

Technology

Implications of resumption of H20/MI308 sales in China; Positive for AI server/component supply chain

Nvidia announced ([link](#)) that 1) it is filing applications to resume H20 chip sales to China, 2) the US government has assured that licenses will be granted and delivery is expected to resume soon, and 3) it announced a new, fully compliant RTX PRO GPU for China. Also, media reported ([link](#)) that AMD planned to restart MI308 shipment to China once the US completes licensing review. We believe this is a major positive for China AI server/component suppliers, after the US's H20/ MI308 export ban started in April, and it also suggests B30's potential launch in the near future. Based on our previous estimate ([our note](#)), Nvidia's US\$5.5bn inventory write-down would imply 1.1mn H20 chips and 138k H20 AI servers (~30% of AI server market in China), and total H20 demand in China would reach 1.5-1.6mn in 2025 (vs US\$16bn orders as [reported](#)). Therefore, we expect H20 inventories and the new B30 product will start to be delivered to Chinese CSPs in 2H25E once license is granted, which will benefit China AI server/component supply chain names, including **BYDE, Luxshare, FII, Huaqin and Lenovo**.

■ **The US's H20/MI308 ban lifted sooner than expected; new B30 expected for launch in 2H25E.** Nvidia announced that it has received assurances from the US government that it can resume sales of H20 chips in China, and it also announced a new, fully compliant RTX PRO GPU for China. Also, AMD is reportedly preparing to resume MI308 shipment to China. Our analysis estimated Nvidia's US\$5.5bn inventory write-down in CY1Q25 is equivalent to 1.1mn H20 chips and 138k H20 AI servers, and ~1mn H20 chips/125k H20 AI servers were shipped to China in 2024, accounting for ~30% of China AI server market (420k units) in 2024. Based on media report, H20/RTX6000D demand could reach 1.4-1.6mn/1-2mn in 2025 ([link](#)), and new B30 will be launched in China in 3Q25E with over 1mn shipments in 2025 ([link](#)).

■ **Implications to AI server/component supply chain.** Although H20 sales resumption is partially anticipated by the market after CEO Jensen's meeting in Washington last week and his visit in Beijing this week, we believe the US's H20 sales resumption comes in earlier than expected, which will be positive to China server supply chain sentiment in the near term, including AI server brands/ODM/component names. For **BYDE**, it expected to start H20 server OEM biz in 2025 and it is also qualified for Nvidia AI server components (UQD/NUQD, cold plate, manifold, busbar, power shelf). For **Luxshare**, it is qualified to ship high-speed cables for Nvidia AI servers, and its subsidiary, Time Interconnect (1729 HK, NR), focuses on server ODM for Chinese CSPs. For **FII**, it expected its global AI server market share to exceed 40% in 2025, and AI server revenue will account 50% for total server revenue. For **Huaqin**, it targeted datacenter revenue of RMB40bn in 2025, given strong H20 AI server ODM (mainly in 1H25) and robust shipments of general servers and switches. For **Lenovo**, servers are the main drivers for its ISG business, and it expected to benefit from AI capex from clients across CSPs and enterprises given its strong capability across the servers and liquid cooling.

Valuation Table

			Mkt Cap	TP	Upside/	P/E (x)		P/B (x)		ROE (%)	
Name	Ticker	Rating	(US\$ mn)	(LC)	Downside	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
BYDE	285 HK	BUY	9,314	43.22	33%	12.0	9.7	1.8	1.6	15.0	16.6
Luxshare	002475 CH	BUY	36,222	55.09	54%	15.6	12.6	2.5	2.5	16.4	20.4
FIT Hon Teng	6088 HK	BUY	2,342	3.48	38%	11.5	7.8	0.9	0.8	8.4	10.0
Lenovo	992 HK	NR	15,375	NA	NA	10.9	10.1	2.5	2.2	23.9	23.8
FII	601138 CH	NR	64,563	NA	NA	15.8	13.2	2.7	2.5	17.5	18.5
Huaqin	603296 CH	NR	11,976	NA	NA	23.1	18.9	3.4	3.0	14.7	15.8

Source: Bloomberg, CMBIGM estimates

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Figure 1: Nvidia' press release on H20 sales resumption and RTX PRO GPU for China.

