

# Technology (Hardware/Semi)

## Will Humane's AI-powered screenless device become the successor to smartphones?

- **On 10 Nov, AI Start up Humane, founded by ex-Apple engineers, has officially launched the AI Pin, an OpenAI-powered wearable.** We believe this is a promising catalyst for the imminent surge in AI-driven consumer products. Tech giants are increasingly positioned to discover new revenue streams through integrating AI tech into consumer products, services, or in any financially sustainable manner. We believe many companies on the AI supply chain can benefit from the introduction of AI-powered products. We suggest investors to closely monitor the beneficiaries in the supply chain.
- **Humane's AI pin is the first AI-powered screenless device.** The AI Pin is a compact, matchbook-sized device that magnetically attaches to the wearer's lapel. It is powered with Qualcomm Snapdragon 2.1GHz processor and features a 13MP camera, 4GB RAM, 32GB eMMC storage space, and sensors for various purposes. Unique to the AI Pin is its lack of a traditional screen; instead, it incorporates a touchpad and responds to gestures. Its most intriguing feature is the Laser Ink Display, which can project text, like incoming calls, onto the user's palm. In developing this device, Humane has partnered with Microsoft and OpenAI, integrating powerful AI models and platforms. **We think more AI-powered devices will be released at a faster-than-expected pace, and we believe smartphones will eventually fade out over time. Will Humane's AI-powered screenless device become the successor to current smartphones? User experience will be the key factor.**
- **Priced at US\$699, the AI Pin requires a monthly subscription of US\$24 for network access through T-Mobile.** It aims to reduce dependency on smartphones and offers an ambient computing experience. The development reaffirms our earlier stance that the proliferation of downstream applications and effective monetization strategies of generative-AI are crucial for all participants in the ongoing AI competition, particularly for those with substantial investments in AI infrastructure, such as the tech giants. In fact, we have already witnessed successful monetization models, such as Copilot by Microsoft, smart sunglasses via Ray-ban & Meta collaboration, Apple's Vision Pro, etc.
- **We think this new AI product, as well as smartphone with AI features, are likely to gain traction post-release; suggest to closely monitor the beneficiaries in the supply chain.** TechCrunch reported that an initial batch of 100k units were planned for AI Pin and more than 110k of subscribers joined the waitlist as of last Wednesday (8 Nov). This may motivate other hardware competitors to design similar AI products, which will benefit the supply chain: 1) hyperscalers with LLM, 2) software/IT security companies, 3) hardware/semi companies, including processors: Qualcomm (QCOM US), CMOS image sensors: Willsemi (603501 CH), RF/Wi-Fi/BLE: Maxscend (300782 CH), Bestechnic (688608 CH), Broadcom (AVGO US), Skyworks (SWKS US), Qorvo (QRVO US), memory: Micron (MU US), etc. Risks include but not limited to: 1) lower-than-expected user experience and product shipment, and 2) data breach.

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### China Technology Sector

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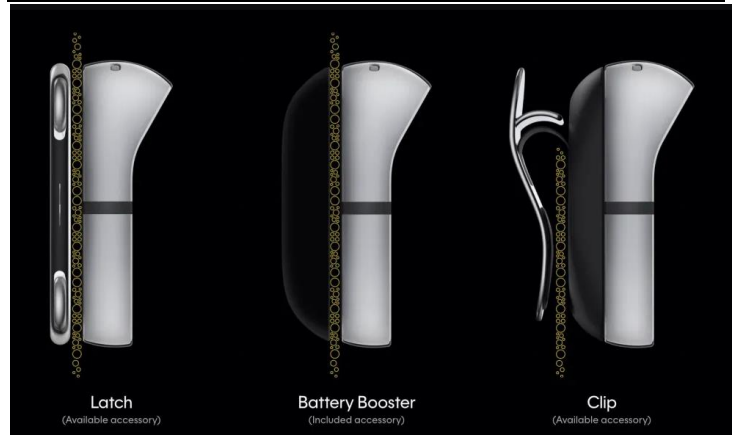
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**Figure 1: AI Pin specifications**



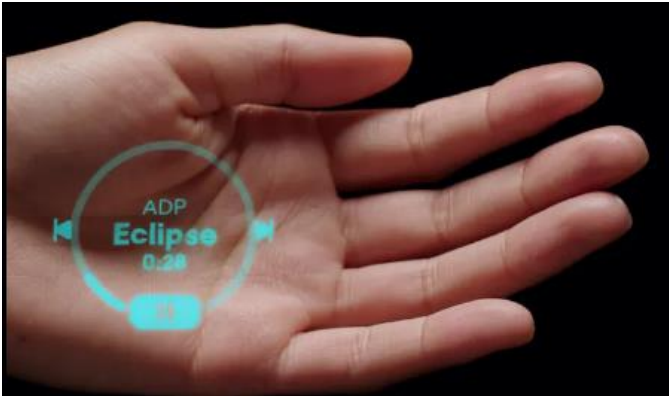
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**Figure 2: Versatile via assorted accessories**

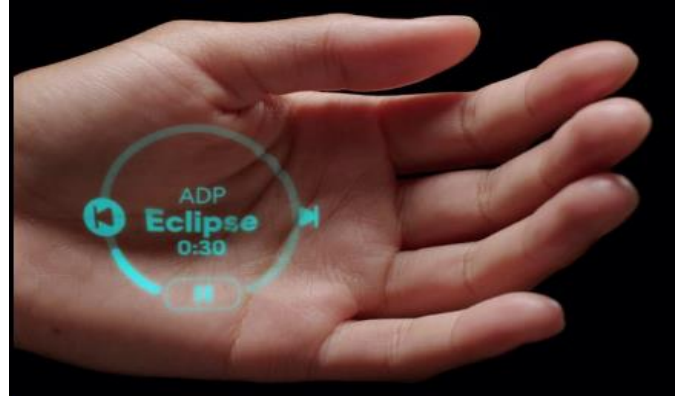


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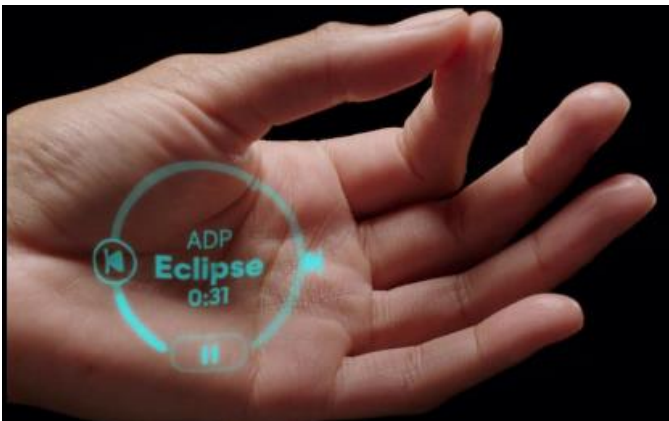
**Figure 3: Hyperscalers' quarterly capex to revenue ratio**



*Hand becoming a display using the Laser Ink Display*



*Tilt and roll hand to interact with the display*



*Close fingers to make a selection*



*Touch, tap or swipe to access different functions*

Source: Company website

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