



## Reshaping Taiwan's Telecom and Startup Industry — An Interview with Taiwan Mobile President Jamie Lin

Jamie Lin, the youngest president in Taiwan Mobile's history, has a rich background in both entrepreneurship and venture capital. He started his career by founding an e-commerce startup and later established AppWorks, Taiwan's first startup accelerator. Since being appointed as president, Jamie Lin has spearheaded a transformative journey for Taiwan Mobile, integrating cutting-edge technology with traditional telecom services. In this edition, we delve into Jamie Lin's inspiring career path, his strategic vision for Taiwan Mobile, and his enduring commitment to fostering a robust startup ecosystem in Taiwan. Discover how Lin's leadership is reshaping Taiwan's telecom industry and driving innovation across the region.

Read More Here: <https://reurl.cc/LWODW3>

## Top Performers of the Month

Here are the top 10 small-cap (US\$100mn-10bn) performers of the month.

**EverFocus (5484 TT) +180%**  
**30D avg. volume increased by 1,521% vs 90D**

EverFocus is one of the top smart security and transportation solution providers. The company mainly develops industrial computers, CCTV, and Mobile DVR. In recent

years, EverFocus has integrated internal resources and focused its operations on image IoT, smart vehicle systems, and industrial computers. The company has targeted various application markets and is concentrating on developing edge computing devices based on Intel and NVIDIA's architecture. The company's share price skyrocketed as EverFocus was mentioned in Jensen Huang's speech during COMPUTEX.

**Enlight (2438) +150%**  
**30D avg. volume increased by 6% vs 90D**  
Enlight, is an e-commerce company operating the online shopping platform "Easy Life". The company recently settled a proxy fight, triggering its share price to soar.

**Wave Power (6895 TT) +103%**  
**30D avg. volume decreased by 55% vs 90D**  
Wave Power Technology is the only manufacturer of high-power microwave tubes in Taiwan, specializing in microwave tubes for military and semiconductor applications. The company has mentioned that its evaporators are now being used in logic testers for AI chips. previous expectations.

**EZconn (6442 TT) +87%**  
**30D avg. volume increased by 48% vs 90D**  
EZconn specializes in providing electronic products, optical fiber components, and precision metal components. With the gradual completion of client inventory adjustments and increasing demand for high-speed transmission components in the cloud industry, recent monthly revenue growth has shown strong momentum. The market anticipates that its 2023 EPS will achieve a record high.

**Aethertek (3219 TT) +80%**  
**30D avg. volume decreased by 11% vs 90D**  
Aethertek designs, manufactures, and markets consumer and automotive

## Coming Right Up:

Upcoming QIC Events

Selected Small-Cap News & QIC Commentary

JPY in the Crosshairs by Peter Kurz, CSO of QIC

Previous CEO Conversations Vol.



[CEO Conversations 50: QIC Teams Up with ITRI to Venture into Overseas Markets: Powerful Collaboration Forges Cross-Domain Biotech Innovation Platform](#)



[CEO Conversations 49: Unveiling the Impacts of Taiwan's ETF Surge: Insights from Chairmen of Taiwan's Leading Investment Trusts](#)



[CEO Conversations 48: Dr. Lih-Ling Lin, Chief Scientific Officer, PharmaEssentia \(6446 TT\)](#)

More can be found at [www.qtumic.com/insight/conversations](http://www.qtumic.com/insight/conversations)

## Upcoming Events

### Taiwan Semiconductor Supply Chain and Energy Resilience Conference

August 20-21, 2024  
@ Virtual

### 16<sup>th</sup> QIC Taiwan CEO Week

October 22-23, 2024  
@ Hong Kong

Top 10 Stock Gainers				Top 10 Stock Losers			
Company	Ticker	Price	Change	Company	Ticker	Price	Change
Everfocus	5484	72	180%	Coretronic	5371	93	-25%
Enlight	2438	57.1	150%	CF	5426	33	-20%
WPTI	6895	197	103%	ACER	2353	46.4	-18%
Ezconn	6442	330	87%	CHERNAN	3631	39.95	-17%
AETHERTEK	3219	68.8	80%	QSI	6188	103.5	-17%
ACE PILLAR	8374	79.6	77%	LuxNet	4979	125.5	-16%
CCET	9105	7.19	75%	Ability	2374	51.3	-16%
Global Tek	4566	96.5	67%	Amulaire	2241	42.8	-15%
TSTI	8099	109.5	62%	Alar	6785	250.5	-14%
Edom	3048	39.6	57%	T3EX	2636	98	-14%

  

