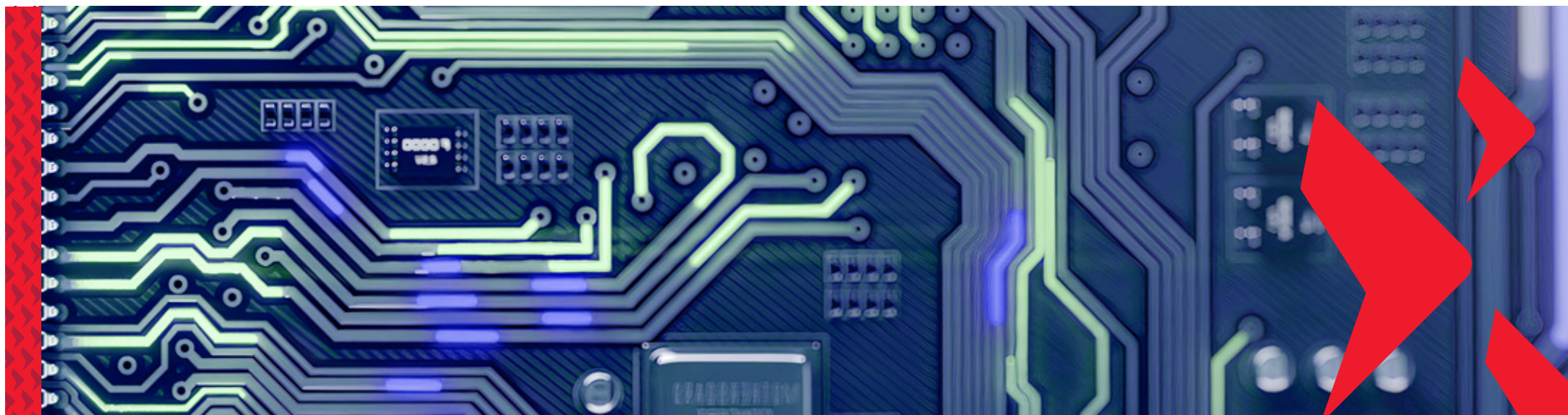
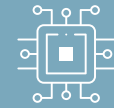


## 2025 Asian Expert Series

# Asia's technology-led innovation

**Innovation** is a strategic lever that unlocks Asia's economic growth, accelerates transition and shapes new markets. Whether it is India's "Silicon Valley", Japan's Tsukuba Science City or Taiwan's Hsinchu Science Park, innovation is firmly embedded in Asia's development story. Importantly, Asia's listed technology companies span a wide range of industries, presenting diverse equity opportunities for investors.



