

Technology

Implications of US-Vietnam tariff deal; Apple supply chain to benefit most

US President Trump announced on 2 July that the US reached a trade deal with Vietnam, one week ahead of the 9 July deadline. The US will impose a 20% tariff on Vietnamese exports and a 40% "transshipping" tariff for goods originating from other countries, compared to 46% tariffs previously announced in April. In return, Vietnam will give the US total access to its market with zero tariffs. In the near term, we believe this will remove a major overhang for Apple supply chain, and names with high US sales mix and manufacturing capacity in Vietnam will react positively to the announcement, such as AAC Tech (acoustics/haptics), BYDE (iPad OEM), Luxshare (acoustics, AirPods/Watch OEM), and FIT Hon Teng (connectors, AirPods OEM).

- **Apple supply chain (iPad/Watch/AirPods) to benefit most; Full details yet to be announced.** While the 20% US-Vietnam tariff deal would be significantly better than the 46% reciprocal tariff announced in April, there are pending details regarding the 40% "transshipping" tariff and its definition of transshipments or "Made in Vietnam" goods. That said, we expect the Apple supply chain (except iPhone) will benefit most given its production bases in Vietnam, such as iPad (20% of capacity), Watch (20%) and AirPods (65%).
- **Improving sector sentiment to continue; Expect more tariff deals in coming weeks.** As stated in our report in May ([note](#)), we believe sector corrections in early Apr already reflected the worst case for reciprocal tariffs. This US-Vietnam agreement along with China-US easing tensions, upbeat 2H guidance and product launches in 3Q25 will be near-term catalysts for the supply chain. For stocks, we expect names with high US sales mix and Vietnam capacity will react positively in the near term, such as **AAC Tech** (acoustics/haptics/VC; US sales mix: 40%; Vietnam capacity: 30%), **BYDE** (iPad OEM/iPhone casing; US sales mix: 60%, Vietnam capacity: 30%), and **FIT Hon Teng** (connectors/AirPods OEM; US sales mix: 45%+; Vietnam capacity: 25%).

Fig 1: Production capacity and tariff for Apple products

Product	OEMs	Country (Assembly)	Capacity (%)	Reciprocal Tariff
iPhone	Hon Hai, Pegatron, Luxshare, Tata	India	10%	26%
		China	90%	30%
Mac	Quanta, Hon Hai	Vietnam	45%	46%
		China	55%	30%
iPad	Hon Hai, BYDE, Compal	Vietnam	20%	46%
		China	55%	30%
		Others	25%	24%
Watch	Luxshare, Hon Hai, Compal	Vietnam	20%	46%
		China	80%	30%
AirPods	Luxshare, FIT Hon Teng	Vietnam	65%	46%
		China	35%	30%

Source: CMBIGM estimates

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	6,174	58.78	42%	17.5	14.7	1.7	1.6	9.9	10.8
BYDE	285 HK	BUY	9,314	43.22	29%	12.5	10.0	1.9	1.7	15.0	16.6
FIT Hon Teng	6088 HK	BUY	2,342	3.48	38%	11.5	7.8	0.9	0.8	8.4	10.0
Luxshare	002475 CHBUY		36,222	55.09	54%	15.6	12.6	2.5	2.5	16.4	20.4
Lens Tech	300433 CHNR		16,860	NA	NA	23.2	18.4	2.3	2.1	10.1	11.9

Source: Company data, CMBIGM estimates

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Figure 2: Supply chain mapping and sales mix exposure (2024)

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, auto acoustics
FIT Hon Teng	6088 HK	25%	-	-	-	75%	Connectors, AirPods, accessories, EV, servers
BYDE	285 HK	52%	5%	5%	18%	20%	Metal/glass/plastics casing, ODM/OEM, automobile
Tongda	698 HK	5%	5%	5%	50%	35%	Casing, smart home, networking, sports good
Q-Tech	1478 HK	-	5%	-	85%	15%	Camera modules/lenses, FPM, auto CCM
TK Group	2283 HK	10%	-	-	-	90%	Plastic molding, plastic precision
Truly	732 HK	-	-	3%	62%	35%	Camera modules, fingerprint modules, display modules
Cowell	1415 HK	90%	-	5%	-	5%	Camera modules
Luxshare	002475 CN	60%	10%	3%	-	27%	Wireless, iPhone/AirPods/Watch OEM, acoustics/haptics

