

June 24, 2025 09:00 PM GMT

Fositek Corp | Asia Pacific

Built on Strong Foundations;
Initiate at OW

Fositek leverages AVC Group's resources, as well as its own expertise in metal moving parts, to produce liquid cooling components for NVDA and AI ASIC server racks. We initiate at OW, forecasting superior profit growth (2025-27), and given its strong strategic positioning and compelling valuation.

Key Takeaways

- We forecast its floating mount and QD revenue from NVDA and AWS ASIC AI server racks will grow at a 143% 4-year CAGR and reach NT\$7.7bn in 2027e
- We estimate its server segment contribution will grow to 47% in 2027e from 5% in 2024. The related offerings are margin accretive to the corporate average
- Foldable iPhone debut in 2H26e could spur overall foldable smartphone popularity and thus increase its smartphone hinge shipments
- Server rail kits and industrial robots reducers to be long-term business drivers
- We estimate 39% revenue and 62% profit CAGRs, 2023-27e, outgrowing peers

Strong business synergy between Fositek and AVC: Fositek is a 17%-owned subsidiary of AVC. It specializes in metal moving parts manufacturing – such as smartphone hinges (70% of 2025e revenue), floating mounts and quick disconnects (QD) for liquid cooling solutions (14%), and server rail kits (7%). The precision metal processing work enhances AVC's integrated liquid cooling solution offerings for AI server racks, with proven delivery and competitive cost offerings. Thus, we expect Fositek to see rapid progress in growing its server-related offerings, 2025-27e.

Floating mount module and QD offerings in AI server racks are the key driver:

Since the introduction of GB200 in 2024, liquid cooling adoption has been rising in AI server racks thanks to its heat dissipation ability and power usage efficiency. Fositek supplies floating mount modules and QDs that connect to AVC's cold plate modules for NVDA and AWS AI ASIC server rack projects. We forecast server-related revenue (including rail kits) will rise at a 119% 4-year CAGR through 2027e, which is the key driver for the 62% 4-year overall profit CAGR that we project.

Initiate at OW with a NT\$1,066 price target: We like Fositek for its strong product pipeline for GB300 and AWS Trainium 3 server rack projects, 2H25e onward, which we forecast will yield 61% YoY profit growth in 2025e. Its substantial value increase per rack from QD adoption should be a major share price catalyst that we expect will lead the stock to outperform peers, including AVC (3017.TW; OW). The stock trades at 18x our estimated 2026 P/E, below its 18-month average of 29x and peers' 13-22x on consensus. Key risks to our view include slower liquid cooling and foldable smartphone penetration.

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Fositek Corp (6805.TW, 6805 TT)

Greater China Technology Hardware | Taiwan

Stock Rating	Overweight
Industry View	In-Line
Price target	NT\$1,066.00
Up/downside to price target (%)	30
Shr price, close (Jun 24, 2025)	NT\$823.00
52-Week Range	NT\$1,120.00-366.00
Sh out, dil, curr (mn)	62
Mkt cap, curr (mn)	NT\$50,743
EV, curr (mn)	NT\$45,516
Avg daily trading value (mn)	NT\$1,671

Fiscal Year Ending	12/24	12/25e	12/26e	12/27e
EPS (NT\$)**	17.90	28.19	45.51	63.03
EPS (NT\$)§	17.84	27.68	41.24	56.15
Revenue, net (NT\$ mn)	8,188	11,253	16,137	21,185
EBITDA (NT\$ mn)	1,376	2,199	3,565	4,977
ModelWare net inc (NT \$ mn)	1,227	1,933	3,120	4,321
P/E	45.2	29.2	18.1	13.1
P/BV	10.0	8.1	6.1	4.7
RNOA (%)	(247.0)	470.0	188.0	165.7
ROE (%)	26.7	34.8	45.0	47.0
EV/EBITDA	36.6	20.5	12.3	8.4
Div yld (%)	0.7	1.0	1.5	2.5
FCF yld ratio (%)**	1.5	1.6	4.1	6.0
Leverage (EOP) (%)	(106.5)	(90.4)	(83.8)	(80.0)

Unless otherwise noted, all metrics are based on Morgan Stanley ModelWare framework

** = Based on consensus methodology

§ = Consensus data is provided by Refinitiv Estimates

e = Morgan Stanley Research estimates

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For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report.

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Risk Reward – Fositek Corp (6805.TW)

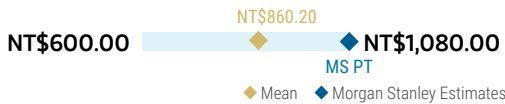
Built on Strong Foundations

PRICE TARGET NT\$1,066.00

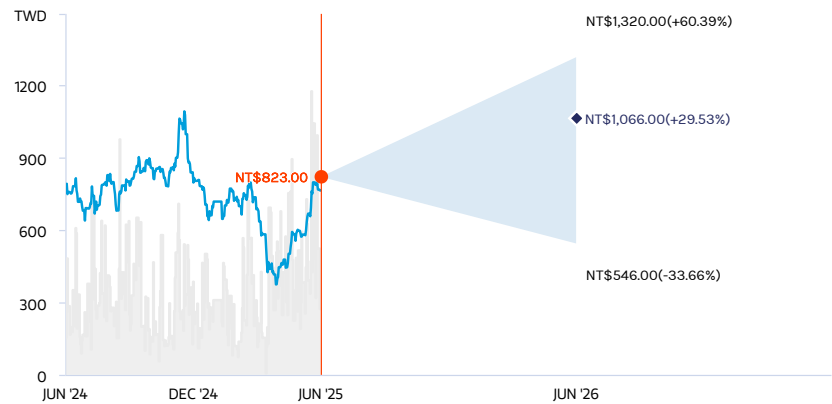
Base case, derived from our multi-stage residual income (RI) valuation model, similar to the rest of our tech hardware coverage universe. We assume a cost of equity of 10%, a medium-term growth rate of 13%, and a terminal growth rate of 3%.

Consensus Price Target Distribution

Source: Refinitiv, Morgan Stanley Research



RISK REWARD CHART



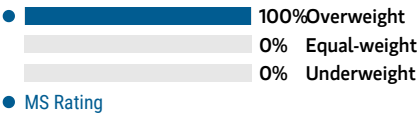
Key: — Historical Stock Performance ● Current Stock Price ◆ Price Target

Source: Refinitiv, Morgan Stanley Research

OVERWEIGHT THESIS

- We expect Fositek to benefit from increasing penetration of foldable phones, driven by the anticipated foldable iPhone debut in 2H26e.
- We expect increasing contribution from its server business to drive a favorable product mix shift, and thus drive its overall gross margin to grow from 22.3% in 2024 to 27.1% in 2027.
- Our price target implies 23x 2026e P/E vs. its historical average of 29x.

Consensus Rating Distribution



Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Secular Growth: *Positive*

Technology Diffusion: *Positive*

View descriptions of Risk Rewards Themes [here](#)

BULL CASE

NT\$1,320.00

29x 2026 base case EPS

Faster growth from server/data center business with margin expansion: 1) increasing penetration of liquid cooling in servers/data centers; 2) faster-than-expected server rail kit project gain; and 3) increasing penetration of foldable smartphones.

BASE CASE

NT\$1,066.00

23x 2026 base case EPS

Growth in data center business: 1) smartphone hinge business to grow double digit YoY in 2025 driven by >3 new models in 2H25; 2) server upgrades and share gains to drive server business revenue growth; 3) server rail kits and industrial robot reducers to be long-term business drivers.

BEAR CASE

NT\$546.00

12x 2026 base case EPS

Slower growth from data center business with margin contraction: 1) slower-than-expected adoption of liquid cooling in servers/data centers; 2) severe pricing pressure from intensified industry competition; and 3) slower-than-expected foldable smartphone penetration.

Risk Reward – Fositek Corp (6805.TW)

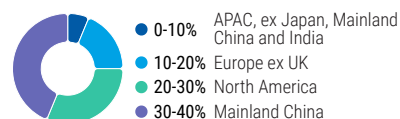
KEY EARNINGS INPUTS

Drivers	2024	2025e	2026e	2027e
Telecom revenue contribution (%)	23.7	17.0	13.7	NA
Server/data center revenue contribution (%)	0.0	0.0	0.0	NA
Blended thermal ASP (%)	(22.7)	7.5	(0.9)	NA

INVESTMENT DRIVERS

- Increasing foldable smartphone penetration
- Server demand/share gains
- Margin expansion
- New customers and project wins

GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies [here](#)

RISKS TO PT/RATING

RISKS TO UPSIDE

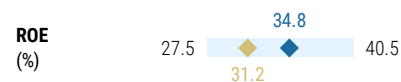
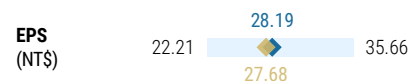
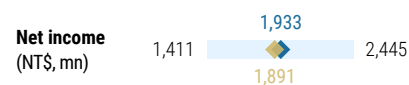
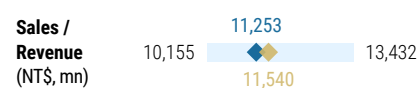
- Increasing penetration of liquid cooling in servers/data centers
- Faster-than-expected server rail kit project gains
- iPhone flagship models adopt foldable screen in 2026

RISKS TO DOWNSIDE

- Slower liquid cooling penetration in servers/data centers
- Slower foldable smartphone penetration
- Stronger-than-expected industry competition

MS ESTIMATES VS. CONSENSUS

FY 2025e

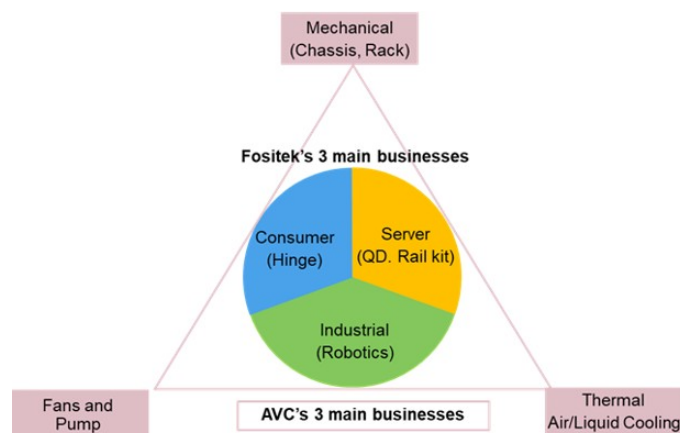


◆ Mean ◆ Morgan Stanley Estimates

Source: Refinitiv, Morgan Stanley Research

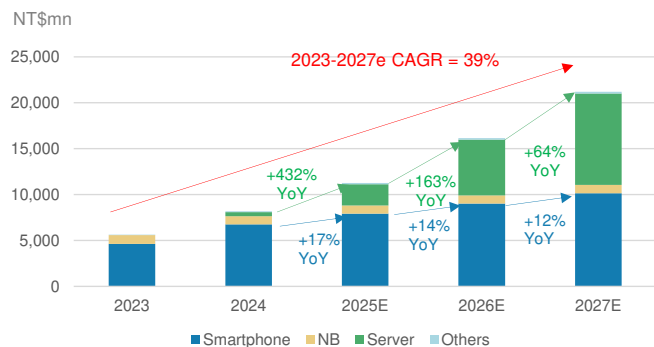
Our Thesis in Six Charts

Exhibit 1: Fositek's product offerings align with AVC group development



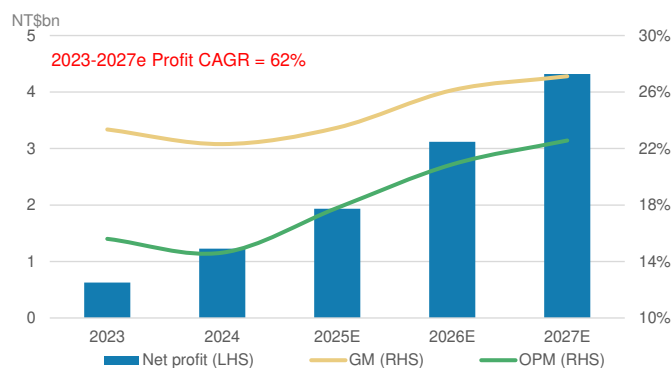
Source: Morgan Stanley Research.

Exhibit 3: Fositek: We project a 39% revenue CAGR, 2023-27, with servers as major growth segment



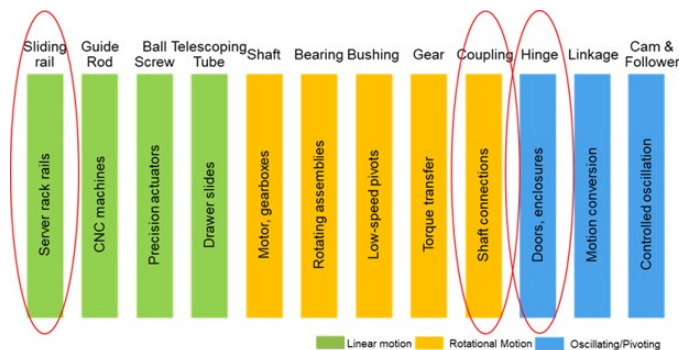
Source: Company data, Morgan Stanley Research estimates

Exhibit 5: Fositek's profit and margin, 2023-2027e



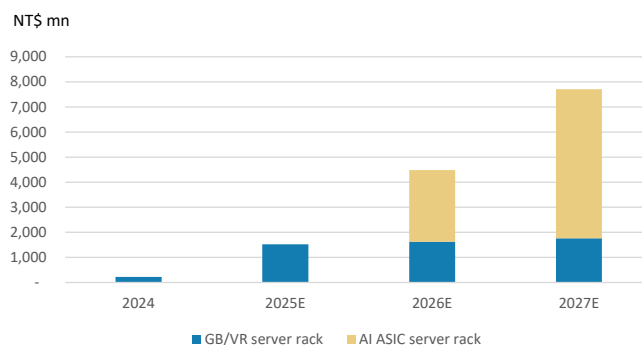
Source: Company data, Morgan Stanley Research estimates.

Exhibit 2: Metal moving parts, by motion type



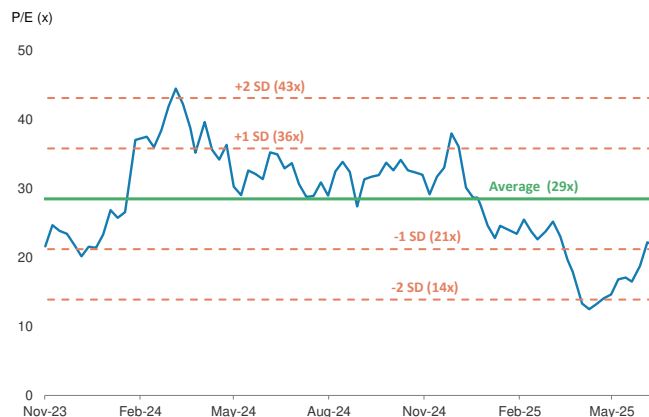
Source: Morgan Stanley Research.

Exhibit 4: Fositek's floating mount module and QD revenue for GB and ASIC server racks, 2024-2027e



Source: Company data, Morgan Stanley Research estimates

Exhibit 6: Fositek: One-year forward P/E chart



Source: FactSet, Morgan Stanley Research estimates.

