HIMX.O)	E (02/04/2026)	US$15.34
Hon Precision (7769.TW)	O (04/17/2026)	NT$6,470.00
MPI Corporation (6223.TWO)	O (04/17/2026)	NT$6,090.00
Silicon Motion (SIMO.O)	O (05/06/2024)	US$333.33
WinWay Technology Co Ltd (6515.TW)	O (04/17/2026)	NT$8,085.00

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* Historical prices are not split adjusted.

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