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UPDATE

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Greater China Technology Hardware | Asia Pacific

Further NPO Technology Innovation in China

MORGAN STANLEY ASIA LIMITED+

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GREATER CHINA TECHNOLOGY HARDWARE
Asia Pacific
Industry View **In-Line**

Key Takeaways

- Alibaba Cloud's innovation of UPO and SNPO could further accelerate China's NPO technology development.

During the 2026 Apsara Conference (Sep 22–24 in Hangzhou), Alibaba Cloud launched a new optical interconnect solution for its AI SuperPoD, featuring UPO (Ultra Performance Optics) and SNPO (Scale-up Near-Packaged Optics) architecture.

UPO: An open, decoupled roadmap shifting from discrete modules to high-density optics across Near-Packaged Optics (NPO) and Interposer-based Optics (IPO) paradigms.

SNPO: An open ODCC standard tailored for Scale-Up interconnects in dense GPU clusters to overcome copper reach and power limits. Features a compact NPX socket design compatible with copper and optics, supporting single-mode SiPh and multi-mode VCSEL.

We believe Alibaba Cloud's latest technology innovation supports our view that China is likely to establish a competitive edge in the NPO product. We also observed Huawei's NPO innovation (Huawei unveiled new NPO solution (17 Sep 2026)) and other Chinese companies' initiatives in NPO during CIOE: Key Takeaways from 2026 CIOE (13 Sep 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	1555	42%	450	48%	29%	767	44%
Equal-weight/Hold	1577	43%	395	42%	25%	770	44%
Not-Rated/Hold	3	0%	1	0%	33%	1	0%
Underweight/Sell	559	15%	93	10%	17%	216	12%
Total	3,694		939			1754	

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COMPANY (TICKER)	RATING (AS OF)	PRICE* (09/25/2026)
Andy Meng, CFA		
AAC Technologies Holdings (2018.HK)	O (01/29/2024)	HK$39.54
Accelink Technologies Co. Ltd. (002281.SZ)	U (05/12/2022)	Rmb181.99
BYD Electronics (0285.HK)	O (04/28/2023)	HK$22.66

China TransInfo Technology Co Ltd (002373.SZ)	E (07/18/2023)	Rmb7.29
Dahua Technology Co. Ltd. (002236.SZ)	E (12/12/2024)	Rmb15.54
Eoptolink Technology Inc Ltd (300502.SZ)	O (02/27/2026)	Rmb435.00
Genius Electronic Optical Co. Ltd. (3406.TW)	U (09/10/2026)	NT$901.00
GoerTek Inc (002241.SZ)	E (08/14/2026)	Rmb23.94
Gosuncn Technology Group Co Ltd (300098.SZ)	U (11/07/2022)	Rmb4.24
HIKVision Digital Technology (002415.SZ)	E (12/12/2024)	Rmb32.63
Largan Precision (3008.TW)	E (09/10/2026)	NT$6,245.00
LianChuang Electronic Technology Co Ltd (002036.SZ)	U (06/12/2024)	Rmb6.16
Lingyi Itech Guangdong Co (002600.SZ)	U (04/23/2025)	Rmb12.23
Lingyi Itech Guangdong Co (1688.HK)	O (08/14/2026)	HK$5.60
Luxshare Precision Industry Co., Ltd. (2475.HK)	O (08/14/2026)	HK$56.05
Luxshare Precision Industry Co., Ltd. (002475.SZ)	O (10/24/2016)	Rmb52.00
OFILM Group Co Ltd (002456.SZ)	U (06/12/2024)	Rmb6.69
Q Technology (Group) Company Ltd (1478.HK)	U (03/23/2026)	HK$5.12
Quectel Wireless Solutions Co Ltd (603236.SS)	E (10/09/2024)	Rmb72.68
Shanghai Conant Optical Co Ltd (2276.HK)	O (04/10/2026)	HK$38.40
Shenzhen Transsion Holdings Co Ltd (688036.SS)	E (03/23/2026)	Rmb54.92
Sunny Optical (2382.HK)	E (03/23/2026)	HK$64.90
Suzhou TFC Optical Communication Co Ltd. (300394.SZ)	E (11/06/2025)	Rmb267.93
Wingtech Technology Co Ltd (600745.SS)	U (05/18/2026)	Rmb17.04
Xiaomi Corp (1810.HK)	O (04/14/2021)	HK$25.90
Yangtze Optical Fibre and Cable JSC Ltd (601869.SS)	U (10/13/2021)	Rmb438.00
Yangtze Optical Fibre and Cable JSC Ltd (6869.HK)	O (07/15/2026)	HK$186.50
Yongxin Optics Co Ltd (603297.SS)	E (11/15/2022)	Rmb113.32
Zhejiang Crystal-Optech Co Ltd (002273.SZ)	O (11/15/2022)	Rmb25.17
Zhongji Innolight Co Ltd (300308.SZ)	O (09/07/2026)	Rmb895.86
Zhongji Innolight Co Ltd (3308.HK)	O (09/07/2026)	HK$1,171.00
ZTE Corporation (0763.HK)	O (06/04/2026)	HK$22.44
ZTE Corporation (000063.SZ)	E (06/04/2026)	Rmb31.92
Derrick Yang		
Accton Technology Corporation (2345.TW)	O (06/06/2024)	NT$1,895.00
Advantech (2395.TW)	O (01/20/2021)	NT$722.00
AirTAC International (1590.TW)	O (04/16/2025)	NT$1,210.00
Asia Vital Components Co. Ltd. (3017.TW)	O (07/30/2024)	NT$3,555.00
AU Optronics (2409.TW)	E (02/10/2026)	NT$34.20
Auras Technology Co Ltd (3324.TWO)	E (05/04/2023)	NT$1,710.00
Bizlink (3665.TW)	O (03/10/2025)	NT$2,340.00
BOE Technology (000725.SZ)	O (09/06/2019)	Rmb5.85
Chenbro (8210.TW)	O (07/23/2025)	NT$897.00
Chroma Ate Inc. (2360.TW)	O (10/05/2021)	NT$2,295.00
Delta Electronics Inc. (2308.TW)	O (07/13/2017)	NT$1,910.00
E Ink Holdings Inc. (8069.TWO)	E (08/10/2026)	NT$146.00
Ennostar Inc (3714.TW)	U (09/23/2022)	NT$67.60
Fositek Corp (6805.TW)	O (06/25/2025)	NT$2,530.00
Hiwin Technologies Corp. (2049.TW)	O (03/30/2026)	NT$325.50
Innolux (3481.TW)	E (04/07/2025)	NT$49.55
King Slide Works Co. Ltd. (2059.TW)	O (11/08/2023)	
Lens Technology (300433.SZ)	E (07/22/2020)	
Lite-On Technology (2301.TW)	E (01/15/2025)	
TCL Corp. (000100.SZ)	E (04/07/2025)	
Tianma Microelectronics (000050.SZ)	U (01/24/2018)	
Wuhan Jingce Electronic Group Co Ltd (300567.SZ)	E (11/26/2021)	
Howard Kao		
Acer Inc. (2353.TW)	U (04/23/2025)	



