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UPDATE

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## Greater China Technology Hardware | Asia Pacific

# Key US CPU vendor's 3Q26 earnings call – key implications for our coverage

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

## Key Takeaways

- We view negative PC comments as more bearish for OEMs and ODMs positioned in the lower end consumer segment, like Acer and Compal.
- Strong CPU unit growth would be positive for Wiwynn, Lenovo, and Lotes.
- Tighter ABF substrate supply and stronger pricing would be positive for Unimicron and NYPCB's revenue and margins.

**(-) PC OEMs and ODMs:** Intel (covered by Joseph Moore) expects 2H26 PC units to fall 20%+ y/y as OEMs aggressively cut inventories amid weaker sell-through; the correction has accelerated over the past two months. This aligns with Morgan Stanley's estimate at a ~25% y/y decline (report link).

**(+) Server OEMs and ODMs:** Intel guides for server CPU unit growth of 30%+ in both 2026 and 2027, with upside if wafer/substrate supply improves. It sees server CPU TAM rising from US$40bn today to >US$200bn in five years, driven mainly by AI agents.

**(+) ABF substrates:** Most of the previously discussed ~40% capacity increase is due in 2H27; Intel expects key component purchase commitments to rise sharply over the next several quarters. Intel is also prioritizing securing substrate capacity and improving yields for the EMIB-T. Complex designs add yield risk, which could lower effective output, worsening ABF substrate shortages but adding further support for pricing.

**Exhibit 1:** Worldwide PC Vendor Ranking, 3Q26

**Worldwide PC Vendor Ranking, 3Q26**

| Rank | Vendor | 3Q26 Shipments | 3Q26 Market share | 2Q26 Shipments | 2Q26 Market share | 3Q25 Shipments | 3Q25 Market share | QoQ | YoY |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Lenovo | 14,933 | 23.8% | 16,659 | 24.2% | 19,305 | 24.6% | -10% | -23% |
| 2 | HP | 10,344 | 16.5% | 13,016 | 18.9% | 14,975 | 19.1% | -21% | -31% |
| 3 | Dell | 7,581 | 12.1% | 9,286 | 13.5% | 10,107 | 12.9% | -18% | -25% |
| 4 | Apple | 5,946 | 9.5% | 7,162 | 10.4% | 6,702 | 8.5% | -17% | -11% |
| 5 | ASUS | 5,459 | 8.7% | 4,995 | 7.2% | 5,974 | 7.6% | 9% | -9% |
| | Others | 18,422 | 29.4% | 17,859 | 25.9% | 21,431 | 27.3% | 3% | -14% |
| | **Total** | **62,685** | | **68,977** | | **78,495** | | **-9%** | **-20%** |

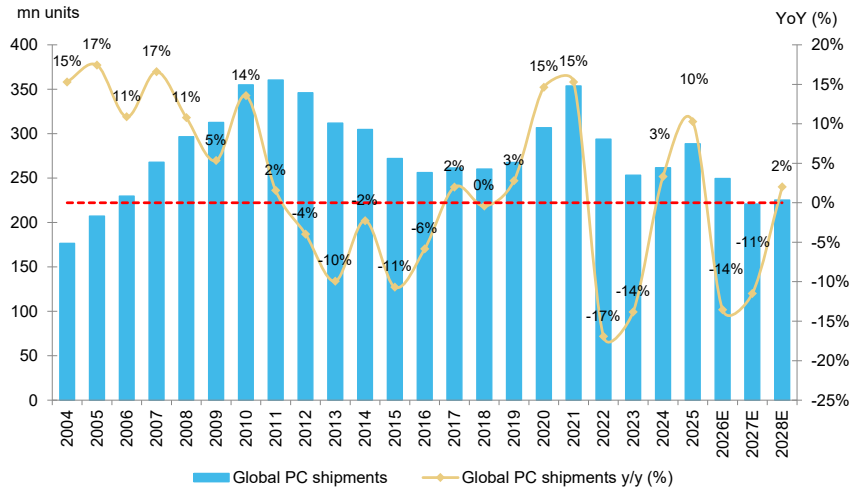
Source: IDC, Morgan Stanley Research.

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**Exhibit 2:** Morgan Stanley's PC forecast




Source: IDC, Morgan Stanley Research estimates (E) based on the MS Global PC Model.

