

# Technology

## Huawei Mate XT: the world's first tri-fold smartphone is unveiled

Huawei has launched the long-awaited world's first tri-fold smartphone, Mate XT, yesterday (10 Sep), featuring tri-foldable screen with two hinges, flagship camera system (OIS/periscope/ultrawide angle) and AI features supported by in-house Kylin chips and Harmony OS. Over 4mn preorders were made ahead of the launch. We believe the launch of this premium device could strengthen Huawei's technology leadership in the foldable phone market (vs Samsung/Apple). The design breakthrough will also boost foldable phone shipment momentum and ASP growth into FY24/25E given the new form factor, premium spec and AI-enabled features. As the pioneer in foldable phones, we are positive on Huawei's premium component supply chain including **BYDE** for casing/structured components, **Sunny Optical/Q-tech** for cameras (OIS/periscope) and **AAC Tech** for acoustics/structured components/hinges/lens.

- **Huawei's Mate XT gaining strong traction with 4mn preorders.** Huawei unveiled its long-awaited first global commercial tri-fold phone, Mate XT, at product launch event on 10 Sept. There are three models with starting prices at RMB 19,999 for 16+256GB and RMB 21,999/23,999 for 16+512GB/16+1TB, largely in-line with expectations of RMB 20,000-25,000. Over 4mn pre-orders were received as of 10 Sept, ahead of official launch on 20 Sept. In 2Q24, foldable smartphone shipment grew 105% YoY in China, and Huawei was the market leader with 41.7% of share, based on IDC. China was the world's largest foldable smartphone market in 2023, and foldable shipment is expected to grow 75%/65% YoY to reach 10.7mn/17.6mn in FY24-25E, based on iResearch.
- **Key highlights: 10.2' tri-fold screen, Tiangong hinge system, flagship camera (OIS/periscope/ultrawide) and AI features.** Mate XT features spec below: **1) Design:** 10.2-inch large screen with two hinges. It is the thinnest and largest foldable screen phone in the world (3.6 mm); **2) Display:** world's first 3K ultra clear flexible immersive display screen; non-Newtonian fluid and ultra large UTG glass; **3) Hinge technology:** Tiangong hinge system features two hinges for outward-folding and inward-folding to improve the flatness and durability of the screen; **4) Cameras:** a 50MP variable aperture main camera with OIS modules, a 12MP 5.5x zoom periscope telephoto lens, a 12MP ultra-wide lens, XMAGE imaging engine and flash shooting. In addition, another highlight is **Mate XT's AI features with Celia assistant on Pangu LLM**, which can offer AI services such as text summary, translation and editing, and AI-image editing including AI removal and AI cloud enhancement features.
- **Positive on Huawei supply chain such as BYDE, Sunny Optical, Q-tech and AAC Tech.** Huawei is the industry pioneer in global foldable phone market, and the launch of Mate XT could strengthen Huawei's industry leadership in global foldable market, ahead of Samsung/Apple. For stocks, we are positive on Huawei premium supply chain such as **BYDE** for casing/structured components, **Sunny Optical/Q-tech** for cameras (OIS/periscope) and **AAC Tech** for acoustics/structured components/hinges/lens.

### Valuation Table

Name	Ticker	Rating	Mkt Cap (US\$ mn)	Price (LC)	TP (LC)	Up/Down -side	P/E (x) FY24E FY25E	P/B (x) FY24E FY25E
BYDE	285 HK	BUY	7,528	26.05	40.9	57%	12.1 8.5	2.9 2.3
Sunny Optical	2382 HK	BUY	6,410	45.65	72.5	59%	18.2 15.3	1.8 1.7
Q Tech	1478 HK	BUY	673	4.43	6.4	45%	13.2 8.8	0.9 0.8
AAC Tech	2018 HK	BUY	4,519	29.40	37.8	29%	18.7 15.0	1.3 1.2
Jiangsu Gian	300709 CH	NR	852	32.60	NA	NA	23.4 19.1	2.6 2.3
NBTM	600114 CH	NR	1,296	14.97	NA	NA	22.1 16.6	3.3 2.9

