

Technology

Apple launch event: iPhone 17 Air/AirPods Pro 3 as major highlights; limited price hike the key positive

Apple officially announced four iPhone 17 models (17/Pro/Pro Max, Air), three Watch updates (SE3/11/Ultra 3) and the AirPods Pro 3. While new spec/ features are mostly in-line with market expectations, we have identified several major positives: 1) iPhone 17 Air: its first major redesign since 2017 with price at US\$999, featuring ultra-thin design with single 48MP rear cam and A19 Pro chip; 2) AirPods Pro 3: live translation and impressive ANC improvements; 3) Watch Ultra 3: heart rate tracking, satellite connectivity and larger display; 4) Pricing: starting prices stay mostly the same despite tariffs, except a US\$100 increase for iPhone Pro. Overall, while we expect softer demand due to macro/tariffs, muted AI-driven upgrades and earlier pull-in orders will continue to weigh on 2H25E Apple supply chain outlook, we believe new iPhone form factor changes and no price hikes for most products are incrementally positive to consumer demand, and next year's product launches (foldable iPhone, upgraded Siri, Vision Pro 2) will drive stronger upgrade cycles in 2026-27. For supply chain, we prefer content/share gainers with high sales exposure to iPhone/AirPods/Watch, such as Luxshare (iPhone/Watch OEM/acoustics/haptics), AAC Tech (acoustics/haptics/ VC), FIT Hon Teng (connectors/AirPods), and BYDE (iPhone casing).

- **Key spec/features largely as expected; No price hike for most products despite tariffs.** Apple launched four new iPhone 17 models (17/Pro/Pro Max, Air) with A19/A19 Pro processor chips, improved battery life, camera upgrade (all 48MP ultra-wide for rear), new ceramic shield, new vapor chamber (Pro/Max) and the highly-anticipated form factor change (iPhone Air). We believe no price hikes for most models (except US\$100 increase for Pro) is better than feared and will be positive to replacement demand. The new iPhones will start pre-order this Friday (12 Sept) with availability on 19 Sept.
- **New AirPods Pro 3 with live translation; new Watch Ultra 3 with heart rate tracking and satellite connectivity.** The new AirPods Pro 3 offers twice the noise cancellation vs previous gen, live translation features using Apple Intelligence when triggered by a gesture, and heart rate monitoring ability, while new Watch Ultra 3 has bigger improved display, 42-hour battery life, satellite connectivity and added 5G coverage. We believe the new line-up is poised to boost replacement after no major upgrades for the past few years.
- **Top picks: Luxshare, AAC Tech, FIT Hon Teng, BYDE.** In near term, we expect macro/tariff impact, muted AI-driven upgrades and earlier pull-in orders will continue to weigh on Apple supply chain in 2H25E, but we believe next year's product launches (foldable iPhone, upgraded Siri, Vision Pro 2) will drive stronger upgrade cycles in 2026-27. For stocks, we prefer Apple supply chain names with content/share gains in iPhone/AirPods/Watch, such as Luxshare (iPhone/Watch OEM/ acoustics/haptics), AAC Tech (acoustics/ haptics/VC), FIT Hon Teng (connectors/AirPods), and BYDE (iPhone casing).

Valuation Table

Name	Ticker	Rating	Mkt Cap (US\$ mn)	TP (LC)	Upside/Downside	P/E (x) FY25E	P/E (x) FY26E	P/B (x) FY25E	P/B (x) FY26E	ROE (%) FY25E	ROE (%) FY26E
AAC Tech	2018 HK	BUY	6,683.3	60.55	39%	18.3	14.5	1.8	1.7	0.1	0.1
BYDE	285 HK	BUY	12,188.0	47.37	12%	17.3	14.6	2.4	2.2	0.1	0.2
FIT Hon Teng	6088 HK	BUY	3,621.0	4.96	28%	18.4	12.5	1.3	1.2	0.1	0.1
Luxshare	002475 CH	BUY	47,544.3	59.50	25%	19.9	16.8	3.3	2.8	0.2	0.2
Q-Tech	1478 HK	BUY	2,208.2	14.50	0%	19.6	16.4	2.8	2.4	0.1	0.2

Source: Company data, CMBIGM estimates

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Sector reports:

1. [Apple FY3Q25 read-through: Strong iPhone, China rebound and service momentum; 4Q guidance better than feared \(1 Aug 2025\)](#)
2. [Smartphone: Samsung/MTK/QCOM results takeaways \(1 Aug 2025\)](#)
3. [Global AI glasses: Ray-Ban Meta upbeat in 1H25, Xiaomi 500k target and Quark Glasses launch \(31 July 2025\)](#)

Tariff-related reports:

