

Technology

iPhone 17e and M4 iPad Air debut with aggressive value proposition is positive to Apple supply chain

Apple announced the iPhone 17e and the M4 iPad Air, with spec/features largely in-line with market expectations. That said, we have identified several major positives: **1) iPhone 17e:** the same starting price at US\$599 while doubling base storage to 256GB (vs. 128GB starting iPhone 16e storage); **2) M4 iPad Air:** massive performance leap with M4 chip, an increased 12GB of RAM and N1/C1X connectivity chips at unchanged starting prices (US\$599 for 11 inch, US\$799 for 13 inch); **3) Vertical integration:** the debut of Apple's C1X modem and N1 networking chip will accelerate transition from third-party silicon, and increasing adoption of in-house components will be positive to gross margin and supply chain management. Overall, we believe updates to iPhone 17e and M4 iPad Air should strengthen Apple's position in mid-end smartphone and tablet segments, particularly in the midst of industry memory cost pressure. Holding stable prices and product updates with latest spec should attract more consumers to Apple ecosystem, compared to competitors' price hike, de-spec or product launch delays amid memory cost pressure. For supply chain, we prefer content/share gainers with high Apple sales exposure, such as **Luxshare** (iPhone/Watch OEM/acoustics/haptics), **FIT Hon Teng** (connectors/AirPods), and **AAC Tech** (acoustics/haptics/VC).

- **Key spec/features in-line; Aggressive value proposition for iPhone 17e.** Apple launched iPhone 17e with 3nm A19 chip, a single 48MP Fusion rear camera with 2x optical-quality zoom, Ceramic Shield 2, and MagSafe support. We believe maintaining US\$599 price point while doubling the base storage to 256GB is a highly aggressive move that is better than feared and will be positive to replacement demand among budget-conscious users. The inclusion of the new C1X cellular modem - up to 2x faster in speed and 30% better power efficiency than prior generation - is a key highlight. The device will start pre-orders on 4 March with availability on 11 March.
- **M4 iPad Air brings Pro-level performance to the mainstream.** The new M4 iPad Air offers a significant performance boost over prior generation, featuring M4 chip and a 50% jump in unified memory to 12GB. This memory upgrade is strategically designed to run complex Apple Intelligence models faster on-device. The addition of Apple's N1 wireless chip for Wi-Fi 7 and C1X modem further enhances connectivity. We believe this new line-up is poised to boost replacement demand for users seeking powerful AI and creative capabilities without iPad Pro price tag.
- **Recommend to accumulate on recent weakness. Top picks: Luxshare, FIT Hon Teng, AAC Tech.** We expect restocking and market share gains with this budget iPhone and mid-tier iPad will be positive to Apple supply chain in 1H26E, and product launches in 2H26E (iPhone Fold, iPhone 18 upgrade Siri) will drive stronger upgrade cycles in 2026-27. We prefer Apple names with content/share gains, such as Luxshare (iPhone/Watch OEM/acoustics/haptics), AAC Tech (acoustics/haptics/VC), and FIT Hon Teng (connectors/AirPods).

Valuation Table

Name	Ticker	Rating	Mkt Cap (US\$ mn)	TP (LC)	Upside/Downside	P/E (x)		P/B (x)		ROE (%)	
						FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
AAC Tech	2018 HK	BUY	4,977	60.55	86%	10.4	8.9	1.2	1.1	7.8	10.0
BYDE	285 HK	BUY	8,560	43.54	46%	10.7	8.5	1.5	1.3	13.1	12.2
FIT Hon Teng	6088 HK	BUY	5,415	7.33	26%	17.0	12.2	1.8	1.6	6.2	6.5
Luxshare	002475 CH	BUY	48,866	75.55	59%	15.7	12.2	2.7	2.2	15.6	16.7
Sunny Optical	2382 HK	BUY	7,467	91.38	72%	13.0	10.8	1.7	1.6	11.1	17.0

Source: Company data, CMBIGM estimates

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Focus Charts

Figure 1: iPhone 17e (2026) vs iPhone 16e (2025)