Source: Company data, CMBIGM estimates

**OUTPERFORM  
(Maintain)**

### China Technology Sector

#### Alex NG

(852) 3900 0881

alexng@cmbi.com.hk

#### Hanqing LI

lihanqing@cmbi.com.hk

### Related reports:

1. Apple launch event: new iPhone 16/Watch/AirPods unveiled; Apple Intelligence to launch next month – 10 Sep ([link](#))
2. Apple Sep event preview: All eyes on AI integration with new iPhone 16 /Watch/AirPods – 6 Sep ([link](#))
3. BYDE (285 HK) - Positive on multiple growth drivers ahead despite near-term drags from Jabil integration - 30 Aug ([link](#))
4. Q-Tech (1478 HK) - 1H24 earnings recovery on fast track; reiterate BUY- 13 Aug ([link](#))
5. Luxshare (002475 CH) - 1H24 resilient earnings; Well-positioned for AI smartphone cycle in 2H24/25E - 26 Aug ([link](#))
6. AAC Tech (2018 HK) - Riding on new upgrade cycle; Upgrade to BUY - 23 Aug ([link](#))
7. Sunny Optical (2382 HK) - Gearing up for new growth cycle; Raise TP to HK\$ 72.52 - 22 Aug ([link](#))
8. FIT Hon Teng (6088 HK) - 2Q24 in-line; Upbeat guidance on power busbar and liquid cooling order wins - 14 Aug ([link](#))

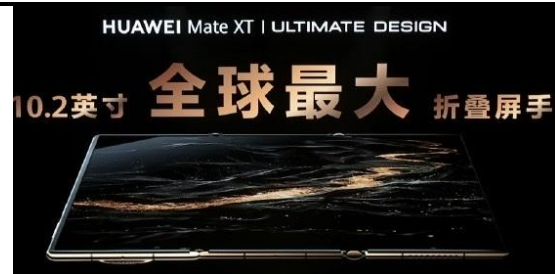
## Focus Charts

Figure 1: Huawei Mate XT: Overview and pricing



Source: Huawei, CMBIGM

Figure 2: Huawei Mate XT: Display size



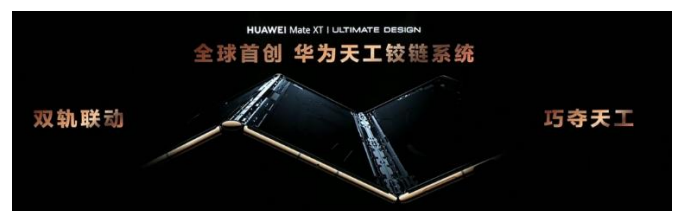
Source: Huawei, CMBIGM

Figure 3: Huawei Mate XT: Imaging technology



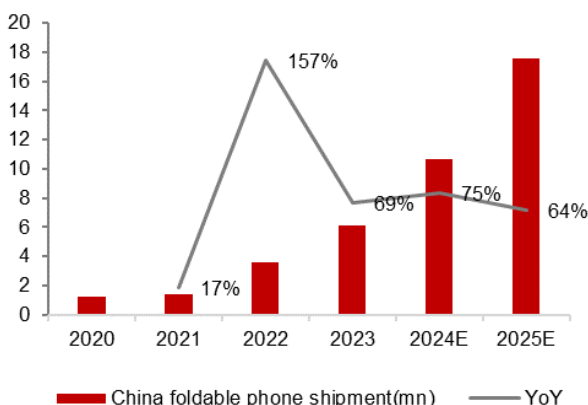
Source: Huawei, CMBIGM

Figure 4: Huawei Mate XT: Tiangong hinge system



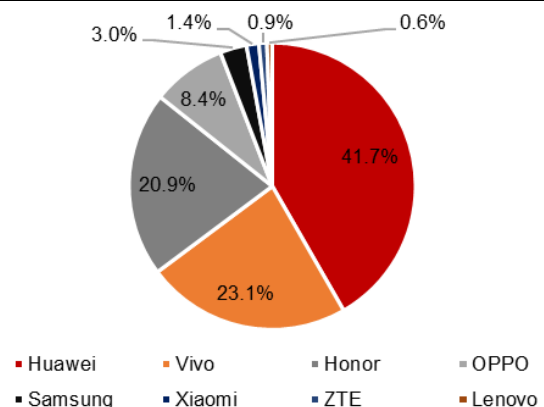
Source: Huawei, CMBIGM

Figure 5: China foldable phone shipment and YoY



Source: iResearch, CMBIGM estimates

Figure 6: China foldable phones market share 2Q24



Source: IDC, CMBIGM estimates

Figure 7: Supply chain mapping and sales mix exposure (2024)

