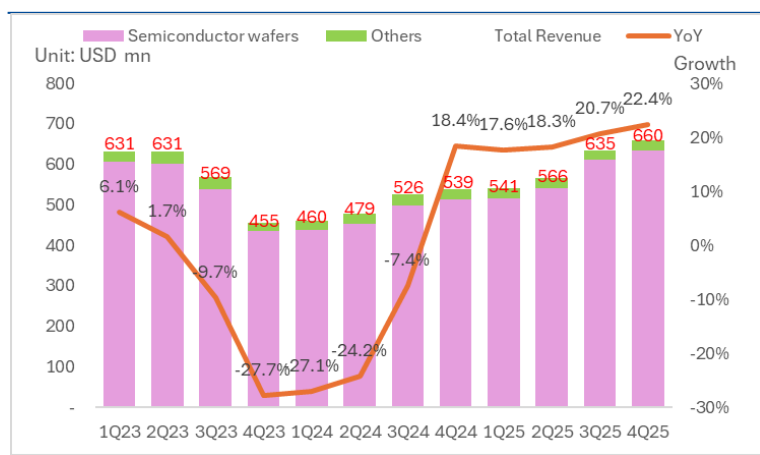


What's Hot Today:

► Hua Hong Semi (1347 HK, HK\$98.75, HK\$172bn) 12-inch Drives Revenue Growth

Hua Hong Semiconductor, China's No. 2 pure-play foundry and a global leader in mature-node specialty processes across 8-inch and 12-inch platforms, posted all-time high revenue in 4Q25 of US\$660mn, representing a 22.4% YoY increase and a 3.9% QoQ rise, in line with market consensus.

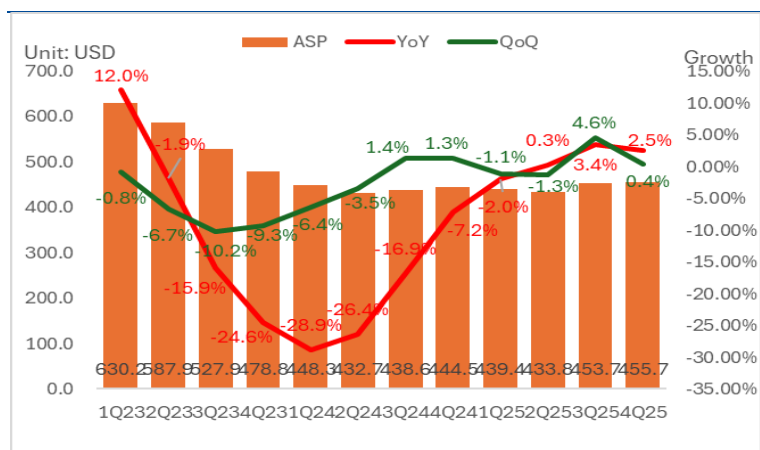
Fig 1: Total Revenue (USD'mn)



Source: Company Data, Sunwah Kingsway Research

Volume and ASP improved: Wafer shipments (8-inch equivalent) reached 1.45mn in 4Q25 (+19.4% YoY /+3.4% QoQ), supported by new capacity expansion and high-capacity utilization of 103.8%. ASP rose to US\$456, up 2.5% YoY and 0.4% QoQ, driven by favorable product mix.

Fig 2: Breakdown of ASP (USD)



Source: Company Data, Sunwah Kingsway Research

China & HK Indices	CLOSE	1D	YTD
HSI	26,567	-1.7%	3.7%
HSCEI	9,032	-1.6%	1.3%
HSCCI	4,338	-1.6%	8.0%
CSI300	4,660	-1.3%	0.7%
Shanghai A	4,280	-1.3%	5.3%
Shanghai B	267	-0.1%	5.3%
Shenzhen A	2,804	-1.1%	5.9%
Shenzhen B	1,250	0.0%	-1.1%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	49,500	0.1%	3.0%
S&P 500	6,836	0.0%	-0.1%
Nasdaq	22,546	-0.2%	-3.0%
Nikkei Index	56,941	-1.2%	13.1%
FTSE Index	10,446	0.4%	5.2%
CAC Index	8,311	-0.3%	2.0%
DAX Index	24,914	0.3%	1.7%