1. [US new sectoral tariffs better than feared: Positive for smartphone/AI server supply chain \(8 Aug 2025\)](#)
2. [Implications of resumption of H20/MI308 sales in China: Positive for AI server/component supply chain \(16 Jul 2025\)](#)
3. [Implications of US-Vietnam tariff deal: Apple supply chain to benefit most \(4 Jul 2025\)](#)
4. [Implications of China-US tariff reduction \(13 May 2025\)](#)

Company reports:

1. [BYDE \(285 HK\)-2Q25 upbeat: Multiple growth drivers in foldable iPhone, auto and AI server \(liquid cooling, power, 800G/1.6G/CPO\) \(1 Sep 2025\)](#)
2. [Luxshare \(002475 CH\) – 3Q25 guidance/2Q25 results in-line: communication /auto segments continue strong growth momentum \(27 Aug 2025\)](#)
3. [AAC Tech \(2018 HK\) – 1H25 upgrade cycle in 2H25E in-line despite GPM dip: Solid outlook intact on AI-driven upgrade cycle in 2H25E \(22 Aug 2025\)](#)

Focus Charts

Figure 1: iPhone 17 series (2025) vs iPhone 16 series (2024)

	iPhone 17	iPhone Air	iPhone 17 Pro	iPhone 17 Pro Max	iPhone 16	iPhone 16 Plus	iPhone 16 Pro	iPhone 16 Pro Max
Starting Price	\$799	\$999	\$1,099	\$1,199	\$799	\$899	\$999	\$1,199
... 128GB	-	-	-	-	\$799	\$899	\$999	-
... 256GB	\$799	\$999	\$1,099	\$1,199	\$899	\$999	\$1,099	\$1,199
... 512 GB	\$999	\$1,199	\$1,299	\$1,399	\$1,099	\$1,199	\$1,299	\$1,399
... 1TB	-	\$1,399	\$1,499	\$1,599	-	-	\$1,499	\$1,599
... 2TB	-	\$1,399	\$1,999	\$1,999	-	-	-	-
Storage	256GB, 512GB	256GB, 512GB	256GB, 512GB, 1TB, 2TB	256GB, 512GB, 1TB, 2TB	8GB+128GB, 256GB, 512GB	8GB+128GB, 256GB, 512GB	8GB+128G, 256GB, 512GB, 1TB	8GB+256GB, 512GB, 1TB
Screen Size	6.3 inches	6.5 inches	6.3 inches	6.9 inches	6.1 inches	6.7 inches	6.3 inches	6.9 inches
Adaptive Refresh	ProMotion 120Hz	ProMotion 120Hz	ProMotion 120Hz	ProMotion 120Hz	60Hz	60Hz	ProMotion 120Hz	ProMotion 120Hz
Processor	A19	A19 Pro(N3P)	A19 Pro(N3P)	A19 Pro(N3P)	A18 (N3E)	A18 (N3E)	A18 Pro (N3E)	A18 Pro (N3E)
Rear camera	Dual cameras: * 48MP Fusion Main (f/1.6) * 12MP 2x Tele (f/1.6)	* 48MP Fusion Main (f/1.6) * 12MP 2x Tele (f/1.6)	Triple 48MP: * 48MP Main (f/1.78) * 48MP Ultrawide (f/2.2) * 48MP Telephoto (f/2.8)	Triple 48MP: * 48MP Main (f/1.78) * 48MP Ultrawide (f/2.2) * 48MP Telephoto (f/2.8)	Dual cameras: * 48MP Main (f/1.6) * 12MP Ultrawide (f/2.2) * 12MP 2x Tele (f/1.6) * 2x optical zoom in/out * Digital zoom 10x	Dual cameras: * 48MP Main (f/1.6) * 12MP Ultrawide (f/2.2) * 12MP 2x Tele (f/1.6) * 2x optical zoom in/out * Digital zoom 10x	Three cameras: * 48MP Main (f/1.78) * 48MP Ultrawide (f/2.2) * 12MP 2x Tele (f/1.6) * 12MP 3x Tele (f/2.8) * Optical zoom 5x * Digital zoom 15x	Three cameras: * 48MP Main (f/1.78) * 48MP Ultrawide (f/2.2) * 12MP 2x Tele (f/1.6) * 12MP 5x Tele (f/2.8), tetraprism * Optical zoom 5x * Digital zoom 25x
Colors	Lavender, Mist Blue, Black, White, and Sage	Space Black, Light Gold, Sky Blue, and Cloud	Silver, Cosmic Orange, and Deep Blue	Silver, Cosmic Orange, and Deep Blue	Ultramarine, teal, pink, white, black	Ultramarine, teal, pink, white, black	Desert, natural, white, black	Desert, natural, white, black
Battery size	Up to 30 hours	Up to 27 hours	Up to 31 hours	Up to 37 hours	Up to 22 hours	Up to 27 hours	Up to 27 hours	Up to 33 hours
Satellite Comm.	Roadside Assistance/ Emergency SOS	Roadside Assistance/ Emergency SOS	Roadside Assistance/ Emergency SOS/Support dual-star communication of Globalstar and Starlink	Roadside Assistance/ Emergency SOS/Support dual-star communication of	Roadside Assistance/ Emergency SOS	Roadside Assistance/ Emergency SOS	Roadside Assistance/ Emergency SOS	Roadside Assistance/ Emergency SOS
Operating System	iOS 26	iOS 26	iOS 26	iOS 26	iOS 18	iOS 18	iOS 18	iOS 18
Other upgrades	Dual nano-SiM cards, IP68-level dust and water resistance, WiFi 7/ Bluetooth 6/NFC, Apple N1 wireless network chip, stereo speakers, single speaker	Dual eSiM(currently only supported by China Warranty), IP68-level dust and water resistance, WiFi 7/ Bluetooth 6/NFC, Apple N1 wireless network chip, 5-level titanium metal frame, single speaker	Dual nano-SiM cards, IP68-level dust and water resistance, WiFi 7/ Bluetooth 6/NFC, Apple N1 wireless network chip, hot-forged aluminum alloy one-piece body, 5-level titanium metal frame, stereo speakers, single speaker	Dual nano-SiM cards, IP68-level dust and water resistance, WiFi 7/ Bluetooth 6/NFC, Apple N1 wireless network chip, hot-forged aluminum alloy one-piece body, VC vapor chamber, stereo speakers	Camera control, Action button, Ceramic shield material, Apple Intelligence, Spatial Capture, Audio Mix	Camera control, Action button, Ceramic shield material, Apple Intelligence, Spatial Capture, Audio Mix	Camera control, Aluminum thermal substructure, Ceramic shield material, Studio-quality mics, Audio mix	Camera control, Aluminum thermal substructure, Ceramic shield material, Studio-quality mics, Audio mix