Investment Summary

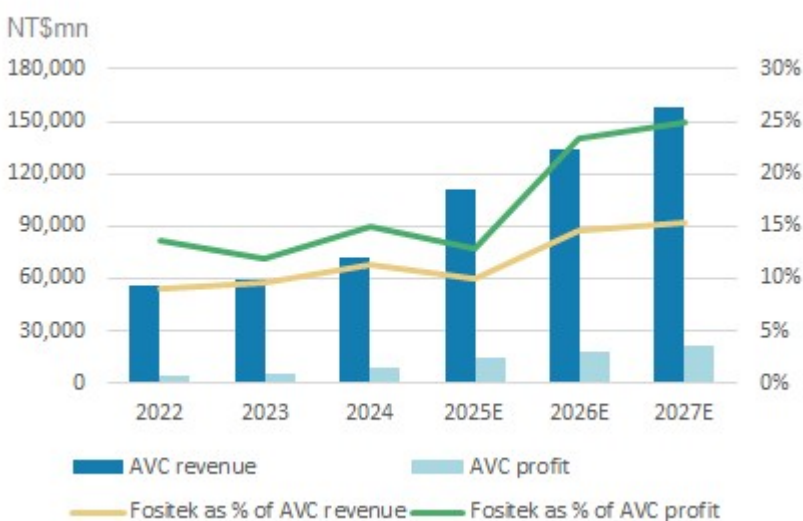
Investment positives

A support to AVC, but Fositek also leverages the group's resources to grow

Fositek is a 16.87%-owned subsidiary of Asia Vital Components (AVC, 3017.TW, OW), contributing 11% of AVC's total revenue in 2024 ([Exhibit 7](#)). As a fully-consolidated subsidiary of AVC, Fositek can leverage the group's solid supply position in cooling components/solutions for AI server racks and expand its offerings of quick disconnects (QD), floating mount modules and rail kits, in our view. While Fositek's QD and floating mount module shipments will align with AVC's cold plate module project wins, we believe these offerings also help AVC enhance its integrated capability as a one-stop solution for multiple key thermal components in liquid cooling ([Exhibit 8](#)).

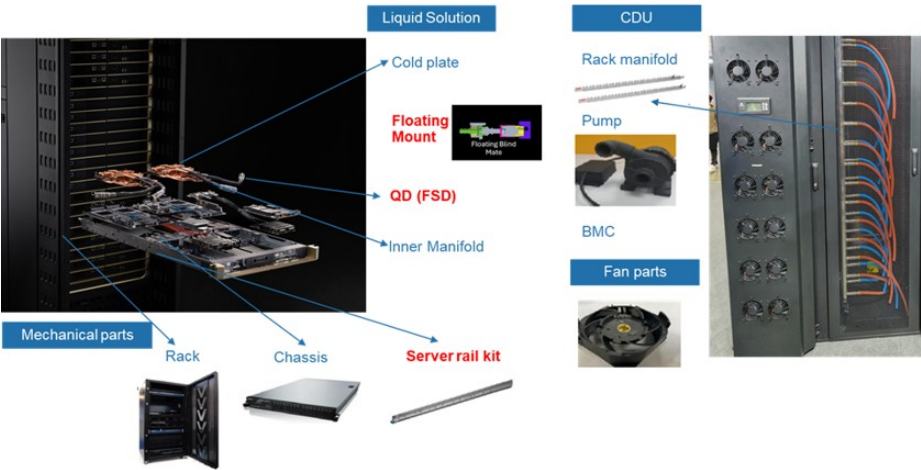
We estimate Fositek will grow its revenue at a 39% CAGR, 2023-27e, as new penetration into the server segment should fuel its shipment strength for liquid cooling components. Such a margin-accretive offering increase also bodes well for its margin trend – yielding a 62% profit CAGR during the same period, per our forecast. This would raise Fositek's revenue contribution to AVC from 9.5% in 2023 to our estimated 13.4% in 2027e. The profit contribution increase is more significant – from 11.8% in 2023 to our estimated 20.4% in 2027e ([Exhibit 7](#)).

Exhibit 7: Fositek contribution to AVC's revenue and profit are trending higher



Source: Company data, Morgan Stanley Research estimates.

Exhibit 8: Fositek enhances AVC's integrated cooling solutions and mechanical parts offering (Fositek's offerings in red)



Source: Company data, Morgan Stanley Research.

Liquid cooling adoption increase for AI server rack design a positive

Trends point to higher computing power wattage per chip for both AI GPU and AI ASIC chips, and thus we expect liquid cooling adoption in AI GPU server racks and AI ASIC server racks to grow in order to accommodate higher thermal design power (TDP). Fositek is qualified to supply QD solutions for liquid cooling systems in AI GPU and ASIC server rack designs, with floating mount module shipment for GB200 racks ramping in 2Q25, NVQDs for GB300 racks in 3Q25, and AI ASIC server contribution to start from 4Q25 and further accelerate in 2026.

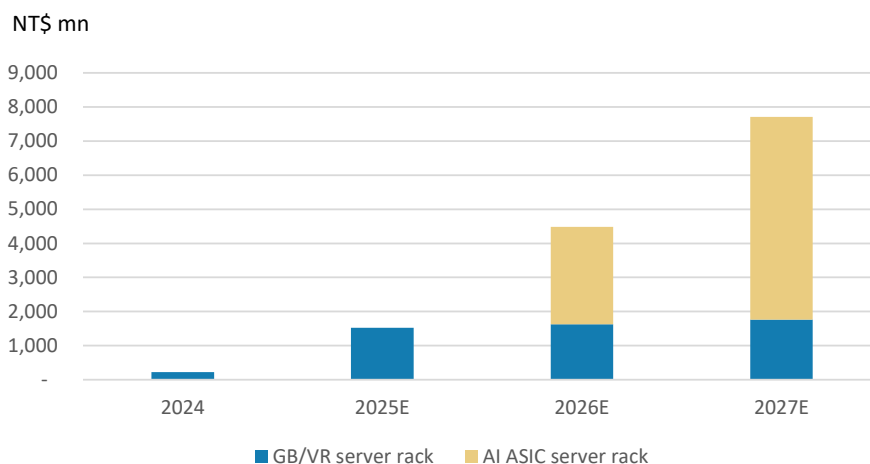
We estimate Fositek's total floating mount module and QD revenue to grow at a 14-3% CAGR, 2024-27e, with AI ASIC server mix accounting for 64% of the total in 2026 and 77% in 2027. This should be supported by incremental liquid cooling adoption in AI ASIC server racks from 2026, and AVC being the major liquid cooling module supplier.

Exhibit 9: AI GPU spec comparison

Brand	US GPU						AMD			
	Nvidia									
Product	H100	H200	H20	B200	GB200	GB300	MI300X	MI300A	MI325X	MI355X
Node	TSMC N4	TSMC N4	TSMC N4	TSMC 4NP	TSMC 4NP	TSMC 4NP	TSMC 5nm	TSMC 5nm	TSMC 5nm	TSMC 3nm
FP16 (TFLOPS)	989	989	148	2,250	5,000	4,861	1,307	980	1,307	2,300
FP8/Int8 (TFLOPS)	1,979	1,979	296	4,500	10,000	9,722	2,615	1,961	2,615	4,600
FP4 (TFLOPS)	NA	NA	NA	9,000	20,000	19,444	NA	NA	NA	9,200
HBM usage	HBM3	HBM3e	HBM3	HBM3e	HBM3e	HBM3e	HBM3	HBM3	HBM3e	HBM3e
HBM memory (GB)	80	141	96	180	186	288	191	128	256	288
HBM bandwidth (GB/s)	3,350	4,800	4,000	7,700	8,000	16,000	5,200	5,300	6,000	8,000
GPU-GPU networking bandwidth	NVLink: 600GB/s	NVLink: 900GB/s	NVLink: 900GB/s	NVLink: 1800GB/s	NVLink: 1800GB/s	NVLink: 1800GB/s	PCIe Gen5: 128GB/s	PCIe Gen5: 128GB/s	PCIe Gen5: 128GB/s	PCIe Gen5: 128GB/s
TDP (W)	700W	600-700W	400W	1000W	1200W	1400W	750W	550W/760W	1000W	>1000W

Source: Morgan Stanley Research.

Exhibit 10: Fositek's floating mount module and QD revenue for GB and ASIC server racks, 2024-2027e



Source: Company data, Morgan Stanley Research estimates

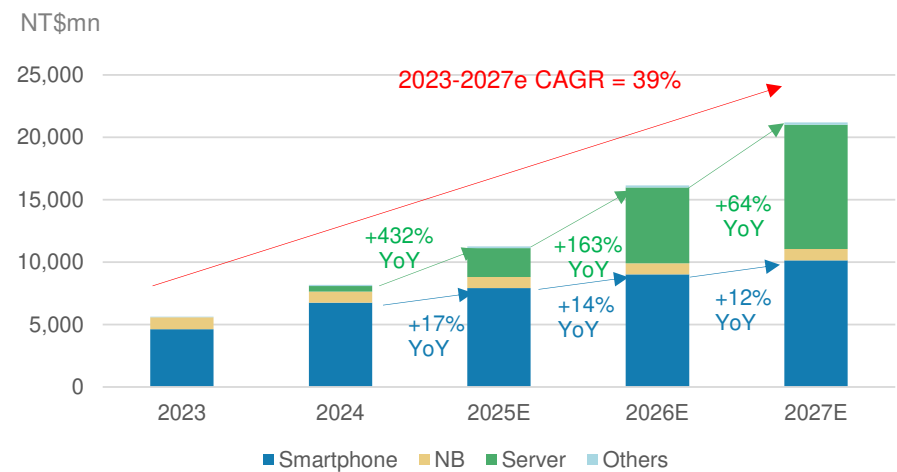
Smartphone hinge shipments likely to increase after foldable iPhone debut in 2H26

Fositek's business is anchored by its established position in the foldable smartphone hinge market (83% revenue contribution in 2024), as it is the major smartphone hinge supplier to Huawei and Motorola. The global foldable smartphone market is experiencing robust growth, with major players like Huawei capturing significant market share, and we expect upcoming foldable iPhones in 2H26e to drive overall foldable phone penetration higher. This should benefit Fositek, even if the company doesn't supply the hinge for the first foldable iPhone models.

Precision metal processing expertise could be extended to the robotic segment

Fositek plans to leverage its precision manufacturing expertise to develop harmonic reducers for industrial applications. The company is co-developing harmonic reducers with a client, with its parent company offering thermal solutions in the same project. We believe development will take time due to the sophisticated design mechanisms that go beyond standard moving metal parts. If successful, this initiative could become a significant long-term growth driver for Fositek.

Exhibit 11: Fositek: We project a 39% revenue CAGR, with servers as major growth segment

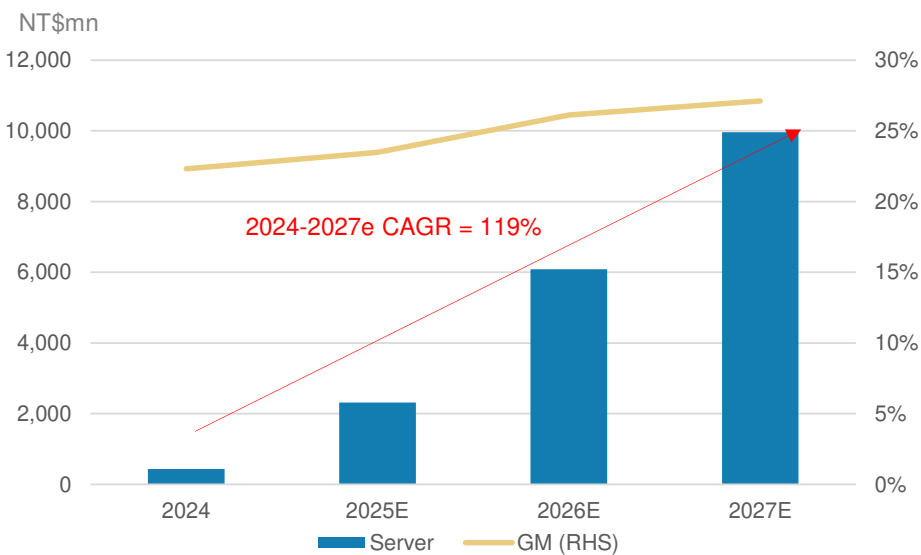


Source: Company data, Morgan Stanley Research estimates

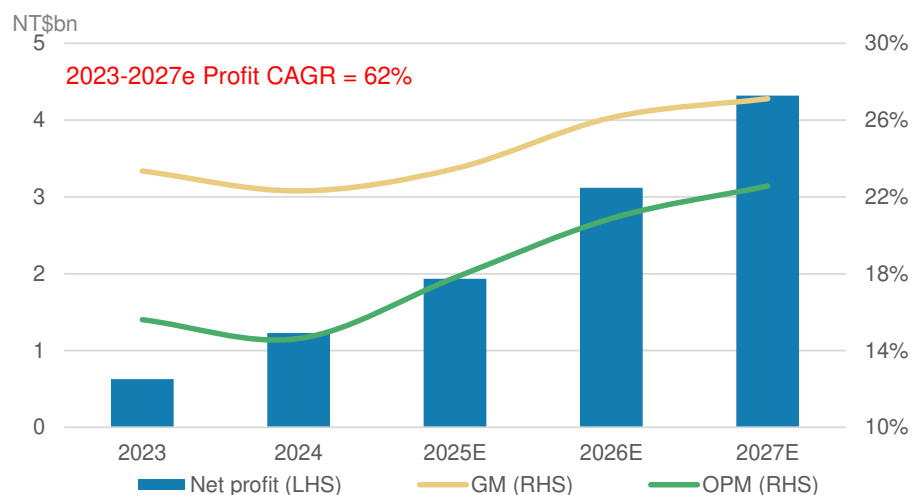
Increasing server business contribution the key profit driver

Management expects revenue contribution from server business to reach 20% of total revenue in 2025, up from 5% in 2024. Our supply chain checks suggest server business enjoys higher-than-corporate-average gross margins, with liquid cooling and server rail kit margin both at >30%. We believe increasing contribution from its server business should drive a favorable product mix shift, and thus drive its overall margin to grow from 22.3% in 2024 to 27.1% in 2027. This also leads to a 62% 4-year profit CAGR, 2023-27e, outshining peers.

Exhibit 12: Fositek's server revenue and gross margin for 2024-2027e



Source: Company data, Morgan Stanley Research estimates.

Exhibit 13: Fositek's profit and margin for 2023-2027e

Source: Company data, Morgan Stanley Research estimates.

Investment concerns

Slower-than-expected pace of liquid cooling adoption: If liquid cooling adoption is slower than expected – as a result of negative factors, including higher capex for data centers or yield issues for new products – this would pose downside risks to the long-term profitability of thermal solution providers.

Weaker-than-expected AI spending: If capex from large US data center companies slows down, that would likely undermine AI server business developments for thermal solution providers.

Impacts from macro uncertainties: If thermal solution providers face significant raw material price hikes, unfavorable FX movements, or prolonged component shortages, that might affect their shipments and profitability.