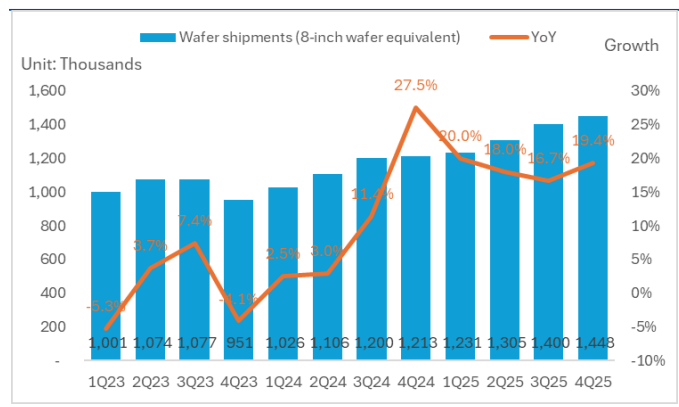
Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	5,042	2.4%	16.4%
STEEL (US\$/oz.)	2,998	-3.9%	17.9%
SILVER (US\$/oz.)	77	2.8%	7.0%
CRUDE OIL (US\$/bbl)	62	0.1%	9.6%
COPPER (US\$/oz.)	12,881	-2.2%	3.7%
ALUMINIUM (US\$/oz.)	3,077	-0.8%	2.7%
PLATINUM (US\$/oz.)	2,066	3.1%	0.1%
ZINC (US\$/oz.)	3,337	-2.0%	7.1%
WHEAT (US\$/bu)	548	2.1%	8.2%
CORN (US\$/bu)	442	1.3%	-1.4%
SUGAR (US\$/lb)	72	1.0%	
SOYBEAN (US\$/bu)	1,148	0.8%	8.2%
PVC (US\$/t.)	4,919	-1.2%	9.2%
CRB	306	-1.3%	3.0%
BDI			11.0%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.817	0.843	152.700	0.768	6.905
HKD	0.128		0.108	19.530	9.818	0.883
EUR	1.187	9.278		181.180	1.098	8.202
JPY	0.007	5.120	0.552		0.503	0.045
CHF	1.302	10.184	1.098	198.842		9.000
RMB	0.145	1.132	0.122	22.120	0.111	

Market Sentiment	CURRENT	5D
CDS Monitor - USD SR 5Y		
Greece	N/A	N/A
Ireland	83	-2.4%
Italy	139	-0.6%
Portugal	207	-0.0%
Spain	108	0.3%
VIX	20	16.0%

