

ACM Research, Inc.

Let's Go to Hong Kong!

ACM Research (“ACMR”) released an [8K](#) on Friday with very promising implications for shareholders. The company’s shares trade at a dramatic discount to the shares of its Chinese-listed subsidiary (“ACMS”) which trades on the Shanghai STAR exchange, and market participants have long discussed ways in which this discount could narrow. Our view is that a dual listing in Hong Kong would be an effective way of narrowing the discount, and is the most preferable solution. Friday’s 8K represented a step in that direction, as the company announced that its Chinese subsidiary “ACM Shanghai issued an announcement” to the Shanghai Stock Exchange “that ACM Shanghai is proposing to issue overseas listed shares and apply for listing on The Stock Exchange of Hong Kong Limited (the “H Share Listing”).”

ACMR, the U.S.-listed ticker of ACM Research, Inc., trades at a massive discount to ACMS, its Chinese-listed subsidiary ACM Research (Shanghai), Inc. The market capitalization of ACMR is \$3.6b. It owns 74% of ACMS, with the remaining 26% of ACMS owned by Chinese shareholders. ACMS is being valued at \$11.1b based on the value of its Chinese shares in the Chinese stock market currently, rendering the value of ACMR’s 74% stake to be \$8.1b. So the U.S. stock market is valuing ACMR’s market valuation at \$3.6b, while it owns paper worth \$8.1b. This shareholding is fully transactable – in fact, on February 6, 2026, ACMR [sold](#) a token 1% of its shareholdings at ¥160 per ACMS share for proceeds of \$111m. The transaction price of ¥160 was approximately a 10% discount to where ACMS shares were trading at the time.

Below is the capitalization table of ACMR:

ACMR Valuation	
(\$ in millions except per share figures)	
Valuation	
Stock Price (as of 4/19/26)	\$50.61
Shares Outstanding	66
Dilutive Shares ⁽¹⁾	5
Fully Diluted Shares Outstanding	71
Market Capitalization	\$3,596
Less: Cash ⁽²⁾	(1,159)
Less: ACMS Cash Proceeds ⁽³⁾	(111)
Plus: Debt	288
Plus: Lease Liabilities	10
Enterprise Value	\$2,624
(1) Includes 7.0m stock options with a \$12.10 average exercise price	
(2) Excludes \$8.6m of restricted cash	
(3) On 2/6/26, ACMR sold 4.8m ACMS or 1.0% of its ACMS holding, at 160 yuan per share, for proceeds of approximately USD\$111m.	
Source: Company filings, S&P Capital IQ, Kerrisdale analysis	

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Below is a table laying out the value of ACMR’s holdings in ACMS, and the implied upside for ACMR shares:

Value of ACMR if Valued Correctly	
ACMS shares owned by ACMR	353m
ACMS Stock Price in ¥ (as of 4/19/26)	¥157.40
\$USD / ¥Yuan exchange rate	0.15
ACMS Stock Price in \$ (as of 4/19/26)	\$23.09
Value of ACMR’s ACMS shareholdings	\$8,148m
Fully Diluted ACMR shares	71
Implied Value for ACMR shares	\$114.66
Current ACMR share price	\$50.61
Upside if ACMS holdings valued correctly	127%

So the massive difference between ACMR’s market capitalization (\$3.6b) versus ACMS’s (\$11.1b) implies 127% upside from current levels, or \$115/share.

Thus far, this has all been a somewhat theoretical discussion, which is partly why the huge valuation discrepancy between the two market-derived valuations has persisted. But in reality, this discrepancy can be resolved through corporate restructuring and financial engineering, and there are paths where ACMR shareholders could actually get \$115 in cash, or some similarly much higher number than current trading levels, for their shares, and if the path to this occurring became clear, we anticipate ACMR shares would rocket upwards towards fair value.

We’ve long advocated that the most sensible route to achieving fair value involves a listing on an Asian exchange, preferably Hong Kong because it’s the most liquid and accessible to U.S. shareholders. We’ve advocated this ever since our [first](#) article on ACMR in February 2025 and pitched this to management, who we found receptive to the concept.

On Friday, the path to a listing in Hong Kong may have begun its journey from theory to reality, and the implications for ACMR shares are potentially tremendous.

Why Is a Hong Kong Listing Potentially So Powerful

Fundamentally, ACMR and ACMS should trade in line with one another – they both represent equity in essentially the same operations, sector trends and management. Instead, ACMR trades at a 56% discount to ACMS shares.

One could argue that listed holding companies trade at a discount to listed operating companies, but that discount is typically 10-20%, not 56%.

One can also argue that companies trading exclusively in China can be overvalued because China restricts outside investment in its market and restricts mainland Chinese investors from investing abroad. But that can only be used to explain a modest premium for Chinese

valuations, not a 127% premium. Market access restrictions are partial instead of absolute. For foreign investors buying Chinese stocks, access is allowed through controlled channels, even if the Chinese stock markets are not fully open to all foreigners. The main official routes are the Qualified Foreign Investor (QFI) regime and Northbound Stock Connect through Hong Kong. Mainland Chinese investors are also restricted from investing in foreign exchange markets, and while there are quotas allowed for Qualified Domestic Institutional Investors, these restrictions help explain the premium Chinese shares can trade at.