Source: Company data, CMBIGM estimates

Figure 3: Sales exposure by region for A/H listed tech companies

Company	Ticker	2023 Overseas sales exposure	Region 1	Sales Mix (%)	Region 2	Sales Mix (%)	Region 3	Sales Mix (%)	Region 4	Sales Mix (%)	Region 5	Sales Mix (%)
FIT Hon Teng	6088 HK	83%	US	46%	Others	17%	China	17%	Taiwan	9%	Hong Kong	6%
Lenovo	992 HK	76%	Americas	34%	EMEA	25%	China	24%	APAC	17%		0%
BYD Electronics	285 HK	67%	International	67%	China	33%		0%				0%
TCL Electronics	1070 HK	59%	China	41%	Emerging Markets	27%	North America	21%	Europe	11%		0%
TK Group	2283 HK	52%	China	48%	US	18%	Europe	16%	SE Asia (Inc HK)	11%	Others	5%
AAC Tech	2018 HK	50%	Greater China	50%	Americas	43%	Other Asia	6%	Europe	0%		0%
Xiaomi	1810 HK	45%	China	55%	International	45%		0%		0%		0%
Time Intercon.	1729 HK	30%	China	70%	US	15%	Others	4%	Singapore	4%	Netherlands	2%
BOEVx	710 HK	27%	China	73%	Europe	13%	Americas	7%	Others	4%	Korea	3%
Tongda	698 HK	21%	China	79%	Others	7%	Asia	7%	Europe	6%	US	1%
Q Technology	1478 HK	20%	China	80%	India	15%	Others	5%	Hong Kong	0%		0%
Cowell	1415 HK	8%	HK & China	92%	India	6%	Others	2%	Korea	0%		0%
Intron Tech	1760 HK	3%	China	97%	Hong Kong	3%	Others	0%		0%		0%
Transsion	688036.SH	98%	Asia	63%	Africa	35%	Others	2%				
Luxshare	002475.SZ	89%	International	89%	China	11%						
Avary	002938.SZ	84%	US	81%	Greater China	16%	Others	4%	Europe	0%		
DS Precision	002384.SZ	83%	International	83%	China	17%						
Sunway	300136.SZ	81%	International	81%	China	19%						
WUS PCB	002463.SZ	81%	International	81%	China	15%	Others	4%				
Crystal-Optech	002273.SZ	77%	International	77%	China	21%	Others	2%				
Leyard Optoelec.	300162.SZ	72%	G. China&Overseas	72%	North America	55%	Mid-East	10%	South-China	7%	Asia	7%
Lingyi iTech	002600.SZ	69%	International	69%	China	31%						
Lens Tech	300433.SZ	68%	International	68%	China	32%						
Wingtech	600745.SH	67%	International	67%	China	33%	Others					
Huaqin	603296.SH	66%	International	66%	China	34%						
BOE	000725.SZ	54%	China	46%	Other Asia	32%	Americas	19%	Europe	3%	Others	0%
USI	601231.SH	48%	China	62%	G. China&Overseas	48%	Others	0%	Internal	-9%		
Everwin	300115.SZ	47%	China	53%	International	47%						
Tianma	000050.SZ	42%	China	58%	International	42%						
Lianchuang	002036.SZ	20%	China	80%	International	20%						

Source: Company data, Wind, CMBIGM

Figure 4: Global capacity of component names

Company	Production base
AAC Tech	China (mainland), Vietnam, the Philippines, Singapore, Germany
FIT Hon Teng	China (mainland), Vietnam, Taiwan (China), India, Mexico, Europe
BYDE	China (mainland), India, Vietnam, Europe, Mexico
Goertek	China (mainland), Vietnam
Luxshare	China (mainland), Vietnam, Malaysia, Germany
Lens Tech	China (mainland), Vietnam
Q-Tech	China (mainland), Taiwan (China), India

