

Forward looking re

Company Name	Ticker	Mkt. Cap (MM)	Rating	Price	Price Target	Cons. Next FY	Current EPS Estimates			Valuation (P/E)	
							2015	2016	2017	2016	2017
Fuyao Glass	3606 HK	HK\$52,563.6	BUY	HK\$20.95	HK\$24.00	RMB1.20	RMB1.10	RMB1.18	RMB1.24	15.3x	14.5x
Xinyi Glass	868 HK	HK\$29,335.1	BUY	HK\$7.48	HK\$8.60	HK\$0.72	HK\$0.53	HK\$0.79	HK\$0.92	9.5x	8.1x

Industrials
Initiating Coverage
21 September 2016

Initiating coverage of glass sector

U c? c? c? c? dA ? ? ca ? ? ? c? ,U c? ca ? c? ?
c ? cc ? ? c?d ? d? d?0. /4? ?a c ?cb? ? c? -bc b?
b a ? b? c ? ? ?a ,R c?cac ? +a ac? ? c ?a a ? ?
? c cb? ? ? c ,E ? ac? b? b? ? b ?20? c ?c ,G?
bb ? c? c c? c? c c ? ? ? ? c c c? c ? ? ac? ?c ?
bb c? c ?a ,M ? bc ? cd c ac? ?V ?E ?d cb? ?D ?E ? ? c?
c c c?V ?E ? ? c?c c cb? ? c? ?c ? c c,?

i g h	Nce l	Gen "OM h	Ic "fi f oll(	N lan "fi f oll(	O m ri (n lan	) "		) "		PS) n "		I "		c Sc f "	
						,*+0	,*+1	,*+0	,*+1	,*+0	,*+1	,*+0	,*+1	,*+0	,*+1
Af rmi B															
D ?	14. 4FI	4,0	0. ,73	02, .	/3	/3,0	/2,3	0,2	0,1	5, .	4,1	/5, .	/4,6	2,6	3,2
V ?	646FI	1,5	5,14	6,4.	/5	4814	4616	518	516	1	19	4 16	4 16	716	71
D ?	4643FI	. ,2	/,7.		LA	4313	19	513	4	16	14	531	5513	719	817
I a						3,4	3,1	. ,6	. ,6	d	d	/7, /	/5, .	d	d
						++(+	3(-	+(1	+(0	2(-	1(/	+3(+	+2(-	/(+	/(-2
Af rmi															
J ? ?	4. . 654AF	/,1	03,4/		LA	d	d	d	d	d	d	2,3	4,0	d	d
D ? ?	4. . 44. 2AF	4,0	/4, /7		LA	/1,7	/0,1	0,1	0, /	6,7	5,5	/4,7	/5,6	2,5	3, /
AE ? b	 /00AF	0,7	/ /,1/		LA	06, /	00,1	0,5	0,4	/1,0	/ . ,2	7,6	/ /,3	0,5	0,5
X ? ?	4. /414AF	/,3	1,52		LA	/2,6	/3,2	/,4	/,3	6,3	5,4	/ /, /	/ . ,4	d	d
H ?	4. . 364AF	/, .	2,31		LA	2. , /	10,4	/,4	/,6	7,4	6,7	1,6	2,2	d	d
I a						. , 6	0+(1	- /	- 6	++(+	2(0	0(1	3(+	-(1	-(3

Q ac8A ? ? ? ? c ? c ? L A ? ? ? c ? ? ? ac ? ? ? d?0. ?Q ,?0. /4?

U c? c? ? ?NR? cb? ?QMRN? ? c b ? ? ? ?
c ? ? - -a a ? ' ? ? / / ?0. /5?c ? b?V ?Q ? ? c?
a c ? c ? ac ,M ?NR? dFI "6,4? c ? ? ?0. /5?N? ? b?0, . ?0. /5?N? ?
c? c? a ? c c ,V ?E ? ? ? ? c cb? ?a ? ? ? ? d?
d ? c ? b a ?6. ' ? b?c c ? ?b ca ? c cd ?d ? c?cac ?d ?
? ?Q? c? b? c ? ? ?a ,U c? ca ? c? ?c ? c? ? ?
/F /4? ?a c? ? c? a ? d? c? -bc b?b a ,R c?a ? b?
c? ? c ? c cda ?d ? ?a ? c ?b ?d c ,V ?E ? c ? c?
a c ? b ? ?6 ?0. /5?N? ? ?b bc b? c b? d? ? a ? ? a c,?

U c? c? ? ?NR? cb? ?BAD? ?6,7 ?U AA ,M ?NR? dFI "02, .
c ? /4 ?0. /5?N? ? b?0,5 ?0. /5?N? ,?D ?E ? ? ? ? c? ?
da c ?b ca ? c cd ?d ? ? ? ? c ? ? ?A ? b? b bc?
U c? c?D ?E ? c? ? ? ? c ? ?c c ? c? c? Q? b? c?
c ? ? c ? ? ? ? bc?d ? c+bbcb?d a ? c ,?D ? b? ?
c cd ?d ? ?a ? c ?b ?d c ,F c c ? c? c c ?a a ?c ?
a b? ? c ? c ? ? ? c? c ?c ,?D ?E ? c ? c?a c ? b ?
? /2 ?0. /5?N? ? ?b bc b? c b? d? ? ? ? bc c ? a c ? ? ? c ,?

Risks

? / ' ?L c ? b ? c ? ac ?20' ?a c? ? ? ac?b c? ?
c ? ? ?b?c ? ?a c ac c ?d?c ?a a ? ?K ,?

/ ' ?B c ? ? c c ?a a ?c ?20' ? a c c? ?c c c ?b c? ?
c c ?a a ?c ? ? ? c d ?a c ? ? ? c?d a ? ? c c

?

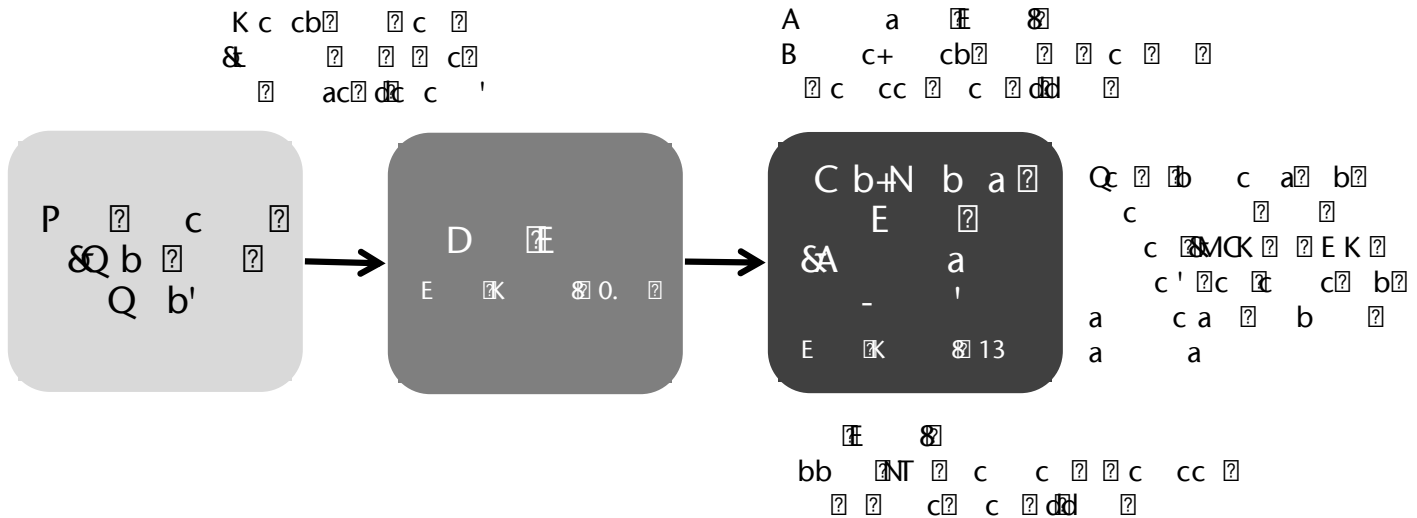
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Industry overview

R c? c? a? ? c? ? b? a? c? b? bcb? ? cc? 8? ? c? ? b? ?
 ? ? b' ? ? ? b? b+ b a? ? a? a? ? ? b? ? ? ?
 c ' ,V ? b?D ? a c? ? c ? ? c ? ? c ? da c? ?
 ? b? c ? ? c c? ? c b+ b a? c ,V ? c ? c? d? d? ? ?
 b ca ? ? a c ? b? da c? c? c bc? ? c b+ b a? ? 86. ' ?
 c?D ? c ? ? d? d? ? ? c ? ? ? da c? ? c b+ b a? ?
 ? ? a c ,C b+ b a? ? ? ? c ? ? ? ? ? b? c? ? c ?
 a b cb? c? c ? ca a ? + ? b? b? c? cb? c ,m



Q ac?A ? ? c ?

Float glass demand/supply dynamics

Float glass demand

U c? ?d ?c c? c? -bc b?b a?d ?d ? ? c? c ?a ?
 a c ? d? b+ b a? ? aa ?d ?1. +3. ? d? b+ b a? ? a ,G?
 A ? c? c ?b c ?d ?d ? ?bc b? ?a a ? aa ?d ? 5. ? d?
 c? ?d ? ?bc b,Q ? ?d ? ?ac c ?bc b? ?A ? ? ?
 b c ? ?c ? c? b? d a c? ? c? ?c c ? aa ?d ? c? ?
 4. ? d ?ac c ?bc b? ?A ,?A ?/? ?A ?d ? ? b?ac c ?
 bc b? ??c ? ?a c ? ?P? c? d ,72? ? c? ? c ? ,



?



Q ac8E A Htt c ? c ?

