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UPDATE

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Greater China Technology Semiconductors | Asia Pacific

Greater China Cloud Semis: Read-across from INTC earnings call

Intel's commentary suggests a positive outlook for cloud semi names in Greater China, driven by strong customer demand for x86 server CPU. We are OW on Aspeed and Montage.

Key takeaways from Intel's 2Q26 earnings call:

- Data Center and AI (DCAI) continues to see demand acceleration across cloud and enterprise, as customers increasingly recognize the critical role of x86 CPUs in AI infra. The outlook was strengthened by additional strategic customer wins and long-term agreements in 2Q. The challenge now is to grow supply to meet customer demand. Intel's custom ASIC (Application-Specific Integrated Circuit) business currently has a US$2bn run rate and Intel management said it expects a US$4bn run rate in the near future.
- Customers continue to signal a strong and sustainable spending environment, driven by AI compute demand. Industry-wide supply constraints across wafers, memory, and substrate remain the dominant challenge. The outlook for server CPU demand has improved, and Intel management now forecasts strong double-digit growth for the server CPU industry globally this year and next, with momentum extending into 2028.

Our thoughts: We believe Intel's commentary is positive for the Greater China cloud semi names that we cover, including Aspeed and Montage, especially given Intel's positive feedback on strong customer demand. For more details, see our recent cloud semis update.

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GREATER CHINA TECHNOLOGY SEMICONDUCTORS

Asia Pacific

Industry View	**Attractive**

Valuation Methodology and Risks

Aspeed Technology (5274.TWO)

Base case, residual income model. Key assumptions:

- Cost of equity of 9.8% (2.0% risk-free rate, 6% risk premium, 1.3 beta)
- Medium-term growth rate of 21.4%
- Terminal growth rate of 5.5%
- Cash payout ratio of 85%

Risks to Upside

- Stronger cloud demand
- Faster-than-expected spec migration
- Mild competition

Risks to Downside

- Softening cloud demand
- Slower-than-expected spec migration
- Intensified competition
- Further policy tightening in China

Montage Technology Co Ltd (6809.HK)

Base case, residual income model. Key assumptions:

- 8.4% CoE (1.2 beta, 3.0% risk-free rate, and 4.5% risk premium)
- 30% payout ratio
- 19.3% medium-term growth rate
- 4% terminal growth rate

These assumptions reflect cloud capex growth, DRAM interface technology migration, and Montage's strong position in China's datacenter semi localization. We then apply an exchange rate of 1.15 HKD:1 RMB, assuming no H-share discount vs the A-share.

Risks to Upside

- Faster-than-expected phase-out of US peers
- Faster-than-expected spec migration

Risks to Downside

- Weaker-than-expected cloud demand
- Slower-than-expected DRAM interface technology migration
- Delay in new product launches

Montage Technology Co Ltd (688008.SS)

Base case, residual income model. Key assumptions:

- 8.4% CoE (1.2 beta, 3.0% risk-free rate, and 4.5% risk premium)
- 30% payout ratio

- 19.3% medium-term growth rate
- 4% terminal growth rate

We believe these assumptions are justified, given the cloud capex growth, DRAM interface technology migration, and Montage's strong position in China's datacenter semi localization.

Risks to Upside

- Faster-than-expected phase-out of US peers
- Faster-than-expected spec migration

Risks to Downside

- Weaker-than-expected cloud demand
- Slower-than-expected DRAM interface technology migration
- Delay in new product launches

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(as of June 30, 2026)

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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	

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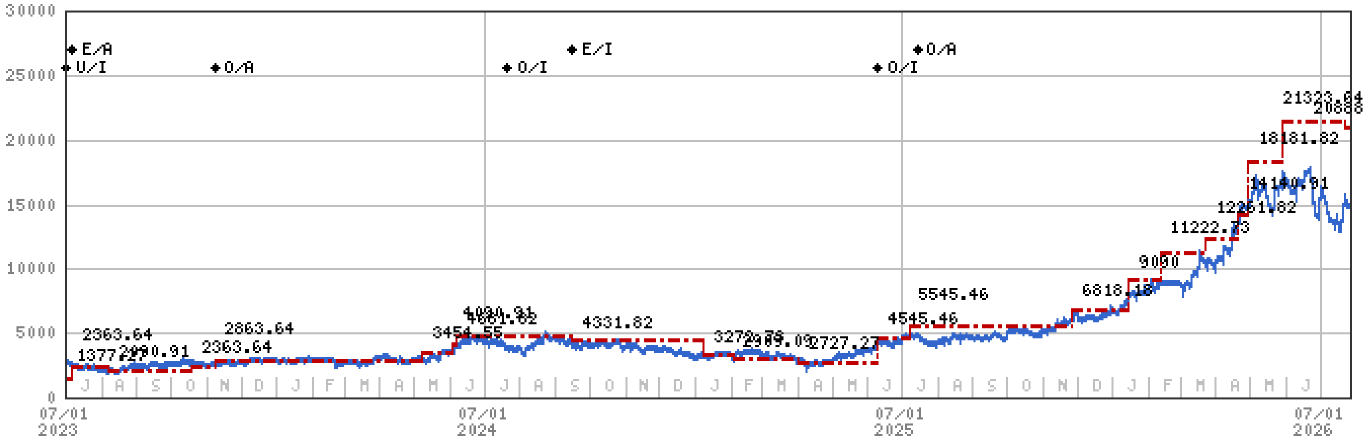
Stock Price, Price Target and Rating History (See Rating Definitions)