Source: Apple, CMBIGM

Figure 2: Apple iPhone Air



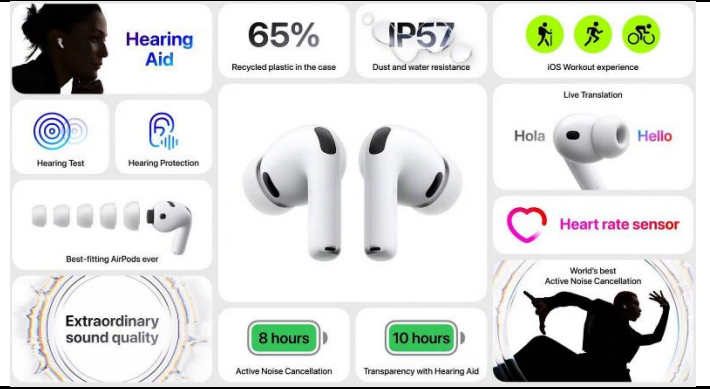
Source: Apple, CMBIGM

Figure 3: Apple iPhone 17 Pro Series



Source: Apple, CMBIGM

Figure 4: New AirPods 4



Source: Apple, CMBIGM

Figure 5: Apple Watch Ultra 2



Source: Apple, CMBIGM

Figure 6: Supply chain mapping and sales mix exposure (2025)

Company	Ticker	Apple	Huawei	Samsung	Other CN brands	Others	Major Products
AAC Tech	2018 HK	30%	8%	10%	39%	13%	Acoustics, haptics, optics, casing, VC, MEMS
FIT Hon Teng	6088 HK	25%				75%	Connectors, AirPods, accessories, EV, servers
BYDE	285 HK	52%	5%	5%	18%	20%	ODM/OEM, Casing, auto components, servers
Lens Tech	6613 HK	50%	5%	2%	25%	18%	Cover Glass, casing, auto display module, OEM
Cowell	1415 HK	90%		5%		5%	Camera modules
Luxshare	002475 CN	60%	10%	3%		27%	ODM/OEM, acoustics/haptics, connectors, auto, servers
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