Share price drivers and Valuation

Fositek's share price has traded flat year-to-date, vs. the TAIEX down 3%, AVC up 19%, SZS up 8%, and King Slide up 41%. ([Exhibit 15](#)) The underperformance could be attributed to the delayed adoption of Cordelia board design in the compute tray of the upcoming GB300 server rack, which should increase Fositek's floating mount module and QD offering value by 20%, compared with the current design. We believe the delayed adoption is more than priced in but a few new drivers are emerging, including:

1. NVQD adoption in switch tray in upcoming GB300 server racks in 2H25. This is an incremental contribution to Fositek and we estimate its total offering value per GB300 server rack will grow 20% compared with GB200 server racks.
2. Liquid cooling solution adopted in next generation of AWS AI AISC server racks with shipment kick-off in 4Q25. This, with its supply dominance, should become the major

profit driver in 2026-27.

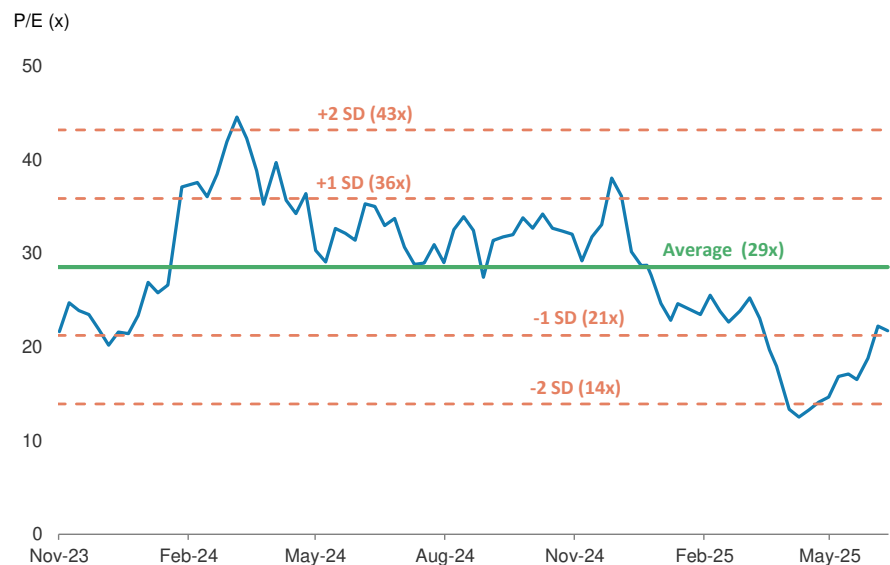
3. Server rail kit supply shows gradual progress but the total solution should drive further project wins and offer upgrades to high complexity designs for AI servers from 2026.

4. Foldable smartphone shipments are likely to boom after Apple launches its foldable model in 2H26.

All of these factors are reflected in our 52% profit CAGR estimate for 2024-27, with ROE improving to 34% in 2026. This compares favorably with major peers at 9% and 29%, respectively ([Exhibit 16](#)).

The stock trades at 17x our estimated 2026e, vs. AVC's 16x and major peers' 13x-22x on consensus. This is also below its historical trading average of 29x since November 2023 ([Exhibit 14](#)). In view of superior profit growth in 2026-27 and attractive valuation, we initiate on Fositek at Overweight with a price target of NT\$1,066, implying 30% share price upside.

Exhibit 14: Fositek: One-year forward P/E chart



Source: FactSet, Morgan Stanley Research estimates.

Exhibit 15: YTD share price performance for Fositek with hinge (SZS, Jarlly), thermal (AVC, Auras) and rail kit (King Slide, Nan Juen) peers

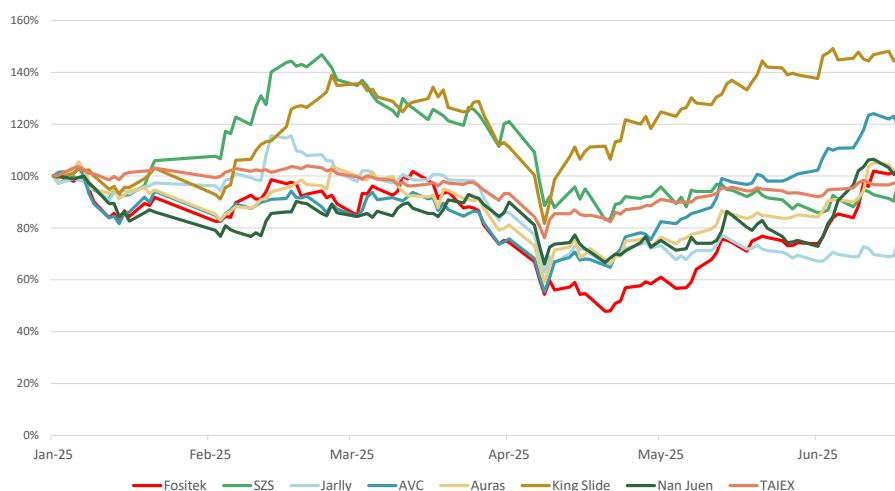


Exhibit 16: Fositek – Valuation comparison

Ticker	Company	Closing Price (LC)	Rating	Price Target (LC)	Market Cap (US\$m)	EPS (Local Dollar)		P/E (X)		P/B (X)		ROE (%)		Trading Value (US\$ mn)	2024-26E EPS CAGR
6805.TW	Fositek	770	O	1066	1,788.0	28.19	45.51	27.3	16.9	7.6	5.7	28%	34%	53.0	59%
Greater China smartphone hinge providers															
3376.TW	SZS	218	NA	NA	1,445.6	5.87	10.31	37.2	21.2	2.4	2.2	6%	10%	71.0	21%
3548.TW	Jarlly	129	NA	NA	288.8	7.25	7.53	17.8	17.1	1.4	1.3	8%	8%	8.1	-7%
Average						6.6	8.9	27.5	19.1	1.9	1.7	7%	9%		7%
Greater China thermal solutions providers															
3017.TW	AVC	734	O	815	9,650.8	37.85	45.00	19.4	16.3	6.5	5.3	38%	35%	146.5	46%
3324.TWO	Auras	634	E	550	1,970.9	31.92	37.96	19.9	16.7	5.1	4.3	28%	28%	61.3	32%
2421.TW	Sunonwealth	100	E	100	921.6	7.60	7.51	13.1	13.2	3.1	2.9	25%	23%	9.5	17%
Average						25.8	30.2	17.5	15.4	4.9	4.2	30%	29%		32%
Greater China server rail kit providers															
2059.TW	King Slide	2075	O	2,300	6,698.0	81.97	94.97	25.3	21.8	7.5	6.4	33%	32%	64.9	21%
6584.TW	Nan Juen	174	NA	NA	387.6	5.85	9.89	29.7	17.5	4.9	4.0	16%	23%	2.9	91%
Average						43.9	52.4	27.5	19.7	6.2	5.2	25%	27%		56%

Source: FactSet, company data, Morgan Stanley Research. N=Not Covered; E = Morgan Stanley Research estimates and FactSet consensus estimates for the non-covered names. Note: Closing prices as of June 23, 2025.

Fositek – A support but also an extension to AVC group business

Business exposure tied to AVC group development

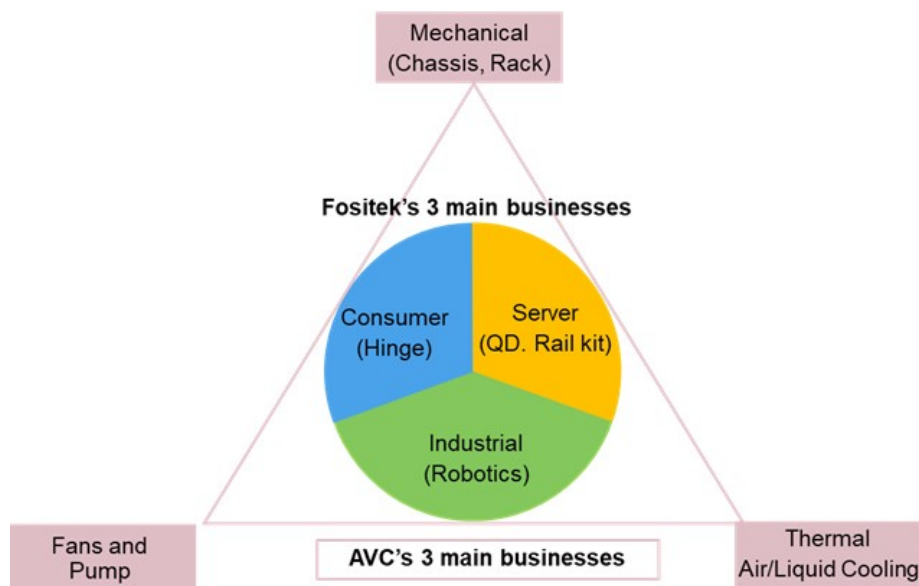
Fositek is 16.87% owned by Asia Vital Component (AVC, 3017.TW, OW), a thermal solution and mechanical component supplier in Taiwan. As AVC's management team also leads Fositek's operation, Fositek operates as a fully-consolidated subsidiary of AVC.

AVC's three main business offerings cover thermal components (both air and liquid cooling, also immersive cooling), mechanical components (chassis and racks) as well as cooling fans and pumps, with end demand covering server/data computing, telecom and industrial/EV related. (Exhibit 17) Fositek specializes in precision metal component manufacturing: while its main business focuses on consumer electronics (smartphones, NB hinges), server (rail kits and QD) and industrial robotics (reducers for humanoid robots).

We believe Fositek is able to leverage the group's solid supply position in cooling components/solutions into AI server racks and expand its offerings of quick disconnect (QD), floating mount modules and rail kits that help AVC enhance its integrated solution capability.

AVC has a long history of supplying thermal solutions to major enterprise server vendors such as HPE, DELL and Cisco, and hyperscalers in the US, such as Amazon and Microsoft. When it comes to liquid cooling solutions, AVC has also secured cold plate module orders for GB200/300 server racks from US hyperscalers as well as AI ASIC server rack projects, such as AWS Trainium series. As a fully-consolidated subsidiary of AVC, Fositek's QD and floating module shipments will align with AVC's cold plate module project wins as long as it is qualified as the reference design partner.

Exhibit 17: Fositek's product offerings fit with AVC group development



Source: Morgan Stanley Research.

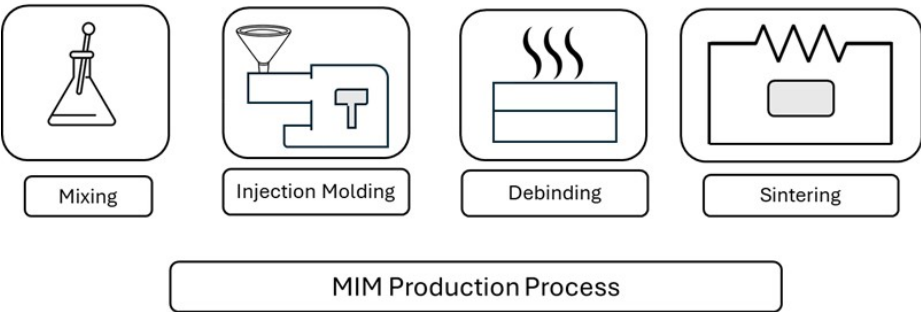
Specialized in precision metal processing work, including MIM and moving metal parts

Fositek has handled metal hinge manufacturing work for smartphones and NBs for years, which includes various metal processing work, such as stamping, lathe processing, and die casting. A smartphone hinge, such as for Huawei Mate X series, is made with 100-150 parts. Of these, 25-40 are metal precision parts, including damper springs (stable resistance), rotary axes, and support and structural parts.

The increasing requirement of lightweight and thin form factor also raises the manufacturing complexity of metal precision parts. **Metal injection molding (MIM)** thus becomes a key processing technique as it allows mass volume production for small-sized hetero-shaped metal precision parts. That said, the understanding of materials and process control are key to increase throughput as it involves several processing steps, as shown in [Exhibit 18](#).

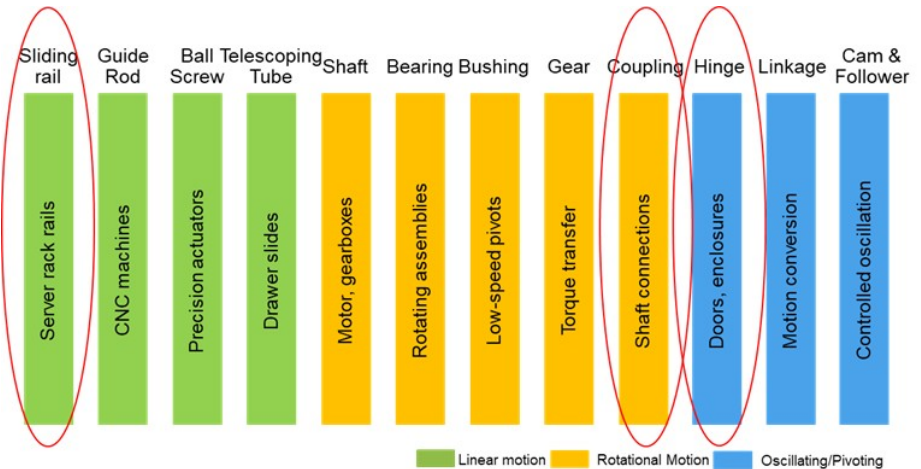
The design and manufacturing know-how of **moving metal parts** in mechanical system allows Fositek to extend its offerings into server/rack and industrial segment. Moving metal parts enable the components to slide, rotate, connect and transfer torque and motion.

Exhibit 18: Metal injection molding (MIM) production process



Source: Morgan Stanley Research.

Exhibit 19: Metal moving parts by motion type



Source: Morgan Stanley Research.

Extend the metal precision parts to server application – Quick disconnect (QD),

floating mount and rail kit

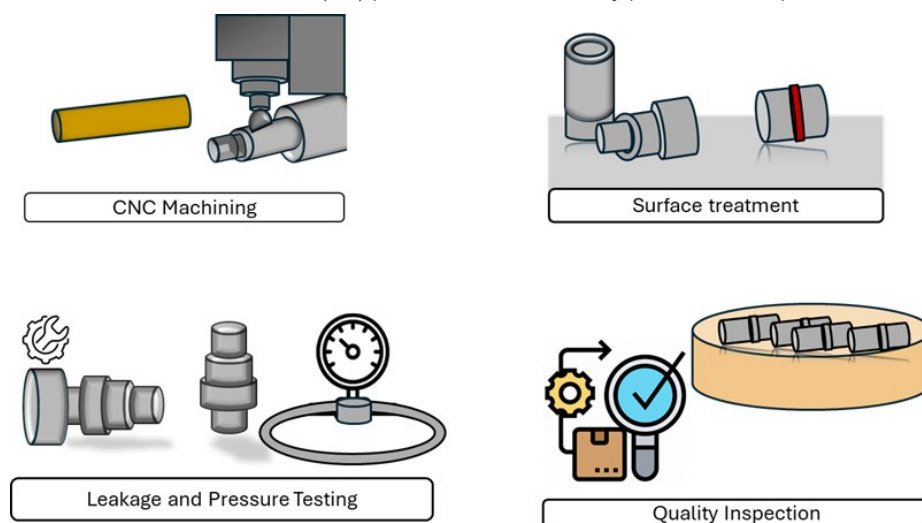
Fositek sees the opportunity to extend its metal precision part offerings to the server segment, including quick disconnect (QD), floating mounts and server rail kits. This helps enhance the integrated liquid cooling solution offerings for its parent company, AVC – cold plate modules, rack manifolds and server racks. That shows the benefits of faster time-to-market delivery and competitive cost offerings.

