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Hua Hong Semiconductor Ltd | Asia Pacific

Asia AI Summit 2026 Feedback: Multi-year Pricing Cycle and Aggressive Long-term Revenue Guidance in Focus

- **Technology platform:** Hua Hong operates 5 technology platforms: embedded non-volatile memory, standalone non-volatile memory (NOR Flash), power discrete, logic and RF, and analog & power management.
- **Price hike:** Hua Hong began raising prices in late 2025. The company expects a 10–15% increase this year; if capacity remains tight, pricing could be even higher. Pricing momentum could continue in 2027.
- **Long-term revenue target:** The company expects group revenue to reach Rmb100bn by 2030. Besides organic growth, it also considers acquiring local fabs.
- **Export control of equipment:** The company stated it is fully compliant with regulations; mature-node equipment is not subject to restrictions.
- **Funding:** Typically 60% equity and 40% syndicate bank loan.

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Hua Hong Semiconductor Ltd (1347.HK, 1347 HK)

Greater China Technology Semiconductors | China

Stock Rating	**Equal-weight**
Industry View	**Attractive**
Price target	HK$118.00
Up/downside to price target (%)	(23)
Shr price, close (May 27, 2026)	HK$152.40
52-Week Range	HK$157.00-29.00
Sh out, dil, curr (mn)	1,718
Mkt cap, curr (mn)	US$33,424
EV, curr (mn)	US$34,206
Avg daily trading value (mn)	HK$2,836

Fiscal Year Ending	12/25	12/26e	12/27e	12/28e
EPS (US$)**	0.03	0.22	0.34	0.43
Prior EPS (US$)**	-	-	-	-
EPS (US$)§	0.04	0.12	0.17	0.23
Revenue, net (US$ mn)	2,402	3,053	3,593	3,937
EBITDA (US$ mn)	656	1,039	1,304	1,481
ModelWare net inc (US $ mn)	55	375	580	737
P/E	299.9	89.4	57.8	45.5
P/BV	2.5	4.2	3.5	3.3
RNOA (%)	(0.3)	3.3	5.1	5.4
ROE (%)	0.9	5.7	7.3	7.8
EV/EBITDA	26.3	33.7	27.6	24.1
Div yld (%)	0.1	0.0	0.3	0.4
FCF yld ratio (%)**	(3.6)	(5.3)	(5.7)	1.3
Leverage (EOP) (%)	(26.8)	(12.4)	0.3	(2.6)

Unless otherwise noted, all metrics are based on Morgan Stanley ModelWare framework
** = Based on consensus methodology
§ = Consensus data is provided by Refinitiv Estimates
e = Morgan Stanley Research estimates

Valuation Methodology and Risks

Hua Hong Semiconductor Ltd (1347.HK)

Base case, residual income (RI) analysis. Our RI model is based on the following assumptions: cost of equity of 9.2% (2.0% risk-free rate, 6% risk premium and 1.20 beta), 16.5% medium-term growth rate, 5.0% terminal growth rate, and dividend payout ratio of 95%.

Risks to Upside

- Fab utilization and wafer ASP are healthier than expected.
- Local customers gain share faster, continue to work with Hua Hong.
- Electric vehicle penetration is faster.

Risks to Downside

- Potential price hike does not materialize.
- Other Chinese players build 8-inch capacity aggressively.
- Applications migrate to 12-inch faster than expected.
- Wuxi fab scales up slowly or struggles to get new customers.

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(as of April 30, 2026)

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	Coverage Universe		Investment Banking Clients (IBC)			Other Material Investment Services Clients (MISC)	
Stock Rating Category	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
Overweight/Buy	1546	42%	467	51%	30%	709	44%
Equal-weight/Hold	1568	43%	358	39%	23%	715	44%
Not-Rated/Hold	4	0%	0	0%	0%	1	0%
Underweight/Sell	555	15%	84	9%	15%	202	12%
Total	3,673		909			1627	

Data include common stock and ADRs currently assigned ratings. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months. Due to rounding off of decimals, the percentages provided in the "% of total" column may not add up to exactly 100 percent.