[illegible]

on 'I l nd h

M c A a WWA ,

li o nd h

WW
S P c

g h

g

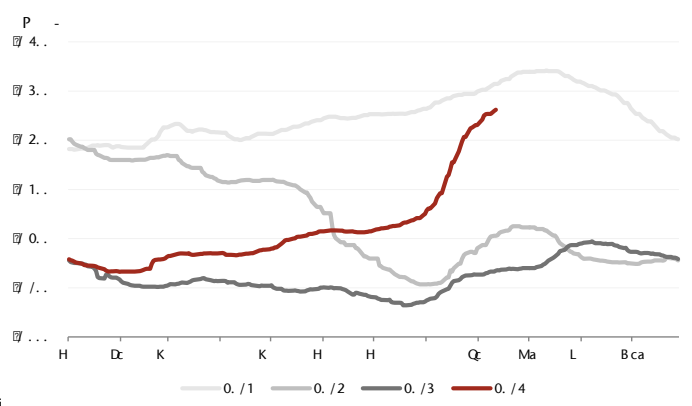
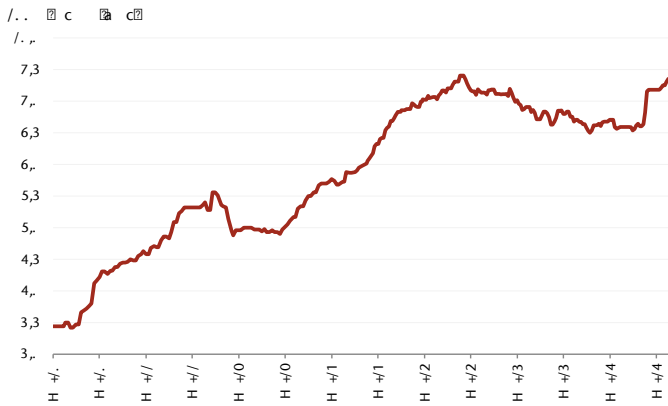
A a

B c a c

C

M c

Q ac d U b A



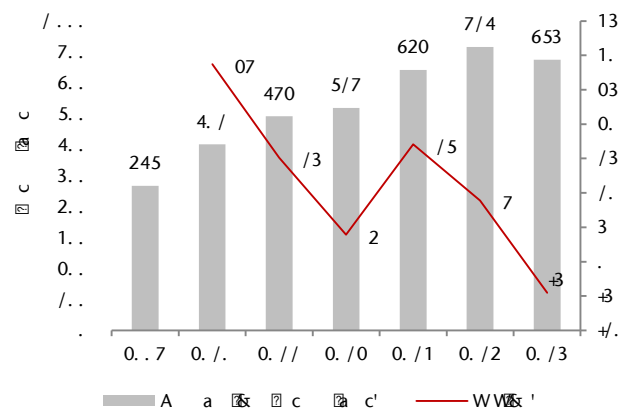
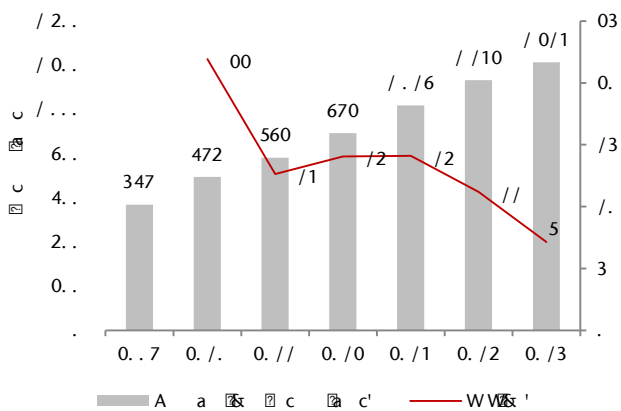
Q ac8U b1tt c2

Q ac8U b1tt c2

Q 2 2 c2 a2 c2 b c2 c2d 2 2 b 2 2 cc 2da 2
c 2 2 c2d 2 c2 2a c2 d c 2Bc c2 c2a cb2cd 2 2 c2
c c 2 2 c2 b2a a 2 c2 ca 2 c2 2 d c 2a a 2 2 2
ac2b c b2 2 2 2 2 b2 2 c c2 2 2 ac2 c 2 c 2
2 c2b 2c ca 2 Q2 2d 2b a 2 2 c20. /2,2GR c22 2 c2 2 c2 c 2
a 2 ac 2d 2 2 b 2a a 2

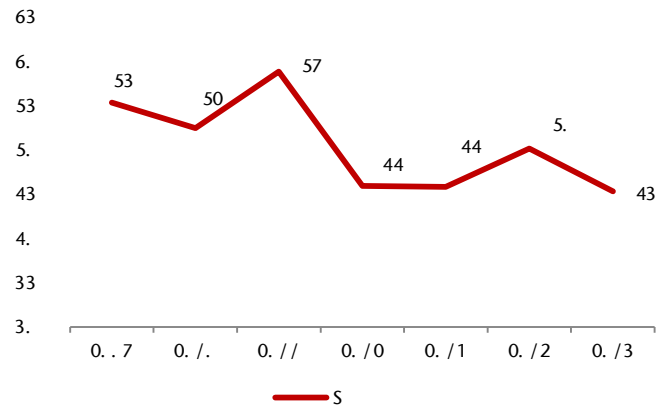
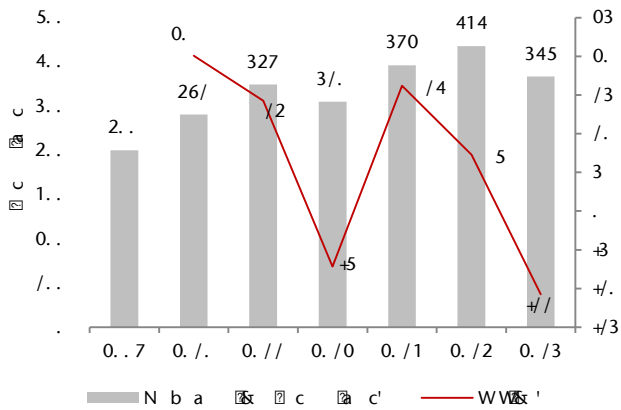
0. /42	E b ac2 2Ga c 2C2a c a 2 b2 Q c2A a 2 Qc b 2 2 d c2 b 2 K c 2Gb 2	L 2 c 2 c 2 2 2c ac c 2 20.0.2
0. /32	C 2 R c 2 d a b2 K 22 A a 220. /3'2	J cb2 c2 c2 b2 c2 da c 2 2 a b2a a 2
0. /12	E b ac2 2Pc c2 c2Q 2 Q c2A a 2 M c a a 2G c2	C c20. 2 c 2a c2 d a b2d 2 2 b a 2a a 2 2
0. /2	L ac2 d2 c2Q c c 2 Q c2A a 2 c2C 2 d a b2 N b a 2A a 2	C c2 a b2d 2 2 b a 2a a 2 2 2 b 2 ac 2

Q ac8Q c2A a 2K 221tt c2



Q ac8U b1tt c2

Q ac8U b1tt c2



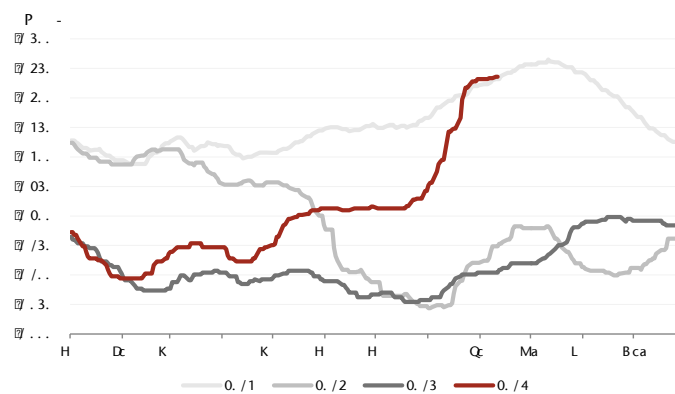
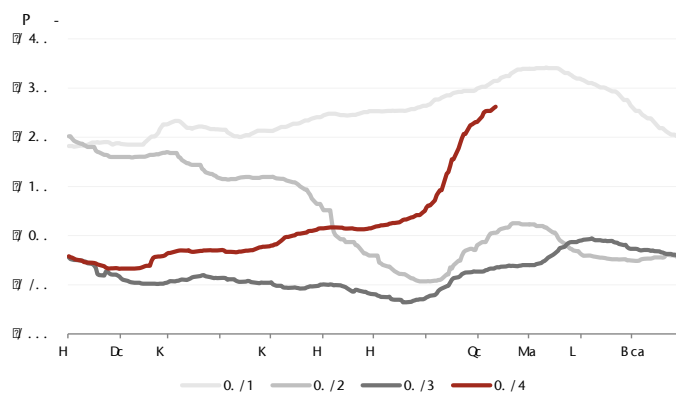
Q ac8U b 11dt c 2

Q ac8U b 11dt c 2

Glasses prices – ASP

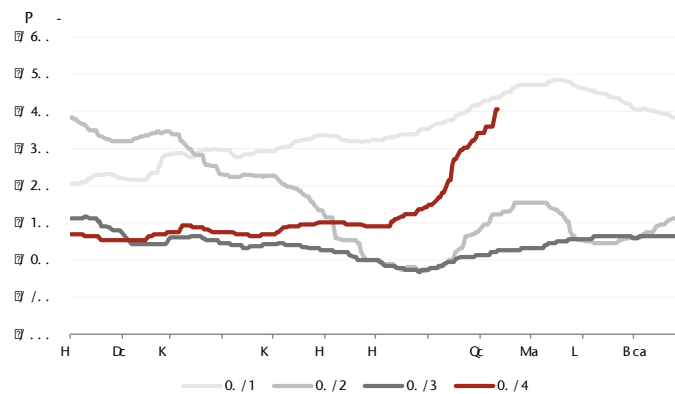
R c 2 2 a a bc b2a c 2 2 2 c 2 2 2 2 da c 2 2 c 2
 2 c 2 d c 2 c b a b c 2 2 a c b 2 2 2 c 2 a a 2 2 2 c ac 2
 dc 2 cc 2 c 2 c c 2 b a 2 20. / 3, 2A a 2 bc b 2 2a cb 2
 2 2 2 bc b 2 2 2 c cb 2 2 2 a 2 c cc 2 bc b 2 b 2 2
 c b 2 2 2 ac 2 2 2 03 2 VRB, 2U c 2 c c 2 c 2 bc 2 d 2 b 2
 2 20/4 2 2 2 c 2a bc 2 c 2a cb 2 2 2 c 2 2 2 Q 2 b 2
 b 2 2 2 c 2 b 2 20 2 c 2 c 2