Source: Company data, CMBIGM

Figure 5: Global capacity of ODM names

Company	Production base
Hon Hai	China (mainland), Taiwan (China), Vietnam, India, Mexico, the US, Malaysia
Quanta	China (mainland), Taiwan (China), the US, Thailand, Vietnam, Germany, Mexico
Wistron	China (mainland), Taiwan (China), India, Vietnam, Mexico, Europe, Malaysia
Wiwynn	Taiwan (China), Malaysia, Mexico
Inventec	China (mainland), Taiwan (China), Mexico, Europe
Compal	Taiwan (China), Vietnam, Mexico, the US, Brazil
Lenovo	China (mainland), Europe, Mexico
Xiaomi	China (mainland), SEA, India

Source: Company data, CMBIGM

Figure 6: Peers valuation

		Mkt Cap	Price	P/E (x)		P/B (x)		ROE (%)		Perf
Company	Ticker	(US\$ mn)	(LC)	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	YTD (%)
Brand										
Apple	AAPL US	3,172,967	212.4	29.6	27.8	54.0	48.5	186.0	210.3	(15.2)
Xiaomi	1810 HK	192,057	58.1	32.4	24.9	4.8	4.1	14.8	16.3	68.4
Transsion	688036 CH	12,222	76.8	14.5	12.5	3.7	3.1	25.9	27.8	(19.2)
Samsung	005930 KS	277,772	63,800.0	13.6	10.9	1.0	1.0	7.7	8.9	19.9
LG	066570 KS	9,376	77,900.0	9.5	7.2	0.6	0.6	6.5	8.0	(6.7)
TCL Electronics	1070 HK	3,218	10.0	11.7	9.9	1.3	1.2	11.7	12.7	57.8
		Average		18.5	15.5	10.9	9.7	42.1	47.3	17.5
ODM/EMS										
BYDE	285 HK	9,314	33.6	12.5	10.0	1.9	1.7	15.0	16.6	(22.8)
Luxshare	002475 CH	36,222	35.8	15.6	12.6	2.5	2.5	16.4	20.4	(12.2)
Hon Hai Precision	2317 TT	79,009	164.0	12.3	10.9	1.2	1.2	10.3	10.9	(10.9)
		Average		13.4	11.2	1.9	1.8	13.9	16.0	(15.3)
Optics										
Q Tech	1478 HK	1,309	8.6	16.9	12.9	1.7	1.5	10.3	11.6	33.3
Truly	732 HK	433	1.1	-	-	-	-	-	-	(4.4)
Cowell	1415 HK	3,203	29.2	16.9	12.7	4.7	3.5	30.5	30.0	3.0
Largan	3008 TT	10,716	2,315.0	12.4	11.9	1.5	1.4	13.3	12.5	(13.5)
Genius	3406 TT	1,633	417.5	12.4	11.3	1.8	1.6	14.8	15.4	(17.7)
