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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%**

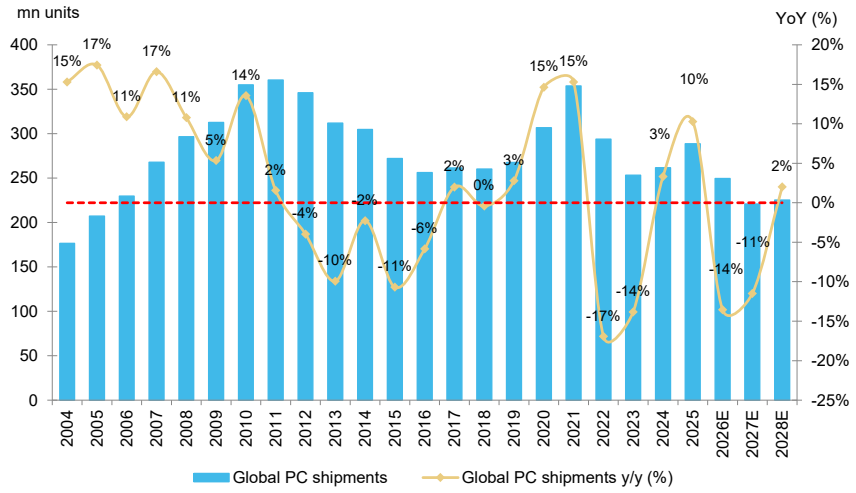
Source: IDC, Morgan Stanley Research.

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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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	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	1575	43%	460	49%	29%	742	44%
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 Microelectronics (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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