F c c 2 2 2 c 2 d bc + cb 2a a 2 b 2 c 2 c 2a a 2 2 c 2 c 2 ac 2
 c 2 c 2 2 2a c 2 2 2 b 2 2 c 2 c 2 2 c 2 c 2 c 2 b 2 2 2 c -AL V 2
 b , 2



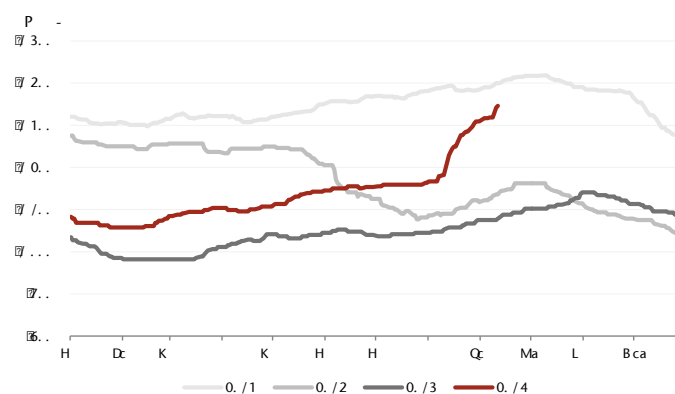
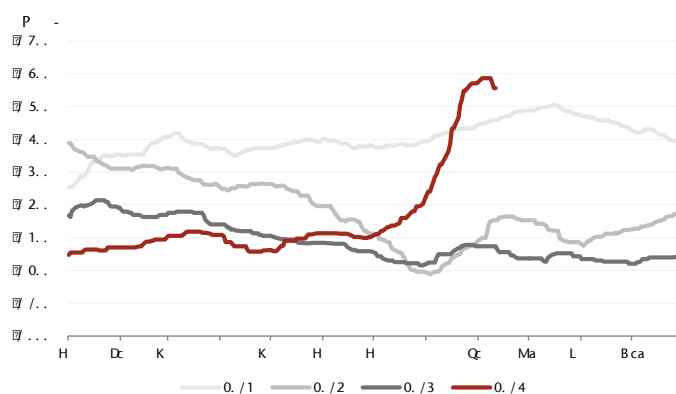
Q ac8U b1t c 2

Q ac8U b1t c 2



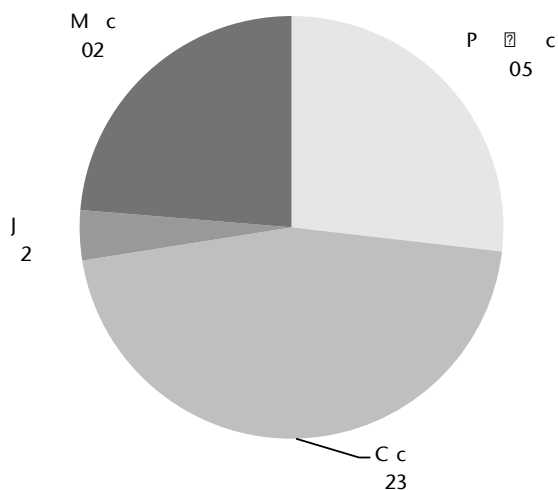
Q ac8U b1t c 2

Q ac8U b1t c 2



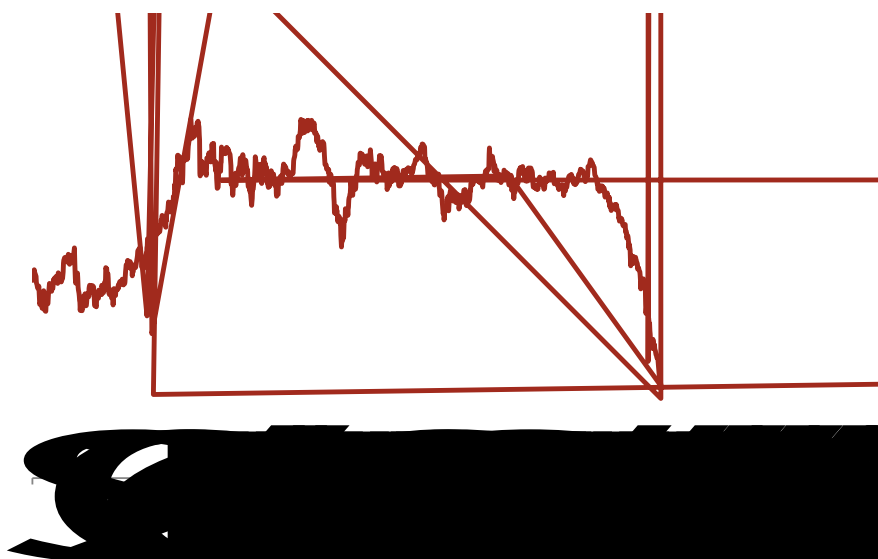
Q ac8U b1t c 2

Q ac8U b1t c 2



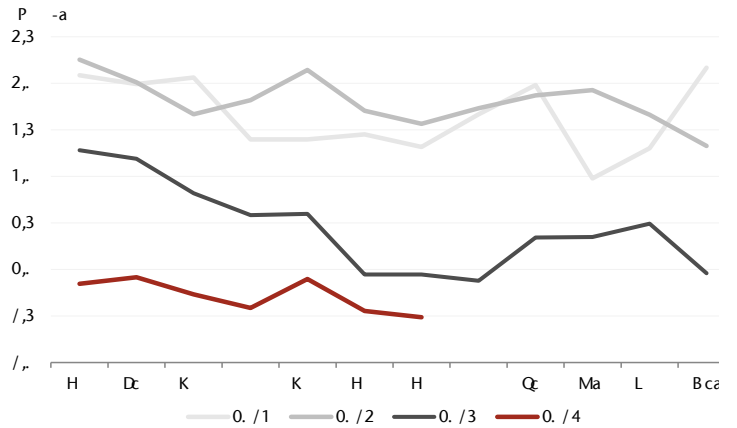
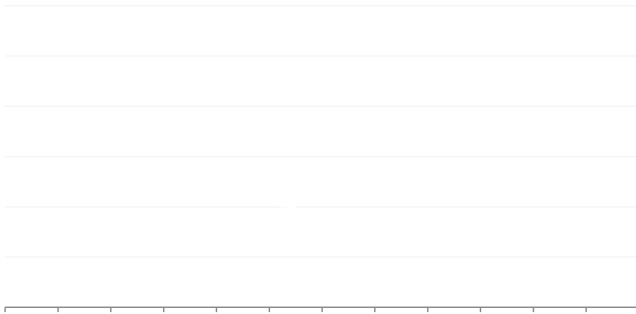
Q ac8A 1b 1c c ?

2D 2 b2V 2 c2 2 2 c2 2 ac2 2 c 2 c 2d 2
 b a 2b c2 2 /' c c 2 a 2 b2 02 a ac2 2 c2 c 2
 c c 2 ac 2 2 2 c2a 2 c2 LE2 c2 b2 2 2 c2
 2 cb2 2 2 c2 LE2 2 c2 2 c2 c 2 2a c cb2 2 2 ac' 2 cb2
 2 2 2 c2 2 c1 BPA2 cb2 2 2 ac2 2 2 24++0+ 2 2 2a c2 2
 c2d 2 2 ac2 2 OF/2 2 c1 BPA2 acb2 2 0. 2 cb a 2 2 2 ac2
 2 c c 20. /3, 2 2bc b2 2 2 ca c cb2 ac2 c2a 2 2 c c 2 2 2 2
 2 2 da 2 2c c 2 aa b 2 2 2M 2 b2 2 2 2W 2 2cc2 c c' 2 2 c2
 c c 2 2 2 2 c c c2 c2 2 ac2 2 c 2 bb c2 c 2a 2
 a 2a 2 c2 cb2 2 c 2 2 b c 2b 2 b2 aa 2d 200 2
 d2 c2c 2 2 ac 2 2 2 c2 2d 2 c 2 2bca c2 2 2 2a 2c 2
 dV 2 2 b2D 2 2a 2 a c c2 2 2 b2 2d 20. /5 2c ca c 2
 2



Q ac8 c 110 c 11

?



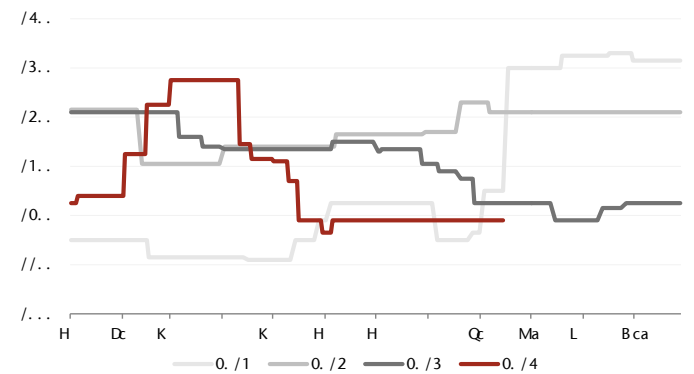
?