Feature	iPhone 17e	iPhone 16e
Launch / Release	Mar 2026	Feb 2025
Starting Price	US\$599	US\$599
Storage	256GB: \$599 512GB: \$799	128GB: \$599 256GB: \$699 512GB: \$899
Screen Size / Refresh	6.1 inches 60Hz	6.1 inches 60Hz
Processor	A19 (3nm) 4-core GPU	A18 (3nm) 4-core GPU
Modem / Connectivity	C1X modem & N1 wireless chip	C1 modem
Charging	MagSafe (15W) , Qi2 (15W), USB-C	Qi (7.5W) - <i>No MagSafe</i> , USB-C
Rear camera	48MP Fusion Main (f/1.6)	48MP Fusion Main (f/1.6)
Front camera	12MP TrueDepth	12MP TrueDepth
Colors	Black, White, Soft Pink	Black, White
Battery life	Up to 26 hours (video playback)	Up to 26 hours (video playback)
Front Glass	Ceramic Shield 2 (w/ anti-reflective coating)	Ceramic Shield
Biometrics / Controls	Face ID, Action Button	Face ID, Action Button

Source: Apple, CMBIGM

Figure 2: Apple iPhone 17e



Source: Apple, CMBIGM

Figure 3: Apple M4 iPad Air



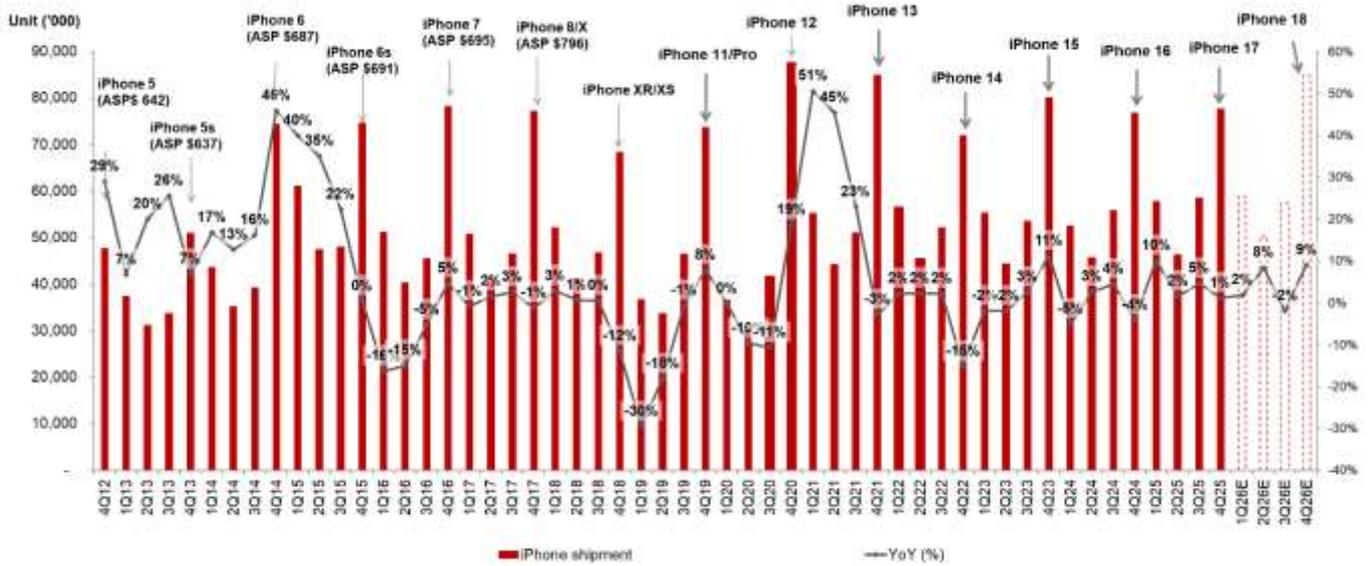
Source: Apple, CMBIGM

Figure 4: Supply chain mapping and sales mix exposure (2026E)