Top 10 FINI Net Buyers				Top 10 FINI Net Sellers			
Company	Ticker	Holding(%)	Change	Company	Ticker	Holding(%)	Change
BEST OPT	6859	14.4	1%	91APP	6741	-10.2	5%
ShunSin	6451	7.1	41%	Supreme	8112	-10.1	0%
RT	2379	7.1	0%	VPEC	2455	-7.7	8%
Asmedia	5269	7.0	13%	Ventec	6672	-7.6	0%
Tripod	3044	6.4	2%	AEC	1514	-7.0	29%
Raydium	3592	6.3	2%	KYE	2365	-6.0	12%
Synnex	2347	5.3	-12%	ITE	3014	-6.0	0%
CviLux	8103	5.2	29%	L & K	6139	-5.9	10%
Merry	2439	5.1	13%	GBM	2504	-5.7	-1%
SDI	2351	5.0	11%	Chang Wah	8070	-5.7	-5%

electronics testing products in Taiwan. According to the management, this year's growth drivers are expected to be primarily in the automotive and server sectors. The server segment, in particular, is projected to experience a 70-80% growth in GPU module testing machines, fueled by the rising demand for AI technologies.

#### **Ace Pillar (8374 TT) +77%** **30D avg. volume increased by 42% vs 90D**

Ace Pillar distributes automatic mechatronics components both in Taiwan and internationally. Recently, the company announced a strategic joint acquisition with DFI (2397 TT) to secure a 70.65% stake in Transpak, Taiwan's largest strapping machine manufacturer. This acquisition aims to enhance AI smart automation capabilities and provide customers with a comprehensive smart packaging stack solution, leveraging the complementary strengths of product offerings and distribution resources.

#### **CCET (9105 TT) +75%** **30D avg. volume increased by 38% vs 90D**

CCET is an OEM of computer peripherals, office equipment, and consumer electronic products. Its products include desktop computers, CD-ROMS, web pads, MP3 players, integrated receiver decoders, fax machines, mobile phones, cordless phones, pagers, and transceivers. CCET benefits from server ODM (LIO) business, which has entered the AI supply chain. The US semi-customer has given preliminary assembly orders for AI servers.

#### **Globaltek (4566 TT) +67%** **30D avg. volume increased by 62% vs 90D**

Globaltek produces high-precision industrial instrumentation components, gas-regulating valve parts, and other products. Globaltek Fabrication supplies its products in automobile parts, industrial meters, aerospace, health care, and other industries. May revenue was NTD\$ 438 mn with 29.51% YoY, due to the investment in AvioCast as the largest shareholder and the inclusion of Globaltek in consolidated revenue.

#### **TSTI (8099 TT) +62%** **30D avg. volume decreased by 57% vs 90D**

Tatung System Technologies Inc. distributes computers and servers. The Company acts as a distributor for Cisco, HP Invent, ADIC Intelligent Storage, Avaya, and others. TSTI also provides system integration and training services. The new management team aims to promote 3 major transformation strategies with "E-D-A" within 1 year and build the company into a new generation green computing power AI technology service company.

#### **Edom (3048 TT) +57%** **30D avg. volume increased by 27% vs 90D**

Edom Technology Co., Ltd. distributes ICs (Integrated Circuits), electronic components, memory, and discrete device products. Management expects 3Q revenue to have double-digit QoQ growth with the irreversible upgrade trend of WiFi 7.

## Lai Yih becomes new shoe stock king on the market; institutional investors optimistic about order recovery

<https://reurl.cc/p3No1b>

Leading shoe manufacturer Lai Yih-KY (6890 TT) went public on June 12th at NT\$85 per share. Boosted by the popularity of the sports shoe brand HOKA, its stock price has surged for several consecutive days, surpassing Feng Tay (9910 TT), the previous highest-priced stock in the shoe manufacturing sector, and today breaking the NT\$300 mark. With inventory reduction and Olympic business opportunities as positive factors, institutional investors are optimistic about revenue growth in the second half of the year for major shoe manufacturers like Lai Yih, Pou Chen (9904 TT), and Feng Tay.

Lai Yih is among the top five suppliers for Adidas and the second-largest for HOKA. Analysts indicate that the outlook for these two major brands has improved, with HOKA showing strong growth momentum. Lai Yih is actively expanding its factories to meet order demand, with production capacity expected to increase by 20% annually by 2025. Revenue growth for this year and next is forecasted to exceed 20%.



In May, Lai Yih reported revenue of NT\$3.535 billion, a year-on-year increase of 50.3%, setting a new record. Institutional investors pointed out that this does not yet include contributions from the new factory in Indonesia. With trial production starting in June, second-quarter revenue is estimated to reach NT\$9.2 billion, with profit growth of up to 40%.