Q ac8U b1t c ?

Q ac8U b1t c ?

R c? c? ?a ?a c ?d ?d ? ? ? b ? ? 0. ? ?a ? R c? c ?
 ? ac? ? b ? ? ? cc ? ? ? c? - ?/? ?W? c? ? c?
 ?d c? c ?E c ? ? b ? ?aa ?d ? ? 0. ?d ?a ? c? a ? ?
 c ? ? ?d a c ? ? c ? ? 0 ?c c ? c ? cb? ? ?a ?
 ? c? b? ca ?a ?d b ? ? ? c? ? ? b?

?



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Q ac8U b1t c ?

Q ac8U b1t c ?

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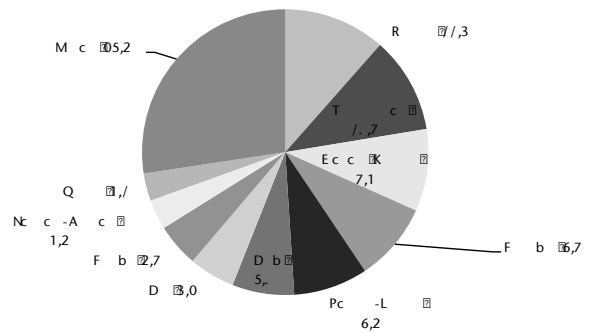
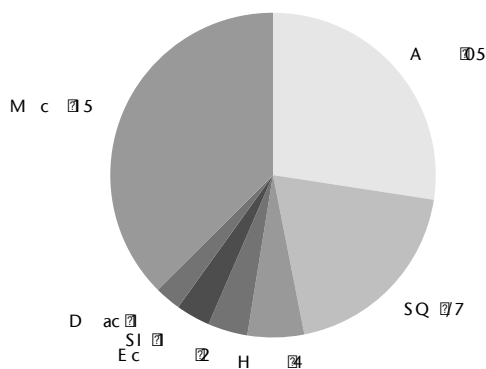
Q ac 80AG7 1111 c 1111
U 2 c 2 2 2 ac 2a 2b 2 b2 2d 2 2 b 2 2a 2 c2c ca 2
c 2d 2 2a 2 2a c2b 2 25 2 b2 2WV 2V 2 b2D 2c b 2 2
/0 2 b24 2c 2 2 c 2d 2 2 2 2 20. /4,2F c c 2 2
c 2 b2 2 2 /40 2 20. /52 c 2 c2 c c 2 c 2 2 2 ac 2
d c 2
2

Global automotive glass industry

R c 2 2 2 c 2 2 cc 2 2 2 2 c 2 2 2 c 2 2 c 2 2 A 2
 b 2 c 2 SQ 2 2 aa 2 d 2 23 2 d 2 2 c 2 c 2 2 0. / 3 2 P b 2 c c 2
 & bc c bc 2 c 2 c c a 2 cb 2 2 D 2 F + c 2 2 M 2 c a 2 2 2 c 2 2
 2 2 2 b 2 c a 2 7. 3 2 c a c 2 2 0. / 6 2 C 2 b c 2 2 c 2 a a 2 c a c 2
 2 c 2 SQ 2 b 2 C c 2 b 2 a c 2 b c b 2 c c 2 c 2 F c c 2 c 2 b 2 2
 c 2 a c c 2 ac 2 b 2 c a 2 2 2 c 2 2 2 2 1 2 c 2 2

Q ac 8 MAG 11 c 2

G 2 c 2 d 2 2 b 2 c 2 c 2 c 2 R 2 2 b 2 T c 2 c 2 c 2 c 2 2 c 2
 b 2 2 / 0 2 b 2 / 2 d 2 c 2 2 c 2 c 2 2 R c 2 + / . 2 b 2 aa 2
 d 2 53 2 d 2 c 2 2 2 b a 2 2
 2

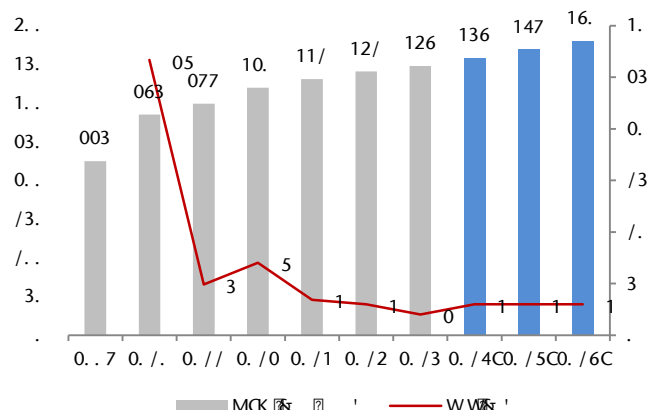
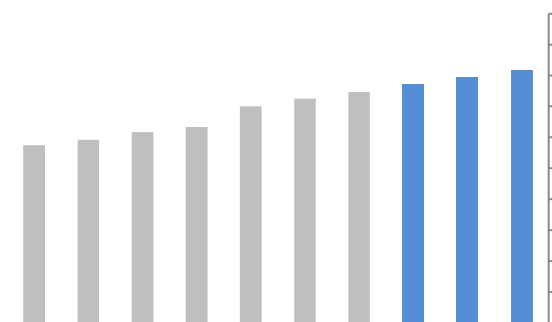


Q ac 8 P b 2 c c 2 Pc 2 A 2 b 2 11 c 2 2

Q ac 8 P b 2 c c 2 Pc 2 A 2 b 2 11 c 2 2

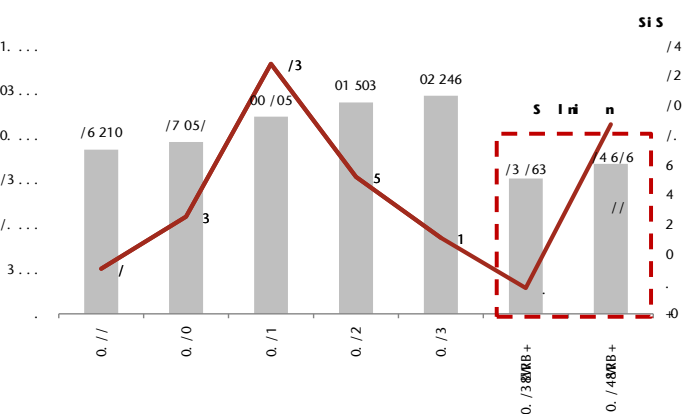
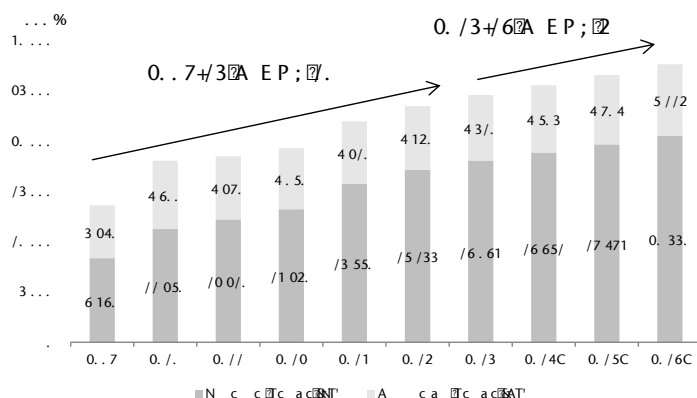
2

R c? c? d? c? ? ? ? c? ? ?21. ? c? c c? ?0. /3 ? ?
 ?c c ? d a c ?8MCK '0 aa ?d ?6. ? d? c? ? c ?U c?
 b? ca? ? ? c? ?cc? ? c? ? ? ? c ?R c? c b ? d?
 MCK ? b? dc c? c ac c ? ?& PE '0 b? ? c ? c? ?MCK ?
 aa ? d? ?6. ? d? c? ? ? ? c ?



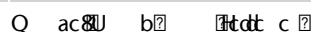
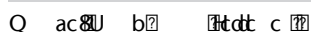
Q ac8A 1b 1c c ?

P b2 c c bc bc ? c2 c a ? cb2 3D 't ca 2A ? ? c ?
 ? 5 2A EP2 01/ ? ? 10. /6C2 a d c ? ? c ? ? ? b a ?
 2ARB ? ? b a ? ? 2A ? ? // 2WWa accb ? c ? ? ?
 c ? ? 10. /3F c c ? c2 b 2a c c ? ac2 b2 ca 2A ? ? c ? ?
 ? ? b2 ? d b2a ? ? c d ? ? c ? ?



Q ac8A 1b 1Hdc c ?

c c ? ?A ?a ? c ? ? c? b ? c ? 203 ?c ac ? b? 20. /3? b?
c c ? ?a ? c ? ? c ? ?H ? ? a ?a c ? b? b ?
c cc ? b? da ?ac c ? ?A ?NT? c c ? ? c ? ?a cb?
?bc c cb?a c ,?A %? c c ?a ? c c ? ? ? c c?5,6? c ac ? c ?
. . ? c c ? ? d. //x c 5 Q ? ? 5.' ?



U c c c a 2A 2MCK 2 c 2 c 2 c 2 2 2A E P 2 2 2
a 2 c c c a c b 2 2 dA 2 c 2 b a 2 2 b c 2 2
a c c b 2 c 2 d c 2 2 c 2 c a c b c 2 2 a c 2 2 d c a c 2
d 2 2 c 2 2 c 2 a c 2 b c b d 2 2 c a c 2 b 2 c + b b c b 2 c a c 2
2 b c c 2 U c c c a 2 2 d 2 c a c c 2 2 PE ' 2 A 2 2 2 2
b c b 2 c 2 2 c 2





Q ac8A b b c c c ?

?

