



CEO Conversations 54: The Inspiring Journey of a Visionary Abroad – John Caraccio, Chairman and CEO of World Fitness Services (2762TT)

The Inspiring Journey of a Visionary Abroad: How John Caraccio Built Taiwan's Fitness Empire and Set World Gym on a Global Path.

In Taiwan's competitive fitness industry, "World Gym" (TICKER: World Fitness Services, 2762.TW) is a household name. Behind this prominent brand is John Caraccio, an American entrepreneur who has not only led World Gym to become Taiwan's leading fitness chain but also took a bold step in 2024 by acquiring World Gym International for \$9 million, making Taiwan the new headquarters for this global brand. John's story is not just about a foreigner building a business in Taiwan. It's about an entrepreneur driven by a deep sense of purpose and a relentless "never give up" attitude, building a fitness empire from the ground up.

Read more here: <https://shorturl.at/9IGJe>

Top Performers of the Month

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

MHC (3706 TT) +83%
30D avg. volume increased by 176% vs 90D
MITAC Holdings, a leading developer and manufacturer of cloud computing products, servers, workstations, and automotive electronics, recently showcased its latest innovations at the SC24 exhibition in Atlanta. The company debuted NVIDIA's MGX modular solution. It unveiled a new lineup of server products featuring cutting-edge technologies, including AMD EPYC 9005

series processors, AMD Instinct MI325X accelerators, and Intel Xeon 6 processors. These advancements highlight MITAC's strategic push into the AI server market, which has driven its share price to surge over the past month.

Dynapack (3211 TT) +66%
30D avg. volume increased by 167% vs 90D
Dynapack, Taiwan's second-largest battery pack manufacturer, specializes in battery modules for consumer electronics and has expanded into Backup Battery Units (BBUs), Energy Storage Systems (ESS), and Light Electric Vehicles (LEVs). Market speculation suggests NVIDIA's GB200 AI server NVL72 may adopt BBU technology, and Dynapack's expertise positions it well to capitalize on this, driving future growth.

AES-KY (6781 TT) +58%
30D avg. volume increased by 145% vs 90D
Advanced Energy Solution Holding Co., Ltd. manufactures and distributes battery products. The Company's inventory levels have bottomed out in the third quarter. The continued increase in shipments of Battery Backup Units (BBUs) and the enhancement of battery capacity for electric bicycles are expected to support operational performance in the coming year.

GCS (4991 TT) +48%
30D avg. volume increased by 111% vs 90D
GCS specializes in compound semiconductor wafer foundry, IP licensing, and optoelectronic products. Boosted by rising data center demand, GCS saw strong sales of its KGD products, turning profitable in Q3 after 16 quarters of losses. CEO An Bao-Xin expects continued strong growth in KGD shipments through the end of the year, with supply to all major cloud service providers.

PChome Online (8044 TT) +48%
30D avg. volume increased by 183% vs 90D
PChome, founded in 1998, is a leading Taiwanese e-commerce group. Starting with its portal site, it expanded into e-commerce

Coming Right Up:

Top Performers of the Month

Selected Small-Cap News & QIC Commentary

Good ESG is Good Business by Peter Kurz

Previous CEO Conversations Vol.



[CEO Conversations 53: An Interview with Dr. Eric Chuang, Vice President and General Director of the Biomedical Technology and Device Research Laboratories of the Industrial Technology Research Institute \(ITRI\)](#)



[CEO Conversations 52: Taiwan's Crucial Role in the AI Global Supply Chain — An Interview with CSun's General Manager Frank Liang and Captain Global's CIO Jonah Cheng](#)



[CEO Conversations 51: Reshaping Taiwan's Telecom and Startup Industry — An Interview with Taiwan Mobile President Jamie Lin](#)