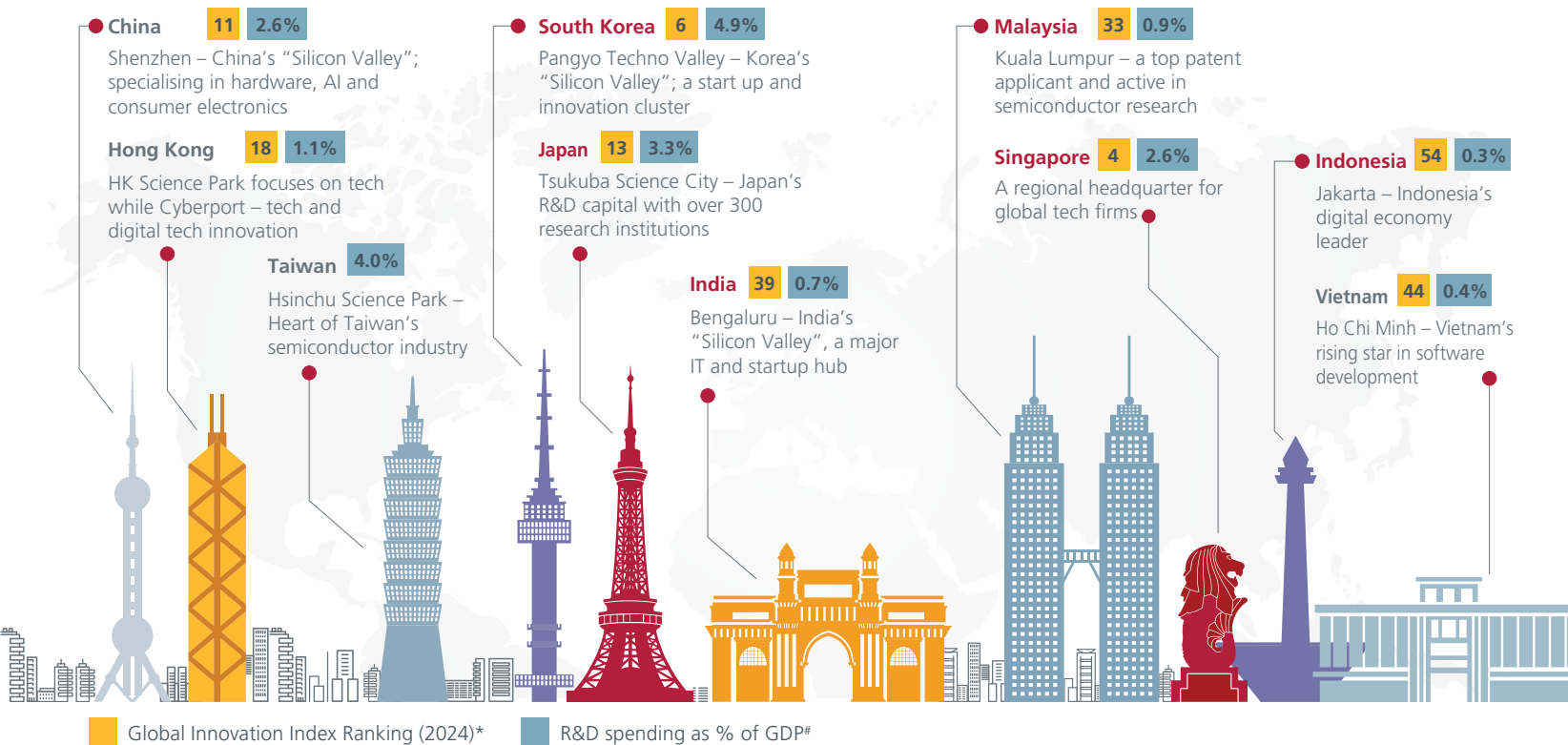


## Asia's technology-led innovation

### Emerging innovation leader

Technology and innovation drove about **50%<sup>1</sup>** of Asia's GDP growth between 2010 and 2020 and are expected to contribute to **43%<sup>2</sup>** of the region's expected GDP growth from 2020 to 2030.

Robust R&D investment and a supportive regulatory landscape have fuelled the rise of innovation hubs across Asia.



“

Asia has long been synonymous with manufacturing excellence, but its role as a global innovation hub is increasingly commanding attention. China, Japan, South Korea, and Taiwan are not only driving industrial output but also spearheading breakthroughs in artificial intelligence, robotics, and semiconductor technologies—positioning the region at the cutting edge of the digital economy.

Rebecca Lin, Head of Investments, Eastspring Taiwan.

”

<sup>1</sup> McKinsey Global Growth Model. Total factor productivity, a broad measure of the contribution to the economy of technology and innovation.

<sup>2</sup> In order for Asia to maintain about 4% GDP growth. How can Asia boost growth through technological leapfrogging. McKinsey Global Institute.

Source: R&D spending as % of GDP: Lowy Institute of Asia Power Index 2024 Edition. Statista. #Latest year available. \*Global Innovation Index 2024. Unlocking the Promise of Social Entrepreneurship. June 2025.

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Asia's  
technology-led  
innovation