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Overweight (O). The stock's total return is expected to exceed the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Equal-weight (E). The stock's total return is expected to be in line with the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

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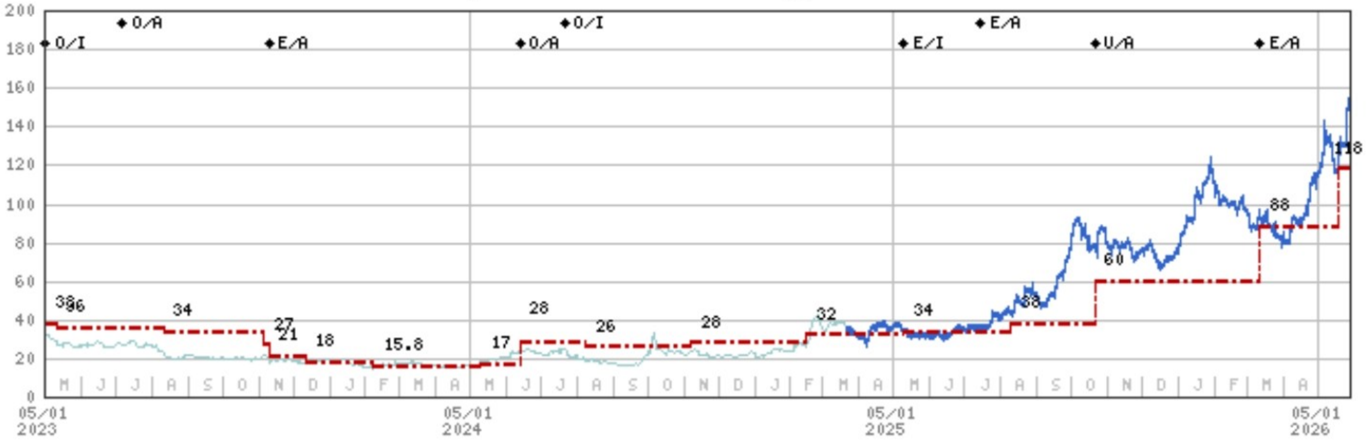
Stock Price, Price Target and Rating History (See Rating Definitions)

Hua Hong Semiconductor Ltd (1347.HK) - As of 05/28/26 GMT in HKD
Industry : Greater China Technology Semiconductors



Stock Rating History: 5/1/21 : O/I; 5/20/21 : E/I; 10/12/21 : E/C; 2/4/22 : O/C; 10/4/22 : O/A; 2/22/23 : O/I; 7/7/23 : O/A; 11/10/23 : E/A; 6/13/24 : O/A; 7/21/24 : O/I; 5/9/25 : E/I; 7/14/25 : E/A; 10/21/25 : U/A; 3/12/26 : E/A

Price Target History: 4/20/21 : 58; 5/20/21 : 44; 7/21/21 : 40; 8/12/21 : 45; 2/4/22 : 47; 5/13/22 : 41; 7/12/22 : 35; 2/14/23 : 38; 5/11/23 : 36; 8/11/23 : 34; 11/6/23 : 27; 11/10/23 : 21; 12/11/23 : 18; 2/7/24 : 15.8; 5/10/24 : 17; 6/13/24 : 28; 8/8/24 : 26; 11/7/24 : 28; 2/14/25 : 32; 5/9/25 : 34; 8/10/25 : 38; 10/21/25 : 60; 3/12/26 : 88; 5/19/26 : 118

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target No Price Target Assigned (NA)
Stock Price (Not Covered by Current Analyst) Stock Price (Covered by Current Analyst)
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INDUSTRY COVERAGE: Greater China Technology Semiconductors

COMPANY (TICKER)	RATING (AS OF)	PRICE* (05/27/2026)
Charlie Chan		
ACM Research Inc (ACMR.O)	O (03/07/2023)	US$88.64
Advanced Micro-Fabrication Equipment Inc (688012.SS)	O (11/06/2023)	Rmb455.05
Advanced Wireless Semiconductor Co (8086.TWO)	U (07/14/2025)	NT$173.50
Alchip Technologies Ltd (3661.TW)	O (05/14/2021)	NT$4,500.00
ASE Technology Holding Co. Ltd. (3711.TW)	O (09/15/2024)	NT$642.00
Cambricon Technology Corporation (688256.SS)	O (04/27/2026)	Rmb1,340.00
Global Unichip Corp (3443.TW)	O (07/27/2024)	NT$5,100.00
GlobalWafers Co Ltd (6488.TWO)	E (05/19/2026)	NT$930.00
Gudeng Precision (3680.TWO)	O (11/25/2025)	NT$557.00
Hua Hong Semiconductor Ltd (1347.HK)	E (03/12/2026)	HK$152.40
Iluvatar CoreX Semiconductor Co., Ltd. (9903.HK)	O (04/27/2026)	HK$536.50
King Yuan Electronics Co Ltd (2449.TW)	O (03/03/2023)	NT$315.50
Maxscend Microelectronics Co Ltd (300782.SZ)	U (01/11/2021)	Rmb116.97
MediaTek (2454.TW)	O (11/28/2025)	NT$4,640.00
MetaX Integrated Circuits (688802.SS)	E (04/27/2026)	Rmb695.00
Nanya Technology Corp. (2408.TW)	E (03/20/2026)	NT$312.00
NAURA Technology Group Co Ltd (002371.SZ)	O (11/06/2023)	Rmb654.77
OmniVision Integrated Circuits Group Inc (603501.SS)	E (11/17/2025)	Rmb104.96
Phison Electronics Corp (8299.TWO)	E (02/25/2026)	NT$2,480.00
SG Micro Corp. (300661.SZ)	E (11/03/2025)	Rmb119.39
Silergy Corp. (6415.TW)	U (05/19/2026)	NT$665.00
SMIC (0981.HK)	O (10/21/2025)	HK$85.20
TSMC (2330.TW)	O (02/07/2022)	NT$2,300.00
UMC (2303.TW)	O (05/19/2026)	NT$143.50
Vanguard International Semiconductor (5347.TWO)	E (01/14/2026)	NT$166.00
WIN Semiconductors Corp (3105.TWO)	U (07/14/2025)	NT$560.00