O-Film	002456 CH	5,346	11.6	49.2	38.2	8.3	7.5	9.3	11.9	(3.5)
Lg Innotek	011070 KS	2,719	156,200.0	8.6	6.6	0.6	0.6	7.8	9.4	(3.6)
		Average		19.6	15.8	3.0	2.6	14.1	15.0	(0.4)
Acoustics/Haptics										
AAC Tech	2018 HK	6,174	41.3	17.5	14.7	1.7	1.6	9.9	10.8	10.0
Luxshare	002475 CH	36,222	35.8	15.6	12.6	2.5	2.5	16.4	20.4	(12.2)
Merry	2439 TT	1,011	115.0	13.7	11.6	1.5	-	11.2	12.9	6.5
Knowles	KN US	1,574	18.1	17.2	14.5	-	-	-	-	(9.2)
Nidec	6594 JP	22,553	2,720.0	17.2	15.7	1.8	1.7	10.8	10.9	(4.7)
		Average		17.5	14.9	2.0	2.0	11.6	13.1	(3.0)
Connector										
FIT Hon Teng	6088 HK	2,342	2.5	11.5	7.8	0.9	0.8	8.4	10.0	(31.0)
Luxshare	002475 CH	36,222	35.8	15.6	12.6	2.5	2.5	16.4	20.4	(12.2)
TE	TEL US	51,424	173.4	21.1	19.2	4.2	3.9	19.2	20.4	21.3
Amphenol	APH US	119,170	98.5	36.8	33.3	10.0	8.3	30.5	28.1	41.9
		Average		21.2	18.2	4.4	3.9	18.6	19.7	5.0
Casing										
BYDE	285 HK	9,314	32.5	12.0	9.7	1.8	1.6	15.0	16.6	(22.8)
Tongda	698 HK	136	0.1	5.8	4.2	0.3	0.3	5.9	7.4	35.8
TK Group	2283 HK	242	2.3	6.3	5.0	1.0	0.9	15.9	18.3	1.2
Everwin	300115 CH	4,072	21.5	34.8	27.7	3.2	2.2	9.4	8.8	32.2
Lens Tech	300433 CH	16,860	24.2	23.2	18.4	2.3	2.1	10.1	11.9	10.6
Catcher	2474 TT	4,694	208.5	15.7	13.7	0.8	0.8	5.5	5.9	7.5
Jabil	JBL US	23,813	221.9	23.7	20.5	16.7	15.0	63.1	69.5	54.2
		Average		17.3	14.2	3.7	3.3	17.9	19.8	17.0
Hinge										
AAC Tech	2018 HK	6,174	41.3	17.5	14.7	1.7	1.6	9.9	10.8	10.0
Jiangsu Gian	300709 CH	1,063	40.9	52.4	38.6	3.3	3.1	6.4	8.0	1.8
KH Vatec	060720 KS	187	10,710.0	8.9	7.0	0.9	0.8	9.8	10.9	31.6
Foseltek	6805 TT	1,904	801.0	29.8	19.6	8.1	6.4	28.8	35.6	(1.1)
Jarlytec	3548 TT	267	116.5	18.8	-	-	-	-	-	(34.0)
NBTM	600114 CH	1,794	20.8	21.8	17.4	4.1	3.5	18.6	20.1	28.9
Dongguan Eontec	300328 CH	1,220	12.7	-	-	-	-	-	-	71.9
		Average		24.9	19.5	3.6	3.1	14.7	17.1	15.6