? ? b ? ? ?c ? ? c ? ?c ? ? +c ? ? c ? c ?
 MCK ?a ?c ? ?a ?c c ?c ?c ?c ? ? b ? b acb ?ca ? ? cc ?
 c ? ? c ?ca ?a ?c ?c ?c ? ? c ?c ? ? ? ? ? c ?
 ? a ? ?c ?a ac ?b ?a ?b ? ?d ? ? ? ?c ? ?d ? ? c ?
 aa ? ? ?5 ? ? ? ? ? c ? b ?c ? ?d ?c ? c ?aa ? ? ?3 ?
 d ?A ? ? ? ?c ? ? ?c ? ? ? ? ? ? ? ?c ? ?c ? ? ? ?c c ?
 c ? c c ? ? ?c ?a ?b ? ? ? ? ?d a c ?



Q ac81D



G? c ? d? a ? d ? ? b? ? ? NT '2 c? c? ? ? a ?
 a ? c ? d? ? ? b a ,D ? ? aa d? ? c ? d
 c? b a ?a ? bNT ? aa ?D ? d? c? cb? c? ?
 b a ,? c? ? d a c ? c c ?c c ? +c ? ?a a ?
 ? NT ? d a c ,? ? ? c ? b a ?a ?D NT ? ? cc ? ?
 a c c? d? ? c? ? ? c ? c? ? d? c? ? cc? c ? aa b ? ?D ,?
 U c? ca? ? ? ? b c ? ? c ?a ? d? ? ? ? /4?

Construction glass overview

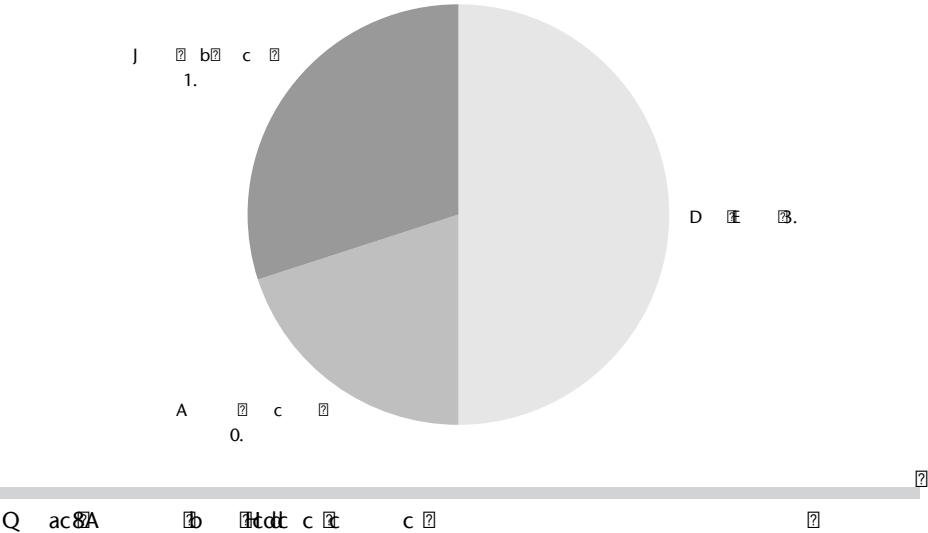
A a 2 2 2 cb2 2 c 2a c a 2 b 2 b2 d a c2 ca 2
Q 2 2ac c 2 bc b2 d 2 a a 2 2a c 2 c 2 2 2 c 2
a a 2 a c 2 2A 2A a 2 2 2 c 2b c a 2 2 c2
c 2 2cc 2 2A 2. 2 b2A 22/ 2 c 2a a 2 a c 2 2/F/42 c c2
c 2 2c ca cb2 b2 c2d 2 ca c cb2d 2 c2 2 c2 2 2
0. /3,2 2cac 2b 2 2 2 2d b 2 2 c2 2 2 2 c 2
cb2d 2 ac2 2 2 cb2 21 2d 2 2 c 2 c 2 2/2 2 c2
2d 2 2 ac2 bc 2a a 2 2 cb2 2B 2U c2 2 c2 2cac 2
a a c2 2 2 c cb,2Bc c2 c2cac 2 c 2 ac2a 2 c c 2 2L 2
Q 2x b2 ca 2 2Q ' 2 c2 2 c2 bc2d 2 b2 2 2
20/42 2 b2 2 c2a bc 2 c 2a cb2 2 2 c 2

G bb a c a a a c d a c c
a a a +c x +c 'j +c a a
b bac a a ca a R ca a j +c a
c bcb a c c d c b d cb a a
c c c d c c c bcb a c c c
c b bac c c c c c b a b c a c c
c c c b c +c a dcb cc b c a

R c c c acb ac c c c d +c d c
aa b a c C c Bc c c Q c a N 20. /2+0.0. ' acb
cQ cA a B. d c b bc c cb a c b cc cc
b a bc 10.0. K Q a acb a a c c d
cc b c c c cc b c aa d
0. d b c c 10. /6,

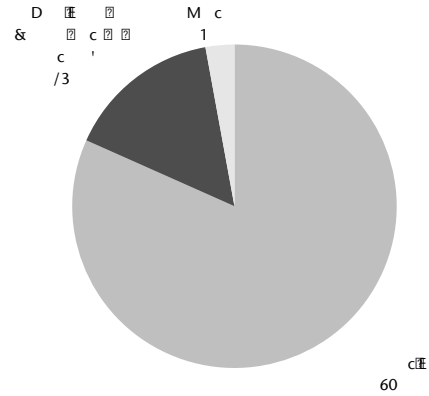
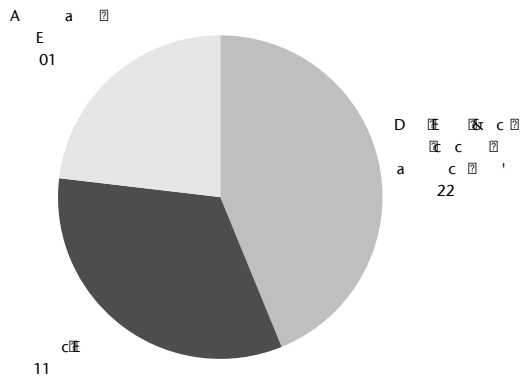
N a a a c c c c ca a
+ c c c c b c c c Nc c
bca c acb c c c a b b d c c c bc ba b
a u c b c ca a a a ac c c a b a c
b c c c c a

G c a d a a c d +c a a
b a aa d c d c b a a A
c aa d a a a b a b a da c
c c +c a a a c da c A
c ac c c c aa b V u c ca c b c
c a d a 10. /4,



Financial comparison

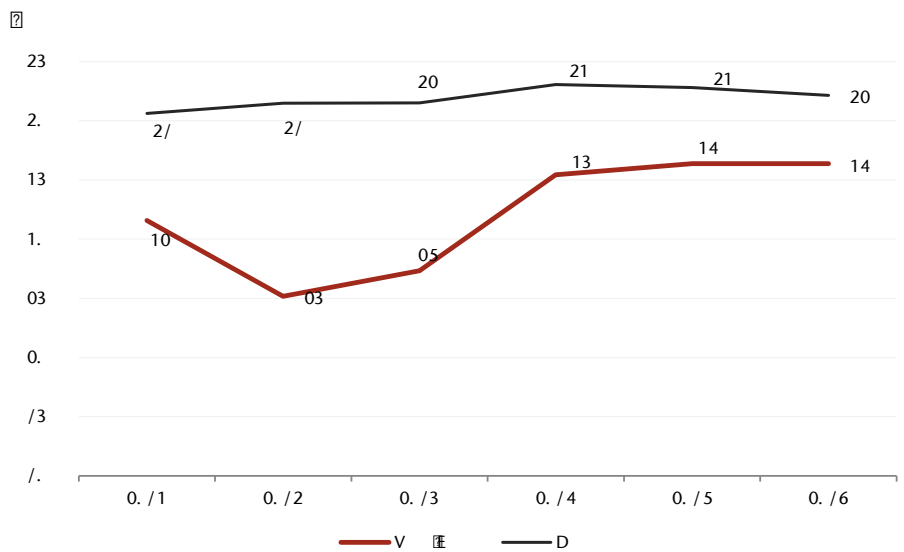
V E c 2a 2d 2 2 2 b2a a 2 2 2d 2 2
 aa 2d 2 c2 22 2 d c 20. /3 25 c2V E 2 2 2d 2
 d 2 2 2 b2 c 2d 2 c2 d a 2d 2 2 22c 2 2 2d
 D 2E 2 c 2a c 2d 2 2 2 c 2 23 2a 2d 2 c 2
 a b 2 a ca c2 b2 c 2a 2 c 2
 2



Q ac8A 2b 2d 2 c 2

Q ac8A 2b 2d 2 c 2

V 2 2 2 2 c 2 2 c 2 2d 2 2E K 80. '2 aa 2d 2
 c 2 2d 2 c 2U c2 ca2V 2 2 2 2 2 b2 da 20. /4 2
 b c 2 2 c 2 2a 2 b2 b 2a 2D E 2 22 a 2 c 2 2
 2a cb2 2V 2 2 2d 2 c 2a c2d 2 c2 c 2 2 2 2
 &2. '2U c2 c2Q 2d 2 2 2c c 2 c2 2 2 da c 2 2 2
 +c 2a a 2 2 2a c 2a 2 2 2a c2b 2 2d 2 2
 aa 2d 213 2d c2a 2d 2 2
 2