But that Chinese valuation premium can be attributed to be around 10-30%, not 127%+. This [article](#) from last June in Bloomberg provides a good analysis:

Stocks listed on mainland exchanges, known as A-shares, are now trading at a 27% premium to their counterparts across the border, according to the Hang Seng Stock Connect China AH Premium Index... In the case of some stocks favored by global investors like BYD Co. and Contemporary Amperex Technology Co., A-shares are trading at a rare discount to H-shares, according to calculations by Bloomberg.

There's actually an index called the Hang Seng Stock Connect China AH Premium [Index](#) that tracks the Chinese stock market's valuation premium calculated by comparing the A-shares to H-shares of an index of companies. With 100 being par, a trading value above 100 implies A-shares premium and a trading value below 100 implies A-share discount. The current 118 trading price implies a current A-share premium of only 18%.

An 18% premium for ACMS would imply an ACMR share price of \$97, nearly double current levels.

So an OpCo/HoldCo premium and a Chinese market valuation premium don't explain why ACMS trades a staggering 127% higher than ACMR. The answer, in our opinion, has always been more related to ACMR's listing in the United States, given that the company operates in the geopolitically sensitive semiconductor capital equipment sector. And a Hong Kong listing fixes that.

Let's Go to Hong Kong!

ACMR's U.S. listing is a historical artifact from a bygone era. The company itself was formed by Founder/CEO David Wang more than 30 years ago, and it went public in 2017. Back then, geopolitical tensions between the United States and China over the semiconductor sector were in their infancy, and were little discussed in political and market circles. It's been mainly in the past 5 years that U.S. regulators have stepped up policy actions to curb China's semiconductor sector growth. In turn, China's own aggressive push to localize all aspects of semiconductor production – which is also the massive macro tailwind driving ACMR's operational growth – really accelerated after Covid, directly in response to U.S. rhetoric and regulatory measures. As a result, while ACMR's Delaware corporation and U.S. listing made perfect sense in 2017 – back when Chinese tech companies traded at healthy valuation multiples if they listed on

Nasdaq – they no longer make sense today. Chinese companies with primary listings in the U.S. began to pursue dual listings in Hong Kong, like Alibaba (2019), NIO (2022), and Tencent Music (2022). It's now ACMR's turn to do so.

We think that it is ACMR's corporate domicile in Delaware and its U.S. listing – with no available tradable Hong Kong shares – that account for ACMR's massive discount to ACMS.

Our original idea that we pitched to ACM Research management is that the company pursue a dual listing of its ACMR shares in Hong Kong. Based on the 8k, it appears that the company is instead pursuing a dual listing for its ACMS shares. We're interested to hear the company's rationale for pursuing an ACMS listing as opposed to an ACMR listing, but, nevertheless, both seem like workable pathways to close the huge valuation discrepancy between ACMR and ACMS. Indeed, either option would develop the main thing we need: sufficiently liquid Hong Kong-listed shares fully accessible to U.S. shareholders.

Once such shares exist and are available, there could be a variety of pathways for U.S. shareholders to “convert” their U.S.-listed shares to Hong Kong-listed shares. Maybe the company does an exchange offer allowing ACMR holders to convert their holding company shares to operating company ACMS-HK shares – let's call these new potential Hong Kong-listed ACMS shares “ACMS-HK”. Maybe ACMS-HK does public offerings and uses proceeds to buy back ACMR shares – essentially, the company would be issuing shares at \$115 and doing share buybacks at \$50 (or, more realistically, they'd probably issue shares at a 10-20% discount to \$115, and perhaps do tender offers at a 20% premium to \$50). While there are a variety of scenarios, the company and its investment bankers could come up with creative ways to create a gravitational force that'll pull up the valuation multiple of ACMR to converge much closer to that of ACMS.

We anticipate the company will begin providing further clues on its thinking in upcoming investor communications. But Friday's 8K is a big deal. To us, it signifies that management – after many months of exploring how to utilize a Hong Kong listing to collapse the massive valuation discrepancy between ACMR and ACMS – has come up with ideas that it is ready to actively pursue. We also encourage other shareholders to offer up creative plans on how a Hong Kong listing could be used to unlock value for the U.S.-listed shares. Over the long term, we believe that the goal should be for ACMR to primarily trade in Hong Kong and mainland China, not the U.S. and mainland China, and we anticipate that Hong Kong-listed shares would trade at no more than a 30% discount to A-shares. In fact, since ACMR is an exciting operational growth story with tremendous thematic tailwinds, we anticipate that Hong Kong-listed shares would trade at only a modest 10-15% discount to the A-shares. ACM Research remains one of the most attractive ways to invest in the exciting theme of Chinese semiconductor industry localization.

Shares were up 6% on Friday in trading following the 8K. We think they should be up much more.

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