Morgan Stanley | RESEARCH

UPDATE

July 5, 2026 11:31 PM GMT

Bizlink | Asia Pacific

ECB and GDR Announcement

We believe these plans are aimed at financing the Interplex deal, and dilution of up to 6% is consistent with our prior expectation vs. the conservatively estimated earnings contribution of 8% in 2027.

What's new:

- Bizlink announced that it plans to issue 4.5-6.0mn common GDR shares and up to US$500mn of ECBs
- This is likely related to financing the recent acquisition of Interplex, priced at up to US$900mn (US$850mn of enterprise value + US$50mn of contingent considerations)

Our view:

- Our understanding is that these, along with its existing bank credits of NT $16.7bn as of 1Q26, are among the financing options that Bizlink is considering
- Looking at these two issuances, we estimate dilution of up to 6%, assuming the ECB conversion price is set at a 25% premium over the last close of NT $1,995 and another 6mn GDR shares are issued, which implies Bizlink could raise US$879mn in total (based on USDTWD at 31.6)
- As we mentioned in our report post the Interplex deal, Interplex could incrementally add 8% to revenue and earnings for Bizlink in 2027, assuming the same US$392mn of revenue (12M accumulated as of 1Q26) in 2027 with a similar net margin of ~15%
- We therefore maintain the view that the acquisition of Interplex is a good deal for Bizlink from both strategic and financial perspectives

- Stay OW with a PT of NT$3,665 (30x 2027e P/E).

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Bizlink (3665.TW, 3665 TT)

Greater China Technology Hardware | Taiwan

Stock Rating	**Overweight**
Industry View	**In-Line**
Price target	NT$3,665.00
Shr price, close (Jul 3, 2026)	NT$1,995.00
52-Week Range	NT$3,010.00-808.00
Sh out, dil, curr (mn)	193
Mkt cap, curr (mn)	NT$385,765
EV, curr (mn)	NT$391,341
Avg daily trading value (mn)	NT$5,797

Potential Share Dilution Calculation

Exhibit 1: Potential share dilution calculation

ECB	
Total amount (US$mn)	500
Total amount (NT$mn)	15,804
Assuming conversion price is set at 25% premium	
Conversion price (NT$)	2,494
New shares issuance (thousand shares)	6,337
Shares outstanding as of 1Q26 (thousand shares)	195,078
Potential dilution	**3%**
GDR	
Potential share issuance (thousand shares)	4,500-6,000
Max new share issuance (thousand shares)	6,000
Shares outstanding as of 1Q26 (thousand shares)	195,078
Potential dilution	**3%**

Source: Company data, Morgan Stanley Research estimates

Valuation Methodology and Risks

Bizlink (3665.TW)

Base case, derived from 30x 2027e P/E. We think our target P/E multiple is justified by an earnings CAGR of 46% seen over 2025-28e, which implies a PEG of around 0.7. This is in-line with the average of 0.7 in 2019-24, when the stock was trading at an average 13x P/E for a 19% earnings CAGR.

Risks to Upside

- Faster and wider AEC adoption
- Data center and semi equipment capex increases that drive stronger HPC and semi-cap business
- Stronger recovery for automotive business

Risks to Downside

- Lower-than-expected AEC adoption
- Intensifying competition
- Softer-than-expected AI capex
- Slower-than-expected growth in the semi capital equipment market
- Continued weakness in the auto industry

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(as of June 30, 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	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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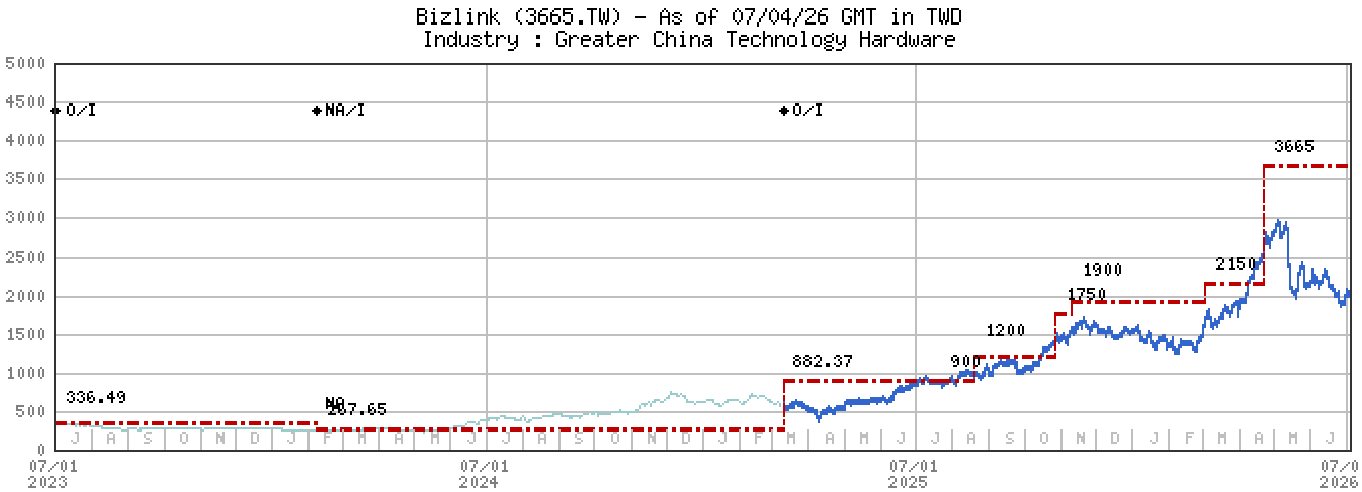