## Breadth and depth

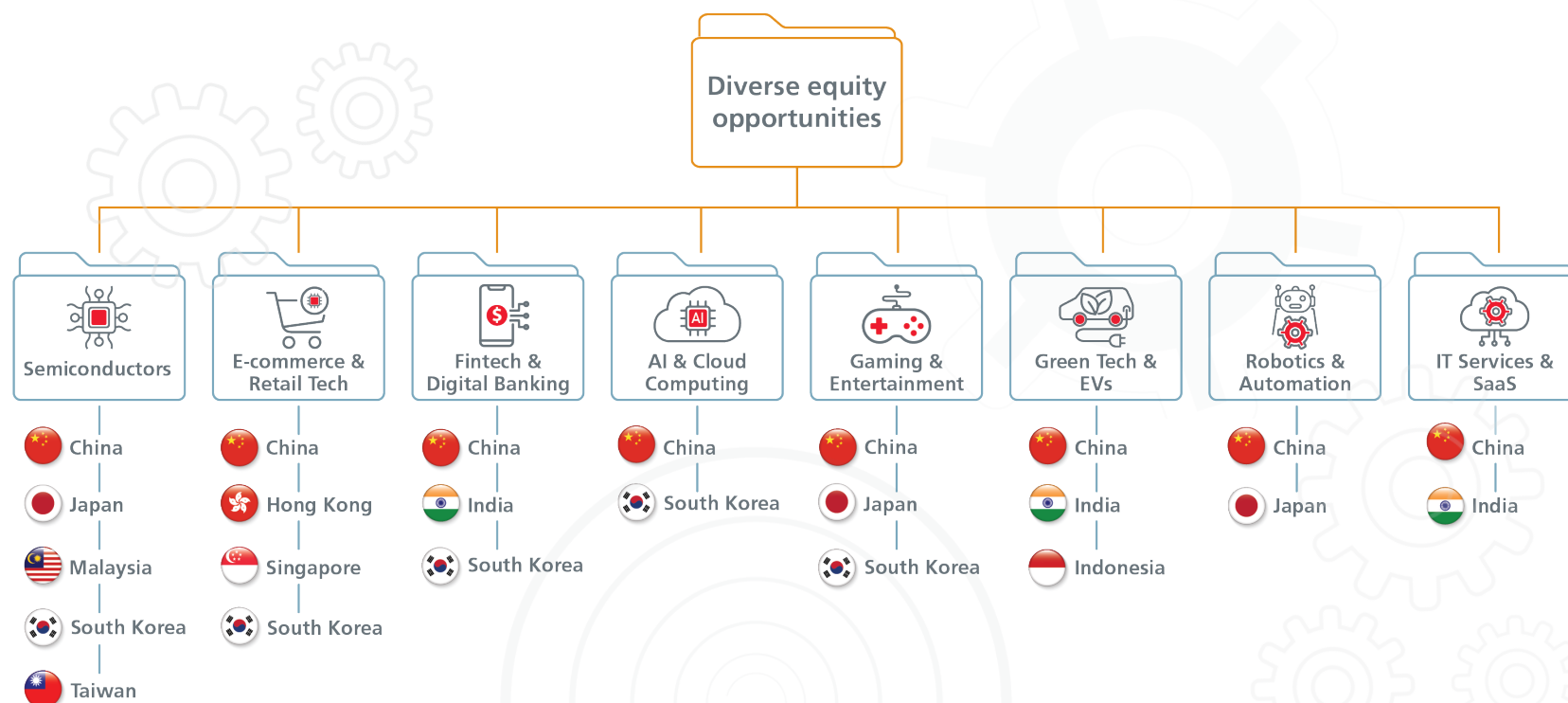
Within equities, Asia's listed tech companies span a wide range of industries; presenting diverse opportunities for investors. The rise of the weight of the technology sector in the MSCI Asia Pacific Index from **15%** in 2005 to **20%** in 2025<sup>1</sup> reflects the region's economic and structural shifts.

“

Bond issuances from Asian tech companies are more limited as most Asian tech companies generate sufficient operating cash flows to fund their investment needs. These companies are also likely to be able to access cheaper funding sources without needing to tap the bond market.

Clement Chong, Head of Research,  
Fixed Income, Eastspring Singapore

”



