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Greater China Technology Hardware | Asia Pacific

AI Transceivers: t (Tau) Law provides solid support for exponential growth in industry demand

Key Takeaways

- We believe the "t (Tau) Law" is a fundamental theory supporting the exponential growth of the AI transceiver industry. We reiterate our positive view.
- t (Tau) Law is a framework introduced by Huawei to optimize signal delay (t) to boost transistor density, energy efficiency, and performance.

At ISCAS 2026 in Shanghai on May 25, Huawei introduced the "t (Tau) Law" - a time-based scaling principle for multi-layer electronic systems that aims to succeed Moore's Law as geometric scaling faces limitations. This approach optimizes a unified time constant (t) across all computing levels—from transistors to data centers—shifting focus from size reduction to overall system efficiency, including interconnects, signal integrity, power, and thermal management.

Under this new concept, Huawei has innovated "Logic Folding" — vertically stacking active layers for digital, analog, and memory circuits, which has achieved a 55% increase in transistor density and a 41% gain in power efficiency at a fixed process node.

At the AI cluster level, t Law, combined with technologies such as a unified memory semantic bus interconnect architecture, near-package optical Hi-ONE (in-package high-speed optoelectronic interconnects), and edge-to-surface 3D Folding, is projected to achieve more than a 100× increase in hardware integration by 2035.

[Global AI Transceivers: Industry Demand Likely to be Even Stronger \(14 May 2026\)](#)

[Global Technology: AI Transceivers: Growth Dominates Disruption \(26 Feb 2026\)](#)

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GREATER CHINA TECHNOLOGY HARDWARE

Asia Pacific

Industry View

In-Line

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	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
Overweight/Buy	1546	42%	467	51%	30%	709	44%
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Not-Rated/Hold	4	0%	0	0%	0%	1	0%
Underweight/Sell	555	15%	84	9%	15%	202	12%
Total	3,673		909			1627	

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Andy Meng, CFA		
AAC Technologies Holdings (2018.HK)	O (01/29/2024)	HK\$43.32
Accelink Technologies Co. Ltd. (002281.SZ)	U (05/12/2022)	Rmb223.98
BYD Electronics (0285.HK)	O (04/28/2023)	HK\$26.30
China TransInfo Technology Co Ltd (002373.SZ)	E (07/18/2023)	Rmb8.62
Dahua Technology Co. Ltd. (002236.SZ)	E (12/12/2024)	Rmb18.11
Eoptolink Technology Inc Ltd (300502.SZ)	O (02/27/2026)	Rmb659.01
Genius Electronic Optical Co. Ltd. (3406.TW)	E (04/23/2025)	NT\$591.00
Gosuncn Technology Group Co Ltd (300098.SZ)	U (11/07/2022)	Rmb5.83