Pou Chen and Feng Tay, the other two major shoe manufacturers, reported year-on-year revenue growth of 8.2% and 16.6% respectively in May. Institutional investors believe that Nike's order demand, driven by Olympic business opportunities, and successful inventory reduction by Adidas are expected to result in a rebound in

orders. Consequently, Pou Chen's shoe business is stabilizing, and Feng Tay's revenue is resuming positive growth. With customers increasing their orders, the shoe manufacturing industry's order recovery is promising, and both companies are expected to see year-on-year growth in the third quarter.

**QIC Comment:** Besides AI and tech, we finally have some spotlight on the non-tech sector in Taiwan, as Lai Yi is having a fantastic run after its recent IPO. The IPO comes at a good time due to Hoka's growing popularity globally and in Taiwan, as well as the upcoming Olympics. Growth prospects may seem robust, but this is partly due to a low base in 2023 when the company's net profit saw a 45% decline year-on-year. The stock is currently trading at 54.2x 2023F PER and 24.8x 2024F PER on 147% net profit growth. The stock looks pricey and may have overshot since the IPO.

## NVIDIA plans to purchase green energy in Taiwan; J&V Energy (6869 TT) strives to be the first to supply

<https://reurl.cc/6vm7zb>

NVIDIA previously announced plans to establish a supercomputing center and an R&D center in Taiwan. Recently, the company has begun discussions with domestic green energy providers regarding procurement. Among these providers, J&V Energy (6869 TT), which holds the highest market share, is likely to be the first to secure a deal. J&V Energy spokesperson Johnny Chang confirmed on the 20th that NVIDIA's proposed green energy procurement volume is astonishing. Even if all green energy providers in Taiwan sold their electricity to NVIDIA, it would not be sufficient. Moreover, other high-tech companies in Taiwan also require green energy. Therefore, the priority should be to increase the supply of green energy; otherwise, it will be challenging to attract more companies to invest in Taiwan.

**QIC Comment:** AI-related companies in the Semiconductor and Hardware sector have caught almost everybody's attention. However, as AI becomes more powerful, more power is required, especially renewable energy. Renewable energy accounts for only 10% of total energy consumption in Taiwan now while TSMC alone accounts for 8% of Taiwan's energy consumption. QIC continues to see great opportunities in the renewable energy sector. We will hold the Taiwan Semiconductor Supply Chain and Energy Resilience Virtual Conference on August 20-21. Please come and join us!

## PharmaEssentia delivered record high monthly revenue in May

<https://reurl.cc/XG8eae>

PharmaEssentia reported May revenue of NT\$790mn, up 18.46% MoM and up 89.03% YoY, reaching record high. Cumulative revenue from January to May reached NT\$3.11bn, up 89.34% YoY. According to PharmaEssentia, its May revenue was primarily driven by the US sales of Besremi. Additionally, starting in June, the Japanese health insurance system will cover self-injected Besremi, enabling patients to receive a 90-day supply at once. This change is expected to significantly reduce the frequency of hospital visits and lower medical costs for patients, thereby increasing the number of patients and expanding the market. PharmaEssentia believes that the Japanese market will serve as another growth driver.

**QIC Comment:** PharmaEssentia reported impressive revenue growth in April and May, with year-on-year increases of 97.92% and 89.03%, respectively. This upward trend is a significant improvement compared to the monthly revenue figures from the first quarter of this year. The primary driver of May's revenue growth except the growth from US market, was orders from European partner AOP and continued expansion in the Japanese market. Looking ahead, from June onwards, Japanese patients covered by national health insurance can self-administer Ropeg and receive a 90-day supply at once. This development is expected to reduce the frequency of hospital visits and lower medical costs, potentially increasing the importance and revenue contribution of the Japanese market. Until approval is secured in China, Japan will remain PharmaEssentia's most critical market outside the United States. On June 26th, PharmaEssentia's stock rose by 9.8%, closing at NT\$ 543, with a market capitalization of US\$ 5.68bn.

## Amazon Web Services (AWS) will set up a new Region in Taiwan, which will benefit eCloudvalley (6689 TT) and Metaage (6112 TT)

<https://reurl.cc/gGADEX>

AWS announced on June 12th that it will launch an AWS infrastructure Region in Taiwan by early 2025. This move aims to comply with legal requirements mandating that certain business data must be stored locally, boosting Taiwan's

demand for cloud-managed services. AWS partners in Taiwan, including eCloudvalley (6689 TT), Metaage (6112 TT), and Systex (6214 TT), are expected to benefit.