This month, NVIDIA founder and CEO Jensen Huang promoted AI in both Washington, D.C. and Beijing — emphasizing the benefits that AI will bring to business and society worldwide.

In the U.S. capital, Huang met with President Trump and U.S. policymakers, reaffirming NVIDIA's support for the Administration's effort to create jobs, strengthen domestic AI infrastructure and onshore manufacturing, and ensure that America leads in AI worldwide.

In Beijing, Huang met with government and industry officials to discuss how AI will raise productivity and expand opportunity. The discussions underscored how researchers worldwide can advance safe and secure AI for the benefit of all.

Huang also provided an update to customers, noting that NVIDIA is filing applications to sell the NVIDIA H20 GPU again. The U.S. government has assured NVIDIA that licenses will be granted, and NVIDIA hopes to start deliveries soon. Finally, Huang announced a new, fully compliant NVIDIA RTX PRO GPU that "is ideal for digital twin AI for smart factories and logistics."

As Huang noted during his visits, the world has reached an inflection point — AI has become a fundamental resource, like energy, water and the internet. Jensen emphasized NVIDIA's commitment to support open-source research, foundation models and applications, which democratize AI and will empower emerging economies in every region, including Latin America, Europe, Asia and beyond.

"General-purpose, open-source research and foundation models are the backbone of AI innovation," Huang explained to reporters in D.C. "We believe that every civil model should run best on the U.S. technology stack, encouraging nations worldwide to choose America."

Source: Company data, CMBIGM

Figure 2: Analysis of Nvidia's H20 ban and inventory write-down in CY1Q25

	2024	1Q25 (China CSP order)	Inventory Writedown
H20 Inventory (US\$ mn)	-	-	5,500
H20 Sales (US\$ mn)	12,500	16,000	13,750
H20 ASP (US\$ k)	12.5	12.5	12.5
H20 chip - shipments (k units)	1,000	1,280	1,100
H20 AI server - shipments (k units)	125	160	138