Company	Ticker	Apple	Huawei	Samsung	Other CN brands	Others	Major products
AAC Tech	2018 HK	25%	10%	10%	43%	12%	Handset/auto acoustics, haptics, optics, casing
FIT Hon Teng	6088 HK	20%	-	-	-	80%	Connectors, AirPods, accessories, EV, AI servers
Sunny Optical	2382 HK	5%	5%	15%	50%	25%	Handset CCM/lens sets, auto lens/modules, AR/VR
BYDE	285 HK	55%	5%	5%	15%	20%	Casing, ODM/OEM, automobile, AI servers
Cowell	1415 HK	90%	-	5%	-	5%	Camera modules
Luxshare	002475 CN	64%	5%	-	15%	16%	Wireless, iPhone/AirPods/Watch OEM, acoustics/haptics
Goertek	002241 CN	25%	5%	5%	15%	50%	Acoustics, AirPods, Watch, AR/VR, gaming, wearables
Tongda	698 HK	9%	5%	5%	40%	41%	Casing, waterproof materials, home appliances
Q-Tech	1478 HK	-	5%	-	85%	15%	Camera modules/lenses, FPM, auto CCM
TK Group	2283 HK	5%	-	-	-	95%	Plastic molding, plastic precision
Truly	732 HK	-	-	3%	62%	35%	Camera modules, fingerprint, display modules

Source: Company data, CMBIGM estimates

Figure 8: Peers Comparison

Company	Ticker	Rating	Mkt Cap (US\$ mn)	Price (LC)	TP (LC)	Up/Down -side	P/E (x)		P/B (x)		ROE (%)	
							FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
<b>Brand</b>												
Apple	AAPL US	NR	3,358,746	220.91	NA	NA	33.0	29.7	53.5	41.6	156.6	159.9
Xiaomi	1810 HK	BUY	59,715	18.66	24.4	31%	17.8	15.6	2.3	2.0	12.8	13.0
Transsion	688036 CH	NR	12,172	76.74	NA	NA	14.6	12.5	4.0	3.2	27.8	27.1
Samsung	005930 KS	NR	294,497	66,200.00	NA	NA	11.3	8.1	1.2	1.0	10.3	12.9
<b>Average</b>							<b>19.2</b>	<b>16.5</b>	<b>15.2</b>	<b>12.0</b>	<b>51.9</b>	<b>53.2</b>
<b>Optics</b>												
Sunny Optical	2382 HK	BUY	6,410	45.65	72.5	59%	18.2	15.3	1.8	1.7	10.1	11.2
Q Tech	1478 HK	BUY	673	4.43	6.4	45%	13.2	8.8	0.9	0.8	6.9	9.6
Cowell	1415 HK	NR	2,268	20.60	NA	NA	22.2	13.1	4.4	3.3	21.1	27.2
Truly	732 HK	NR	377	0.93	NA	NA	-	-	-	-	-	-
Largan	3008 TT	NR	10,862	2,620.00	NA	NA	14.7	14.2	2.0	1.8	13.6	13.3
Genius	3406 TT	NR	1,670	477.00	NA	NA	12.3	11.9	2.2	2.0	19.0	17.6
O-Film	002456 CH	NR	3,943	8.48	NA	NA	49.0	31.1	6.7	6.4	7.8	12.2
Lg Innotek	011070 KS	NR	3,942	223500	NA	NA	6.7	6.0	1.0	0.8	15.6	15.0
Partron	091700 KS	NR	313	7,140.00	NA	NA	9.6	8.5	0.8	0.8	9.0	9.5
<b>Average</b>							<b>18.23</b>	<b>13.61</b>	<b>2.49</b>	<b>2.21</b>	<b>12.88</b>	<b>14.44</b>