**QIC Comment:** We believe eCloudvalley will be a key beneficiary, as it is Taiwan's largest AWS managed services provider. With the upcoming new AWS Region in Taiwan, industries with higher local data residency requirements, including finance and healthcare, will be able to migrate their core data to AWS. eCloudvalley has the most extensive experience in servicing customers from enterprises to public sector organizations and financial institutions, and we believe it can capture this opportunity to deepen its relationships with those customers to accelerate their digital transformation and deploy mission-critical applications.

### High Demand Drives Leading Wafer Manufacturer's Expansion; TSMC Reportedly Building CoWoS Plant in Pingtung

<https://reurl.cc/Ajrjg8>

TSMC's (2330) CoWoS advanced packaging capacity is facing severe supply shortages despite ongoing expansion efforts. TSMC is currently focused on significantly increasing its CoWoS advanced packaging capacity, aiming for more than doubling its output this year and continuing efforts into next year to narrow the supply-demand gap. As their new CoWoS plant in Chiayi begins expansion, downstream sources reveal TSMC's intention to establish another advanced packaging facility in Pingtung. TSMC has not responded to these rumors as of yesterday's deadline. Construction at their new facility in Chiayi was reportedly halted recently due to possible archaeological finds, prompting discussions about starting a second local facility. If the Pingtung advanced packaging plant proceeds, TSMC's Taiwan sites for advanced packaging and testing will increase to seven, spanning Taoyuan, Hsinchu, Miaoli, Taichung, Chiayi, Tainan and Pingtung.



**QIC Comment:** As TSMC expands its CoWoS capacity, the significance of backend supply chain partners is steadily increasing. Semiconductor equipment, materials and service providers of TSMC's semiconductor supply chain, will continue to benefit. With AI driving long-term demand for semiconductors, QIC continues to host events to promote Taiwan semi supply chain companies to the global capital market. As we plan to host "QIC Taiwan Semiconductor Supply Chain and Energy Resilience Day" online investment forum on August 20-21, 2024, please kindly save the date if you're interested in joining this unique event right before the Sep. Taiwan SEMICON exhibition.

### JPY in the Crosshairs by Peter Kurz, CSO of QIC

Concern about the weakening Japanese yen appears to be shared by everyone in the world except the governor of the Bank of Japan. At least that appeared to be the case after he recently announced no change in yen policy rates causing the currency to fall 1.7% in one day. It almost seems that Governor Kazuo Ueda was echoing the words of the former US Secretary of Treasury back in 1971 when he said "It's our currency but it's your problem" after the US dollar fell a precipitous 11% in the course of just one year.

There are many theories being suggested for yen weakness. The obvious explanation is the gaping interest rate gap with the US dollar. But that's been the case for decades while the yen has been particularly weak only since 2021. A second theory is that Korea and, subsequently China have been eating into Japan's traditional

export markets having followed the same industrial game plan of exporting automobiles, electronics, steel and even electric batteries. In regards to EV's alone, China is rapidly gaining global dominance. Japan can no longer compete on quality alone and must lower its effective export prices accordingly. Japan has been grappling with a trade deficit for much of the past three years, coincidental with the period of yen weakness. With its shrinking population, Japan is more reliant on exports to support its economy than ever before. So this theory might carry more weight.

But I have yet a different theory. The trigger to JPY weakness is, in fact, the US government budget deficit. Here's the math: the US economy is 26% of the global economy and the deficit, as of 2023, is 6% of US GDP. But more important than size is the volatility of the deficit. In 2020 alone, the budget deficit went from 4.6% of US GDP to 14.9% accounting for 2.4% of global GDP growth that year. But the 2020 US deficit did more than just help boost global economic demand, it created a surge of US dollars flowing into global markets as payments for this increased demand for overseas goods. The weighted US dollar index, the DXY, fell 10% in just three months following the Covid crisis as US government spending began to pump boat-loads of dollars into global financial markets. Indeed, the DXY has more or less moved in synch with the US federal budget deficit for the past 40 years.

However, since 2021, again the year that the JPY began its recent freefall, the US government began reducing that deficit and thereby reducing US import demand and the supply of USD. Moreover, as USD interest rates rise, international borrowers begin to reduce their US dollar-denominated debt exposure. They need to acquire US dollars to pay back that debt and that further increases demand for US dollars that are now in short supply. Add to this the two factors mentioned above and the JPY is in the cross-hairs of market speculators. The good news is that most forecasts project that the US budget deficit could begin to re-expand next year.

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