Q ac8A 2b 2d 2 c 2 c 2

2

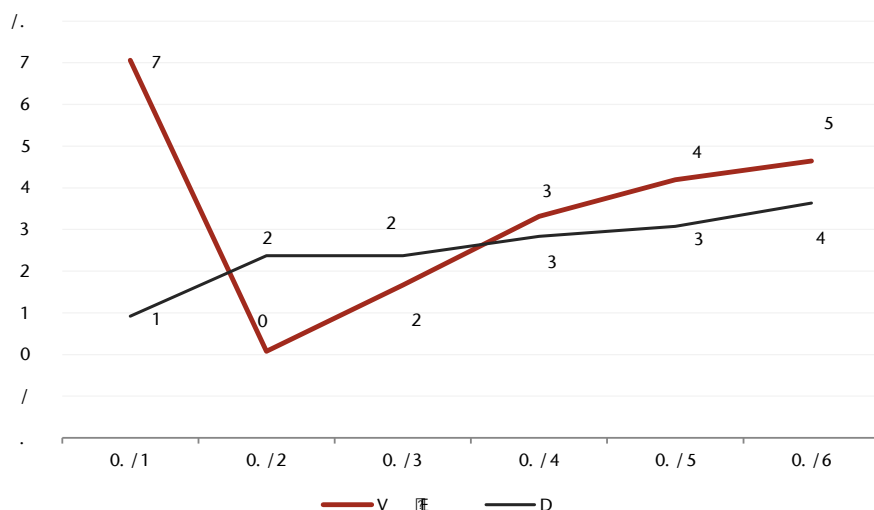
2

U c₁ ca₂ V₃ ? b₄ D₅ ? ? cc₆ ? c₇ ? ? 10. / 4 b₈ c₉ ? c₁₀ ? ?
b₁₁ b₁₂ ? a₁₃ ? ? c₁₄ ? ? ? QN₁₅ R₁₆ c₁₇ c₁₈ ? c₁₉ ? b₂₀ c₂₁ c₂₂ ? d₂₃ c₂₄ ?
a₂₅ ? c₂₆ c₂₇ ? U c₂₈ ca₂₉ V₃₀ ? PM₃₁ ? c₃₂ ? c₃₃ ? bc₃₄ ? d₃₅ ?
a₃₆ b₃₇ ca₃₈ c₃₉ d₄₀ c₄₁ ? d₄₂ c₄₃ ? c₄₄ c₄₅ ? QN₄₆ ? d₄₇ b₄₈ R₄₉ c₅₀ accb₅₁ d₅₂ ?
D₅₃ ? GM₅₄ ? c₅₅ ? c₅₆ c₅₇ ? ? cb₅₈ d₅₉ ? c₆₀ c₆₁ a₆₂ a₆₃ ? c₆₄ ? ? c₆₅ S₆₆ Q₆₇ b₆₈ ?
P₆₉ ? c₇₀ ? c₇₁ b₇₂ c₇₃ ? PM₇₄ a₇₅ b₇₆ c₇₇ d₇₈ c₇₉ c₈₀ ? c₈₁ ? ? c₈₂ ?
c₈₃ ca₈₄ cb₈₅ ?
?

V	05	//	/5	0/	0/	0.
D	02	03	/4	/5	/5	/5
V	11	/1	/6	02	04	05
D	/5	/5	/7	/7	/6	/5
V	. ,3/	. ,30	. ,31	. ,33	. ,32	. ,30
D	. ,56	. ,55	. ,33	. ,36	. ,4/	. ,43
V	/ ,4/	/ ,5/	/ ,46	/ ,37	/ ,31	/ ,26
D	/ ,65	/ ,70	/ ,3/	/ ,31	/ ,33	/ ,35

Q ac8Htot c ? c ?a ?b ?

d 2V E ? b?5. d D E ,B bc b? ? ? cc ? ? ? c b? ac?
0. /0,R c?c ac ? B bc b? c b? dV E ? 0. /1? B c? ? c? ca ?
b bc b?cac cb?d ? c? + d? dV Q ?



Q ac8A 1b 1c 1d c 1e

Xinyi Glass (868 HK, Buy, PT HK\$8.6)

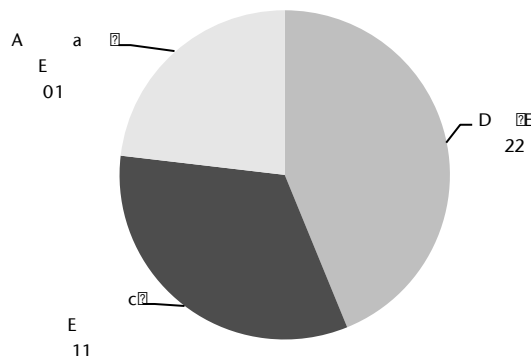
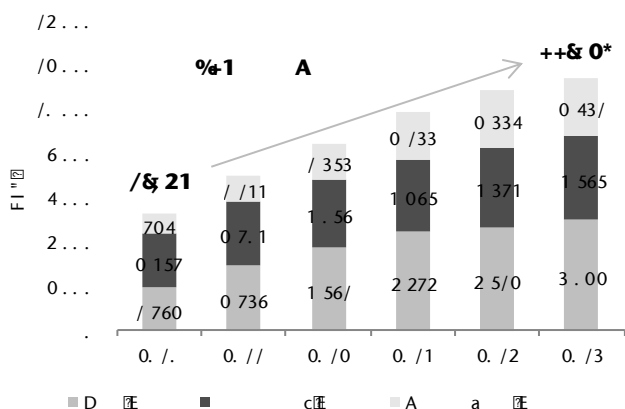
V 1E 22 2 c cb2 2a 2 2 2 d2 d2 2 2 b a 2x6. '2
b2c c 2b ca 2c cd 2d 2 c2cac 2 Q2 c2 b2 c 2 2 2a ,2
U c2c ca 2 c2 2c 2 c2 2 2/F/42 2a c2 2 c2 a 2 d2 c2
-2bc b2b a ,R c2a 2 b2 c22c 2 c cda 2d2 2 2a 2
2b 2d c ,2U c2 cd 2V 2E 2 2D 2E 2 2 2 2 c2c c cb2 2 c2
2c 2 c c ,2V 2E 2 2a c 2 b 2 26 20. /52N2 2b bc b2
c b2 d2B 2 a 2 2 a c 2 cb,2U c2 c2 2 2 2 2 b2NR2 d2
FI "6,4,2

2 Q2 d2 2 2 2 c2 2 2 /. 2 2 2
c 2b c 2 2 c 2a a 2bc b,2U c2 2 c2 2cac 2 c 2 -2
a a c2 2 2 c cb,2Bc c2 c2cac 2 c 2 ac2a 2 c c 2 2L 2
Q 2x b2 ca 2 2Q ' 2 c2 c c c2 c2 bc2 d2 2 b2 2
2O/42 2 2 2 c2a bc 2 c 2a cb2 2 2 c ,2U c2 c c c2 2 Q2
b2 b2 2b 2 c2 b 2O2c 2c ,2

2R 2a c2 2 c2d 2 2 ac2 2F/22 c2
L BPA2 2a 2 2 2 ac2 2 0. 2 a 2 2L c c ,2U 2 c2a 2 2bc b2
2 2ca c cb,2W2F c c 222 2 2 222 da 2c c 2aa b 2 2 2
M 2 b2E 2 2 2W2xccc2____', ,R c2 c c 2 2 2 2 c c c2 c 2 2
ac 2 2c 2 c2 bb c2 c 2a 2 c2a 2 2b 2 c2 2 c 2 2
b c 2b 2 b2aa 2 2O2 2d2 c2c 2 2 ac ,

2V 2E 22 c2 c 2 c 2d2 + 2d 2
2 2A ,2S c2D 2E 2 c2d 2 2 2 2 da cb2d 2 c 2
c 2 2 0. 2 d2V 2d 2 2 2 cb2 c 2 2 c2c bc 2 b2c c 2
2 c 2 2a c 2d 2d c 2 da / d 2

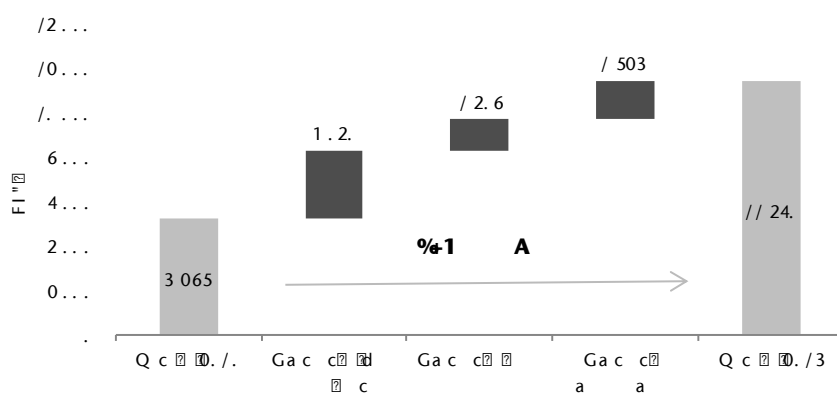
V ?E ? ? ? c cb? ?a ? ?d ? ? b?a a ? ?
a a c ? a ?A ,C? ? c? c ? c ? d + ?d ? ? ?A ? b?
? c? c ?c c ? d c? ? ? c? dc c ? ca ,S c?D ?
c?d ? ? ? ? d a cb?d ? c ? c ? ? 0. ? d? ?d ? ?
? cb? c ? ? c? c ? b?c c ? ? c ? ?a c ?d ?d c ?
d a ?



Q ac8A 1b 1Hdt c ?

Q ac8A 1b 1c c ?

2
 G 2 c 2 d c 2 c 2 V E 2 c 2 c 2 b c 2 2 c 2 a 2 2 a c 2 2
 2 c 2 a a 2 D 2 2 b 2 a a 2 2 a a c 2 c 2 a c c b 2 2 4. 2
 11 2 b 2 /3. 2 c 2 c 2 c b 2 c ca c 2 2 Q 2 d c 2 2 bca c b 2 2
 c c 2 c 2 c 2 c b 2 c 2 a c c 2 2 c 2 2 c b 2 2 d 2 2 c 2 2 c 2 2
 b c 2 2 2 c 2 d 2 2 2 cc 2 c 2 c 2 c 2 2 b c 2 2 c 2 2 d c 2
 c 2 a 2 2 2 2 2 2 d c 2 a 2 2 2 c 2 2 ,
 2



Q ac8A 1b 1c c ?