QD manufacturing requires high precision with tolerance of only 0.01mm, especially for valve core, sliding parts and male/female connecting structures, in order to prevent water leakage, connect seamlessly and allow hot swaps. Thus, we view Fositek's accumulated years of experience in precision metal parts processing, such as CNC machining and sealing mechanism, help it shorten the learning curve.

Floating mount is the mechanical metal part that allows minor movement or flexibility between two high-precision connected parts. It embeds QD as key connecting part for cold plate module with rack manifold to facilitate liquid cooling mechanism around server rack, while ensuring the reliability of QD connection to avoid any water leakage.

Server rail kit is the sliding and supporting parts inside the server rack to allow maintenance and de-bug of server, switch, power supply and cooling tray, etc. It is normally made of stamped metal sheet (cold-rolled steel or aluminum) with sliding mechanism, such as ball bearings or rollers. That said, metal processing know-how is similar to the other metal parts processing work that Fositek handles, i.e. die stamping, CNC machining, roller slides, surface treatment, etc.

Exhibit 20: Quick disconnect (QD) production flow and key production steps



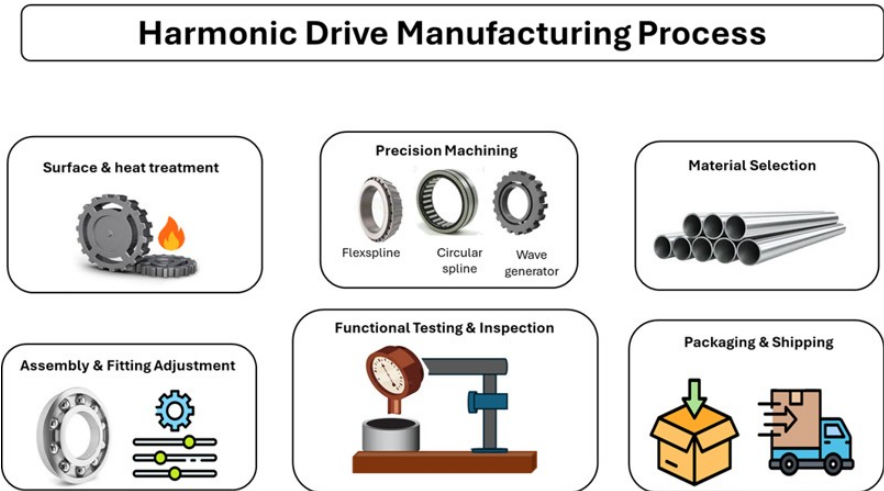
Source: Morgan Stanley Research.

Harmonic reducers for robotics provide long-term business potential

Fositek also aims to leverage its expertise in high-precision engineering and strict quality control to offer harmonic reducers for industrial applications in the long run. Harmonic reducers reduce high-precision speed and torque in a compact, lightweight and backlash-

free mechanism. The manufacturing process also involves precision machining, surface treatment and tolerance-free assembly. This might take time to develop as the design mechanism involves more than that for moving metal parts but this could serve as a new long-term driver for Fositek if it materializes.

Exhibit 21: Harmonic drive manufacturing process



Source: Morgan Stanley Research.

Popularity of foldable phones drives smartphone hinge shipments

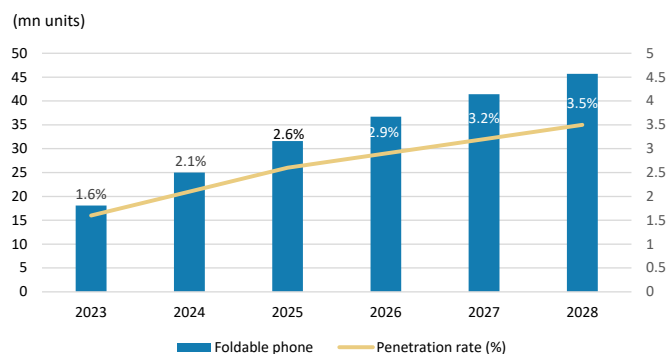
Upcoming foldable iPhone debut in 2H26 could drive overall foldable phone penetration higher

Smartphone hinge designed for foldable phones is Fositek's major revenue driver with 83% of total revenue contribution in 2024. According to IDC estimates published in 2024, global foldable smartphone shipments could grow at a five-year CAGR of 20% over 2023-28e, to 46mn units per year.

Our Apple analyst Erik Woodring expects [Apple to launch a high-end, horizontal foldable iPhone model in the fall of 2026](#). This new form factor is part of Apple's strategy to innovate on iPhone design and potentially boost both unit sales and average selling prices (ASPs). Our US IT hardware team estimates even if just 10% of total iPhone volumes are foldable, the higher price point (US\$1,800-2,000) implies 12-14% YoY ASP growth, assuming no other mix shift (this would be for FY27) vs. our current estimate of +4% YoY and Consensus at +4% Y/Y.

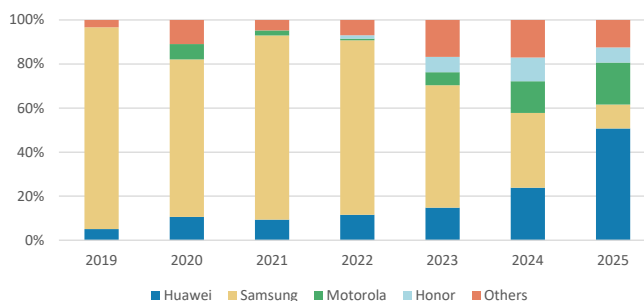
We expect smartphone hinge suppliers, including Fositek, to benefit from the increasing penetration of foldable phones, regardless of whether Fositek supplies hinges for the first foldable iPhone models.

Exhibit 22: Global foldable smartphone shipment and penetration



Source: IDC, Morgan Stanley Research

Exhibit 23: Global foldable smartphone market share trend



Source: IDC, Morgan Stanley Research

"Thin and light" design trend for hinges

There are two mainstream designs for hinges, including the U-shaped hinge and the water drop-shaped hinge. The water drop-shaped design is the preferred design as it has a less visible gap when the device is fully folded, and thus a slimmer form factor.

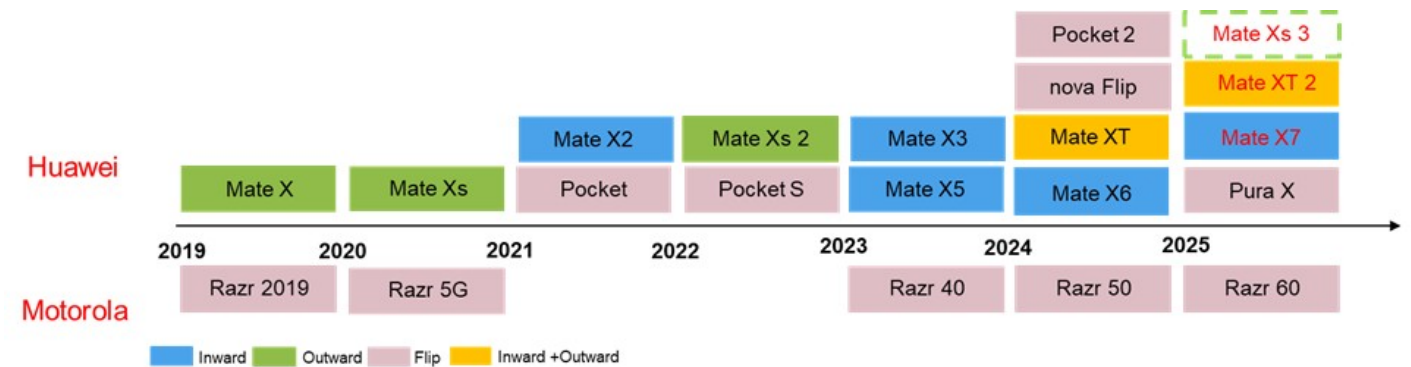
Water drop-shaped hinges contain many times more parts compared to U-shaped, and these complex parts add to the weight. To lower overall weight while maintaining the same structural strength, light and strong materials such as carbon fiber are used in the MIM (metal injection molding) process.

Fositek's smartphone hinge business to grow by double digits YoY

Fositek is one of the major smartphone hinge suppliers to Huawei. Our supply chain checks suggest there will be two to three new Huawei foldable phone models in 2H25, including an inward folding model (potential Huawei Mate X7), an outward folding model (potential revision model for Huawei Xs series) and a trifold model (potential revision model for Mate XT) (Exhibit 24).

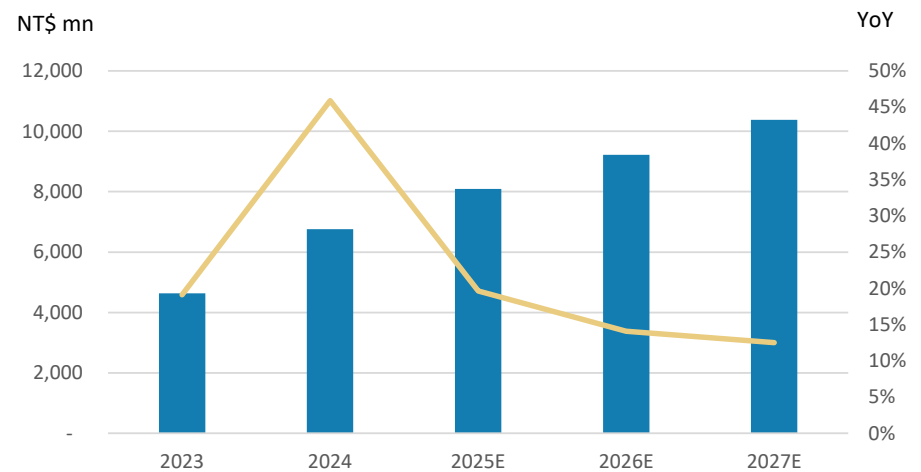
We expect these new models to drive double-digit % YoY growth in Fositek's hinge revenue in 2025. Moreover, Fositek aims to increase the portion of self-manufactured MIM components to enhance its gross margins (Exhibit 25).

Exhibit 24: Foldable smartphone product pipeline



Source: Company data, Morgan Stanley Research

Exhibit 25: Fositek's smartphone hinge revenue and YoY



Source: Company data, Morgan Stanley Research estimates

Liquid cooling QD/floating mount module offerings in GB300 server rack

Bianca board design for GB300 server rack to roll out first

New NVQD to be adopted in switch tray of GB300 server rack, instead of compute tray

Quick disconnect includes a plug (male) and a socket (female). The UQD (universal quick disconnect) is a global standard for quick disconnect couplings developed within the OCP (Open Compute Project). However, Nvidia introduced its own NVQD design, with smaller diameter, in GB300 server rack platform, instead of the UQD04 adopted in the existing GB200 server rack system.

With GB300 compute board design switching back from Cordelia to Bianca, the initial usage for Nvidia's own NVQD will not be a huge amount at the initial stage. Our recent supply chain checks suggest GB300 server rack with Bianca board design will still adopt new NVQD for liquid cooling solution, but only in switch trays while UQDs remain in design in compute trays. Compute tray should come with 4 UQDs, featured O4 spec, while switch tray will adopt 4 NVQDs, featured O3 spec (smaller). The related QDs for GB300 server rack are scheduled for mass production in 3Q25.

Exhibit 26: UQD and NVQD showcased at Computex 2025, reference design vendors also listed



Source: Morgan Stanley Research.

How much does a liquid cooling system for the GB300 server rack with a Bianca board design cost?

Our understanding is that the TDP requirement for the NVDA B300 GPU has risen to 1,400W, vs. the B200 at 1,200W. A GB300 superchip (liquid cooled) consists of one Grace CPU (300W) and two B300 GPUs (2,800W) so the total TDP is up to 3,100W per

superchip.

Cooling component value for server rack is US\$49,590 per rack: NVDA's GB300 NVL72 server rack comes with 18 compute trays (in 1U) and each compute tray in Bianca board design carries two GB300 superchips and eight cooling fans (40x56mm). CPUs and GPUs are covered by one large cold plate module, connecting the 6 smaller cold plates on each chip, costing total US\$1,800. The cost for each cooling fan is US\$25, while the cost for each UQD ranges from US\$20-30.

Nine switch trays (in 1U) are also included in a GB300 NVL72 server rack and each switch tray carries two NVLink switch chips, six cooling fans and 4NVQDs. Each NVLink switch requires one cold plate module and each cold plate module costs US\$200. The cost for each cooling fan is US\$25, while the cost for each NVQD is ~US\$25. If we add the various components together, the total thermal content value per rack amounts to US\$49,590, on our estimates.

~20% cooling component value upside for GB300 Bianca compute tray and switch tray: The total cooling component content value of GB300 compute trays and switch trays per rack is ~20% higher than that of US\$41,490 for GB200. ([Exhibit 27](#)) We believe the main difference comes from cold plate module with higher wattage for B300 chips and NVQDs featured in switch trays.

Exhibit 27: Liquid cooling component value per rack for GB300 Bianca design server rack system (NVL72 equivalent)

Compute tray (Bianca)	unit	BoM (US\$)
Cold plate module	\$	300
- # per compute tray	6 \$	1,800
Cooling fans (4056, N+1 redundant)	\$	25
- # per compute tray	8 \$	200
UQD	\$	25
- # per compute tray	4 \$	100
Floating mount		100
- # per compute tray	2 \$	200
Thermal value per compute tray	\$	2,300
- # of compute tray per rack	18	
Thermal value for compute tray per rack	\$	41,400
Switch tray	unit	BoM (US\$)
Cold plate module	\$	200
- # per switch tray	2 \$	400
Cooling fans (4056, N+1 redundant)	\$	25
- # per switch tray	6 \$	150
NVQD	\$	25
- # per compute tray	4 \$	100
Floating mount		100
- # per compute tray	2 \$	200
Others	\$	60
Thermal value per compute tray	\$	910
- # of switch tray per rack	9	
Thermal value for switch tray per rack	\$	8,190
total thermal content value per rack	\$	49,590

Source: Morgan Stanley Research estimates

Exhibit 28: Liquid cooling component value for GB200 server rack system (NVL72 equivalent)

Compute tray	unit	BoM (US\$)
Cold plate module	\$	250
- # per compute tray	6	\$ 1,500
Cooling fans (4056, N+1 redundant)	\$	25
- # per compute tray	8	\$ 200
UQD	\$	25
- # per compute tray	4	\$ 100
Floating mount		100
- # per compute tray	2	\$ 200
Thermal value per compute tray	\$	2,000
- # of compute tray per rack	18	
Thermal value for compute tray per rack	\$	36,000

Switch tray	unit	BoM (US\$)
Cold plate module	\$	200
- # per switch tray	2	\$ 400
Cooling fans (4056, N+1 redundant)	\$	25
- # per switch tray	6	\$ 150
Others	\$	60
Thermal value per compute tray	\$	610
- # of switch tray per rack	9	
Thermal value for switch tray per rack	\$	5,490
total thermal content value per rack	\$	41,490

Source: Morgan Stanley Research estimates

Change to cooling solution GB300 Cordelia compute tray

Despite a recent design switch for the GB300 compute board design from Cordelia to Bianca, we believe that Cordelia might still have its time to shine, as evidenced by [all the booths still showcasing Cordelia instead of Bianca](#). We believe this is because Cordelia is the eventual design concept from Nvidia that integrates the new GPU socket, SO-CAMM connectors, NVQD, more liquid cooling, etc., which allows better serviceability and repair.