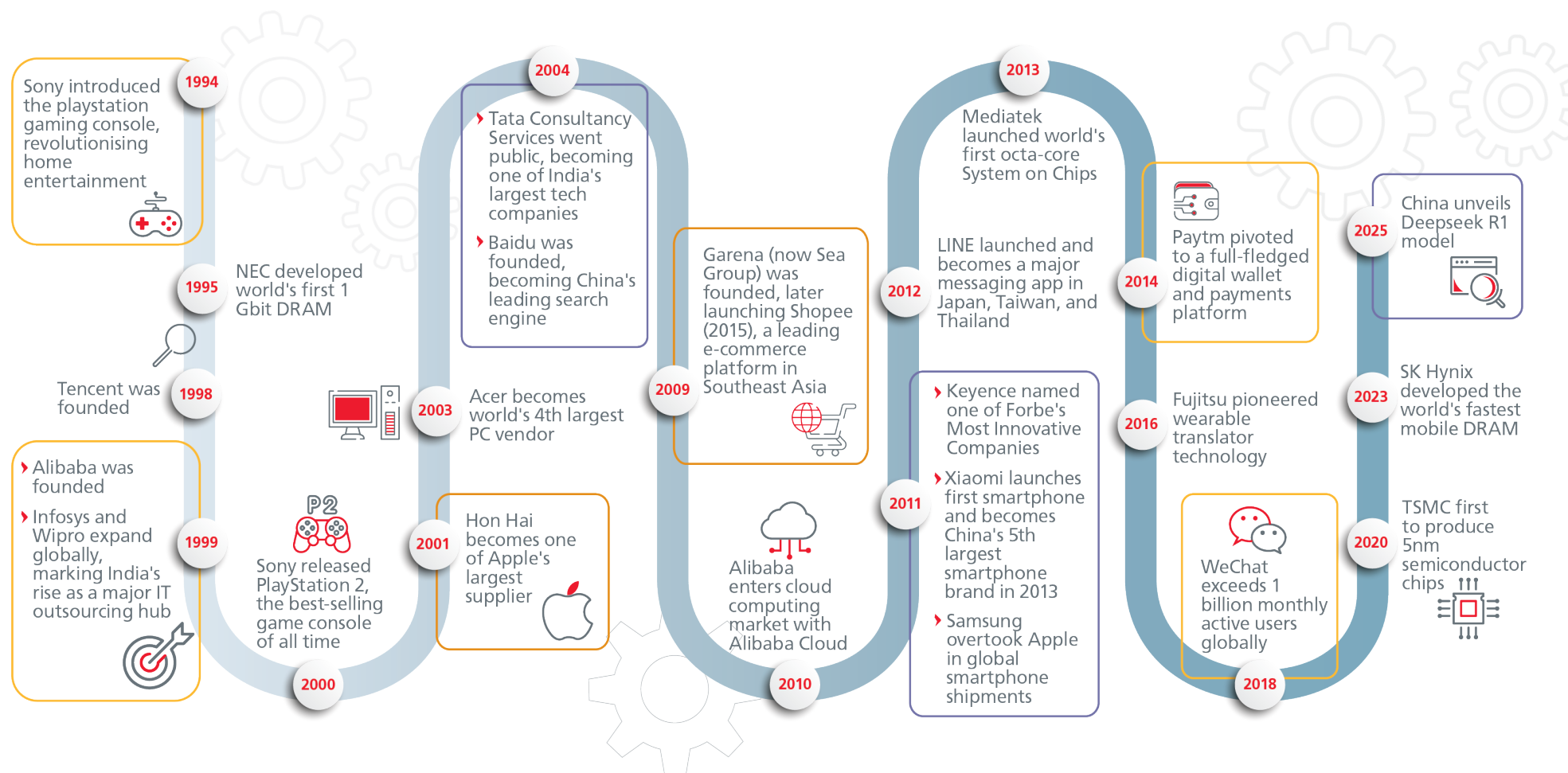
<sup>1</sup> Datastream as of 11 June 2025.



## Asia's technology-led innovation

### Tech trek

Many of the pivotal moments in Asia's tech timeline have brought rewarding opportunities for long-term investors.



Source: Company websites. Any securities illustrated are informational only and not an investment recommendation or advice.