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| Equal-weight/Hold | 1537 | 42% | 393 | 42% | 26% | 720 | 43% |
| Not-Rated/Hold | 2 | 0% | 1 | 0% | 50% | 1 | 0% |
| Underweight/Sell | 570 | 15% | 92 | 10% | 16% | 218 | 13% |
| Total | 3,684 | | 946 | | | 1681 | |

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## INDUSTRY COVERAGE: Greater China Technology Hardware

| COMPANY (TICKER) | RATING (AS OF) | PRICE* (10/30/2026) |
|---|---|---|
| **Andy Meng, CFA** | | |
| AAC Technologies Holdings (2018.HK) | O (01/29/2024) | HK$36.82 |
| Accelink Technologies Co. Ltd. (002281.SZ) | U (05/12/2022) | Rmb102.60 |
| BYD Electronics (0285.HK) | O (04/28/2023) | HK$21.80 |

| | | |
|---|---|---|
| China TransInfo Technology Co Ltd (002373.SZ) | E (07/18/2023) | Rmb7.61 |
| Dahua Technology Co. Ltd. (002236.SZ) | E (12/12/2024) | Rmb14.06 |
| Eoptolink Technology Inc Ltd (300502.SZ) | O (02/27/2026) | Rmb196.00 |
| Genius Electronic Optical Co. Ltd. (3406.TW) | E (10/13/2026) | NT$1,085.00 |
| GoerTek Inc (002241.SZ) | E (08/14/2026) | Rmb22.12 |
| Gosuncn Technology Group Co Ltd (300098.SZ) | U (11/07/2022) | Rmb3.88 |
| HIKVision Digital Technology (002415.SZ) | E (12/12/2024) | Rmb34.55 |
| Largan Precision (3008.TW) | O (10/13/2026) | NT$5,430.00 |
| LianChuang Electronic Technology Co Ltd (002036.SZ) | U (06/12/2024) | Rmb4.90 |
| Lingyi Itech Guangdong Co (002600.SZ) | U (04/23/2025) | Rmb11.25 |
| Lingyi Itech Guangdong Co (1688.HK) | O (08/14/2026) | HK$5.06 |
| Luxshare Precision Industry Co., Ltd. (2475.HK) | O (08/14/2026) | HK$45.30 |
| Luxshare Precision Industry Co., Ltd. (002475.SZ) | O (10/24/2016) | Rmb45.60 |
| OFILM Group Co Ltd (002456.SZ) | U (06/12/2024) | Rmb5.18 |
| Q Technology (Group) Company Ltd (1478.HK) | U (03/23/2026) | HK$4.50 |
| Quectel Wireless Solutions Co Ltd (603236.SS) | E (10/09/2024) | Rmb60.30 |
| Shanghai Conant Optical Co Ltd (2276.HK) | O (04/10/2026) | HK$32.68 |
| Shenzhen Transsion Holdings Co Ltd (688036.SS) | E (03/23/2026) | Rmb55.16 |
| Sunny Optical (2382.HK) | E (03/23/2026) | HK$63.30 |
| Suzhou TFC Optical Communication Co Ltd. (300394.SZ) | E (11/06/2025) | Rmb148.00 |
| Wingtech Technology Co Ltd (600745.SS) | U (05/18/2026) | Rmb11.40 |
| Xiaomi Corp (1810.HK) | O (04/14/2021) | HK$26.48 |
| Yangtze Optical Fibre and Cable JSC Ltd (601869.SS) | U (10/13/2021) | Rmb252.88 |
| Yangtze Optical Fibre and Cable JSC Ltd (6869.HK) | O (07/15/2026) | HK$96.15 |
| Yongxin Optics Co Ltd (603297.SS) | E (11/15/2022) | Rmb89.18 |
| Zhejiang Crystal-Optech Co Ltd (002273.SZ) | O (11/15/2022) | Rmb21.70 |
| Zhongji Innolight Co Ltd (300308.SZ) | O (09/07/2026) | Rmb553.00 |
| Zhongji Innolight Co Ltd (3308.HK) | O (09/07/2026) | HK$676.00 |
| ZTE Corporation (0763.HK) | O (06/04/2026) | HK$19.33 |
| ZTE Corporation (000063.SZ) | E (06/04/2026) | Rmb27.36 |
| **Derrick Yang** | | |
| Accton Technology Corporation (2345.TW) | O (06/06/2024) | NT$1,615.00 |
| Advantech (2395.TW) | O (01/20/2021) | NT$680.00 |
| AirTAC International (1590.TW) | O (04/16/2025) | NT$1,075.00 |
| Asia Vital Components Co. Ltd. (3017.TW) | O (07/30/2024) | NT$3,095.00 |
| AU Optronics (2409.TW) | E (02/10/2026) | NT$30.65 |
| Auras Technology Co Ltd (3324.TWO) | E (05/04/2023) | NT$1,330.00 |
| Bizlink (3665.TW) | O (03/10/2025) | NT$1,625.00 |
| BOE Technology (000725.SZ) | O (09/06/2019) | Rmb4.46 |
| Chenbro (8210.TW) | O (07/23/2025) | NT$716.00 |
| Chroma Ate Inc. (2360.TW) | O (10/05/2021) | NT$1,755.00 |
| Delta Electronics Inc. (2308.TW) | O (07/13/2017) | NT$1,335.00 |
| E Ink Holdings Inc. (8069.TWO) | E (08/10/2026) | NT$149.00 |
| Ennostar Inc (3714.TW) | U (09/23/2022) | NT$58.10 |
| Fositek Corp (6805.TW) | O (06/25/2025) | NT$2,385.00 |
| Hiwin Technologies Corp. (2049.TW) | O (03/30/2026) | NT$326.50 |
| Innolux (3481.TW) | E (04/07/2025) | NT$42.55 |
| King Slide Works Co. Ltd. (2059.TW) | O (11/08/2023) | NT$9,650.00 |
| Lens Technology (300433.SZ) | E (07/22/2020) | Rmb25.58 |
| Lite-On Technology (2301.TW) | E (01/15/2025) | NT$240.50 |
| TCL Corp. (000100.SZ) | E (04/07/2025) | Rmb4.50 |
| Tianma (000050.SZ) | U (01/24/2018) | Rmb5.33 |
| **Howard Kao** | | |
| Acer Inc. (2353.TW) | U (04/23/2025) | NT$30.40 |
| Asustek Computer Inc. (2357.TW) | U (11/16/2025) | NT$906.00 |