Source: Company data, CMBIGM estimates

Figure 3: Peers valuation

		Mkt Cap	Price	P/E (x)		P/B (x)		ROE (%)		Perf
Company	Ticker	(US\$ mn)	(LC)	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	YTD (%)
PC/Server										
Lenovo	992 HK	15,375	10.1	10.9	10.1	2.5	2.2	23.9	23.8	(3.5)
Dell	DELL US	83,824	125.7	15.8	13.2	-	-	(173.2)	(997.3)	7.2
HPE	HPE US	27,885	20.8	11.5	10.1	1.1	1.1	10.6	10.7	(0.5)
HP Inc	HPQ US	24,280	24.5	8.3	7.7	-	-	(274.6)	(74.5)	(20.8)
Super Micro	SMCI US	29,089	53.2	23.3	17.1	4.7	3.7	21.8	25.2	59.9
ASUSTeK	2357 TT	16,461	640.0	12.5	11.7	1.7	1.6	14.1	14.0	3.7
Inspur	000977 CH	10,472	55.8	26.8	21.9	3.3	2.9	12.9	13.9	(1.8)
Dawning	603019 CH	14,049	69.7	39.4	32.5	4.4	4.0	11.5	12.5	(4.9)
		Average		18.6	15.5	3.0	2.6	(44.1)	(121.5)	4.9
ODM/OEM										
FII	601138 CH	64,563	27.3	15.8	13.2	2.7	2.5	17.5	18.5	8.3
Huaqin	603296 CH	11,976	91.1	23.1	18.9	3.4	3.0	14.7	15.8	19.0
BYDE	285 HK	9,314	33.7	12.0	9.7	1.8	1.6	15.0	16.6	(22.8)
Quanta	2382 TT	37,510	270.5	15.1	12.8	4.6	4.1	31.5	33.3	(2.4)
Wistron	3231 TT	12,148	120.0	13.9	11.1	2.3	2.0	17.4	18.8	16.3
Wiwynn	6669 TT	15,920	2,520.0	14.2	12.6	4.3	4.0	33.1	31.7	(5.7)
Inventec	2356 TT	5,518	43.8	18.6	15.6	2.2	2.1	12.1	13.4	(11.5)
GigaByte	2376 TT	6,424	283.5	13.8	12.1	3.0	2.9	23.9	24.5	1.5
		Average		15.8	13.3	3.0	2.8	20.7	21.6	0.3
Connector										
FIT Hon Teng	6088 HK	2,342	2.62	11.5	7.8	0.9	0.8	8.4	10.0	(31.0)
Luxshare	002475 CH	36,222	36.78	15.6	12.6	2.5	2.5	16.4	20.4	(12.2)
TE	TEL US	51,424	175.4	21.1	19.2	4.2	3.9	19.2	20.4	21.3
Amphenol	APH US	119,170	99.4	36.8	33.3	10.0	8.3	30.5	28.1	41.9
		Average		21.2	18.2	4.4	3.9	18.6	19.7	5.0
Switch/Storage										
Cisco	CSCO US	271,616	67.2	18.1	17.0	5.9	5.5	32.6	32.5	15.9
Arista	ANET US	127,011	107.4	39.5	33.9	10.3	8.2	28.0	26.2	(8.5)
Juniper	JNPR US	13,359	40.0	19.6	18.2	2.7	2.5	14.0	14.0	6.7
Keysight	KEYS US	28,487	162.0	23.6	20.9	5.2	4.6	19.8	20.5	3.0
Seagate	STX US	32,244	149.1	19.1	15.5	-	48.7	(159.2)	5,053.1	76.0
Western Digital	WDC US	22,949	67.5	12.9	11.7	4.1	3.3	25.3	43.3	46.0
		Average		23.5	20.0	5.3	10.1	(0.4)	653.5	18.8
Substrate										
Unimicron	3037 TT	6,207	132.0	20.3	11.9	1.8	1.6	9.3	14.5	(17.0)
Ibiden	4062 JP	6,209	6,434.0	29.4	25.3	1.7	1.7	6.1	7.2	32.8
NYPCB	8046 TT	2,779	157.5	64.3	27.0	1.8	1.7	2.9	6.5	(5.0)
		Average		38.0	21.4	1.7	1.6	6.1	9.4	3.6
PCB										
WUS Printed	002463 CH	11,928	51.4	24.4	19.8	5.9	4.8	25.3	25.6	12.0
Victory Giant	300476 CH	17,189	164.1	26.6	19.3	9.3	6.6	33.1	32.8	239.0
Gold Circuit	2368 TT	4,947	320.0	18.2	14.4	5.5	4.4	33.1	33.5	20.1
		Average		23.1	17.9	6.9	5.3	30.5	30.6	90.4
Power Supply										
Delta	2308 TT	41,351	494.0	26.0	22.2	4.5	4.0	17.9	18.6	6.6
Lite-on	2301 TT	9,338	117.0	17.7	15.2	2.8	2.7	16.2	17.7	15.6
		Average		21.8	18.7	3.6	3.3	17.0	18.2	11.1
Thermal										
Vertiv	VRT US	47,383	127.4	34.8	28.5	14.3	11.5	45.1	41.8	9.4
FII	601138 CH	64,563	27.3	15.8	13.2	2.7	2.5	17.5	18.5	8.3
Sunowealth	2421 TT	977	107.0	14.8	12.3	3.2	3.0	23.1	24.5	5.5
Auras	3324 TT	2,063	694.0	20.7	15.8	5.5	4.4	27.2	28.4	(3.6)
AVC	3017 TT	10,541	853.0	22.3	17.7	7.7	6.2	40.1	39.3	25.7
		Average		21.7	17.5	6.7	5.5	30.6	30.5	9.1

Source: Bloomberg, CMBIGM estimates; data as of 15 July close

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