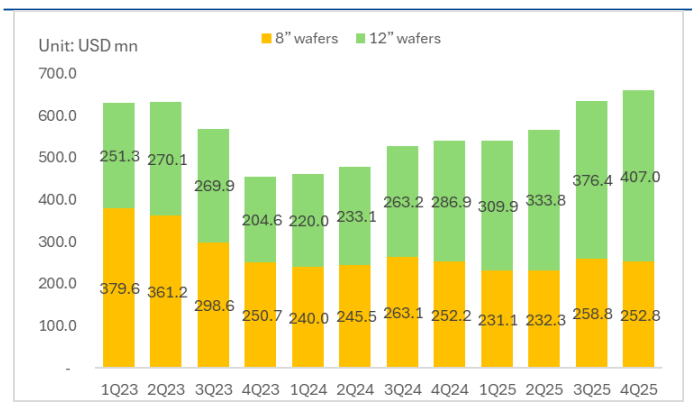
Source: Bloomberg

Fig 3: Breakdown of Wafer shipments



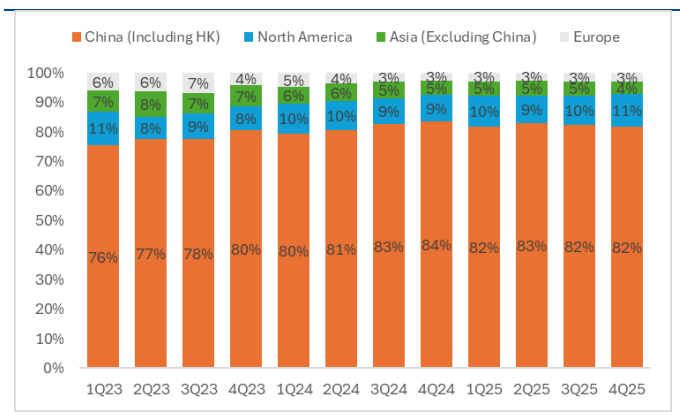
12-inch was the key growth driver: 12-inch revenue increased 15.9% YoY and 4.1% QoQ to US\$407mn, representing 61.7% of total revenue (+2.4ppts YoY). 8-inch revenue fell 18.1% YoY and 6% QoQ to US\$253mn, accounting for 38.3% of total.

Fig 4: Revenue by wafer size (USD'mn)



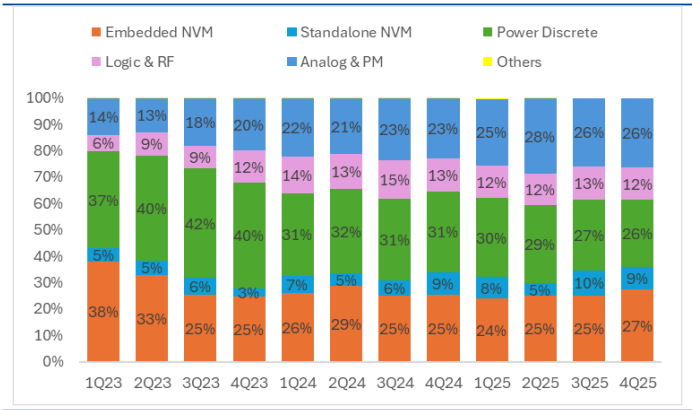
China remained core; North America grew fastest: China revenue rose 19.6% YoY to US\$539mn, accounting for 81.8% of total revenue. North America revenue surged 51.3% YoY to US\$72.8mn, for 11% of total. Asia and Europe also expanded, contributing 4.3% and 2.9% of total, respectively.

Fig 5: Revenue by Geography



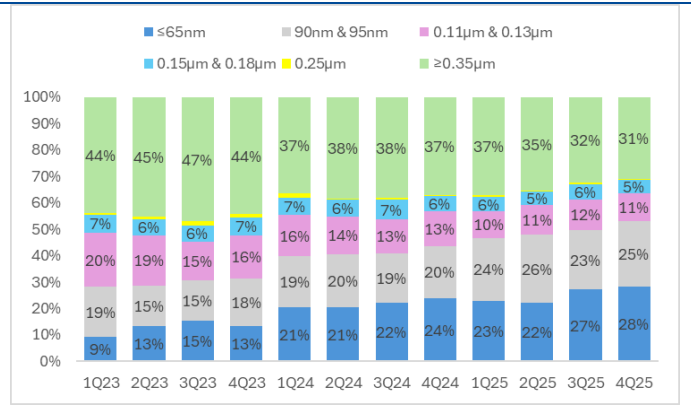
All tech platforms grew: Embedded NVM increased 31.3% YoY to US\$180mn (27.3% of total revenue), supported by stronger MCU and smart chip demands. Standalone NVM was up 22.9% YoY to US\$56.6mn (8.6% of total revenue), driven by high demand on flash. Analog & PMIC soared 40.7% YoY to US\$174mn (26.3% of total revenue), benefited from the higher power management IC demand.