| | | |
|---|---|---|
| Catcher Technology (2474.TW) | U (11/17/2025) | NT$193.00 |
| Compal Electronics (2324.TW) | U (04/23/2025) | NT$35.20 |
| Elite Material Co. (2383.TW) | O (09/14/2026) | NT$4,675.00 |
| FIT Hon Teng Ltd (6088.HK) | O (11/03/2025) | HK$3.35 |
| Foxconn Industrial Internet Co. Ltd. (601138.SS) | O (07/10/2019) | Rmb45.00 |
| Giga-Byte Technology Co. Ltd. (2376.TW) | E (11/16/2025) | NT$336.00 |
| Gold Circuit Electronics Ltd. (2368.TW) | O (10/06/2022) | NT$1,020.00 |
| Hon Hai Precision (2317.TW) | O (03/15/2024) | NT$245.50 |
| Inspur Electronic Information (000977.SZ) | E (08/28/2023) | Rmb54.18 |
| Kingboard Laminates Holdings Ltd. (1888.HK) | O (09/14/2026) | HK$34.68 |
| LandMark Optoelectronics Corporation (3081.TWO) | E (03/26/2026) | NT$2,370.00 |
| Lenovo (0992.HK) | O (07/10/2026) | HK$20.50 |
| Lotes Co. Ltd. (3533.TW) | O (10/27/2026) | NT$1,860.00 |
| Nan Ya PCB (8046.TW) | O (02/23/2026) | NT$1,190.00 |
| Pegatron Corporation (4938.TW) | E (03/25/2026) | NT$102.50 |
| Quanta Computer Inc. (2382.TW) | O (05/01/2023) | NT$318.00 |
| Shengyi Technology Co Ltd. (600183.SS) | E (05/26/2022) | Rmb87.00 |
| Shennan Circuits Co Ltd (002916.SZ) | E (08/24/2023) | Rmb233.00 |
| Unimicron (3037.TW) | O (02/23/2026) | NT$989.00 |
| Visual Photonics Epitaxy Co Ltd (2455.TW) | E (09/11/2023) | NT$447.00 |
| Wistron Corporation (3231.TW) | O (07/12/2023) | NT$183.50 |
| Wiwynn Corp (6669.TW) | O (11/10/2025) | NT$1,810.00 |
| Yageo Corp. (2327.TW) | O (10/28/2025) | NT$502.00 |
| Zhen Ding (4958.TW) | ++ | NT$486.00 |
| **Irene Yen** | | |
| Co-Tech Development Corp. (8358.TWO) | O (09/14/2026) | NT$405.00 |
| Taiwan Union Technology Corporation (6274.TWO) | O (09/14/2026) | NT$1,265.00 |

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