Aspeed Technology (5274.TWO) - As of 07/27/26 GMT in TWD
Industry : Greater China Technology Semiconductors



Stock Rating History: 7/1/21 : O/I; 10/12/21 : O/C; 5/20/22 : E/C; 10/4/22 : E/A; 1/11/23 : U/A; 2/22/23 : U/I; 7/7/23 : E/A; 11/8/23 : O/A; 7/21/24 : O/I; 9/15/24 : E/I; 6/9/25 : O/I; 7/14/25 : O/A

Price Target History: 6/3/21 : 2111.57; 11/16/21 : 2809.92; 4/8/22 : 3305.79; 5/20/22 : 1983.47; 7/13/22 : 1983.64; 7/19/22 : 1545.45; 10/12/22 : 1450; 1/11/23 : 1377.27; 7/7/23 : 2363.64; 8/8/23 : 2090.91; 10/19/23 : 2363.64; 11/8/23 : 2863.64; 5/7/24 : 3454.55; 6/3/24 : 4090.91; 6/7/24 : 4681.82; 9/15/24 : 4331.82; 1/8/25 : 3272.73; 2/3/25 : 2909.09; 4/1/25 : 2727.27; 6/9/25 : 4545.46; 7/7/25 : 5545.46; 11/26/25 : 6818.18; 1/15/26 : 9090; 2/11/26 : 11222.73; 3/23/26 : 12261.82; 4/20/26 : 14140.91; 4/29/26 : 18181.82; 5/28/26 : 21323.64; 7/23/26 : 20888

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target -- No Price Target Assigned (NA)
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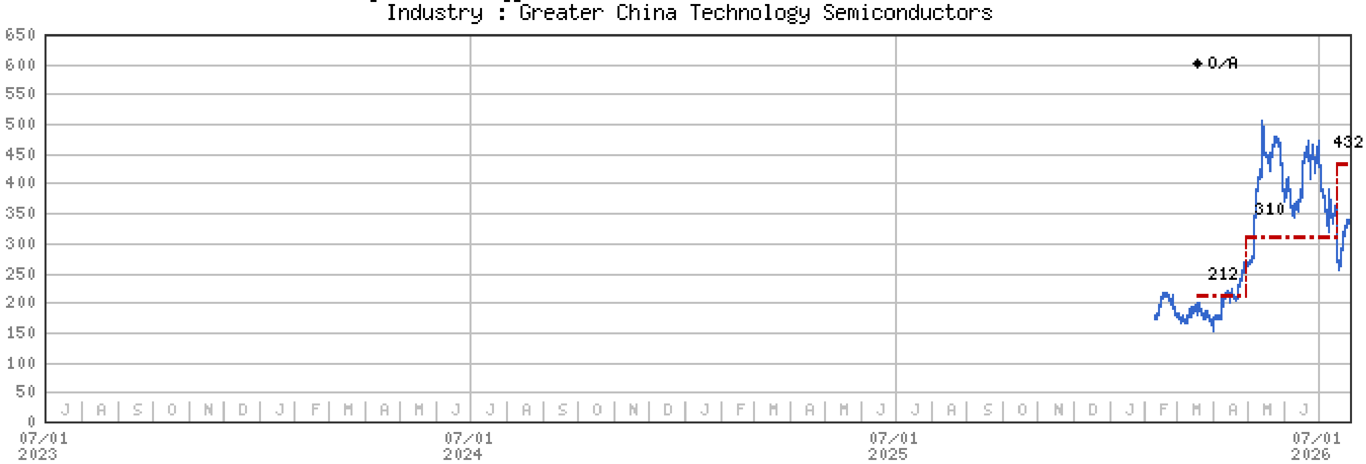
Montage Technology Co Ltd (6809.HK) - As of 07/27/26 GMT in HKD
Industry : Greater China Technology Semiconductors