Asustek Computer Inc. (2357.TW)	U (11/16/2025)	NT$953.00
Catcher Technology (2474.TW)	U (11/17/2025)	NT$206.50
Compal Electronics (2324.TW)	U (04/23/2025)	NT$36.50
Elite Material Co. (2383.TW)	O (09/14/2026)	NT$5,050.00
FIT Hon Teng Ltd (6088.HK)	O (11/03/2025)	HK$5.18
Foxconn Industrial Internet Co. Ltd. (601138.SS)	O (07/10/2019)	Rmb61.00
Giga-Byte Technology Co. Ltd. (2376.TW)	E (11/16/2025)	NT$361.50
Gold Circuit Electronics Ltd. (2368.TW)	O (10/06/2022)	NT$1,105.00
Hon Hai Precision (2317.TW)	O (03/15/2024)	NT$250.50
Inspur Electronic Information (000977.SZ)	E (08/28/2023)	Rmb69.90
Kingboard Laminates Holdings Ltd. (1888.HK)	O (09/14/2026)	HK$52.25
LandMark Optoelectronics Corporation (3081.TWO)	E (03/26/2026)	NT$2,700.00
Lenovo (0992.HK)	O (07/10/2026)	HK$37.16
Lotes Co. Ltd. (3533.TW)	E (05/12/2025)	NT$1,690.00
Nan Ya PCB (8046.TW)	O (02/23/2026)	NT$1,240.00
Pegatron Corporation (4938.TW)	E (03/25/2026)	NT$91.30
Quanta Computer Inc. (2382.TW)	O (05/01/2023)	NT$338.50
Shengyi Technology Co Ltd. (600183.SS)	E (05/26/2022)	Rmb137.33
Shennan Circuits Co Ltd (002916.SZ)	E (08/24/2023)	Rmb394.50
Unimicron (3037.TW)	O (02/23/2026)	NT$1,185.00
Visual Photonics Epitaxy Co Ltd (2455.TW)	E (09/11/2023)	NT$554.00
Wistron Corporation (3231.TW)	O (07/12/2023)	NT$184.50
Wiwynn Corp (6669.TW)	O (11/10/2025)	NT$2,115.00
Yageo Corp. (2327.TW)	O (10/28/2025)	NT$580.00
Zhen Ding (4958.TW)	++	NT$475.50
Irene Yen		
Co-Tech Development Corp. (8358.TWO)	O (09/14/2026)	NT$511.00
Taiwan Union Technology Corporation (6274.TWO)	O (09/14/2026)	NT$1,495.00

Stock Ratings are subject to change. Please see latest research for each company.
* Historical prices are not split adjusted.

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