D ? ? ? c? c ? ? ? c? cc? b a ? ? c c? ? c ? c? c? c? c? ca a ? + ? c cb?d ? ? c? ? ? c? ? c? c ? ? c c ? ? 2. ? d c? a ? d? ? ? a c ? ? c ? ? c cd b ca ? d ? c? c ? ? ? ? ac? c? ? ? c 9 c cd c ? ? ? ? c bcb? ? c? ? a cb? ? c? c ? ? ? ? b a ?

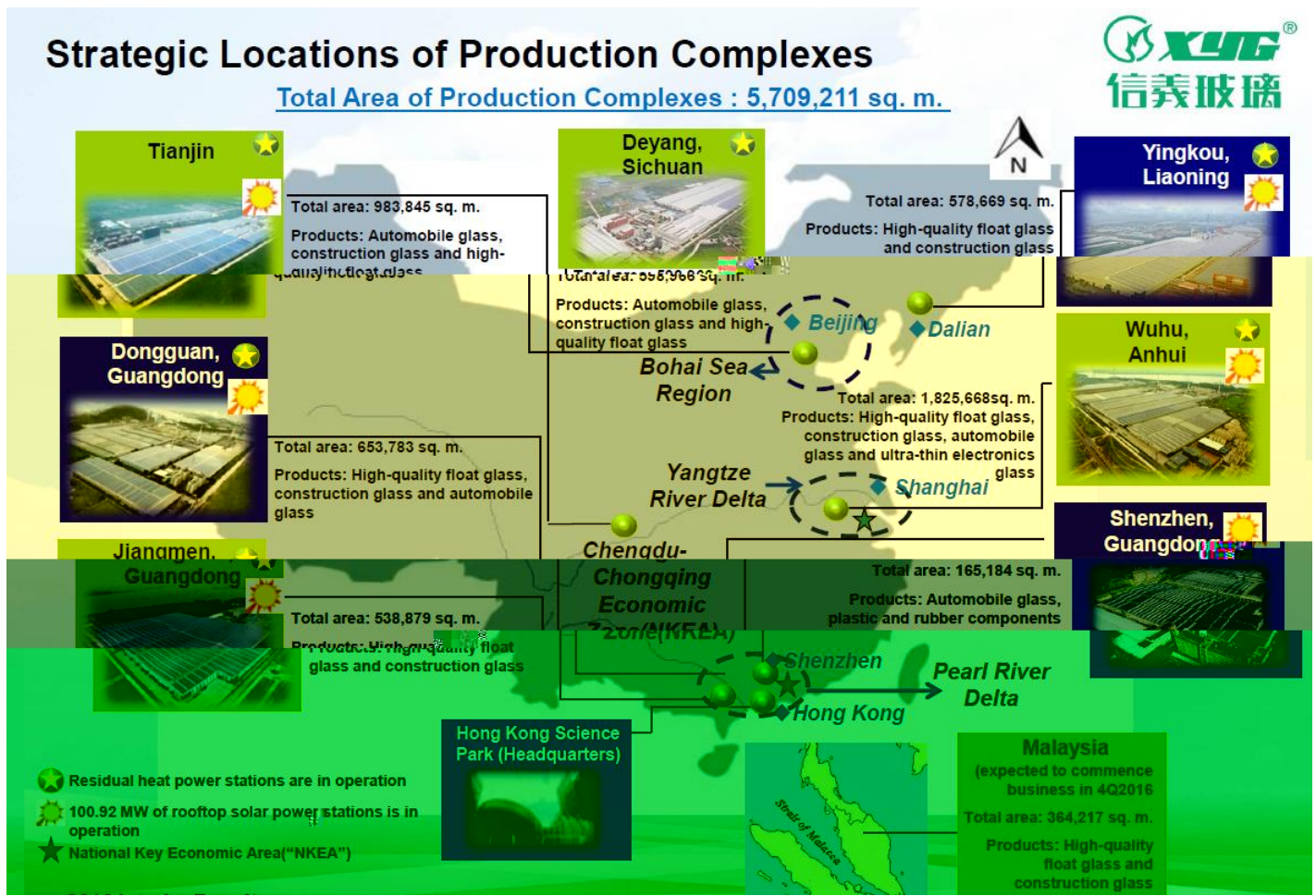


2 c c 2 2 22 2 dc + c 2 2 2 2 2 3. 2 b 2
 MCK 2 2 c 2. R ca 2 2 2 ad 2 2 bc 2 2 c 2 d 2
 c 2a c 2D 2U 2 2/ 2 2 2 c 2d 2 2 c 2 2 b 2
 2 c 2 2 cd c 2 c c 2 c 2 c 2 cb 2 b 2 2. / 4 2 2 c 2 bca c 2
 2 2 2 ac 2 2 c c 2U c 2 ca 2 2 2 c b 2 2 2 b a 2 2
 0. / 4 2 c 2 2 c 2 c 2a 2



Production Complexes at Strategic Locations

V 2a c 2 2d 2 2 b2a a 2& +C 2 2 b a 2a a 2 d
3 2 / 4 2 a 2 b 2 20 2 2 c 2 2R c 2 b a 2d a c 2 c 2 a cb 2 2
Q c c 2 b 2 2 2 b2Qa 2a c 2 2 2 2c 2 2
A 2G 2 bb 2 c2a 2 2 b 2 c 2a a 2 2K 2 2c b 2 2
d 2 2 c 2a c 2



Q ac 8A 2 2

Product differentiation

V 2 2 2 c 2 d 2 c 2 c 2 d 2 2 2 2A 2R c 2
c 2 cc 2 2 c 2 d 2 2 b a 2 2V 2 2 ,
+ A c 2 d 2 2 2 c 2 2 a 2 c 2 d 2 2 2 2
2 d ac 2 b 2 2 c 2 b 2 2 cb 2 2 b 2 2 d c 2 b 2
bca 2 a 2 c 2 b 2 c 2R c 2 a c 2 da c 2 d 2 2
8A 2 2' 2 c 2 d 2 2 +/7 2
+ DE cc 2 2 2 ca da 2a 2 d 2 cb 2 d 2 2A 2
33' 2R cb 2 2 d cb 2 c 2 c 2 2 2 cb 2 2 2 c 2
2 d 2 c 2 DE cc 2 2 2 2 2 d 2 c 2 2 b 2
a 2 c cd c 2 bc 2 b 2 b 2 c da 2 2 a c c 2 da c 2 da 2 d 2

b 2 c ac, R c 2 a c 2 c 2 DE cc 2 2 2 a 2 c c 2 2
 2 2 A c 2 2 2 2 c 2 c cc 2 2 2 2 b 2 0 ,
 + C c 2 2 c 2 a 2 d cb 2 2
 2 2 A 2 2 2 2 DE cc 2 2 2 2 2 a a c a 2
 d 2 c 2 2 b 2 c cd c 2 bc 2 b 2 b 2 c 2 a 2 a c cb 2
 a c 2 2 c 2 a 2 d b 2 c ac, R c 2 a c 2 c 2 2 C c 2
 E c 2 2 2 + 0 2 2 2 cb 2 2 b 2 a 2 2 d c 2 b 2
 bca ,



Q ac 8A 2 2 2 2 c 2

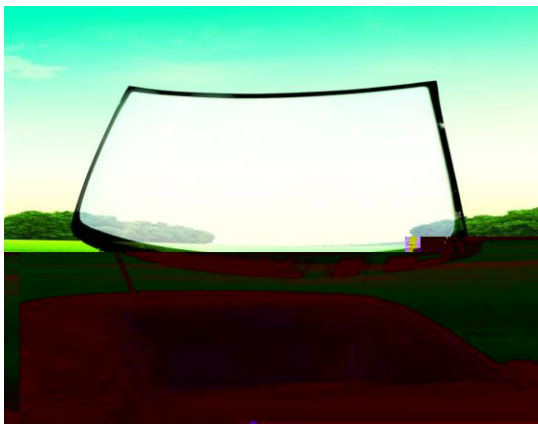


Q ac 8A 2 2 2 2 c 2



Q ac 8A 2 2 2 2 c 2

V 2 E 2 2 c 2 d 2 c 2 c 2 da c 2 d 2 dc c 2
 c ac c 2 c 2 2 PE ' 2 2 c 2 b, R c c 2 c 2 2 b a 2 a c c 2 2
 c 2 8 2
 + 2 2 2 2 2 2 c 2 a c 2 da c 2 2 2
 c 2 2 2 c 2 c 2 2 R c 2 c 2 c b 2 c 2 2
 c ca cb 2 cb 2 2 ac 2 ca 2 a c 2 2 a 2 ac c 2 b 2
 b a 2 a c 2 2
 + V 2 2 b a 2 2 2 2 c ac 2 d 2 2 dc c 2 R c c 2
 c 2 2 a bc cb 2 MCK 2 b a 2 2 c 2 2 2 b ac 2 2 d 2 c a c 2
 da c 2 c 2 R c 2 c a da 2 cac 2 2 b ac 2 2 c +
 d 2 2 2 2 2 cb 2 2 2 bc c bc 2 ,



Q ac 8V 2 2



Q ac 8V 2 2

aa b 2 1/ 2 2 c2a 2a 2 1. 2 c 2 c2 2 c2 PE 2 c 2 2
L 2 c a 2 b2 0. 2 c 2 c2 2
2

2

Q ac8A 2 c c 1144 c 2
2

22V 2E 2 2 c2 d2 c2 c 2 da c 2 d2
+2c c +c2a c 2a cb2 2 2A 2R c2a 2 2a cb2 2c c + 2
b2 2 c+bbc2b c+ 2 +2 2 a 2 a bc 2 2 c d ac2 b2
a + bc2 d2 c2 +2 2V 2 c 2a c 2 2AQF 2F b 2x.../O2AF 2
LA'2 c2 c 2 c2 2 2. +03 2 c2V 2 c 2 c2 2a a 2 2
2 2/6 2