Stock Rating History: 3/18/26 : O/A

Price Target History: 3/18/26 : 212; 4/28/26 : 310; 7/16/26 : 432

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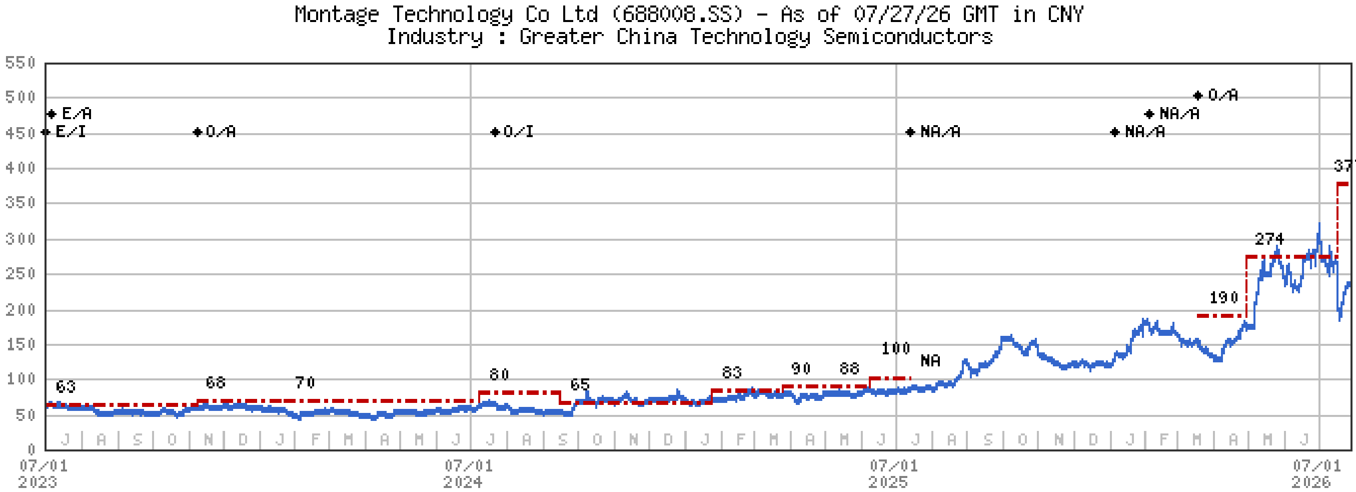

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Price Target History: 5/5/21 : 55; 10/29/21 : 62; 11/16/21 : 80; 4/8/22 : 60; 5/20/22 : 52; 7/19/22 : 44; 10/12/22 : 38; 12/13/22 : 85; 1/11/23 : 78; 5/4/23 : 63; 11/8/23 : 68; 1/23/24 : 70; 7/8/24 : 80; 9/15/24 : 65; 1/24/25 : 83; 3/25/25 : 90; 5/6/25 : 88; 6/9/25 : 100; 7/14/25 : NA; 3/18/26 : 190; 4/28/26 : 274; 7/16/26 : 377

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INDUSTRY COVERAGE: Greater China Technology Semiconductors

COMPANY (TICKER)	RATING (AS OF)	PRICE* (07/24/2026)
Charlie Chan		
ACM Research Inc (ACMR.O)	O (03/07/2023)	US$84.32
Advanced Micro-Fabrication Equipment Inc (688012.SS)	O (11/06/2023)	Rmb388.50
Advanced Wireless Semiconductor Co (8086.TWO)	U (07/14/2025)	NT$118.50
Alchip Technologies Ltd (3661.TW)	O (05/14/2021)	NT$3,460.00
ASE Technology Holding Co. Ltd. (3711.TW)	O (09/15/2024)	NT$608.00
Cambricon Technology Corporation (688256.SS)	O (04/27/2026)	Rmb1,225.00
Global Unichip Corp (3443.TW)	O (06/24/2026)	NT$4,050.00
GlobalWafers Co Ltd (6488.TWO)	E (05/19/2026)	NT$1,030.00
Gudeng Precision (3680.TWO)	O (11/25/2025)	NT$460.00
Hua Hong Semiconductor Ltd (1347.HK)	E (03/12/2026)	HK$149.80
Iluvatar CoreX Semiconductor Co., Ltd. (9903.HK)	O (04/27/2026)	HK$563.00
King Yuan Electronics Co Ltd (2449.TW)	O (03/03/2023)	NT$276.00
Maxscend Microelectronics Co Ltd (300782.SZ)	U (01/11/2021)	Rmb71.00
MediaTek (2454.TW)	O (11/28/2025)	NT$3,680.00
MetaX Integrated Circuits (688802.SS)	E (04/27/2026)	Rmb821.61
Nanya Technology Corp. (2408.TW)	O (05/28/2026)	NT$436.00
NAURA Technology Group Co Ltd (002371.SZ)	O (11/06/2023)	Rmb757.00
OmniVision Integrated Circuits Group Inc (603501.SS)	E (11/17/2025)	Rmb96.90
Phison Electronics Corp (8299.TWO)	E (02/25/2026)	NT$1,825.00
SG Micro Corp. (300661.SZ)	E (11/03/2025)	Rmb100.41
Silergy Corp. (6415.TW)	U (05/19/2026)	NT$449.00
SMIC (0981.HK)	O (10/21/2025)	HK$71.35
TSMC (2330.TW)	O (02/07/2022)	NT$2,350.00
UMC (2303.TW)	O (05/19/2026)	NT$126.00
Vanguard International Semiconductor (5347.TWO)	E (01/14/2026)	NT$157.00
WIN Semiconductors Corp (3105.TWO)	U (07/14/2025)	NT$341.50