Stock Rating History: 7/1/21 : NA/I; 8/18/22 : E/I; 2/20/23 : O/I; 2/7/24 : NA/I; 3/10/25 : O/I

Price Target History: 8/18/22 : 336.49; 11/11/22 : 293.23; 2/20/23 : 336.49; 2/7/24 : NA; 2/8/24 : 267.65; 3/10/25 : 882.37; 7/21/25 : 900; 8/19/25 : 1200; 10/27/25 : 1750; 11/10/25 : 1900; 3/4/26 : 2150; 4/22/26 : 3665

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target -- No Price Target Assigned (NA)
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INDUSTRY COVERAGE: Greater China Technology Hardware

COMPANY (TICKER)	RATING (AS OF)	PRICE* (07/03/2026)
Andy Meng, CFA		
AAC Technologies Holdings (2018.HK)	O (01/29/2024)	HK$42.30
Accelink Technologies Co. Ltd. (002281.SZ)	U (05/12/2022)	Rmb217.33
BYD Electronics (0285.HK)	O (04/28/2023)	HK$22.26
China TransInfo Technology Co Ltd (002373.SZ)	E (07/18/2023)	Rmb7.20
Dahua Technology Co. Ltd. (002236.SZ)	E (12/12/2024)	Rmb16.80
Eoptolink Technology Inc Ltd (300502.SZ)	O (02/27/2026)	Rmb526.00
Genius Electronic Optical Co. Ltd. (3406.TW)	E (04/23/2025)	NT$636.00
Gosuncn Technology Group Co Ltd (300098.SZ)	U (11/07/2022)	Rmb4.55
HIKVision Digital Technology (002415.SZ)	E (12/12/2024)	Rmb34.00
Largan Precision (3008.TW)	E (10/17/2025)	NT$4,230.00
LianChuang Electronic Technology Co Ltd (002036.SZ)	U (06/12/2024)	Rmb7.42
OFILM Group Co Ltd (002456.SZ)	U (06/12/2024)	Rmb9.26
Q Technology (Group) Company Ltd (1478.HK)	U (03/23/2026)	HK$6.99
Quectel Wireless Solutions Co Ltd (603236.SS)	E (10/09/2024)	Rmb51.80
Shanghai Conant Optical Co Ltd (2276.HK)	O (04/10/2026)	HK$36.08
Shenzhen Transsion Holdings Co Ltd (688036.SS)	E (03/23/2026)	Rmb60.26
Sunny Optical (2382.HK)	E (03/23/2026)	HK$60.05
Suzhou TFC Optical Communication Co Ltd. (300394.SZ)	E (11/06/2025)	Rmb250.10
Wingtech Technology Co Ltd (600745.SS)	U (05/18/2026)	Rmb18.25
Xiaomi Corp (1810.HK)	O (04/14/2021)	HK$22.96
Yangtze Optical Fibre and Cable JSC Ltd (601869.SS)	U (10/13/2021)	Rmb475.08
Yangtze Optical Fibre and Cable JSC Ltd (6869.HK)	E (04/20/2023)	HK$201.20
Yongxin Optics Co Ltd (603297.SS)	E (11/15/2022)	Rmb127.11
Zhejiang Crystal-Optech Co Ltd (002273.SZ)	O (11/15/2022)	Rmb36.98
Zhongji Innolight Co Ltd (300308.SZ)	++	Rmb1,116.00
ZTE Corporation (0763.HK)	O (06/04/2026)	HK$22.84