Our checks suggest that the supply chain is still working on development for GB300 with the Cordelia design and targets mass production by the end of this year or early next year. Below we break down potential value upgrades for liquid cooling design in the Cordelia compute board:

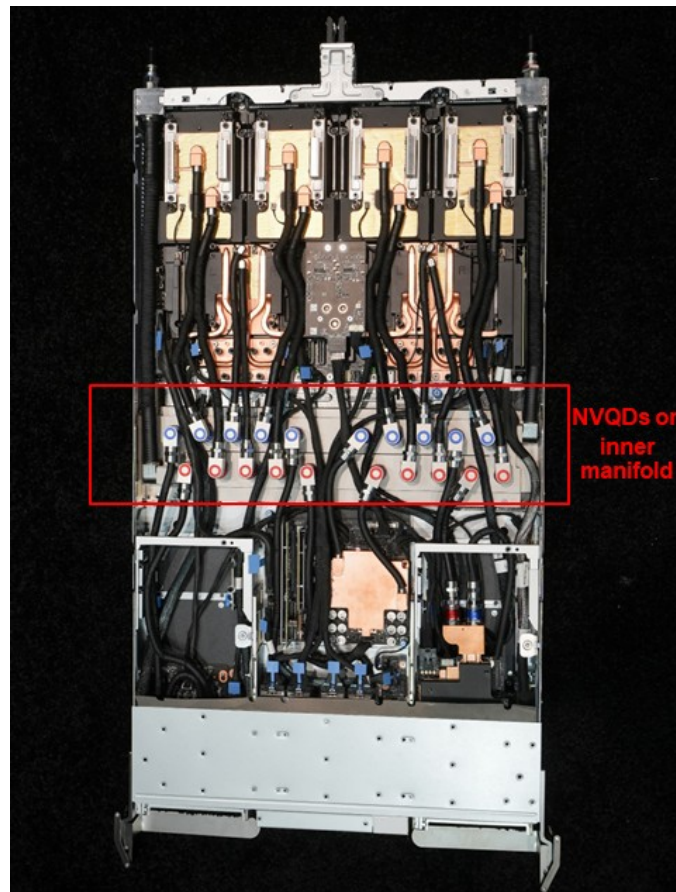
All liquid-cooled solution in Cordelia compute board

1. **Separate cold plates:** The latest liquid cooling solutions for Cordelia design comes with six separate cold plates for each GPU and CPU along with newly adopted NVQDs, instead of one connected cold plate module with UQD in Bianca design.
2. **Fanless design:** Unlike Bianca featuring 6-8 fans on the compute trays, the thermal design for Cordelia compute trays are fanless.
3. **NVQD usage:** Unlike Bianca featuring 4 UQDs (O4 spec) on the compute trays, the thermal solution for Cordelia compute trays features up to 20 NVQD (O3 spec).
4. **Floating mount module:** Floating mount module is the component that offers a greater working range and some buffer during blind insertion of male and female QDs to avoid clashing under misalignment of two QDs and potential water

leakage caused.

5. **Inner manifold:** In order to connect all six individual cold plates, a larger inner manifold placed in the middle of the compute tray is included in cooling module for the GB300 Cordelia project.

Exhibit 29: Liquid cooling solutions on Cordelia compute tray



Source: Hon Hai, Morgan Stanley Research.

How much does a liquid cooled module for a Cordelia compute tray cost?

Cooling component value for compute tray is US\$67,824 per rack: Although the spec for GB300 Cordelia tray is not finalized yet, our understanding is that each CPU and GPU requires one cold plate module and each cold plate module costs US\$300. The twelve pairs of NVQD cost US\$768, assuming US\$64 per pair. Inner manifold is where content value increases the most, up to US\$1,000, from ~US\$100s in GB200 compute trays.

If we add the various components together, the total thermal content value of compute trays per rack amounts to US\$67,824, on our estimates ([Exhibit 30](#)).

Content value 85% higher than GB200: The total thermal content value of GB300 compute trays per rack of US\$67,824 is >85% higher than the content value of US\$36,000 for GB200 ([Exhibit 15](#)). This is in line with our supply chain checks suggesting

the total content value per tray to be 50% higher than that of the GB200 design, with incremental adoption of aforementioned larger inner manifold, NVQDs as well as tubes and pipes, assuming similar content value for cold plate modules.

Exhibit 30: Liquid cooling component value for GB300 Cordelia compute trays per rack

Compute tray	unit	BoM (US\$)
Cold plate module	\$	300
- # per compute tray	6 \$	1,800
NVQD	\$	32
- # per compute tray	24 \$	768
Inner manifold	\$	1,000
Floating mount		100
- # per compute tray	2 \$	200
Thermal value per compute tray	\$	3,768
- # of compute tray per rack	18	
Thermal value for compute tray per rack	\$	67,824

Source: Morgan Stanley Research estimates.

Exhibit 31: Air-assisted liquid cooling component value for compute tray in GB200 server rack system (NVL72 equivalent)

Compute tray	unit	BoM (US\$)
Cold plate module	\$	250
- # per compute tray	6 \$	1,500
Cooling fans (4056, N+1 redundant)	\$	25
- # per compute tray	8 \$	200
UQD	\$	25
- # per compute tray	4 \$	100
Floating mount		100
- # per compute tray	2 \$	200
Thermal value per compute tray	\$	2,000
- # of compute tray per rack	18	
Thermal value for compute tray per rack	\$	36,000

Source: Morgan Stanley Research estimates.

Ample revenue growth opportunities for Fositek

At GTC 2025, the latest MGX Ecosystem supplier list was updated as below. We see a total of 11 suppliers included on the MGX supplier list for NVQD – including four based in Taiwan and six based in China. We expect Cooler Master, AVC, Readore (unlisted) and Auras to be major NVQD suppliers.

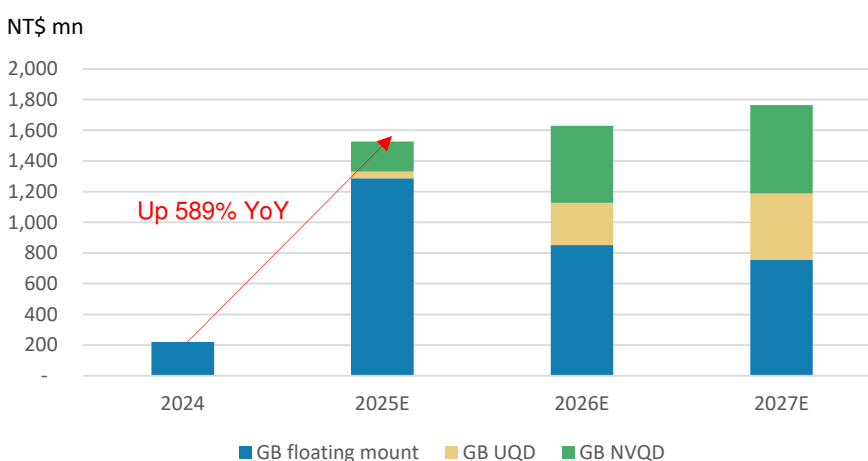
Fositek helps handle the UQD and NVQD related manufacturing work as well as slide rail work for AVC group. Thus, we expect value upgrades and market share gain potential on upcoming GB300 server rack projects to be major opportunities for Fositek in 2H25 onward, as we believe AVC remains the major cold plate module supplier for compute tray (40-50%) and switch tray (>80%).

Exhibit 32: MGX Ecosystem suppliers at GTC 2025

Product	Suppliers	Supplier #
Power seHf	Delta, Lite-on, Megmeet, Flex, Lead Wealth	5
12V Busbar	Amphenol, Bizlink, Interplex, JPC, Lotes	5
54V Busbar	Amphenol, Bizlink, Foxconn, JPC, Molex	5
MGX 1400A Busbar	Amphenol, Bizlink, Delta, Foxconn, Interplex, Lead Wealth, TE	7
High Speed Cable	Amphenol, Bizlink, Foxconn, JPC, Molex, Luxshare, Simula	7
MGX Cold Plate	Auras, AVC, Boyd, Cooler Master, CoolIT, Delta, Foxconn, Lead Wealth, Pinda, Readore	10
UQD	Auras, AVC , Danfoss, Envicool, Lead Wealth, Parker, Readore, Staubli	8
NVQD	Auras, AVC , Beehe, Cooler Master, Danfoss, Envicool, Lead Wealth, Lotes, Readore, Taicheng, ZJK	11
MGX 44 RU Manifold	Auras, AVC, Cooler Master, Delta, Foxconn, Lead Wealth, Lite-on, Pinda	8
MGX Chassis	Chenbro, Foxconn, Interplex	3
Slide Rail	AVC , ChengFwa, King Slide, Repon, YuansTech	5

Source: Morgan Stanley Research

Assuming continuous shipment of floating mount for GB200 in 2H25 and NVQD for GB300 switch tray starting 3Q25, this will bring NT\$1.5bn revenue for Fositek this year, based on our estimates. This drives its GB quick disconnect revenue up by more than five times YoY in 2025, followed by mid-high single digit YoY growth in 2026-27 assuming stable GB300 shipments.

Exhibit 33: Fositek's floating mount and QD revenue for GB server racks in 2024-2027

Source: Company data, Morgan Stanley Research estimates

Liquid cooling QD/floating mount module offerings in AWS Trainium 3 server rack

New AI ASIC servers adopting liquid cooling solutions

We see not only computing power wattage per GPU chip by NVDA is on the rise, but also AI ASIC chips (customized chips) follow the same pace of computing power increase. This leads to our belief that liquid cooling adoption in AI ASIC server racks will replace the existing air cooling solution.

Exhibit 34: US AI ASIC GPU spec comparison

Brand	US ASIC			
	Google		AWS	
	TPU V6e TSMC 4nm	TPU V7 TSMC 3nm	Trainium 2 TSMC 5nm	Trainium 3 TSMC 3nm
FP16 (TFLOPS)	918	2,307	667	1,334
FP8/Int8 (TFLOPS)	1,836	4,614	1,299	2,598
HBM usage	HBM3	HBM3e	HBM3	HBM3e
HBM memory (GB)	32	192	96	NA
HBM bandwidth (GB/s)	1,640	7,370	2,900	NA
GPU-GPU networking bandwidth	448GB/s	672GB/s	PCIe Gen5	PCIe Gen5
TDP (W)	NA	NA	500W	NA

Source: Morgan Stanley Research.

Exhibit 35: China AI ASIC GPU spec comparison

Brand	China							
	Huawei		Cambricon		Hygon	Iluvatar	Enflame	Alibaba
Product	Ascend 910B	Ascend 910C	MLU370	MLU590	Deep Compute III	Big Island	I20	pingtoug
Node	SMIC 7nm (n+2)	SMIC 7nm (n+2)	7nm	7nm	7nm	TSMC 7nm	TSMC 7nm	12nm
FP16 (TFLOPS)	320	800	72	256	192	147	128	205
FP8/Int8 (TFLOPS)	640	1,600	192	512	392	256	256	825
HBM usage	HBM2e	HBM2e	HBM2	HBM2e	HBM2e	HBM2	HBM2	SRAM
HBM memory (GB)	64	128	24	NA	NA	32	32	NA
HBM bandwidth (GB/s)	1,600	3,200	NA	NA	NA	1,200	300	NA
GPU-GPU networking bandwidth	PCIe Gen5	PCIe Gen5	PCIe Gen4: 200GB/s	PCIe Gen5	PCIe Gen5	PCIe Gen4	64GB/s	NA
TDP (W)	400W	310W	70/150W	NA	350	300W	300W	NA

Source: Morgan Stanley Research.

Take new liquid cooled design in upcoming AWS Trainium server racks as an example, our check suggests one liquid-cooled Trainium 2.5/3 server rack consists of 18 compute trays, with each compute tray consisting of 30 UQDs of different sizes, including UQD02 UQD04 and UQD06. Besides compute trays, 10 switch trays are also featured in the new Trainium server rack design, with 6 UQDs adopted per switch tray. All of these add up to 600 units of UQDs per rack all together ([Exhibit 36](#)).

Liquid cooled components for Trainium 3 server rack projects should kick off from 4Q25

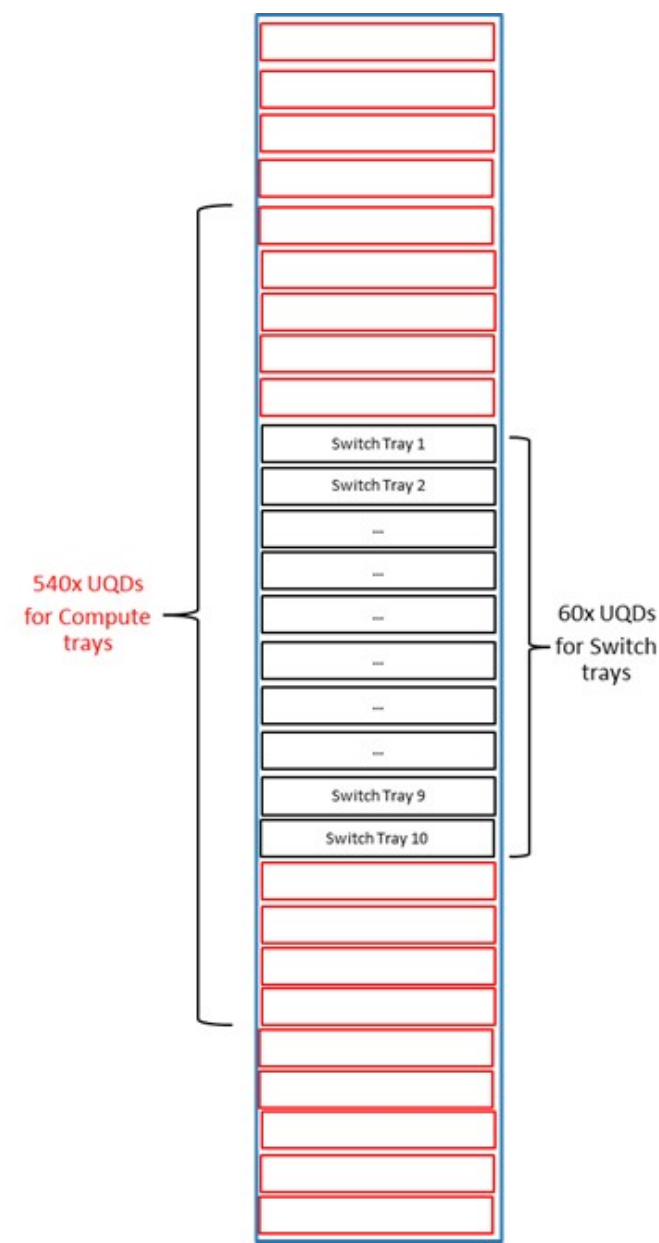
AVC sees new generation AI ASIC server/rack projects from a few key customers adopting liquid cooling solutions, with shipment ramp expected in 2H25. This should bode well for Fositek, as it could leverage its relationship with AVC and ship its QDs and floating mount modules designed into AVC's cold plate module offerings. We expect related revenue contribution to start from 4Q25 and further ramp in 2026.