Company	Stock code	Apple	Huawei	Samsung	Other brands	Others	Main products
AAC Tech	2018 HK	34%	10%	10%	33%	12%	Acoustics, haptics, optics, casing, auto acoustics, VC
FIT Hon Teng	6088 HK	25%	-	-	-	75%	Connectors, AirPods, accessories, EVs, servers
Sunny Optical	2382 HK	5%	5%	15%	60%	15%	Camera modules, lens, auto lenses/modules, AR/VR
BYDE	285 HK	60%	5%	5%	15%	15%	Casings, ODM/OEM, auto components, servers
Luxshare	002475 CH	60%	10%	3%	-	27%	Wireless, iPhone/AirPods/watch OEM, acoustic/haptics
Lens Tech	6613 HK	50%	25%	-	7%	18%	Glass/metal/sapphire/ceramic cover, structural components, functional modules, ODM, servers
FII	601138 CH	13%	-	-	-	87%	Precision structural components, server ODM
Cowell	1415 HK	95%	-	3%	-	2%	Camera module
Tongda	698 HK	-	5%	5%	40%	50%	Metal/plastic casing, home appliances
Q-Tech	1478 HK	-	5%	-	85%	15%	Camera module/lens, fingerprint module, auto CCM
TK Group	2283 HK	-	-	-	10%	90%	Plastic molding, plastic precision
Truly	732 HK	-	-	3%	62%	35%	Camera module, fingerprint, display module

Source: Company data, CMBIGM estimates

Figure 5: Apple's iPhone shipment by quarter (CY)



Source: Company data, IDC, CMBIGM

Figure 6: Apple new products timeline (2026-2028)

	1H26	2H26	1H27	2H27	1H28	2H28
Smartphone	iPhone 17e	iPhone 18 Pro/Max iPhone Fold	iPhone 18 iPhone 18e	iPhone 19 (20th Anniversary) iPhone Fold 2 iPhone 19 Air/Pro/Max		iPhone 20 Series
PC/NB	MacBook Air/Pro (M5 chip)	Mac miniStudio (M5 chip) Brand new MacBook Pro		New Mac Studio (M5 Ultra chip)	MacBook Air (15-inch OLED)	Mac Pro (Modular ARM)
Tablet	iPad Air (M4 chip) Entry-level iPad (A18 chip) New iPad mini	iPad mini (A19 chip)	iPad Pro (OLED)		Foldable iPad (1st-gen)	
Wearables		Apple Watch 12 AirPod Pro 3 (camera)	AirPods 5	Apple Watch X (10th Anniversary)		Apple Watch 14
Smart home	New Apple TV 4K HomePod mini 2	Display HomePod Home camera Video doorbell	Desktop robot			
AR/VR			Apple Vision Pro 2		Apple Glasses (AR glasses prototype)	