ZTE Corporation (000063.SZ)	E (06/04/2026)	Rmb36.38
Derrick Yang		
Accton Technology Corporation (2345.TW)	O (06/06/2024)	NT$2,735.00
Advantech (2395.TW)	O (01/20/2021)	NT$521.00
AirTAC International (1590.TW)	O (04/16/2025)	NT$1,440.00
AU Optronics (2409.TW)	E (02/10/2026)	NT$30.00
Bizlink (3665.TW)	O (03/10/2025)	NT$1,995.00
BOE Technology (000725.SZ)	O (09/06/2019)	Rmb8.38
Chenbro (8210.TW)	O (07/23/2025)	NT$1,305.00
Chroma Ate Inc. (2360.TW)	O (10/05/2021)	NT$2,265.00
E Ink Holdings Inc. (8069.TWO)	O (05/11/2026)	NT$212.50
Ennostar Inc (3714.TW)	U (09/23/2022)	NT$62.30
Hiwin Technologies Corp. (2049.TW)	O (03/30/2026)	NT$350.00
Innolux (3481.TW)	E (04/07/2025)	NT$66.00
King Slide Works Co. Ltd. (2059.TW)	O (11/08/2023)	NT$8,000.00
Lens Technology (300433.SZ)	E (07/22/2020)	Rmb52.42
Radiant Opto-Electronics Corporation (6176.TW)	E (03/01/2024)	NT$90.30
Sanan Optoelectronics (600703.SS)	U (08/21/2023)	Rmb18.23
TCL Corp. (000100.SZ)	E (04/07/2025)	Rmb5.65
Tianma Microelectronics (000050.SZ)	U (01/24/2018)	Rmb9.05
Wuhan Jingce Electronic Group Co Ltd (300567.SZ)	E (11/26/2021)	Rmb263.92
Howard Kao		
Acer Inc. (2353.TW)	U (04/23/2025)	NT$32.90
Asustek Computer Inc. (2357.TW)	U (11/16/2025)	NT$675.00
Compal Electronics (2324.TW)	U (04/23/2025)	NT$34.95
FIT Hon Teng Ltd (6088.HK)	O (11/03/2025)	HK$6.79
Giga-Byte Technology Co. Ltd. (2376.TW)	E (11/16/2025)	NT$338.50
Gold Circuit Electronics Ltd. (2368.TW)	O (10/06/2022)	NT$1,305.00
Inspur Electronic Information (000977.SZ)	E (08/28/2023)	Rmb66.35
Lenovo (0992.HK)	E (11/16/2025)	HK$21.30
Lotes Co. Ltd. (3533.TW)	E (05/12/2025)	NT$2,175.00
Nan Ya PCB (8046.TW)	O (02/23/2026)	NT$1,185.00
Pegatron Corporation (4938.TW)	E (03/25/2026)	NT$83.60
Quanta Computer Inc. (2382.TW)	O (05/01/2023)	NT$377.00
Shengyi Technology Co Ltd. (600183.SS)	E (05/26/2022)	Rmb160.78
Shennan Circuits Co Ltd (002916.SZ)	E (08/24/2023)	Rmb454.48
Unimicron (3037.TW)	O (02/23/2026)	NT$969.00
Wistron Corporation (3231.TW)	O (07/12/2023)	NT$159.00
Wiwynn Corp (6669.TW)	O (11/10/2025)	NT$5,265.00
Yageo Corp. (2327.TW)	O (10/28/2025)	NT$1,045.00
Zhen Ding (4958.TW)	O (05/18/2026)	NT$613.00
Sharon Shih		
Asia Vital Components Co. Ltd. (3017.TW)	O (07/30/2024)	NT$2,760.00
Auras Technology Co Ltd (3324.TWO)	E (05/04/2023)	NT$1,020.00
Catcher Technology (2474.TW)	U (11/17/2025)	NT$207.00
Delta Electronics Inc. (2308.TW)	O (07/13/2017)	NT$2,075.00
Fositek Corp (6805.TW)	O (06/25/2025)	NT$1,630.00
Foxconn Industrial Internet Co. Ltd. (601138.SS)	O (07/10/2019)	Rmb64.72
GoerTek Inc (002241.SZ)	U (04/23/2025)	Rmb22.05
Hon Hai Precision (2317.TW)	O (03/15/2024)	NT$240.50
LandMark Optoelectronics Corporation (3081.TWO)	E (03/26/2026)	NT$2,100.00
Lingyi Itech Guangdong Co (002600.SZ)	U (04/23/2025)	Rmb18.02
Lite-On Technology (2301.TW)	E (01/15/2025)	NT$219.00
Luxshare Precision Industry Co., Ltd. (002475.SZ)	O (10/24/2016)	Rmb64.44
Visual Photonics Epitaxy Co Ltd (2455.TW)	E (09/11/2023)	NT$358.00

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* Historical prices are not split adjusted.