Fig 6: Revenue by Technology Platform



Source: Company Data, Sunwah Kingsway Research

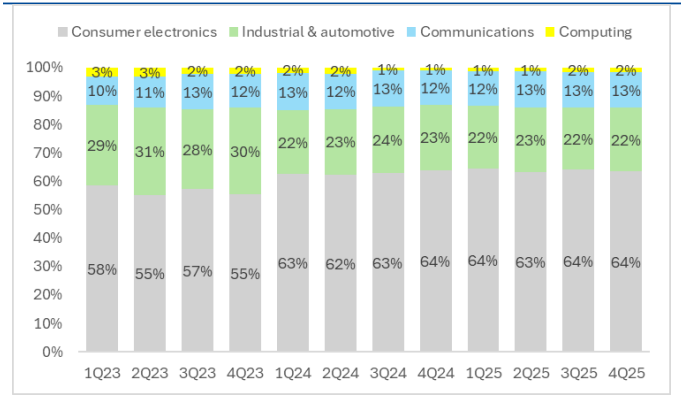
Fig 7: Revenue by Process Technology Node



Source: Company Data, Sunwah Kingsway Research

Consumer electronics was top end-market: Consumer revenue rose 21.8% YoY to US\$420mn (64% of total), supported by PMIC, MCU and flash. Computing surged 69.9% YoY to US\$10mn (1.5% of total), driven by MOSFET and MCUs. Industrial, auto and communications also grew, and accounting for 22.2% and 12.6% of total revenue, respectively.

Fig 8: Revenue by End Market Distribution

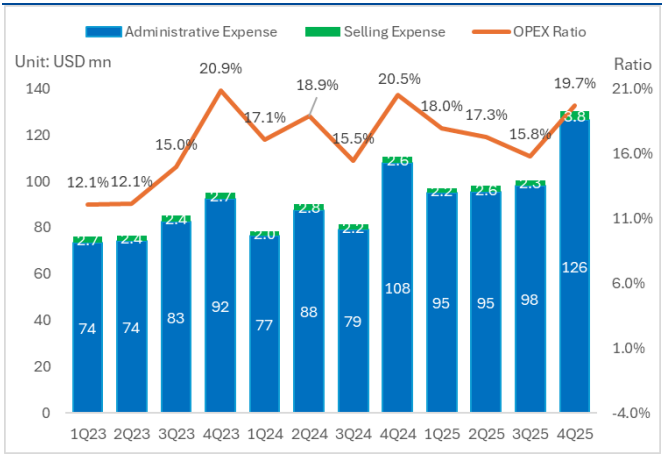


Source: Company Data, Sunwah Kingsway Research

GPM remained resilient: GPM stood at 13.0% in 4Q25, up 1.6 ppts YoY but down 0.5 ppts QoQ. The annual improvement was driven by higher ASP and cost reduction efforts, while the sequential decline reflected increased depreciation from new capacity ramp-up.

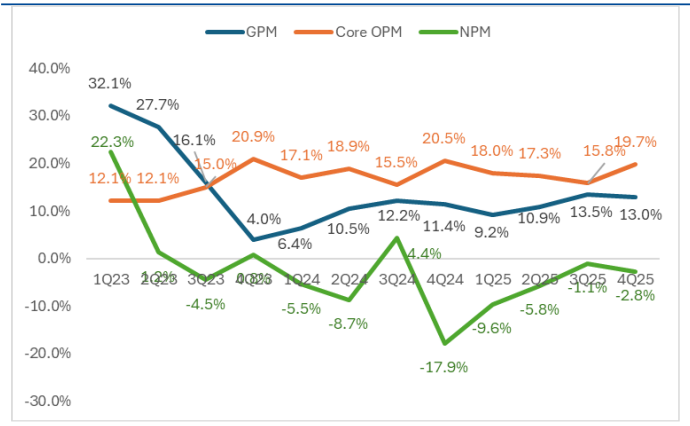
Higher OPEX weighed on profitability: OPEX ratio rose from 15.8% in 3Q25 to 19.7% in 4Q25, driven by higher staff costs and depreciation, but improved by 0.8ppts from 20.5% in 4Q24. Core OPM weakened from -2.3% in 3Q25 to -6.8% in 4Q25, yet core operating loss narrowed from -US\$49.2mn in 4Q24 to -US\$44.7mn amid higher revenue and tighter cost control. Net other income improved both QoQ and YoY to US\$34.1mn, supported by FX gains, lower financial expenses and higher government subsidies. Attributable profit fell 32% QoQ but turned positive to US\$17.45mn versus a loss of US\$25.2mn in 4Q24, with NPM at 2.6%, pointing to a gradual recovery in profitability.