Daisy Dai, CFA		
ASMPT Ltd (0522.HK)	O (07/24/2025)	HK$203.80
China Resources Microelectronics Limited (688396.SS)	U (03/02/2026)	Rmb65.98
Elan Microelectronics Corp (2458.TW)	O (10/03/2025)	NT$164.50
Empyrean Technology Co Ltd (301269.SZ)	E (01/17/2025)	Rmb127.42
Hangzhou Silan Microelectronics Co. Ltd. (600460.SS)	U (08/25/2025)	Rmb35.58
Innoscience (2577.HK)	E (10/13/2025)	HK$80.30
JCET Group Co Ltd (600584.SS)	E (01/16/2026)	Rmb86.16
Shanghai Fudan Microelectronics (1385.HK)	O (03/07/2025)	HK$36.94
SICC Co Ltd (688234.SS)	O (03/20/2026)	Rmb166.99
StarPower Semiconductor Ltd (603290.SS)	E (05/14/2026)	Rmb135.00
Unigroup Guoxin Microelectronics Co Ltd (002049.SZ)	U (01/10/2023)	Rmb85.06
Universal Scientific Ind. (Shanghai) (601231.SS)	O (11/05/2025)	Rmb43.43
Yangjie Technology (300373.SZ)	O (06/10/2022)	Rmb110.02
Daniel Yen, CFA		
AP Memory Technology Corp (6531.TW)	O (07/11/2025)	NT$1,080.00
ASMedia Technology Inc (5269.TW)	U (10/03/2025)	NT$1,495.00
Aspeed Technology (5274.TWO)	O (06/09/2025)	NT$18,230.00
Egis Technology Inc (6462.TWO)	E (01/28/2026)	NT$133.00
Espressif Systems (688018.SS)	O (05/15/2023)	Rmb181.08
GigaDevice Semiconductor Beijing Inc (603986.SS)	O (05/15/2025)	Rmb514.18
Macronix International Co Ltd (2337.TW)	O (09/18/2025)	NT$155.50
Montage Technology Co Ltd (6809.HK)	O (03/18/2026)	HK$469.00
Montage Technology Co Ltd (688008.SS)	O (03/18/2026)	Rmb265.50
Novatek (3034.TW)	U (02/04/2026)	NT$485.00
Nuvoton Technology Corporation (4919.TW)	U (11/10/2025)	NT$206.50
Parade Technologies Ltd (4966.TWO)	O (05/27/2026)	NT$870.00
Powerchip Semiconductor Manufacturing Co (6770.TW)	O (10/27/2025)	NT$74.80
Realtek Semiconductor (2379.TW)	E (01/30/2026)	NT$605.00
Shenzhen Goodix Technology Co Ltd (603160.SS)	U (07/14/2025)	Rmb66.50
Winbond Electronics Corp (2344.TW)	E (03/20/2026)	NT$155.00
WPG Holdings (3702.TW)	O (03/16/2026)	NT$120.50
WT Microelectronics Co. Ltd. (3036.TW)	O (01/27/2026)	NT$296.00
Duan Liu		
Dosilicon Co Ltd (688110.SS)	U (09/06/2024)	Rmb148.00
Shenzhen Longsys Electronics Co Ltd (301308.SZ)	E (02/25/2026)	Rmb551.59
Tiffany Yeh		
AllRing Tech Co. (6187.TWO)	O (09/23/2025)	NT$1,130.00
FOCI Fiber Optic Communications Inc (3363.TWO)	O (01/15/2025)	NT$847.00
Himax Technologies Inc (HIMX.O)	E (02/04/2026)	US$20.65
Hon Precision (7769.TW)	O (04/17/2026)	NT$7,800.00
MPI Corporation (6223.TWO)	O (04/17/2026)	NT$6,390.00
Silicon Motion (SIMO.O)	O (05/06/2024)	US$284.98
WinWay Technology Co Ltd (6515.TW)	O (04/17/2026)	NT$9,795.00

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* Historical prices are not split adjusted.