Our industry checks suggest the pricing per UQD range from US\$20-30, depending on the size of the UQD. Assuming an ASP of ~US\$25, that would imply ~US\$15k worth of UQD

content dollars per Trainium server rack, and a TAM of ~US\$198mn or ~NT\$5.9bn (assuming ~13.2k racks to adopt liquid cooling in a year). (Exhibit 37)

Our estimates show that this adds NT\$2,850mn to Fositek's revenue in 2026, or 18% of total revenue, an incremental business line from 4Q25.

Exhibit 36: UQD design per new liquid-cooled Trainium 3 server rack



Source: Morgan Stanley Research.

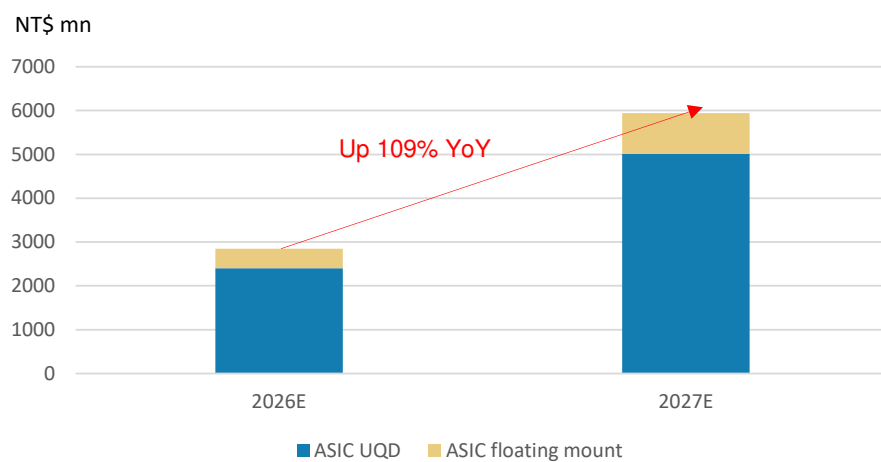
Exhibit 37: UQD value dollar per new liquid-cooled Trainium 3 server rack

Trainium 2.5/3		
Compute tray		unit
QD per tray		30
# of tray per rack		18
Total QD per compute trays		540
Switch Tray		unit
QD per tray		6
# of tray per rack		10
Total QD per compute trays		60
Total UQD # per rack		600
ASP per QD		\$ 25
UQD value per rack		\$ 15,000

Source: Morgan Stanley Research.

Exhibit 38:

Fositek's floating mount and QD revenue for Trainium server racks in 2026-2027



Source: Company data, Morgan Stanley Research estimates

Server rail kit offerings – Another extension

Server rail kit supply growth ties with AI server rack demand

Server rail kits make maintenance and troubleshooting more efficient, which is important as the computing density of AI server racks is increasing generation by generation – from NVDA Hopper GPU to Blackwell and from HGX server form factor to rack integration. That means the weight of servers will increase as more server compute components are designed in the server chassis.

In addition to compute trays (server) designed in server rack, network switch, cooling system, power shelf/battery backup unit, etc. also need the rail kit design. We thus believe developments in the server market are positive for rail kits, as the heavier weights mean rail kits will need to be stronger while keeping a slim form factor given the limited space between the rack and chassis.

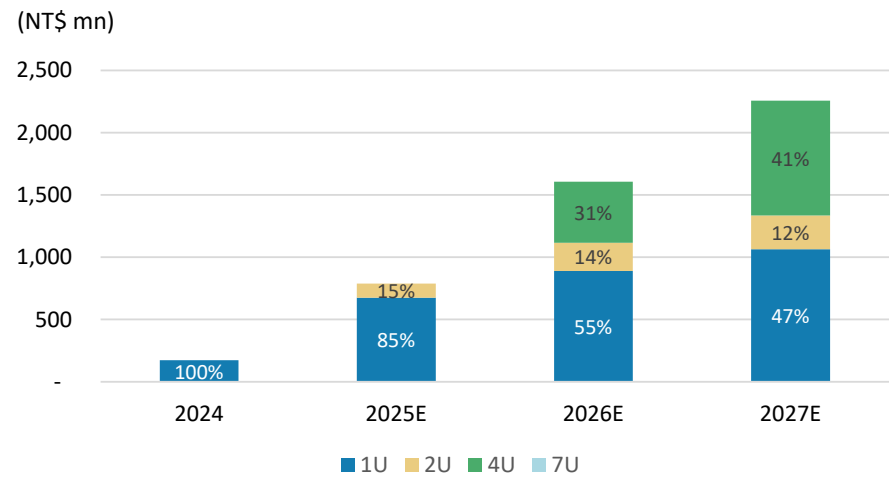
There is also a close correlation between the price of a rail kit and the load it can carry, as well as its travel length. Our supply chain checks indicate that the ASP of rail kits used in AI servers could exceed US\$200 (6-8x more than traditional servers), as these servers can weigh in at over 130kg. This is much higher than 1U/2U servers, so in our view the proliferation of AI servers will benefit rail kit suppliers with better design and manufacturing capabilities.

Server rail kit shipment ramped up gradually

Fositek partners with Nan Juen (6584.TWO, not covered) in Taiwan for 1U server rail kit manufacturing by licensing Nan Juen's patent portfolio. Industry players usually use the term "U" to refer to a unit of height on a standardized server rack (1U equals 1.75" in height). The company has been shipping 1U server rail kits for general purpose servers to US-based hyperscalers since 2024, and is working on rail kit developments for 2U/4U/7U height servers.

Our supply chain checks suggest Fositek's 2U rail kit for GB200 servers and ASIC AI servers are under qualification, and should be ready for shipment some time in 3Q25. We expect it should still take some time before Fositek starts providing higher end offerings including 4U or 7U products. Our estimates show that server rail kit could contribute NT \$2,316mn to Fositek's revenue in 2025, or 7% of total revenue, up from 2% only in 2024.

Exhibit 39: Fositek's server rail kit revenue by unit of height



Source: Company data, Morgan Stanley Research estimates

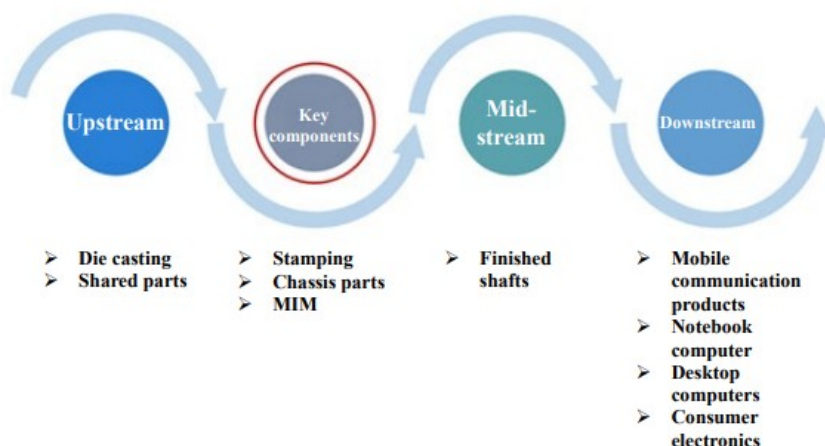
Company Background

Specializes in precision metal parts manufacturing

Fositek Corp. was founded in 2001 and listed on the Taiwan Stock Exchange on November 9, 2023. It is a 16.87%-owned subsidiary of AVC, providing it with strategic advantages in terms of supply chain integration and market access. The company specializes in precision components manufacturing, including hinges for smartphones and notebooks. Huawei and Motorola are Fositek's main customers for smartphone hinges.

Fositek is expanding its offerings into server-related, including server rail kits and quick disconnect (QD) and floating mount. Fositek has been shipping floating mount and is on the reference design list for Nvidia's NVQD. For server rail kits, Fositek has already started shipping 1U server rail kits for general purpose servers and is working on self-designed rail kits for 2U/4U/7U height servers.

Exhibit 40: Fositek specializes in precision components



Source: Fositek.

Capacity build in China and Vietnam

Fositek is headquartered in Xinzhuang, Taiwan, with major production sites in China, including Shenzhen and Dongguan, and new capacity expansion in Vietnam for server related offerings. The company does not need extra capacity for server applications as related components should be produced at parent company AVC's Vietnam production site.

AVC aims to expand all of its offerings in Vietnam, including air and liquid-cooled thermal modules, fans, and chassis. Construction of phase 3 of AVC's Vietnam site started in 4Q24 and is expected to be completed in 2025-26. We expect capacity for Fositek's QD offerings to be one of the key products for capacity expansion of phase 3 of the Vietnam site, along with AVC's server chassis, racks, and liquid cooling related offerings (cold plate modules, inner manifolds, rack manifolds, and pumps).

Exhibit 41: Vietnam capacity expansion plan for AVC group

Capacity (per month)	Offering	2Q25	2Q26
Product	Fans	3mn	3.8mn
	Chassis	180K	250K
	Rack	500	3000
	Air cooled thermal module	850K	1mn
	Liquid cooling module	500K	750K
Key component	Inner manifold	200K	300K
	Rack manifold	1000	2000
	Pump	4000	8000
	QD (Fositek)	300K	1.8mn
	Rail kit (Fositek)	60K	120K

Source: Company data, Morgan Stanley Research

Revenue breakdown

Foldable mobile phone hinges (83% of revenue in 2024)

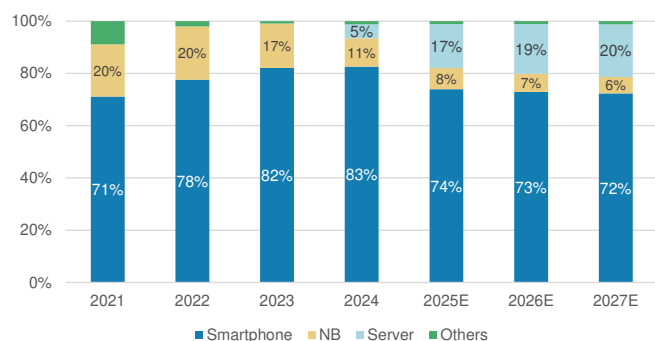
Foldable phone hinge is Fositek's largest revenue contributor at 83% in 2024, with total smartphone shipment of >3mn units last year. Huawei is the key client for Fositek's smartphone hinge business (81% of total revenue in 2024), and Fositek has been major hinge supplier to multiple Huawei foldable phones. Fositek also supplies hinge to Lenovo's foldable smartphone under Motorola brands.

Notebook computer hinges (11% of revenue in 2024)

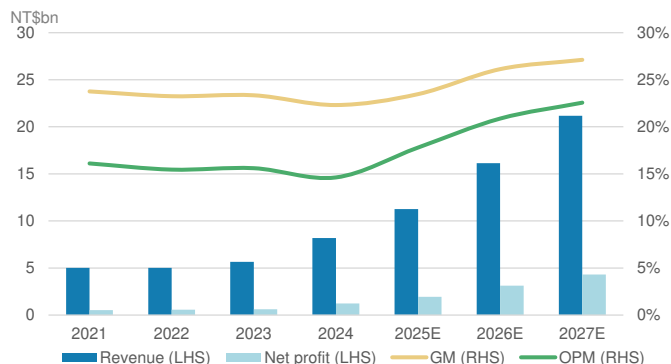
Fositek provides NB hinges, and developed designs including ultrathin 360 NB hinge and hinges for foldable NB. Its clients in this business include global NB manufacturers such as Lenovo, Huawei and DELL.

Server (5% of revenue in 2024)

Fositek is expanding its offerings into server-related, including server rail kits and liquid cooling related offerings such as floating mount and quick disconnect (QD) modules. The server business is one of Fositek's key growth drivers, and it could leverage its parent company AVC's resources and client base to expand this business.

Exhibit 42: Fositek: Revenue breakdown by application

Source: Company data, Morgan Stanley Research. E = Morgan Stanley Research estimates.

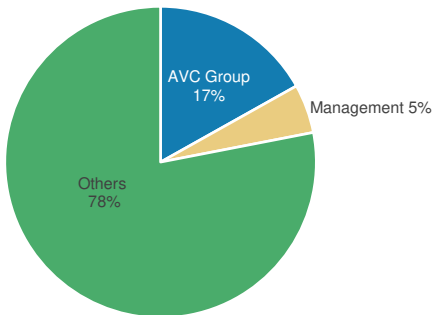
Exhibit 43: Fositek: Revenue vs margin trend

Source: Company data, Morgan Stanley Research. E = Morgan Stanley Research estimates

Management & shareholder structure

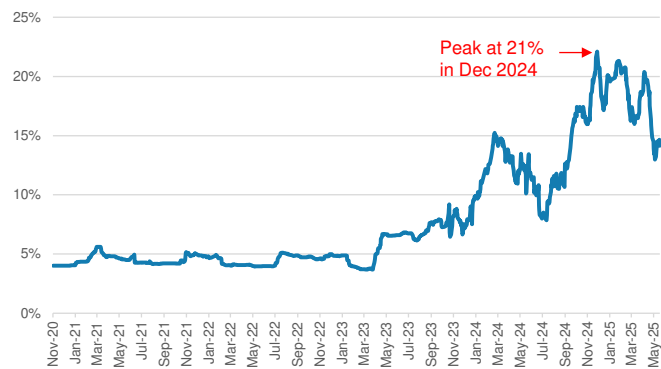
Fositek's board currently consists of four directors and three independent non-executive directors. Fositek's major shareholder is AVC (3017.TW, OW), a thermal solution provider in Taiwan, representing (directly and indirectly) 16.87% of AVC's of total outstanding shares as of April 2025. Including AVC, the management team owns ~22% of Fositek as of April 2025. The FINI holding percentage as of June 5, 2025 is 14%, 7% down from the peak in December 2024.

Exhibit 44: Fositek: Shareholder structure (as of April 2025)



Source: MOPS, Morgan Stanley Research.

Exhibit 45: Fositek: FINI holding percentage (as of June 5, 2025)



Source: TEJ, Morgan Stanley Research.

Price Target Discussion and Valuation Methodology

Our price target for Fositek is NT\$1,066: Our price target is also our base case scenario value. We derive our price target from our residual income (RI) model, similar to the rest of our tech hardware coverage universe. Our key assumptions include a cost of equity of 10% (beta of 1.3, equity risk premium of 8%, and risk-free rate of 0.5%), a medium-term growth rate of 13% and a terminal growth rate of 3%.

Our price target implies 23x 2026 P/E, which is between Fositek's historical trading average of 26x and 1SD- average of 19x. We think this is justified for the following reasons:

(1) Riding on the ongoing trend of increasing foldable smartphone penetration:

Fositek's share price rallied from November 2023 to November 2024, riding on the trend of Huawei's foldable smartphone upgrades from bookfold to tri-fold. We believe the upcoming foldable iPhone debut in 2H26e could drive overall foldable phone penetration higher. Therefore, we believe Fositek will benefit from the increasing penetration of foldable smartphones, and that it deserves a valuation re-rating during the industry uptrend.