Fig 9: Breakdown of OPEX



Source: Company Data, Sunwah Kingsway Research

Fig 10: Breakdown of Profitability

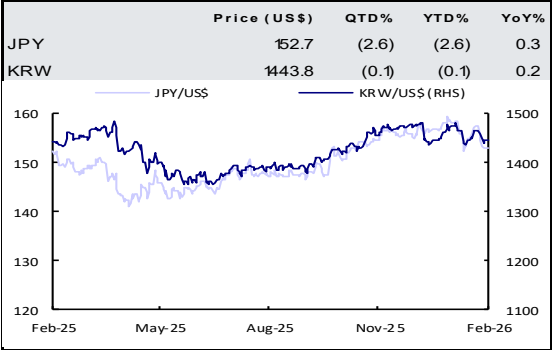
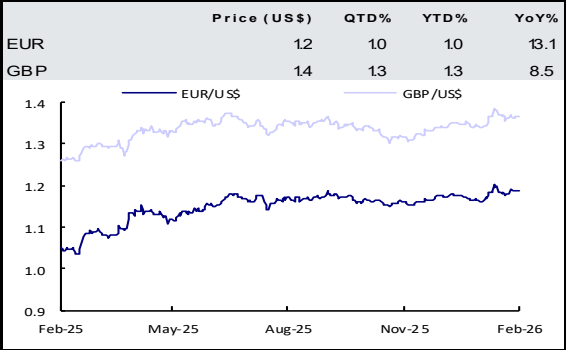
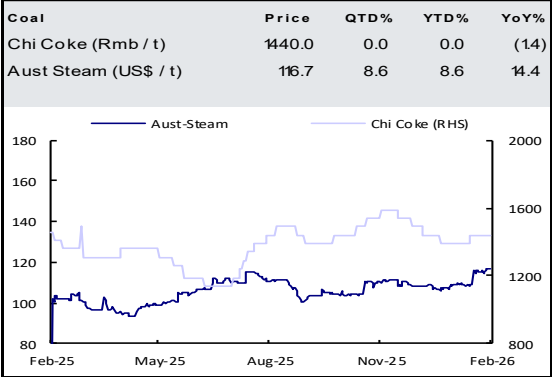
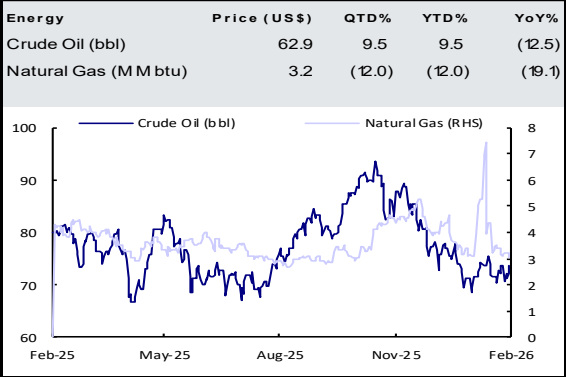
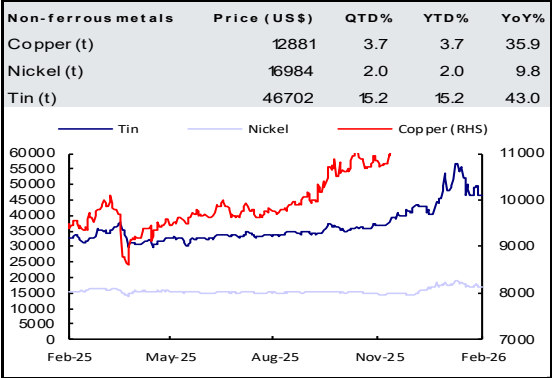
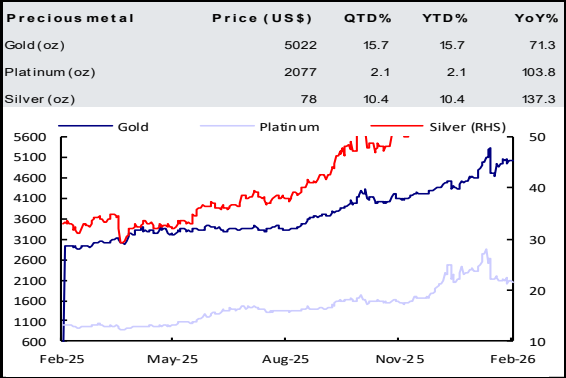