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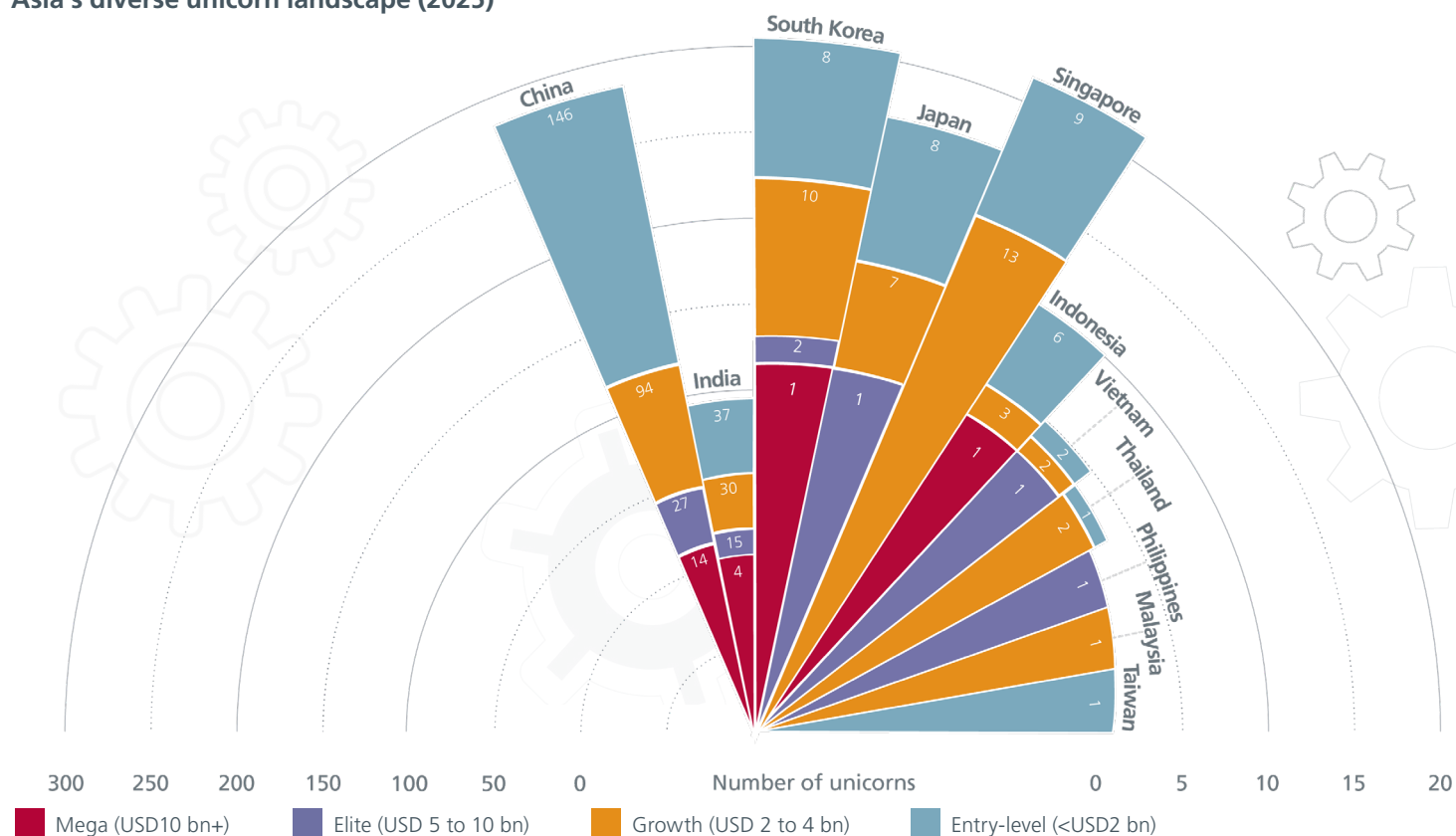
## Asia's technology-led innovation

### Unicorn dreams

Besides being home to numerous listed tech giants, Asia also has a diverse unicorn landscape. Tensions between US and China have accelerated investments in digital infrastructure, artificial intelligence and fintech across the region.

Southeast Asian tech companies that had previously eyed US IPOs are increasingly pivoting to local exchanges amid rising private equity support and domestic reforms. However, investors will still need to be discerning.

### Asia's diverse unicorn landscape (2025)



“

While a thriving start-up ecosystem can help unlock fresh opportunities for investors, only businesses that are viable and profitable can find successful IPO exits. Otherwise, in many cases, these start-ups are forced to pivot their businesses or end up selling to cash rich competitors or merging for survival.

Liew Kong Qian, Head of Investments, Eastspring Indonesia

”

Source: Global Unicorn Report 2025. June 2025. Reflects privately-held start ups valued at USD1 billion or more, often backed by venture capital. Southeast Asia's IPOs poised for rebound in 2025 but clouds loom – Nikkei Asia. Jan 2025. Top IPOs to watch in 2024 – APAC region. AlphaSense. March 2025.