(2) Fositek's upcoming business opportunities in data centers and improving margin profile:

In addition to smartphones, Fositek is also expanding its business to server related offerings including quick disconnect and server rail kit. We believe Fositek will also benefit from the secular trends of the booming computing power demand, driving an increase in adoption of liquid cooling and related quick disconnect featured. Meanwhile, Fositek has been increasing its revenue exposure to high-end products to improve its margin profile and maintain stable profits amid the volatility in smartphone orders. Fositek's gross margin ranged between 20-25% in 2022-24, and we forecast it to improve to 25-27% in the next 2-3 years. We think this supports a higher valuation.

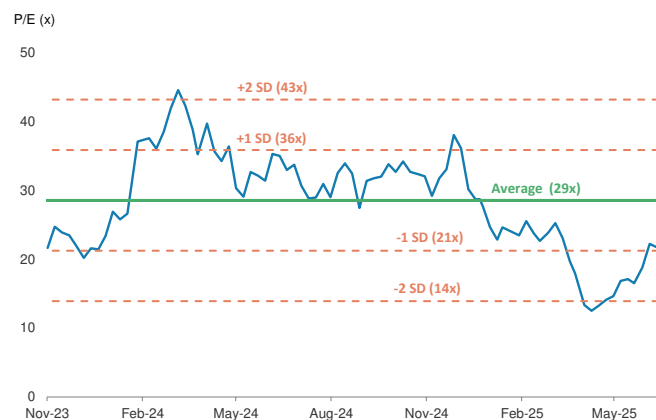
Bull case value NT\$1,320: In this scenario, we assume (1) increasing penetration of liquid cooling in servers/data centers; (2) faster than expected server rail kit project gain; and (3) increasing penetration of foldable smartphones. Our bull case scenario value implies 29x 2026 EPS.

Bear case value NT\$546: In this scenario, we assume (1) slower-than-expected adoption of liquid cooling in servers/data centers; (2) severe pricing pressure from intensified industry competition; and (3) slower-than-expected foldable smartphone penetration. Our bear case scenario value implies 12x 2026 EPS.

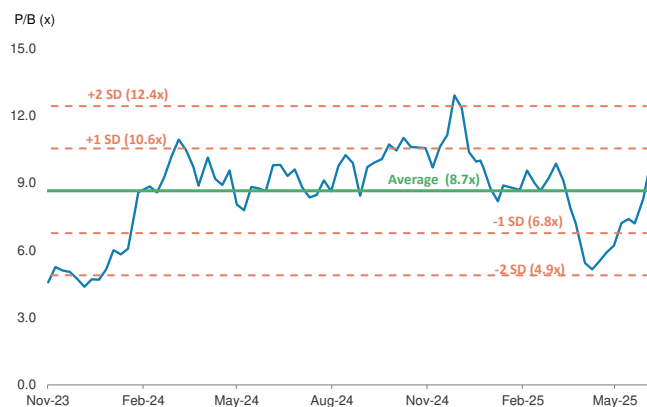
Exhibit 46: Fositek: Residual income (RI) model

Residual Income Valuation											
Fositek (NT\$ mn)	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Total Equity	6,931	9,187	12,113	15,022	18,308	22,022	26,219	30,961	36,320	42,375	48,636
Core Net Profit	1,933	3,120	4,321	4,882	5,517	6,234	7,045	7,960	8,995	10,165	10,510
Return on Equity	34.8%	45.0%	47.0%	40.3%	36.7%	34.1%	32.0%	30.4%	29.1%	28.0%	24.8%
Beta (Last 60 Mths)	1.3										
Equity Risk Premium (Rm-Rf)	8%										
Risk Free Rate (Rf)	0.5%										
Cost of Equity	10%										
Terminal Growth Rate	3%										
2028-2034 growth rate	13%										
Beginning Equity Capital											
PV of Forecast Period											
PV of Continuing Value											
Equity Value											
No. of Shares											
Projected Price (12M Forward)	NT\$1066										
Implied 2025E P/E	38x										
Implied 2026E P/E	23x										

Source: Morgan Stanley Research. E = Morgan Stanley Research estimates.

Exhibit 47: Fositek: One-year forward P/E chart

Source: FactSet, Morgan Stanley Research estimates.

Exhibit 48: Fositek: One-year forward P/B chart

Source: FactSet, Morgan Stanley Research estimates.

Key risks to our view

Upside

- Increasing penetration of liquid cooling in servers/data centers
- Faster than expected server rail kit project gain
- iPhone flagship models adopt foldable screens in 2026

Downside

- Slower liquid cooling penetration in servers/data centers
- Slower foldable smartphone penetration
- Worse-than-expected industry competition

Financial Summary

Exhibit 49: Fositek: financial summary

Income Statement

NT\$ mn; FY End Dec	2024	2025E	2026E	2027E
Net sales	8,188	11,253	16,137	21,185
COGS	-6,361	-8,612	-11,921	-15,440
Gross profit	1,827	2,641	4,216	5,745
Operating expenses	-625	-697	-906	-1,022
- Promotion	-32	-35	-45	-50
- ADM	-148	-158	-163	-173
- R&D	-445	-504	-697	-800
Operating income	1,202	1,945	3,311	4,722
Non-operating income	297	258	271	271
Interest income	56	71	71	71
Investment income	0	0	0	0
Disposal of investment	0	0	0	0
Disposal of fixed assets	-18	0	0	0
Exchange gain	71	0	0	0
Other	188	187	200	200
Pre-tax income	1,499	2,202	3,582	4,993
Income tax	-272	-270	-462	-673
Net income	1,227	1,933	3,120	4,321
EPS (NT\$)	17.90	28.19	45.51	63.03
Diluted EPS (NT\$)	17.90	28.19	45.51	63.03

Balance Sheet

NT\$ mn	2024	2025E	2026E	2027E
Cash	6,336	6,697	8,134	10,123
Mkt securities	0	0	0	0
Accounts/Notes receivables	2,163	2,973	4,264	5,597
Inventory	2,902	3,928	5,438	7,043
Other current assets	263	263	263	263
Current Assets	11,664	13,862	18,098	23,026
Long-term investments	71	71	71	71
Fixed assets	758	1,762	2,766	3,770
Other assets	264	264	264	264
Total Assets	12,758	15,960	21,200	27,132
S/T borrowings	430	430	430	430
AP/NP	5,093	6,896	9,546	12,364
Other ST liabilities	1,009	1,024	1,358	1,545
Other liabilities	679	679	679	679
L/T debt	0	0	0	0
Total Liabilities	7,212	9,029	12,013	15,018
Common shares	686	686	686	686
Capital Collection	0	0	0	0
APIC	2,467	2,467	2,467	2,467
Retained earnings	2,123	3,508	5,764	8,690
Treasury Stock	0	0	0	0
Other shareholders' equity	270	270	270	270
Shareholders' equity	5,546	6,931	9,187	12,113
Total Liab./Shrhldr's Equity	12,758	15,960	21,200	27,132

Cash Flow Statement

NT\$ mn	2024	2025E	2026E	2027E
Cashflow from operations	1,409	2,109	3,500	4,583
Net Profits	1,227	1,933	3,120	4,321
Depreciation	196	196	196	196
Equity investment losses (income)	0	0	0	0
Other adjustments	-15	-20	184	66
Cashflow from investing	-664	-1,200	-1,200	-1,200
(Purchases) sale of FA (capex)	-538	-1,200	-1,200	-1,200
(Purchases) sale of L/T investment	0	0	0	0
(Purchases) sale of S/T investment	-72	0	0	0
Other adjustments	-53	0	0	0
Cashflow from financing	-422	-548	-864	-1,394
Increase in L/T debt	0	0	0	0
Increase in S/T debt	-10	0	0	0
Issuance of stock	0	0	0	0
Cash dividends	-377	-548	-864	-1,394
Dir. & Emp. Bonus	0	0	0	0
Changes in Treasury Stocks	0	0	0	0
Other adjustments	-35	0	0	0
Exchange rate adjustment	114	0	0	0
Net change in cash	438	361	1,436	1,989

Financial Ratios

	2024	2025E	2026E	2027E
Margins				
Gross margin	22.3%	23.5%	26.1%	27.1%
Operating margin	14.7%	17.3%	20.5%	22.3%
Pretax margin	18.3%	19.6%	22.2%	23.6%
Net margin	15.0%	17.2%	19.3%	20.4%
YoY growth				
Sales	45.1%	37.4%	43.4%	31.3%
Operating profits	34.9%	61.7%	70.3%	42.6%
Pretax profits	62.7%	46.9%	62.6%	39.4%
Net profits	95.5%	57.5%	61.4%	38.5%
EPS	75.8%	57.5%	61.4%	38.5%
Net Debt/Equity (Net of mkt secs.)	-106%	-90%	-84%	-80%
Net Debt/Equity	-106%	-90%	-84%	-80%
Liabilities/Equity	130%	130%	131%	124%
Liabilities/Assets	57%	57%	57%	55%
ROAE	24.2%	31.0%	38.7%	40.6%
ROAA	11.3%	13.5%	16.8%	17.9%
AR/NR Turnover (days)	81	83	82	85
AP/NP Turnover (days)	225	254	252	259
Inventory Turnover (days)	112	145	143	148
Cash conversion cycle (days)	-32	-26	-26	-26

Source: Company data, Morgan Stanley Research. E = Morgan Stanley Research estimates.

Exhibit 50: Fositek: Quarterly financial summary

NT\$ mn	1Q25	2Q25E	3Q25E	4Q25E	1Q26E	2Q26E	3Q26E	4Q26E	2024	2025E	2026E
Sales	2,252	2,533	2,985	3,484	2,800	3,470	4,976	4,891	8,188	11,253	16,137
COGS	-1,753	-1,936	-2,254	-2,668	-2,120	-2,586	-3,630	-3,584	-6,361	-8,612	-11,921
Gross profit	498	597	731	816	680	883	1,346	1,307	1,827	2,641	4,216
Operating expenses	-133	-146	-167	-193	-154	-184	-253	-256	-630	-639	-847
- Promotion	-7	-8	-9	-11	-9	-10	-13	-13	-32	-35	-45
- ADM	-36	-39	-41	-43	-35	-41	-43	-45	-148	-158	-163
- R&D	-104	-114	-132	-154	-125	-148	-212	-213	-445	-504	-697
Operating profit	366	451	564	623	526	699	1,093	1,051	1,197	2,003	3,369
Non-operating income	55	68	68	68	68	68	68	68	297	258	271
Interest income	18	18	18	18	18	18	18	18	56	71	71
Investment income	0	0	0	0	0	0	0	0	0	0	0
Disposal of investment	0	0	0	0	0	0	0	0	0	0	0
Disposal of fixed assets	0	0	0	0	0	0	0	0	-18	0	0
Exchange gain	0	0	0	0	0	0	0	0	71	0	0
Other	37	50	50	50	50	50	50	50	188	187	200
Pre-tax profit	420	518	631	690	594	767	1,161	1,118	1,495	2,261	3,640
Income tax	-64	-99	-74	-91	-90	-146	-136	-147	-267	-328	-520
Net profit	357	419	557	599	503	621	1,025	971	1,227	1,933	3,120
Adj.wtd.avg.shrs (m)	69	69	69	69	69	69	69	69	69	69	69
EPS (NT\$)	5.20	6.12	8.13	8.74	7.34	9.05	14.95	14.16	17.90	28.19	45.51
Margins											
Gross margin	22.1%	23.6%	24.5%	23.4%	24.3%	25.5%	27.1%	26.7%	22.3%	23.5%	26.1%
Operating margin	16.2%	17.8%	18.9%	17.9%	18.8%	20.2%	22.0%	21.5%	14.6%	17.8%	20.9%
Pre-tax margin	18.7%	20.5%	21.2%	19.8%	21.2%	22.1%	23.3%	22.9%	18.3%	20.1%	22.6%
Net margin	15.8%	16.6%	18.7%	17.2%	18.0%	17.9%	20.6%	19.9%	15.0%	17.2%	19.3%
QoQ Growth											
Sales	-18.7%	12.5%	17.8%	16.7%	-19.6%	23.9%	43.4%	-1.7%			
Gross profit	-6.3%	19.7%	22.5%	11.6%	-16.6%	29.9%	52.4%	-2.9%			
Operating profit	6.5%	23.3%	25.0%	10.5%	-15.5%	33.0%	56.3%	-3.9%			
Pre-tax profit	-11.6%	23.3%	21.8%	9.3%	-14.0%	29.3%	51.3%	-3.7%			
Net profit	-13.7%	17.7%	32.8%	7.6%	-16.1%	23.4%	65.1%	-5.2%			
YoY Growth											
Sales	32%	47%	50%	26%	24%	37%	67%	40%	45%	37%	43%
Gross profit	21%	50%	51%	53%	36%	48%	84%	60%	39%	45%	60%
Operating profit	36%	78%	70%	81%	44%	55%	94%	69%	36%	67%	68%
Pre-tax profit	30%	64%	67%	45%	41%	48%	84%	62%	64%	51%	61%
Net profit	59%	64%	67%	45%	41%	48%	84%	62%	95%	57%	61%

Source: Company data, Morgan Stanley Research. E = Morgan Stanley Research estimates.

Morgan Stanley is acting as financial advisor to Silvus Technologies, Inc. ("Silvus") in relation to their definitive arrangement to be acquired by Motorola Solutions, Inc., as announced on May 27, 2025. The proposed acquisition is subject to customary closing conditions, including receipt of required regulatory approvals. Silvus has agreed to pay fees to Morgan Stanley for its financial services, including transaction fees that are contingent upon the consummation of the proposed transaction. Please refer to the notes at the end of this report. Morgan Stanley Asia Limited ("Morgan Stanley") is acting as financial advisor to Lenovo Group Limited ("Lenovo") in relation to the proposed acquisition of Infinidat Ltd. as announced on 16 January 2025. Lenovo has agreed to pay fees to Morgan Stanley for its financial services. Please refer to the notes at the end of the report.

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Valuation Methodology and Risks

Sunonwealth Electric Machine Industry Co (2421.TW)

Base case, derived from a multi-stage residual income (RI) valuation model, similar to the rest of our tech hardware coverage universe. We assume a cost of equity of 10%, a medium-term growth rate of 13% and a terminal growth rate of 3%.

Risks to Upside

- Further share gains in server and data center cooling fans alongside ASP expansion.
- Faster-than-expected order gains in automotive clients.
- Better-than-expected margin expansion.

Risks to Downside

- Limited thermal solutions upgrades owing to cost concerns.
- Slower-than-expected order wins in the automotive business.
- Severe pricing pressure from intensified industry competition.

Asia Vital Components Co. Ltd. (3017.TW)

Base case, derived from our multi-stage residual income (RI) valuation model, similar to the rest of our tech hardware coverage universe. We assume a cost of equity of 10%, a medium-term growth rate of 13%, and a terminal growth rate of 3%.