HIKVision Digital Technology (002415.SZ)	E (12/12/2024)	Rmb32.27
Largan Precision (3008.TW)	E (10/17/2025)	NT\$3,845.00
LianChuang Electronic Technology Co Ltd (002036.SZ)	U (06/12/2024)	Rmb10.32
OFILM Group Co Ltd (002456.SZ)	U (06/12/2024)	Rmb9.24
Q Technology (Group) Company Ltd (1478.HK)	U (03/23/2026)	HK\$9.33
Quectel Wireless Solutions Co Ltd (603236.SS)	E (10/09/2024)	Rmb76.80
Shanghai Conant Optical Co Ltd (2276.HK)	O (04/10/2026)	HK\$45.24
Shenzhen Transsion Holdings Co Ltd (688036.SS)	E (03/23/2026)	Rmb63.38
Sunny Optical (2382.HK)	E (03/23/2026)	HK\$73.25
Suzhou TFC Optical Communication Co Ltd. (300394.SZ)	E (11/06/2025)	Rmb396.75
Wingtech Technology Co Ltd (600745.SS)	U (05/18/2026)	Rmb17.01
Xiaomi Corp (1810.HK)	O (04/14/2021)	HK\$30.00
Yangtze Optical Fibre and Cable JSC Ltd (601869.SS)	U (10/13/2021)	Rmb386.03
Yangtze Optical Fibre and Cable JSC Ltd (6869.HK)	E (04/20/2023)	HK\$227.60
Yongxin Optics Co Ltd (603297.SS)	E (11/15/2022)	Rmb143.37
Zhejiang Crystal-Optech Co Ltd (002273.SZ)	O (11/15/2022)	Rmb40.14
Zhongji Innolight Co Ltd (300308.SZ)	++	Rmb1,093.00
ZTE Corporation (0763.HK)	E (03/11/2024)	HK\$24.48
ZTE Corporation (000063.SZ)	U (07/02/2021)	Rmb36.27
Derrick Yang		
Accton Technology Corporation (2345.TW)	O (06/06/2024)	NT\$2,540.00
Advantech (2395.TW)	O (01/20/2021)	NT\$498.50
AirTAC International (1590.TW)	O (04/16/2025)	NT\$1,450.00
AU Optronics (2409.TW)	E (02/10/2026)	NT\$24.40
Bizlink (3665.TW)	O (03/10/2025)	NT\$2,385.00
BOE Technology (000725.SZ)	O (09/06/2019)	Rmb5.27
Chenbro (8210.TW)	O (07/23/2025)	NT\$1,435.00
Chroma Ate Inc. (2360.TW)	O (10/05/2021)	NT\$2,460.00
E Ink Holdings Inc. (8069.TWO)	O (05/11/2026)	NT\$235.00
Ennostar Inc (3714.TW)	U (09/23/2022)	NT\$79.70
Hiwin Technologies Corp. (2049.TW)	O (03/30/2026)	NT\$395.00
Innolux (3481.TW)	E (04/07/2025)	NT\$49.10
King Slide Works Co. Ltd. (2059.TW)	O (11/08/2023)	NT\$4,980.00
Lens Technology (300433.SZ)	E (07/22/2020)	Rmb39.52
Radiant Opto-Electronics Corporation (6176.TW)	E (03/01/2024)	NT\$107.50
Sanan Optoelectronics (600703.SS)	U (08/21/2023)	Rmb16.13
TCL Corp. (000100.SZ)	E (04/07/2025)	Rmb4.44
Tianma Microelectronics (000050.SZ)	U (01/24/2018)	Rmb8.06
Wuhan Jingce Electronic Group Co Ltd (300567.SZ)	E (11/26/2021)	Rmb224.45
Howard Kao		
Acer Inc. (2353.TW)	U (04/23/2025)	NT\$32.50
Asustek Computer Inc. (2357.TW)	U (11/16/2025)	NT\$709.00
Compal Electronics (2324.TW)	U (04/23/2025)	NT\$34.65
FIT Hon Teng Ltd (6088.HK)	O (11/03/2025)	HK\$9.07
Giga-Byte Technology Co. Ltd. (2376.TW)	E (11/16/2025)	NT\$336.50
Gold Circuit Electronics Ltd. (2368.TW)	O (10/06/2022)	NT\$1,425.00
Inspur Electronic Information (000977.SZ)	E (08/28/2023)	Rmb69.20
Lenovo (0992.HK)	E (11/16/2025)	HK\$15.75
Lotes Co. Ltd. (3533.TW)	E (05/12/2025)	NT\$2,585.00
Nan Ya PCB (8046.TW)	O (02/23/2026)	NT\$884.00
Pegatron Corporation (4938.TW)	E (03/25/2026)	NT\$81.20
Quanta Computer Inc. (2382.TW)	O (05/01/2023)	NT\$316.50
Shengyi Technology Co Ltd. (600183.SS)	E (05/26/2022)	Rmb116.52
Shennan Circuits Co Ltd (002916.SZ)	E (08/24/2023)	Rmb400.00
Unimicron (3037.TW)	O (02/23/2026)	NT\$990.00

Wistron Corporation (3231.TW)	O (07/12/2023)	NT\$149.00
Wiwynn Corp (6669.TW)	O (11/10/2025)	NT\$5,610.00
Yageo Corp. (2327.TW)	O (10/28/2025)	NT\$691.00
Zhen Ding (4958.TW)	O (05/18/2026)	NT\$529.00
Sharon Shih		
Asia Vital Components Co. Ltd. (3017.TW)	O (07/30/2024)	NT\$2,575.00
Auras Technology Co Ltd (3324.TWO)	E (05/04/2023)	NT\$1,010.00
Catcher Technology (2474.TW)	U (11/17/2025)	NT\$186.50
Delta Electronics Inc. (2308.TW)	O (07/13/2017)	NT\$2,290.00
Fositek Corp (6805.TW)	O (06/25/2025)	NT\$1,745.00
Foxconn Industrial Internet Co. Ltd. (601138.SS)	O (07/10/2019)	Rmb70.30
Foxconn Technology (2354.TW)	U (04/23/2025)	NT\$61.10
GoerTek Inc (002241.SZ)	U (04/23/2025)	Rmb25.49
Hon Hai Precision (2317.TW)	O (03/15/2024)	NT\$261.00
LandMark Optoelectronics Corporation (3081.TWO)	E (03/26/2026)	NT\$2,925.00
Lingyi Itech Guangdong Co (002600.SZ)	U (04/23/2025)	Rmb16.09
Lite-On Technology (2301.TW)	E (01/15/2025)	NT\$227.50
Luxshare Precision Industry Co., Ltd. (002475.SZ)	O (10/24/2016)	Rmb74.70
Sunonwealth Electric Machine Industry Co (2421.TW)	E (02/23/2024)	NT\$162.50
Tong Hsing (6271.TW)	E (03/18/2019)	NT\$243.50
Visual Photonics Epitaxy Co Ltd (2455.TW)	E (09/11/2023)	NT\$444.00

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

* Historical prices are not split adjusted.