Source: Company Data, Sunwah Kingsway Research

Business Outlook: The Mgt expects the acquisition of Fab 5 (12-inch, 55nm/40nm processes) will support further ASP improvement. Solid AI demand has benefited all key technology platforms. Fab 9A is largely completed, while Fab 9B will be the next capex focus with equipment moving-in and trial production starting in October, accompanied by a higher share of domestic equipment. For 1Q26, the Company guides revenue of US\$650–660mn, up YoY and flat QoQ, with GPM of 13–15%.

Our view: The Company delivered robust revenue growth in 4Q25, supported by the ramped-up 12-inch capacity and surging demand for PMIC and MOSFET driven by AI server applications. Healthy demand trends in these high-growth areas are expected to underpin further revenue expansion. However, GPM may face near-term pressure from rising depreciation amid 12-inch capacity expansion in 2025. The counter is trading at 26x FY26E EV/EBITDA. (Research department)

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Durable Goods Orders	MoM		18-Feb-26
Housing Starts / Building Permits	MoM		18-Feb-26
Industrial Production	MoM		18-Feb-26
Initial Jobless Claims	WoW		19-Feb-26
Trade Balance	MoM		19-Feb-26
Wholesale Inventories	MoM		19-Feb-26
Personal Income & Spending	MoM		20-Feb-26
GDP	QoQ		20-Feb-26
New home Sales	MoM		20-Feb-26
Factory Orders	MoM		23-Feb-26
Consumer Confidence	MoM		24-Feb-26
PPI	MoM		27-Feb-26
ISM Manufacturing PMI	MoM		2-Mar-26
Retail Sales	MoM		2-Mar-26
Employment Report	MoM		6-Mar-26
Existing Home Sales	MoM		10-Mar-26
CPI	MoM		11-Mar-26
Business Inventories	MoM		14-May-26
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
PMI Manufacturing	MoM		4-Mar-26
Foreign Exchange Reserves	QoQ		7-Mar-26
Money Supply - M2	MoM		9-Mar-26
PPI	MoM		9-Mar-26
CPI	MoM		9-Mar-26
Trade Balance	MoM		14-Apr-26
Retail Sales	MoM		16-Apr-26
Industrial Production	MoM		16-Apr-26
GDP	YoY		16-Apr-26

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Unemployment Rate	MoM		20-Feb-26
CPI	MoM		25-Feb-26
GDP	QoQ		25-Feb-26
Trade Balance	MoM		27-Feb-26
Money Supply - M2	MoM		27-Feb-26
Retail Sales	MoM		4-Mar-26
PMI	MoM		4-Mar-26
Foreign Currency Reserve	MoM		6-Mar-26
Producer Prices Index	QoQ		13-Mar-26
Industrial Production	QoQ		13-Mar-26
Composite Interest Rate	MoM		

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