<b>Acoustics/Haptics</b>												
AAC Tech	2018 HK	BUY	4,519	29.40	37.8	29%	18.7	15.0	1.3	1.2	7.0	8.2
Goertek	002241 CH	BUY	9,240	19.25	25.9	35%	22.6	18.5	1.9	1.8	8.4	9.5
Luxshare	002475 CH	BUY	36,942	36.51	45.1	24%	19.4	15.9	3.1	2.6	16.0	16.4
Knowles	KN US	NR	1,478	16.71	NA	NA	14.9	12.5	-	-	-	-
Nidec	6594 JP	NR	23,713	5,694.00	NA	NA	22.8	17.2	2.2	1.8	10.1	11.3
<b>Average</b>							<b>19.68</b>	<b>15.82</b>	<b>2.12</b>	<b>1.85</b>	<b>10.38</b>	<b>11.34</b>
<b>Connector</b>												
FIT Hon Teng	6088 HK	BUY	1,777	1.90	4.3	124%	9.5	5.8	0.7	0.6	7.0	10.3
Luxshare	002475 CH	BUY	36,942	36.51	45.1	24%	19.4	15.9	3.1	2.6	16.0	16.4
TE	TEL US	NR	44,014	144.82	NA	NA	19.2	17.6	3.5	3.4	19.0	19.1
Amphenol	APH US	NR	73,136	60.73	NA	NA	34.3	29.4	7.6	6.7	24.3	24.7
<b>Average</b>							<b>20.60</b>	<b>17.18</b>	<b>3.72</b>	<b>3.31</b>	<b>16.56</b>	<b>17.60</b>
<b>EMS/OEM</b>												
BYDE	285 HK	BUY	7,528	26.05	40.9	57%	12.1	8.5	2.9	2.3	23.8	27.5
Luxshare	002475 CH	BUY	36,942	36.51	45.1	24%	19.4	15.9	3.1	2.6	16.0	16.4
Hon Hai Precision	2317 TT	NR	72,770	169.00	NA	NA	14.8	11.3	1.4	1.3	9.7	11.7
Pegatron	4938 TT	NR	8,175	98.80	NA	NA	13.7	13.0	1.4	1.3	9.4	9.5
Wistron	3231 TT	NR	8,486	94.30	NA	NA	14.4	11.3	2.2	1.9	16.5	18.3
<b>Average</b>							<b>28.98</b>	<b>20.90</b>	<b>6.61</b>	<b>5.02</b>	<b>13.58</b>	<b>19.86</b>
<b>Casing</b>												
BYDE	285 HK	BUY	7,528	26.05	40.9	57%	12.1	8.5	2.9	2.3	23.8	27.5
Fii	601138 CH	NR	52,523	18.82	NA	NA	14.5	11.4	2.4	2.1	16.7	18.5
Tongda	698 HK	BUY	92	0.07	0.1	65%	24.7	3.7	0.1	0.1	0.4	2.7
TK Group	2283 HK	BUY	173	1.62	2.8	74%	4.8	3.8	0.7	0.7	15.2	17.4
Lens Tech	300433 CH	NR	11,059	15.80	NA	NA	20.6	15.8	1.6	1.5	8.0	9.7
Ju Teng	3336 HK	NR	154	1.00	NA	NA	-	-	-	-	-	-
Everwin	300115 CH	NR	2,060	10.85	NA	NA	19.1	16.5	2.0	1.8	11.3	11.7
<b>Average</b>							<b>15.94</b>	<b>9.94</b>	<b>1.61</b>	<b>1.41</b>	<b>12.56</b>	<b>14.57</b>
<b>Hinge</b>												
AAC Tech	2018 HK	BUY	4,519	29.40	37.8	29%	18.7	15.0	1.3	1.2	7.0	8.2
Jiangsu Gian	300709 CH	NR	852	32.60	NA	NA	23.4	19.1	2.6	2.3	11.3	12.2
NBTM	600114 CH	NR	1,296	14.97	NA	NA	22.1	16.6	3.3	2.9	15.3	17.9
Dongguan Eontec	300328 CH	NR	542	5.59	NA	NA	-	-	-	-	-	-
<b>Average</b>							<b>21.8</b>	<b>15.4</b>	<b>3.3</b>	<b>2.8</b>	<b>13.8</b>	<b>17.4</b>