Source: CMBIGM estimates

Figure 7: Peers valuation

Company	Ticker	Mkt Cap (US\$ mn)	Price (LC)	P/E (x)		P/B (x)		ROE (%)		Perf YTD (%)
				FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	
Brand										
Apple	AAPL US	3,886,391	264.7	31.1	28.3	43.8	34.2	144.6	127.5	(2.6)
Xiaomi	1810 HK	105,734	31.6	17.2	13.5	2.7	2.3	14.4	14.9	(19.6)
Transsion	688036 CH	9,022	54.1	13.6	10.7	2.6	2.2	19.2	21.0	(18.3)
Samsung	005930 KS	756,114	188,600	8.1	6.7	2.3	1.8	30.4	29.1	56.7
LG	066570 KS	13,323	120,800	11.2	9.6	0.9	0.8	7.8	8.4	31.5
TCL Electronics	1070 HK	3,687	11.4	10.1	8.7	1.4	1.3	14.2	15.0	10.0
		Average		15.2	12.9	8.9	7.1	38.4	36.0	9.6
ODM/EMS										
BYDE	285 HK	8,575	29.7	10.9	7.9	1.7	1.5	13.1	12.2	(11.7)
Luxshare	002475 CH	50,039	47.4	15.7	12.7	3.3	2.7	15.6	16.7	(16.4)
Lens Tech	6613 HK	24,376	24.0	16.5	13.3	1.7	1.5	12.0	13.7	(5.0)
Hon Hai Precision	2317 TT	101,104	229.0	12.9	11.3	1.7	1.5	13.2	13.8	(0.7)
		Average		14.0	11.3	2.1	1.8	13.5	14.1	(8.4)
Optics										
Sunny Optical	2382 HK	7,358	53.3	13.3	10.9	1.9	1.8	11.1	17.0	(18.8)
Q Tech	1478 HK	1,225	8.0	9.6	7.7	1.6	1.2	5.6	29.1	(4.5)
Truly	732 HK	370	1.0	-	-	-	-	-	-	(10.2)
Cowell	1415 HK	2,802	25.2	11.4	8.9	3.0	2.3	29.0	28.0	(8.6)
Largan	3008 TT	10,339	2,450	13.6	13.0	1.6	1.5	12.1	11.6	(1.8)
Genius	3406 TT	1,502	421.5	11.8	10.6	1.6	1.5	14.8	14.9	(6.2)
O-Film	002456 CH	4,378	9.0	78.2	54.5	5.4	4.8	8.1	10.8	(15.3)
Lg Innotek	011070 KS	4,459	278,000	11.1	9.6	1.1	1.0	10.0	10.5	2.8
		Average		21.3	16.5	2.3	2.0	12.9	17.4	(7.8)
Acoustics/Haptics										
AAC Tech	2018 HK	4,857	32.5	10.6	9.9	1.3	1.2	7.8	10.0	(16.7)
Luxshare	002475 CH	50,039	47.4	15.7	12.7	3.3	2.7	15.6	16.7	(16.4)
Merry	2439 TT	705	87.8	11.6	9.7	1.2	1.2	9.8	10.7	(10.1)
Knowles	KN US	2,344	27.6	22.3	18.4	-	-	-	-	28.8
Nidec	6594 JP	17,131	2,266	19.7	13.7	1.4	1.3	7.8	10.0	6.3
		Average		16.8	13.7	1.9	1.7	9.9	11.5	(3.4)
Connector										
FIT Hon Teng	6088 HK	5,453	5.8	17.2	13.8	2.0	1.8	6.2	6.5	17.8
Luxshare	002475 CH	50,039	47.4	15.7	12.7	3.3	2.7	15.6	16.7	(16.4)
TE	TEL US	62,202	212.0	19.1	17.1	4.5	4.0	24.2	26.4	(6.8)
Amphenol	APH US	166,141	135.2	30.8	26.3	9.7	7.6	36.1	32.6	0.0
		Average		20.7	17.5	4.9	4.0	20.5	20.6	(1.4)
Structured Components										
BYDE	285 HK	8,575	29.7	10.9	7.9	1.7	1.5	13.1	12.2	(11.7)
Tongda	698 HK	82	3.3	126.5	2.2	10.2	9.3	(135.9)	5.9	(15.4)
TK Group	2283 HK	267	2.5	6.6	5.4	1.2	1.1	15.5	15.3	(1.6)
Everwin	300115 CH	6,917	35.1	48.6	36.0	3.5	3.2	10.8	13.3	(24.6)
Lens Tech	300433 CH	24,376	24.0	16.5	13.3	1.7	1.5	12.0	13.7	(5.0)
Catcher	2474 TT	3,529	188.5	13.5	12.7	0.8	0.7	4.9	5.1	(9.4)
Jabil	JBL US	27,579	261.2	22.5	19.4	19.8	17.2	83.3	104.5	14.5
		Average		35.0	13.9	5.5	4.9	0.5	24.3	(7.6)
Hinge										
AAC Tech	2018 HK	4,857	32.5	10.6	9.9	1.3	1.2	7.8	10.0	(16.7)
Jiangsu Gian	300709 CH	1,129	41.9	-	-	-	-	-	-	(11.2)
KH Vatec	060720 KS	263	16,440	14.8	12.2	1.3	1.2	9.2	10.4	47.0
Foseltek	6805 TT	3,815	1,760	29.5	20.7	12.1	8.8	47.8	47.4	8.3
Jarlytec	3548 TT	177	82.8	34.1	-	0.9	-	2.7	-	(8.1)
NBTM	600114 CH	2,945	32.2	25.6	20.2	5.9	5.3	22.6	25.0	5.4
Eontec	300328 CH	1,784	17.8	-	-	-	-	-	-	4.5
		Average		22.9	15.8	4.3	4.1	18.0	23.2	4.2

Source: Bloomberg, CMBIGM estimates; as of 3/3/2026 close price

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