Risks to Upside

- Faster-than-expected thermal upgrade trend for data centers, including server and switch designs
- Accelerating 5G network deployment momentum
- Better-than-expected PC/NB demand or share gains

Risks to Downside

- Slower-than-expected thermal design trend for data centers, including server and switch designs
- Decelerating 5G network deployment momentum
- Intensifying industry competition

Auras Technology Co Ltd (3324.TWO)

Base case, derived from a multi-stage residual income (RI) valuation model, similar to the rest of our tech hardware coverage universe. We assume a cost of equity of 10%, a medium-term growth rate of 12.5% and a terminal growth rate of 3%.

Risks to Upside

- Faster-than-expected thermal design upgrades for data centers, including both server and switch designs.
- ASP upgrades in NB/PC and VGA thermal modules.
- Increasing penetration of vapor chambers in smartphones.

Risks to Downside

- Slower-than-expected thermal design upgrades for data centers.
- Severe pricing pressure from intensified industry competition.
- A slowdown in PC or VGA/graphic card market.

Risk Reward Reference links

1. View explanation of Options Probabilities methodology - [Options_Probabilities_Exhibit_Link.pdf](#)
2. View descriptions of Risk Rewards Themes - [RR_Themes_Exhibit_Link.pdf](#)
3. View explanation of regional hierarchies - [GEG_Exhibit_Link.pdf](#)
4. View explanation of Theme/Exposure methodology - [ESG_Sustainable_Solutions_External_Link.pdf](#)
5. View explanation of HERS methodology - [ESG_HERS_External_Link.pdf](#)

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Global Stock Ratings Distribution

(as of May 31, 2025)

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Stock Rating Category	Coverage Universe		Investment Banking Clients (IBC)			Other Material Investment Services Clients (MISC)	
	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
Overweight/Buy	1493	40%	379	46%	25%	698	41%
Equal-weight/Hold	1650	44%	372	45%	23%	782	46%
Not-Rated/Hold	4	0%	0	0%	0%	2	0%
Underweight/Sell	602	16%	74	9%	12%	235	14%
Total	3,749		825			1717	

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.

Analyst Stock Ratings

Overweight (O). The stock's total return is expected to exceed the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Equal-weight (E). The stock's total return is expected to be in line with the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Not-Rated (NR). Currently the analyst does not have adequate conviction about the stock's total return relative to the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Underweight (U). The stock's total return is expected to be below the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Unless otherwise specified, the time frame for price targets included in Morgan Stanley Research is 12 to 18 months.

Analyst Industry Views

Attractive (A): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be attractive vs. the relevant broad market benchmark, as indicated below.

In-Line (I): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be in line with the relevant broad market benchmark, as indicated below.

Cautious (C): The analyst views the performance of his or her industry coverage universe over the next 12-18 months with caution vs. the relevant broad market benchmark, as indicated below.

Benchmarks for each region are as follows: North America - S&P 500; Latin America - relevant MSCI country index or MSCI Latin America Index; Europe - MSCI Europe; Japan - TOPIX; Asia - relevant MSCI country index or MSCI sub-regional index or MSCI AC Asia Pacific ex Japan Index.

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

Asia Vital Components Co. Ltd. (3017.TW) - As of 06/24/25 GMT in TWD
Industry : Greater China Technology Hardware



Effective January 13, 2014, the stocks covered by Morgan Stanley Asia Pacific will be rated relative to the analyst's industry (or industry team's) coverage.

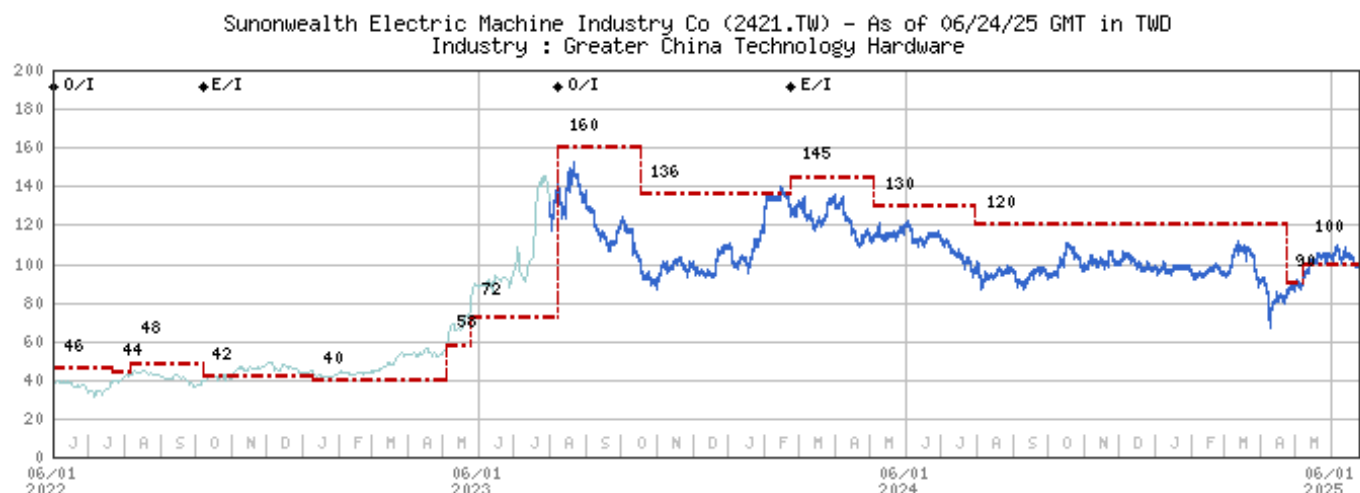
Effective January 13, 2014, the industry view benchmarks for Morgan Stanley Asia Pacific are as follows: relevant MSCI country index or MSCI sub-regional index or MSCI AC Asia Pacific ex Japan Index.

Auras Technology Co Ltd (3324.TWO) - As of 06/24/25 GMT in TWD
Industry : Greater China Technology Hardware



Effective January 13, 2014, the stocks covered by Morgan Stanley Asia Pacific will be rated relative to the analyst's industry (or industry team's) coverage.

Effective January 13, 2014, the industry view benchmarks for Morgan Stanley Asia Pacific are as follows: relevant MSCI country index or MSCI sub-regional index or MSCI AC Asia Pacific ex Japan Index.



Stock Rating History: 6/1/20 : /I; 9/28/20 : 0/I; 5/14/21 : E/I; 1/21/22 : 0/I; 10/7/22 : E/I; 8/7/23 : 0/I; 2/23/24 : E/I

Price Target History: 9/28/20 : 75; 3/12/21 : 66; 5/14/21 : 45; 8/10/21 : 36; 10/22/21 : 34; 1/21/22 : 56; 3/21/22 : 50; 5/5/22 : 46; 7/21/22 : 44; 8/6/22 : 48; 10/7/22 : 42; 1/9/23 : 40; 5/4/23 : 56; 5/25/23 : 72; 8/7/23 : 160; 10/17/23 : 136; 2/23/24 : 145; 5/4/24 : 130; 7/30/24 : 120; 4/23/25 : 90; 5/6/25 : 100

Source: Morgan Stanley Research

Date Format : MM/DD/YY

Price Target ---

No Price Target Assigned (NA)

Stock Price (Not Covered by Current Analyst) — Stock Price (Covered by Current Analyst) —

Stock and Industry Ratings (abbreviations below) appear as ♦ Stock Rating/Industry View

Stock Ratings: Overweight (O) Equal-weight (E) Underweight (U) Not-Rated (NR) No Rating Available (NA)

Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

Effective January 13, 2014, the stocks covered by Morgan Stanley Asia Pacific will be rated relative to the analyst's industry (or industry team's) coverage.

Effective January 13, 2014, the industry view benchmarks for Morgan Stanley Asia Pacific are as follows: relevant MSCI country index or MSCI sub-regional index or MSCI AC Asia Pacific ex Japan Index.

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INDUSTRY COVERAGE: Greater China Technology Hardware

COMPANY (TICKER)	RATING (AS OF)	PRICE* (06/24/2025)
Andy Meng, CFA		
AAC Technologies Holdings (2018.HK)	O (01/29/2024)	HK\$40.75
Accelink Technologies Co. Ltd. (002281.SZ)	U (05/12/2022)	Rmb47.19
BYD Electronics (0285.HK)	O (04/28/2023)	HK\$31.60
China TransInfo Technology Co Ltd (002373.SZ)	E (07/18/2023)	Rmb9.15
Dahua Technology Co. Ltd. (002236.SZ)	E (12/12/2024)	Rmb15.63
Eoptolink Technology Inc Ltd (300502.SZ)	O (05/20/2025)	Rmb106.71
Genius Electronic Optical Co. Ltd. (3406.TW)	E (04/23/2025)	NT\$414.00
Gosuncn Technology Group Co Ltd (300098.SZ)	U (11/07/2022)	Rmb5.10
HIKVision Digital Technology (002415.SZ)	E (12/12/2024)	Rmb27.61
Largan Precision (3008.TW)	O (03/31/2025)	NT\$2,375.00
LianChuang Electronic Technology Co Ltd (002036.SZ)	U (06/12/2024)	Rmb10.51
OFILM Group Co Ltd (002456.SZ)	U (06/12/2024)	Rmb11.75
Q Technology (Group) Company Ltd (1478.HK)	E (11/10/2023)	HK\$7.82
Quectel Wireless Solutions Co Ltd (603236.SS)	E (10/09/2024)	Rmb81.97
Shenzhen Transsion Holdings Co Ltd (688036.SS)	O (10/24/2023)	Rmb78.47
Sunny Optical (2382.HK)	E (03/31/2025)	HK\$67.60
Suzhou TFC Optical Communication Co Ltd. (300394.SZ)	E (10/09/2024)	Rmb71.60
Wingtech Technology Co Ltd (600745.SS)	E (11/10/2023)	Rmb32.56
Xiaomi Corp (1810.HK)	O (04/14/2021)	HK\$56.90
Yangtze Optical Fibre and Cable JSC Ltd (601869.SS)	U (10/13/2021)	Rmb38.28
Yangtze Optical Fibre and Cable JSC Ltd (6869.HK)	E (04/20/2023)	HK\$17.52
Yongxin Optics Co Ltd (603297.SS)	E (11/15/2022)	Rmb84.05
Zhejiang Crystal-Optech Co Ltd (002273.SZ)	O (11/15/2022)	Rmb19.86
Zhongji Innolight Co Ltd (300308.SZ)	O (11/06/2023)	Rmb125.25
ZTE Corporation (0763.HK)	E (03/11/2024)	HK\$23.55
ZTE Corporation (000063.SZ)	U (07/02/2021)	Rmb31.73
Derrick Yang		
Accton Technology Corporation (2345.TW)	O (06/06/2024)	NT\$723.00

Advantech (2395.TW)	O (01/20/2021)	NT\$333.50
AirTAC International (1590.TW)	O (04/16/2025)	NT\$862.00
AU Optronics (2409.TW)	E (09/15/2024)	NT\$12.25
Bizlink (3665.TW)	O (03/10/2025)	NT\$797.00
BOE Technology (000725.SZ)	O (09/06/2019)	Rmb3.98
BOE Varitronix Ltd (0710.HK)	O (06/20/2023)	HK\$6.90
Chroma Ate Inc. (2360.TW)	O (10/05/2021)	NT\$373.50
E Ink Holdings Inc. (8069.TWO)	E (05/08/2025)	NT\$217.50
Ennostar Inc (3714.TW)	U (09/23/2022)	NT\$36.40
Hiwin Technologies Corp. (2049.TW)	U (05/12/2025)	NT\$212.50
Innolux (3481.TW)	E (04/07/2025)	NT\$11.45
King Slide Works Co. Ltd. (2059.TW)	O (11/08/2023)	NT\$2,145.00
Lens Technology (300433.SZ)	E (07/22/2020)	Rmb21.90
Radiant Opto-Electronics Corporation (6176.TW)	E (03/01/2024)	NT\$135.00
Sanan Optoelectronics (600703.SS)	U (08/21/2023)	Rmb12.19
TCL Corp. (000100.SZ)	E (04/07/2025)	Rmb4.32
Tianma Microelectronics (000050.SZ)	U (01/24/2018)	Rmb8.30
Wuhan Jingce Electronic Group Co Ltd (300567.SZ)	E (11/26/2021)	Rmb59.00
Howard Kao		
Acer Inc. (2353.TW)	U (04/23/2025)	NT\$31.70
Asustek Computer Inc. (2357.TW)	E (04/23/2025)	NT\$745.00
Compal Electronics (2324.TW)	U (04/23/2025)	NT\$28.10
Giga-Byte Technology Co. Ltd. (2376.TW)	O (12/15/2022)	NT\$284.00
Gold Circuit Electronics Ltd. (2368.TW)	O (10/06/2022)	NT\$274.00
Inspur Electronic Information (000977.SZ)	E (08/28/2023)	Rmb49.46
Lenovo (0992.HK)	O (02/05/2025)	HK\$9.27
Lotes Co. Ltd. (3533.TW)	E (05/12/2025)	NT\$1,380.00
Nan Ya PCB (8046.TW)	U (12/21/2022)	NT\$112.00
Pegatron Corporation (4938.TW)	E (03/07/2022)	NT\$76.30
Quanta Computer Inc. (2382.TW)	O (05/01/2023)	NT\$289.50
Shengyi Technology Co Ltd. (600183.SS)	E (05/26/2022)	Rmb28.88
Shennan Circuits Co Ltd (002916.SZ)	E (08/24/2023)	Rmb97.40
Unimicron (3037.TW)	E (04/15/2025)	NT\$111.50
Wistron Corporation (3231.TW)	O (07/12/2023)	NT\$120.00
Wiwynn Corp (6669.TW)	O (07/29/2024)	NT\$2,515.00
Yageo Corp. (2327.TW)	++	NT\$473.50
Zhen Ding (4958.TW)	E (08/02/2022)	NT\$99.70
Sharon Shih		
Asia Vital Components Co. Ltd. (3017.TW)	O (07/30/2024)	NT\$737.00
Auras Technology Co Ltd (3324.TWO)	E (05/04/2023)	NT\$643.00
Catcher Technology (2474.TW)	E (05/22/2024)	NT\$210.00
Delta Electronics Inc. (2308.TW)	O (07/13/2017)	NT\$417.00
Fositek Corp (6805.TW)	O (06/24/2025)	NT\$823.00
Foxconn Industrial Internet Co. Ltd. (601138.SS)	O (07/10/2019)	Rmb20.29
Foxconn Technology (2354.TW)	U (04/23/2025)	NT\$64.60
GoerTek Inc (002241.SZ)	U (04/23/2025)	Rmb23.39
Hon Hai Precision (2317.TW)	O (03/15/2024)	NT\$160.50
LandMark Optoelectronics Corporation (3081.TWO)	E (01/09/2025)	NT\$333.50
Lingyi Itech Guangdong Co (002600.SZ)	U (04/23/2025)	Rmb8.44
Lite-On Technology (2301.TW)	E (01/15/2025)	NT\$109.00
Luxshare Precision Industry Co., Ltd. (002475.SZ)	O (10/24/2016)	Rmb33.23
Sunonwealth Electric Machine Industry Co (2421.TW)	E (02/23/2024)	NT\$101.50
Tong Hsing (6271.TW)	E (03/18/2019)	NT\$105.50
Visual Photonics Epitaxy Co Ltd (2455.TW)	E (09/11/2023)	NT\$125.50

Stock Ratings are subject to change. Please see latest research for each company.

* Historical prices are not split adjusted.

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