Source: Bloomberg, CMBIGM estimates

# Disclosures & Disclaimers

## Analyst Certification

The research analyst who is primary responsible for the content of this research report, in whole or in part, certifies that with respect to the securities or issuer that the analyst covered in this report: (1) all of the views expressed accurately reflect his or her personal views about the subject securities or issuer; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific views expressed by that analyst in this report. Besides, the analyst confirms that neither the analyst nor his/her associates (as defined in the code of conduct issued by The Hong Kong Securities and Futures Commission) (1) have dealt in or traded in the stock(s) covered in this research report within 30 calendar days prior to the date of issue of this report; (2) will deal in or trade in the stock(s) covered in this research report 3 business days after the date of issue of this report; (3) serve as an officer of any of the Hong Kong listed companies covered in this report; and (4) have any financial interests in the Hong Kong listed companies covered in this report.

## CMBIGM Ratings

**BUY** : Stock with potential return of over 15% over next 12 months  
**HOLD** : Stock with potential return of +15% to -10% over next 12 months  
**SELL** : Stock with potential loss of over 10% over next 12 months  
**NOT RATED** : Stock is not rated by CMBIGM

**OUTPERFORM** : Industry expected to outperform the relevant broad market benchmark over next 12 months  
**MARKET-PERFORM** : Industry expected to perform in-line with the relevant broad market benchmark over next 12 months  
**UNDERPERFORM** : Industry expected to underperform the relevant broad market benchmark over next 12 months

## CMB International Global Markets Limited

**Address:** 45/F, Champion Tower, 3 Garden Road, Hong Kong, Tel: (852) 3900 0888 Fax: (852) 3900 0800

**CMB International Global Markets Limited ("CMBIGM") is a wholly owned subsidiary of CMB International Capital Corporation Limited (a wholly owned subsidiary of China Merchants Bank)**

## Important Disclosures

There are risks involved in transacting in any securities. The information contained in this report may not be suitable for the purposes of all investors. CMBIGM does not provide individually tailored investment advice. This report has been prepared without regard to the individual investment objectives, financial position or special requirements. Past performance has no indication of future performance, and actual events may differ materially from that which is contained in the report. The value of, and returns from, any investments are uncertain and are not guaranteed and may fluctuate as a result of their dependence on the performance of underlying assets or other variable market factors. CMBIGM recommends that investors should independently evaluate particular investments and strategies, and encourages investors to consult with a professional financial advisor in order to make their own investment decisions.

This report or any information contained herein, have been prepared by the CMBIGM, solely for the purpose of supplying information to the clients of CMBIGM or its affiliate(s) to whom it is distributed. This report is not and should not be construed as an offer or solicitation to buy or sell any security or any interest in securities or enter into any transaction. Neither CMBIGM nor any of its affiliates, shareholders, agents, consultants, directors, officers or employees shall be liable for any loss, damage or expense whatsoever, whether direct or consequential, incurred in relying on the information contained in this report. Anyone making use of the information contained in this report does so entirely at their own risk.

The information and contents contained in this report are based on the analyses and interpretations of information believed to be publicly available and reliable. CMBIGM has exerted every effort in its capacity to ensure, but not to guarantee, their accuracy, completeness, timeliness or correctness. CMBIGM provides the information, advices and forecasts on an "AS IS" basis. The information and contents are subject to change without notice. CMBIGM may issue other publications having information and/ or conclusions different from this report. These publications reflect different assumption, point-of-view and analytical methods when compiling. CMBIGM may make investment decisions or take proprietary positions that are inconsistent with the recommendations or views in this report.

CMBIGM may have a position, make markets or act as principal or engage in transactions in securities of companies referred to in this report for itself and/or on behalf of its clients from time to time. Investors should assume that CMBIGM does or seeks to have investment banking or other business relationships with the companies in this report. As a result, recipients should be aware that CMBIGM may have a conflict of interest that could affect the objectivity of this report and CMBIGM will not assume any responsibility in respect thereof. This report is for the use of intended recipients only and this publication, may not be reproduced, reprinted, sold, redistributed or published in whole or in part for any purpose without prior written consent of CMBIGM. Additional information on recommended securities is available upon request.

### For recipients of this document in the United Kingdom

This report has been provided only to persons (I) falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended from time to time) ("The Order") or (II) are persons falling within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc.") of the Order, and may not be provided to any other person without the prior written consent of CMBIGM.

### For recipients of this document in the United States

CMBIGM is not a registered broker-dealer in the United States. As a result, CMBIGM is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. The research analyst who is primary responsible for the content of this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA"). The analyst is not subject to applicable restrictions under FINRA Rules intended to ensure that the analyst is not affected by potential conflicts of interest that could bear upon the reliability of the research report. This report is intended for distribution in the United States solely to "major US institutional investors", as defined in Rule 15a-6 under the US, Securities Exchange Act of 1934, as amended, and may not be furnished to any other person in the United States. Each major US institutional investor that receives a copy of this report by its acceptance hereof represents and agrees that it shall not distribute or provide this report to any other person. Any U.S. recipient of this report wishing to effect any transaction to buy or sell securities based on the information provided in this report should do so only through a U.S.-registered broker-dealer.

### For recipients of this document in Singapore

This report is distributed in Singapore by CMBI (Singapore) Pte. Limited (CMBISG) (Company Regn. No. 201731928D), an Exempt Financial Adviser as defined in the Financial Advisers Act (Cap. 110) of Singapore and regulated by the Monetary Authority of Singapore. CMBISG may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, as defined in the Securities and Futures Act (Cap. 289) of Singapore, CMBISG accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact CMBISG at +65 6350 4400 for matters arising from, or in connection with the report.