More can be found at <https://www.qtumic.com/en/articles/ceo-conversations/>

Top Performers of the Month

Top 10 Stock Gainers				Top 10 Stock Losers			
Company	Ticker	Price	Change	Company	Ticker	Price	Change
MHC	3706	85.4	83%	Easywell	1799	71.9	-28%
Dynapack	3211	175.5	66%	Solomon Data	5432	180	-26%
AES-KY	6781	827	58%	Castles	5258	90.8	-25%
GCS	4991	93.5	48%	MAP	4545	54.7	-24%
PChome Online	8044	56.7	48%	Skardin	3466	63.8	-23%
Posiflex	8114	313.5	45%	Biostar	2399	31.6	-22%
FITH	3712	74.2	45%	Pei Chi	8927	50.5	-22%
CHPT	6510	759	41%	VTI	6742	61.7	-21%
SG	5309	49.6	41%	IST	3289	148.5	-21%
Foxlink	2392	87.8	40%	YCDC	5508	170	-21%

Top 10 FINI Net Buyers				Top 10 FINI Net Sellers			
Company	Ticker	Holding(%)	Change	Company	Ticker	Holding(%)	Change
PSI	8028	22	12.6	Merry	2439	18	-8.05
FFG	1815	12	7.97	Donpon	3290	2	-6.49
MHC	3706	20	7.82	Giant	9921	32	-5.54
FITH	3712	10	7.6	CyberTAN	3062	11	-5.25
Kinpo	2312	20	7.44	JPC	6197	6	-5.13
CHPT	6510	18	7.24	Phison	8299	35	-4.6
PCL	4977	29	6.37	Sigurd	6257	22	-4.58
TA LIANG	3167	12	6.17	SDI	2351	16	-4.54
EVAAIR	2618	30	5.76	Liontravel	2731	4	-4.53
FTC	2354	22	5.69	CMMT	4960	19	-4.52

in 2000 with "PChome Online Shopping," later adding 24-hour shopping, global shopping, and auctions via "Ruten Auction" with eBay. In October 2024, the board approved a private placement of common shares to Uni-President, which will acquire a 30% stake, becoming PChome's largest institutional shareholder.

Posiflex (8114 TT) +45%

30D avg. volume decreased by 5% vs 90D

Posiflex Technology, founded in 1984, initially specialized in OEM/ODM manufacturing of PCs and peripherals. In 1991, the company shifted focus to the design and production of POS systems and peripherals, launching its own brand, POSIFLEX, in 1996. The brand has since become a global leader, with subsidiaries and offices in the U.S., Germany, Japan, India, China, and Southeast Asia, providing localized support. Recently, Posiflex has expanded into O2O logistics and warehousing applications, with plans to roll out e-commerce return kiosks across Europe next year, boosting revenue. Strong demand for AI testing platforms further supports growth visibility into the first half of next year.

FITH (3712 TT) +45%

30D avg. volume increased by 37% vs 90D

FITH is a member of Cheng Uei Precision Industry Co., Ltd. Its revenue for the first 10 months of this year grew over 55% YoY, driven by strong performance from key subsidiaries like FIT, Glory Science, PQI, and Shinfox Energy. For the first three quarters, FITH reported revenue of NT\$15.1 billion, a gross margin of 16%, and net profit of NT\$822 million (EPS: NT\$3.34). Shinfox

Energy was the largest contributor to profits.

CHPT (6510 TT) +41%

30D avg. volume increased by 59% vs 90D

CHPT manufactures semiconductor products. The Company produces crystal test cards, IC (integrated circuit) test boards, and provides related technical services. Aligned with the launch schedules of next-generation smartphone chips, advanced-process probe cards are gradually entering mass production and validation. Combined with new HPC-related high-speed test board orders, growth momentum is expected to sustain throughout Q4.

SG (5309 TT) +41%

30D avg. volume increased by 157% vs 90D

SG manufactures and markets uninterrupted power supply (UPS) equipment, computer interface devices, and modems. The company is gradually reducing reliance on single products by optimizing its product mix. This strategy includes increasing shipments of BBU, IPC, UPS, and robotics products to strengthen its overall business structure.