Daisy Dai, CFA		
ASMPT Ltd (0522.HK)	O (07/24/2025)	HK$163.40
China Resources Microelectronics Limited (688396.SS)	U (03/02/2026)	Rmb60.40
Empyrean Technology Co Ltd (301269.SZ)	E (01/17/2025)	Rmb91.45
Hangzhou Silan Microelectronics Co. Ltd. (600460.SS)	U (08/25/2025)	Rmb31.57
Hygon Information Technology Co., Ltd. (688041.SS)	O (07/03/2026)	Rmb314.28
Innoscience (2577.HK)	E (10/13/2025)	HK$44.00
JCET Group Co Ltd (600584.SS)	E (01/16/2026)	Rmb82.90
Shanghai Fudan Microelectronics (1385.HK)	O (03/07/2025)	HK$25.22
SICC Co Ltd (688234.SS)	O (03/20/2026)	Rmb95.81
StarPower Semiconductor Ltd (603290.SS)	E (05/14/2026)	Rmb83.78
Unigroup Guoxin Microelectronics Co Ltd (002049.SZ)	U (01/10/2023)	Rmb64.50
Universal Scientific Ind. (Shanghai) (601231.SS)	O (11/05/2025)	Rmb23.94
Yangjie Technology (300373.SZ)	O (06/10/2022)	Rmb90.60
Daniel Yen, CFA		
AP Memory Technology Corp (6531.TW)	O (07/11/2025)	NT$773.00
ASMedia Technology Inc (5269.TW)	U (10/03/2025)	NT$1,385.00
Aspeed Technology (5274.TWO)	O (06/09/2025)	NT$14,730.00
Egis Technology Inc (6462.TWO)	E (01/28/2026)	NT$102.00
Elan Microelectronics Corp (2458.TW)	O (10/03/2025)	NT$166.00
Espressif Systems (688018.SS)	O (05/15/2023)	Rmb105.16
GigaDevice Semiconductor Beijing Inc (603986.SS)	O (05/15/2025)	Rmb457.00
Macronix International Co Ltd (2337.TW)	O (09/18/2025)	NT$125.50
Montage Technology Co Ltd (6809.HK)	O (03/18/2026)	HK$332.60
Montage Technology Co Ltd (688008.SS)	O (03/18/2026)	Rmb233.66
Novatek (3034.TW)	U (02/04/2026)	NT$518.00
Nuvoton Technology Corporation (4919.TW)	U (11/10/2025)	NT$132.50
Parade Technologies Ltd (4966.TWO)	O (05/27/2026)	NT$611.00
Powerchip Semiconductor Manufacturing Co (6770.TW)	O (10/27/2025)	NT$61.90
Realtek Semiconductor (2379.TW)	E (01/30/2026)	NT$762.00
Shenzhen Goodix Technology Co Ltd (603160.SS)	U (07/14/2025)	Rmb49.20
Winbond Electronics Corp (2344.TW)	O (05/28/2026)	NT$160.00
WPG Holdings (3702.TW)	O (03/16/2026)	NT$116.00
WT Microelectronics Co. Ltd. (3036.TW)	O (01/27/2026)	NT$203.50
Duan Liu		
Dosilicon Co Ltd (688110.SS)	U (09/06/2024)	Rmb110.15
Shenzhen Longsys Electronics Co Ltd (301308.SZ)	E (02/25/2026)	Rmb370.01
Tiffany Yeh		
AllRing Tech Co. (6187.TWO)	O (09/23/2025)	NT$942.00
FOCI Fiber Optic Communications Inc (3363.TWO)	O (01/15/2025)	NT$582.00
Himax Technologies Inc (HIMX.O)	E (02/04/2026)	US$12.62
Hon Precision (7769.TW)	O (04/17/2026)	NT$6,110.00
MPI Corporation (6223.TWO)	O (04/17/2026)	NT$5,705.00
Silicon Motion (SIMO.O)	O (05/06/2024)	US$270.90
WinWay Technology Co Ltd (6515.TW)	O (04/17/2026)	NT$6,395.00

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* Historical prices are not split adjusted.