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Asia's  
technology-led  
innovation

## Think active

Asia's tech sector offers a compelling blend of capital gains and dividend income. However, the dispersion of performance across the sector increases the importance of a research-driven, stock picking approach to uncover winners and mitigate downside risks.

“

**The exciting growth narratives around tech stocks have historically led to periods of frothy valuations. A value-centred approach can help capture stocks' long-term growth upside cheaply.**

Terence YT Lim, Portfolio Manager, Eastspring Singapore

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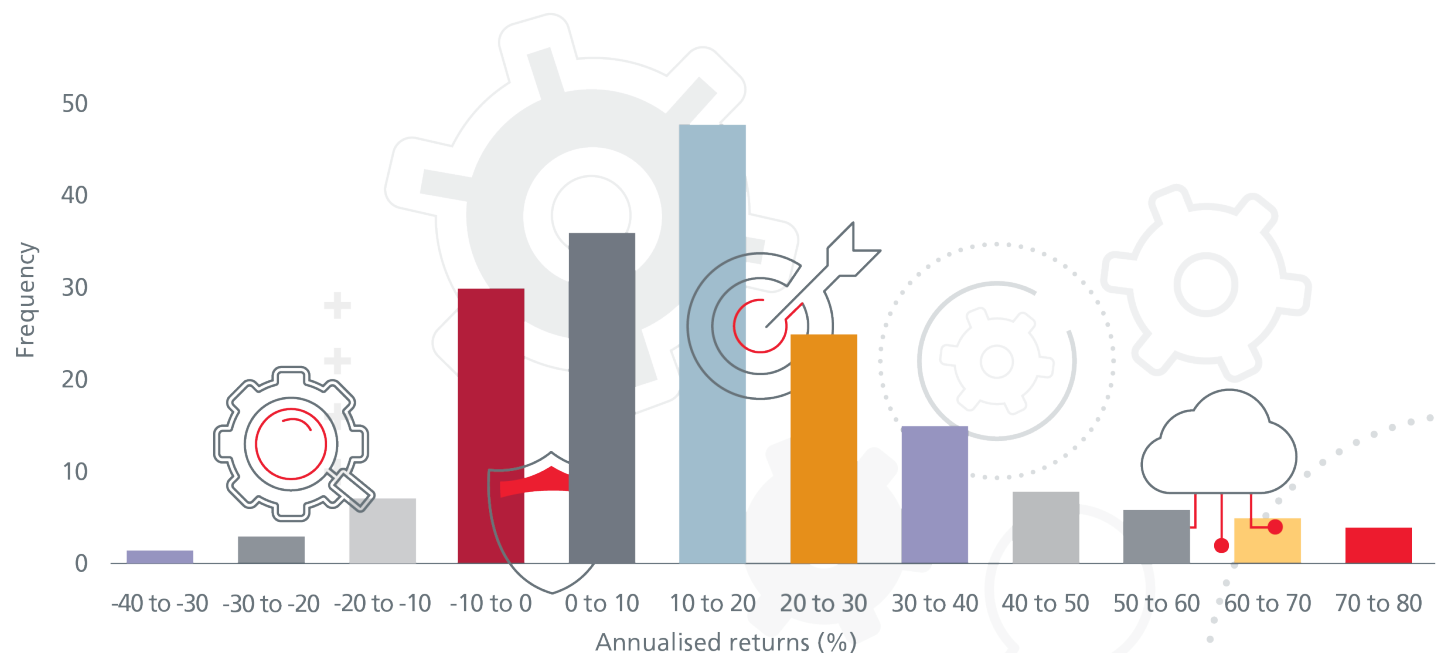
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Asian tech companies can be a great universe to find attractive income ideas in, but the key here is to be discerning. The tech supply chain in Asia is incredibly deep and diverse with different drivers and capital allocation needs, depending on which sub-segment you operate in. Because of this, investors have to really focus on fundamentals to understand where this intersection of income and growth lies in order to fully capture this unique opportunity.

Christina Woon, Portfolio Manager, Eastspring Singapore

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Distribution of returns of Asian tech stocks (2015 - 2025)



Source: 10-year annualised returns (or longest available annualised returns) of constituents of the MSCI Asia Pacific Information Technology Index. As of June 2025. Bloomberg.

**Think Asia. Think Active.**

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