Foxlink (2392 TT) +40%

30D avg. volume decreased by 77% vs 90D

Foxlink manufactures and markets connectors, cable assemblies, and power packs which are used in computer and communication industries. Looking ahead to 2025, the company will adjust accordingly based on client demands. Meanwhile, company is set to begin shipments of backup battery modules

Taiwan Small-Cap Lookout

Gogolook (6902 TT) Approved for Main Board Listing Transition on the TWSE

<https://reurl.cc/r3g5vy>

Gogolook (6902 TT), the developer of the caller ID app Whoscall, has received approval from the TWSE to transition to a Main Board listing from the Taiwan Innovation Board (TIB). The company announced today that the move is expected to broaden investor participation, enhance trading liquidity, and increase visibility in the capital markets, accelerating its global expansion efforts and its ability to attract top talent. Gogolook's three major business pillars encompass consumer anti-fraud services, enterprise anti-fraud solutions, and fintech services. Gogolook reported continued growth in Whoscall's global user base, with monthly active users (MAU) in Thailand surpassing those in Taiwan, making Thailand its largest user market. This contributed to over 50% of Whoscall's revenue in the first three quarters coming from overseas markets. Looking ahead, Gogolook is optimistic about achieving significant growth and improved profitability next year.

QIC Comment: Gogolook is the first in the software-based New Economy company to list on the Taiwan Innovation Board and is going to be the first one to transfer to the Main Board on the TWSE. QIC expects more listed companies from the new economy industry. QIC expects Taiwan to see over 100 listed companies from the new economy industries in 2031. Twenty of which will have a market value exceeding US\$1 billion!

PharmaEssentia's Revenue and Net Income Reached Record High in 3Q24, Demonstrating Continued Growth Momentum

<https://reurl.cc/RL0Y2g>

PharmaEssentia reported 3Q24 revenue NT\$2.71bn, up 17.64% QoQ and up 107.72% YoY. Operating profit reached NT\$735mn, up 65.98% QoQ. Net income reached NT\$720mn, up 5.86% QoQ and up 262.52% YoY with EPS of NT\$2.18. Looking ahead, PharmaEssentia is actively working on expanding the indications for Besremi. The global Phase 3 study for essential thrombocythemia (ET) has completed patient enrollment with 174 participants, and the last patient visit (LPLV) was finalized on November 12. Data readout is expected in 1Q25, with plans to file for BLA in major markets in 2025 and launch the product in 2026. Preparations for pre-marketing activities are underway.

QIC Comment: Benefiting from robust sales growth in the US and Japan markets, along with stringent control of OPEX (+5.59% QoQ), PharmaEssentia's revenue, operating income and net income all reached record high in 3Q24. Looking ahead, we believe the upcoming Phase 3 study data readout for Besremi in ET will serve as a key catalyst for PharmaEssentia's share price since the result may double PharmaEssentia's addressable market in myeloproliferative neoplasm. The patient population for ET (15K in US) is similar to that of PV, but existing treatment options are limited. Currently, the only FDA-approved therapy, Anagrelide, is associated with significant side effects and low patient acceptance. In addition, as the number of patients treated with Besremi continues to grow and physicians become increasingly familiar with this drug, Besremi is expected to have a strong competitive advantage in the ET market. Therefore, we anticipate that once Besremi receives FDA approval in 2026 as a treatment for ET, its penetration rate in this indication will ramp up at a faster pace than in PV, driving significant revenue growth for the company. PharmaEssentia currently has a market cap of US\$6bn, while its direct peer, Incyte—known for its flagship product Jakafi, approved for treating MF (1ST line), PV (2ND line), GVHD, and vitiligo—is trading at a market cap of US\$14.5bn.

SAI Celebrates 30 Years, Sets Three Major Strategies for Future Operations

<https://reurl.cc/26oD84>

SAI Technology Industrial Co., Ltd., a global leader in automotive forged wheel manufacturing, is celebrating its 30th anniversary this year. The event was held on November 22 (Friday) at the Pingtung factory, Southern Taiwan.

SAI's vision is "Crafting the Future, Sustainable Brilliance," embodying the spirit of craftsmanship, innovative sustainable technology, continuous improvement and a culture of honesty and integrity. The entire management team is united in driving transformation and upgrades in operation, product development, R&D technology, and talent acquisition.