Source: Bloomberg, CMBIGM estimates

Figure 7: Peers valuation (cont.)

Figure 11: Core Fundamentals (Cont.)										
Company	Ticker	Mkt Cap (US\$ mn)	Price (LC)	P/E (x)		P/B (x)		ROE (%)		Perf
PC/Server										
Lenovo	992 HK	15,375	9.7	10.9	10.1	2.5	2.2	23.9	23.8	(3.5)
Dell	DELL US	83,824	123.5	15.8	13.2	-	-	(173.2)	(997.3)	7.2
HPE	HPE US	27,885	21.3	11.5	10.1	1.1	1.1	10.6	10.7	(0.5)
HP Inc	HPQ US	24,280	25.9	8.3	7.7	-	-	(274.6)	(74.5)	(20.8)
Super Micro	SMCI US	29,089	48.7	23.3	17.1	4.7	3.7	21.8	25.2	59.9
ASUSTeK	2357 TT	16,461	639.0	12.5	11.7	1.7	1.6	14.1	14.0	3.7
Inspur	000977 CH	10,472	50.9	26.8	21.9	3.3	2.9	12.9	13.9	(1.8)
Dawning	603019 CH	14,049	68.8	39.4	32.5	4.4	4.0	11.5	12.5	(4.9)
Average				18.6	15.5	3.0	2.6	(44.1)	(121.5)	4.9
ODM/OEM										
FII	601138 CH	64,563	23.3	15.8	13.2	2.7	2.5	17.5	18.5	8.3
Huaqin	603296 CH	11,976	84.4	23.1	18.9	3.4	3.0	14.7	15.8	19.0
BYDE	285 HK	9,314	32.5	12.0	9.7	1.8	1.6	15.0	16.6	(22.8)
Quanta	2382 TT	37,510	280.0	15.1	12.8	4.6	4.1	31.5	33.3	(2.4)
Wistron	3231 TT	12,148	121.0	13.9	11.1	2.3	2.0	17.4	18.8	16.3
Wiwynn	6669 TT	15,920	2,470.0	14.2	12.6	4.3	4.0	33.1	31.7	(5.7)
Inventec	2356 TT	5,518	44.4	18.6	15.6	2.2	2.1	12.1	13.4	(11.5)
GigaByte	2376 TT	6,424	276.5	13.8	12.1	3.0	2.9	23.9	24.5	1.5
Average				15.8	13.3	3.0	2.8	20.7	21.6	0.3
Connector										
FIT Hon Teng	6088 HK	2,342	2.5	11.5	7.8	0.9	0.8	8.4	10.0	(31.0)
Luxshare	002475 CH	36,222	35.8	15.6	12.6	2.5	2.5	16.4	20.4	(12.2)
TE	TEL US	51,424	173.4	21.1	19.2	4.2	3.9	19.2	20.4	21.3
Amphenol	APH US	119,170	98.5	36.8	33.3	10.0	8.3	30.5	28.1	41.9
Average				21.2	18.2	4.4	3.9	18.6	19.7	5.0
Switch/Storage										
Cisco	CSCO US	271,616	68.6	18.1	17.0	5.9	5.5	32.6	32.5	15.9
Arista	ANET US	127,011	101.1	39.5	33.9	10.3	8.2	28.0	26.2	(8.5)
Juniper	JNPR US	13,359	40.0	19.6	18.2	2.7	2.5	14.0	14.0	6.7
Keysight	KEYS US	28,487	165.5	23.6	20.9	5.2	4.6	19.8	20.5	3.0
Seagate	STX US	32,244	151.9	19.1	15.5	-	48.7	(159.2)	5,053.1	76.0
Western Digital	WDC US	22,949	65.8	12.9	11.7	4.1	3.3	25.3	43.3	46.0
Average				23.5	20.0	5.3	10.1	(0.4)	653.5	18.8
Substrate										
Unimicron	3037 TT	6,207	117.0	20.3	11.9	1.8	1.6	9.3	14.5	(17.0)
Ibiden	4062 JP	6,209	6,340.0	29.4	25.3	1.7	1.7	6.1	7.2	32.8
NYPCB	8046 TT	2,779	124.0	64.3	27.0	1.8	1.7	2.9	6.5	(5.0)
Average				38.0	21.4	1.7	1.6	6.1	9.4	3.6
PCB										
WUS Printed	002463 CH	11,928	44.4	24.4	19.8	5.9	4.8	25.3	25.6	12.0
Victory Giant	300476 CH	17,189	142.7	26.6	19.3	9.3	6.6	33.1	32.8	239.0
Gold Circuit	2368 TT	4,947	290.0	18.2	14.4	5.5	4.4	33.1	33.5	20.1
Average				23.1	17.9	6.9	5.3	30.5	30.6	90.4
Power Supply										
Delta	2308 TT	41,351	459.0	26.0	22.2	4.5	4.0	17.9	18.6	6.6
Lite-on	2301 TT	9,338	115.0	17.7	15.2	2.8	2.7	16.2	17.7	15.6
Average				21.8	18.7	3.6	3.3	17.0	18.2	11.1
Thermal										
Vertiv	VRT US	47,383	124.3	34.8	28.5	14.3	11.5	45.1	41.8	9.4
FII	601138 CH	64,563	23.3	15.8	13.2	2.7	2.5	17.5	18.5	8.3
Sunowealth	2421 TT	977	103.0	14.8	12.3	3.2	3.0	23.1	24.5	5.5
Auras	3324 TT	2,063	648.0	20.7	15.8	5.5	4.4	27.2	28.4	(3.6)
AVC	3017 TT	10,541	783.0	22.3	17.7	7.7	6.2	40.1	39.3	25.7
Average				21.7	17.5	6.7	5.5	30.6	30.5	9.1

Source: Bloomberg, CMBIGM estimates

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OUTPERFORM : Industry expected to outperform the relevant broad market benchmark over next 12 months
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