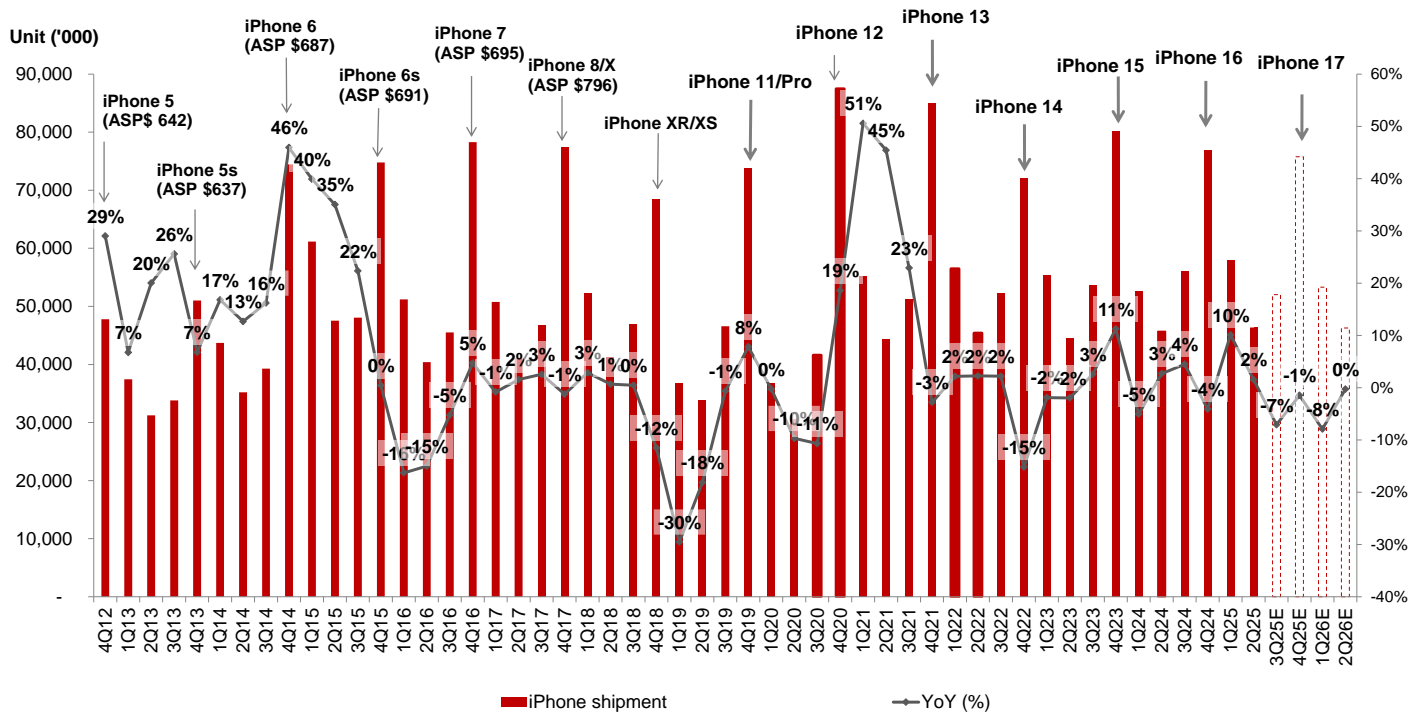
Source: Company data, CMBIGM estimates

Figure 7: Supply chain analysis for iPhone 17 vs iPhone 16

Component	Upgrade?	iPhone 17 Series	iPhone 16 Series
Assembly			
... 17/Plus	No	Foxconn, Luxshare, Pentagon/Tata	Foxconn, Luxshare, Pentagon, Tata
... Pro/Max	No	Foxconn, Luxshare, Pentagon/Tata	Foxconn, Luxshare, Pentagon
... Air	Yes	Foxconn, Pentagon/Tata	
Display	No	Samsung, LGD, BOE	Samsung, LGD, BOE
Top module	No	Foxconn, Luxshare	Foxconn, Luxshare
Cover glass	No	Lens, Biel, BYDE	Lens, Biel, BYDE
Acoustics	Yes	AAC, Qingdao co, Luxshare	AAC, Qingdao co, Luxshare
Haptics	Yes	AAC, Luxshare	AAC, Luxshare
Casing	Yes	FII, BYDE, Lens	FII, BYDE, Lens
Vapour chamber	Yes	AAC, AVC	-
Connectors	No	FIT Hon Teng, Luxshare	FIT Hon Teng, Luxshare
Battery	Yes	Desay, Simplo	Desay, Simplo
Camera button	No	AAC, Luxshare	AAC, Luxshare
CIS	Yes	Sony	Sony
Camera module			
... Front	Yes	Foxconn, LGI	Cowell, Foxconn, LGI
... Main rear	Yes	LGI, Sharp	LGI, Sharp
... Ultrawide	Yes	LGI, Sharp, Cowell	LGI, Sharp, Cowell
... ToF	No	LGI, Sharp	LGI, Sharp
... Telephone	Yes	LGI, Cowell	LGI, Cowell
Handset lens			
... Front	Yes	Largan, Genius, Ningbo co.	Largan, Genius, Ningbo co.
... Main rear	Yes	Largan, Genius	Largan, Genius
... Ultrawide	Yes	Largan, Genius, Ningbo co.	Largan, Genius, Ningbo co.
... ToF	No	Largan, Genius, Ningbo co.	Largan, Genius, Ningbo co.
... Telephone	Yes	Largan	Largan

Source: Company data, CMBIGM

Figure 8: Apple's iPhone shipments by quarter (CY)



Source: Company data, IDC, CMBIGM

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