With "forging" technology as its core value, SAI has set three major strategies: diversification in industry sectors, low-carbon solutions, and stable sustainable operations, all aimed at driving growth and creating maximum value for the company, shareholders and employees. The company also aims to lead the green transformation

of the industry supply chain, creating mutually beneficial wins and achieving the next brilliant thirty years.

QIC Comment: SAI targets to increase its semiconductor equipment business and is now collaborating with a leading global semiconductor equipment supplier. To diversify its product applications, SAI is now qualifying its forged aluminum products for semiconductor chamber liners. The company expects to recognize semiconductor segment revenue during 2025. In the next decade, SAI aims to achieve 15-20% OPM, double-digit ROE and 50% payout ratio as its green investment bears fruits of sustainable return for long term shareholders.

PCB and CCL firms gearing up for 2025 AI server boom

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

Printed circuit board (PCB) and copper-clad laminate (CCL) manufacturers are positioning themselves to capitalize on the growing AI server demand to drive growth momentum in 2025. AI server-related PCB components include IC substrates, OAM PCBs, UBB PCBs, switch PCBs, and CCL. Within the supply chain, PCB manufacturers, including Zhen Ding, Gold Circuit Electronics, WUS Printed Circuit, Tripod, and Allied Circuit, as well as CCL and copper foil suppliers, including EMC, ITEQ, TUC, Taiwan Glass, and Co-tech, are all optimistic about the order contributions driven by AI server demand.

QIC Comment: Zhen Ding has been accelerating its development of PCB and IC substrate products for AI servers. As customer demand grows for high-layer count (HLC) + HDI technology in high-end AI servers, Zhen Ding is well positioned to leverage its industry-leading expertise to secure more orders. The company has already provided samples for customers' next-generation AI server products and is actively collaborating with customers on future product innovations. With its new fab in Thailand set to begin mass production next year and additional capacity coming online at the Kaohsiung AI Park, Zhen Ding will be well-positioned to meet the rising demand from its customers.

Chung Jye Footwear Prepares for IPO by Year-End

<https://reurl.cc/d1x2bg>

The footwear manufacturing industry is set to welcome a new player as Chung Jye-KY (6965) plans to go public by the end of the year. Chairman and CEO Andy Liu announced on November 13 that the

company expects to ship 40–41 million pairs of shoes this year. With new capacity coming online at its Indian factory, total shipments are forecasted to grow to 43–44 million pairs in 2024.

Chung Jye specializes in contract manufacturing for sports and casual footwear, with major clients including internationally renowned brands such as New Balance (NB), ANTA (FILA), and LI-NING. Revenue from New Balance products accounts for 52.08% of the company's total, positioning Chung Jye as the Taiwanese stock market's purest "New Balance concept stock."

On November 14, Zhong Jie will host its pre-IPO performance briefing. The company currently has a capital base of NT\$1.4 billion, which will expand to NT\$1.557 billion after the IPO. In 2022, Chung Jye reported revenue of NT\$22.739 billion, with earnings per share (EPS) of NT\$13.55. For the first three quarters of 2023, revenue reached NT\$20.23 billion, with an EPS of NT\$9.22.

The company's production capacity is mainly based in China and Vietnam. In China, it operates three plants in Guangdong, Jiangxi, and Henan provinces, with a combined monthly capacity of 2 million pairs. The Henan facility is slated for further capacity expansion. In Vietnam, Chung Jye runs four factories in Hai Duong, Ninh Binh, Tuyen Quang, and Bac Kan provinces, collectively producing 1.4 million pairs monthly. The newly constructed Bac Kan plant is expected to be completed and operational by the end of Q2 2024.

Chung Jye has also established a joint venture in India with a local footwear group. The company invested USD 2.55 million for a 51% stake, and the Indian facility is scheduled to begin production in Q1 2024, with an annual capacity of 600,000–1 million pairs. This factory will primarily serve New Balance's domestic market needs in India. Additionally, Chung Jye plans to establish a factory in Indonesia, which is expected to start production between 2026 and 2027, focusing on sports and casual footwear manufacturing.

QIC Comment: We believe Chung Jye is poised to become the next rising star in Taiwan's non-tech sector, given its anticipated IPO size and growth prospects, particularly following the successful IPO of Lai-Yih Footwear (6890 TT). Within the footwear manufacturing space, Chung Jye stands out for its strong growth potential, supported by an attractive customer portfolio and diversified manufacturing capabilities. For those concerned about Chung Jye's reliance on China for production and customers, we view this as a strategic advantage, providing a

balanced approach to navigating global trade uncertainties while capitalizing on China's robust domestic demand.

Good ESG is Good Business by Peter Kurz, CSO of QIC

COSTCO Model

1. Price to an 11% gross margin, not higher, not lower

- a. Transparent and fair pricing
- b. not allowed to markup anything more than 14% above what the suppliers sell

2. They pay their hourly workers 30% above the industry norm (and give them excellent healthcare + 401k benefits) — and are almost 3x more profitable on labor than Walmart.

3. Costco stocks 40x fewer SKUs than Walmart— yet sells an average of 15x more volume of each.

4. Sol Price's philosophy: (1) First priority, provide the best possible value to customers. (2) Second priority, pay good wages to employees and provide good benefits, including health insurance. This is in the 50s. This is progressive stuff. (3) Maintain honest business practices. (4) The last one, make money for investors. If you're a Costco nerd out there, and there are probably many Costco investor nerds listening right now, those all probably sound very familiar to Costco's priority order values."

5. Warehouse model – no transportation or receivable risk/cost.

6. Costco, in the last 10 years, was around 4500, and then they looked and said, can we bring it down? It went to 4000. Today, they're sitting at 3800. If you look at Walmart today, they have something like 100,000–250,000 different SKUs that they sell.

7. Each buyer is only really adding 3, 5, 10, or maybe 15 new SKUs a year, but you've managed a very tight set of relationships. Knows the entire supply chain – pricing, quality, supply – extremely well.

8. Raising prices is the easy way. it all comes back to member trust. No loss (or gain) leaders.

9. The warehouse model means fewer employees and administrative costs so can pay each employee more.

10. Membership: primary profit driver, concentrates high-income clientele.

ESG has become a meaningless catchphrase due to overuse and often empty lip service. However, it can nonetheless be a power tool guiding not only socially positive corporate behavior but also highly profitable – and indeed, sustainably profitable corporate performance. In all my years of the analyzing corporate accounts, I've never come across a company so well run, from an ESG standpoint, as Costco. ESG is the process of calculating the cost of externalities to businesses. We know the cost of raw materials, of employee wages, of rental expenses. But we can't easily calculate the cost of environmental degradation and climate change from corporate activities. Nor can we calculate the costs of long-term reputational damage, customer discontent or employee dissatisfaction. ESG is an attempt to quantify these intangible costs.

Costco is an incredibly impressive company not only because it has generated a total return averaging 25% every year for the past 10 years, but because it generated that performance in one of the oldest, most competitive industries in the world, retailing. And it did so by strictly following good ESG guidelines as set down by the company's founder, Sol Price, back in xxxx. Price's publicized his philosophy of running his business in four basic premises: (1) First priority, provide the best possible value to customers. (2) Second priority, pay good wages to employees and provide good benefits, including health insurance. This is in the 50s. This is progressive stuff. (3) Maintain honest business practices. (4) The last one, make money for investors. These principles were manifest in the company's operations in the following ways, many of them being seemingly counterintuitive.

First, the company has a very fair and transparent pricing policy. It prices all products so that the company earns an

11% gross margin, no more and no less. This was all customers know that they are getting the fairest price possible. Always.

Costco pays their hourly workers about 30% higher than the industry average and yet worker productivity – the profit they generate for each worker – is almost three times that of their largest competitor. Costco strives to limit SKU's, offering perhaps only three percent of the production offering of their competitors, but selling 15 times the volume of each product. This cuts down on the required staffing, as does their warehouse model, allowing them to lower their headcount but pay each worker better wages. It furthermore allows their buyers to become highly specialized in each product they sell to ensure the highest quality and lowest price. Finally, Costco requires shoppers to first purchase a membership card. This requirement very cleverly weeds out a large number of shoppers who are not committed to be frequent and substantive customers, again reducing worker headcount and improving the shopping experience for their members.

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