• **Double-silver LOW-E Glass**

Features:

- Higher visible light transmittance and natural daylight
- Clear appearance effects to meet various technical requirements
- Lower heat-transfer coefficient, effectively reduction of indoor and outdoor heat transfer and keep the indoor temperature steady
- Lower shading coefficient, effectively reduce solar heat gain and lower the cooling loads in summer
- Suitable for various states where both daylight and shading are considered

• **Triple-silver LOW-E Glass**

Features:

- Higher visible light transmittance and natural daylight
- Lower heat-transfer coefficient, effectively reduce indoor and outdoor heat transfer and keep the indoor temperature steady
- Very low shading coefficient, effectively reduce solar heat gain and lower the cooling loads in summer
- Suitable for places where daylight and shading are extremely required

• **Reflective Coated Glass**

Features:

- Rich appearance effects to meet various aesthetic requirements
- Effective control of direct solar radiation and provide shading effects
- Appropriate visible light transmittance to meet the daylight requirements

• **Temperable Coated Glass**

Features:

- The processing, handling & inspecting process can be similar to other coating
- Same appearance and energy-saving features like other line of products
- Including self-cleaning, anti-graffiti, anti-theft and temperable products

Double Silver Low-E

Q ac8V 2E 2

Q ac8V 2E 2

PT of HK\$8.6

U c 2 c 2 V 2 E 2 c b 2 2 Q V R N 2 2 c b 2 2 2 2 2 c 2
 &d - -a a 2 ' 2 2 // 20. / 50 2 c 2 b 2 V 2 Q 2 2 c 2 a c 2
 c 2 ac 2 M 2 R 2 d F I " 6,4 2 c 2 20. / 50 2 c 2 b 2 20. / 50 2 c 2
 c 2 a 2 c c 2

R d h c A f n m	
f i n) o r i) i h n l o n d h A f n m o n d h n m	
L N R 20. / 50	0 46.
2000 R c 2 c	//
K c 2 c 2 F I " 2 '	07 260
2000 Q c 2 b 2 2 '	1 653
Q c 2 ac 2 F I " - c'	5,4/
R d h c M f I " 302 B E	
A c 2 Q c 2 N ac 2 F I "'	1,1/
V W 2 % 2 c b	1.
K c 2 c 2 d V 2 Q 2 % 2 b	. ,76
R c 2 N ac	6,37
i o h n i B E *(+*) n b I	2(0*
J c 2 ac	5,14
	4

Q ac 2 d c 2 c 2

Risks

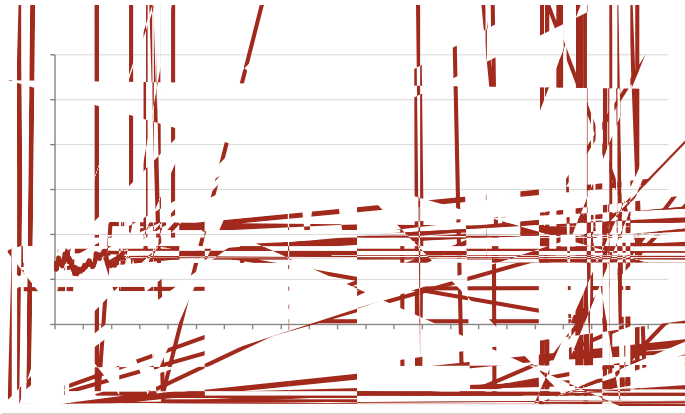
I c 2 2 2 2 c c 2 b 2 R 2 J b 2 c 2 a 2 a 2 a b 2 c c 2
 a 2 c 2 d 2 ac 2 c b 2 b 2 a a 2 b c b 2 a c 2 d 2 2 ac 2
 b c 2 2 c 2 2 c a c b 2 c 2 a a 2 2 c 2 b 2 b 2 2 b c b 2 2
 c d 2 a c 2 d 2 2 d 2 2 b a 2 b c 2 2 a c ac c 2 d
 c 2 a a 2 2 K 2 a 2 2 a c b c b 2 2 c 2 b b 2 c c c 2 b c 2 2
 c c 2 a 2 2 2 b c b c 2 b 2 a c a 2 a ,2

i g h	Nc e l	Gen	I c	N l a n	O n e n i	) "		) "		P S)		I "		c S c f "		
		"OM h	"fi f oll(	"fi f oll(	(n l a n	,*+0	,*+1	,*+0	,*+1	,*+0	,*+1	,*+0	,*+1	,*+0	,*+1	
Af n m B																
D 2	14. 4	F I	4,0	0,73	02, .	/3	/3,0	/2,3	0,2	0,1	5, .	4,1	/5, .	/4,6	2,6	3,2
							4814	4616	518	516	1	19	4 16	4 16	716	71
V 2	646	F I	1,5	5,14	6,4.	/5	7,1	6, .	/,7	/,5	7,5	6,5	0, .6	0/,1	3,1	4,0
							4313	19	513	4/	16	14	531	5513	719	817
D 2 I a	4643	F I	. ,2	/,7.	LA		3,4	3,1	. ,6	. ,6	d	d	/7, /	/5, .	d	d
							++(+	3(-	+ (1	+ (0	2(-	1(-	+3(+	+2(-	/(+	/ (2
Af n m																
J 2 2 2	4. . 654	AF	/,1	03,4/	LA		d	d	d	d	d	d	2,3	4,0	d	d
D 2 2	4. . 44.	AF	4,0	/4,7	LA		/1,7	/0,1	0,1	0, /	6,7	5,5	/4,7	/5,6	2,5	3, /
A Q 2 b	 / 0	AF	0,7	/ /,1/	LA		06, /	00,1	0,5	0,4	/1,0	/ . ,2	7,6	/ /,3	0,5	0,5
X 2 2 2	4. / 414	AF	/,3	1,52	LA		/2,6	/3,2	/,4	/,3	6,3	5,4	/ /, /	/ . ,4	d	d
H 2	4. . 364	AF	/, .	2,31	LA		2. , /	10,4	/,4	/,6	7,4	6,7	1,6	2,2	d	d
2 I a							, . (-	0+ (1	- /	- (-	++ (+	2 (0	0 (1	3 (+	- (1	- (3 2

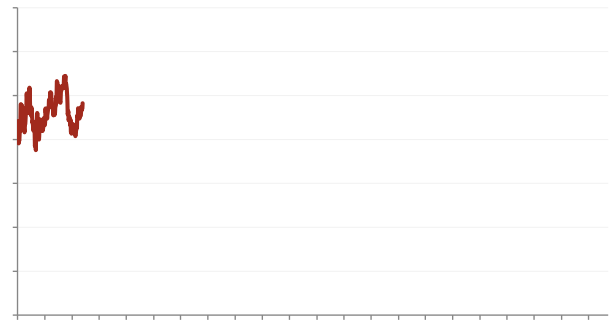
Q ac 2 A 2 b 2 d 2 c 2 c 2 2 A 2 b 2 2 c 2

2

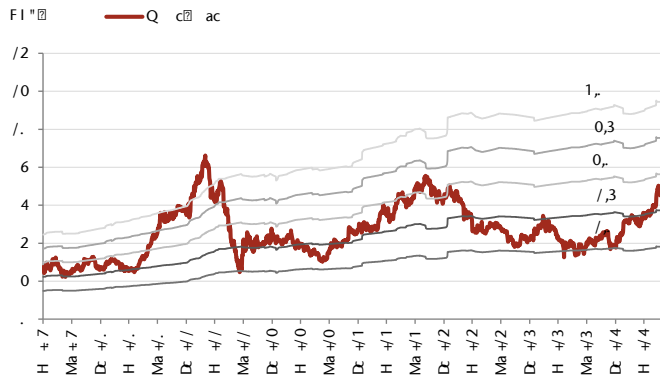
2



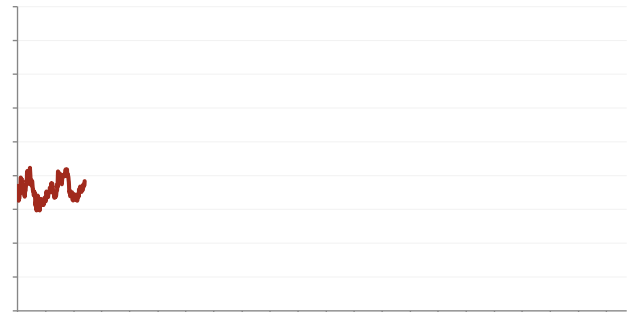
Q ac 8 c 11 dt c 2



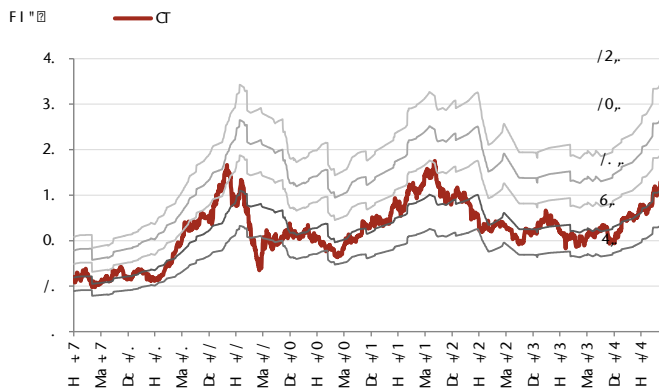
Q ac 8 c 11 dt c 2



Q ac 8 c 11 dt c 2



Q ac 8 c 11 dt c 2

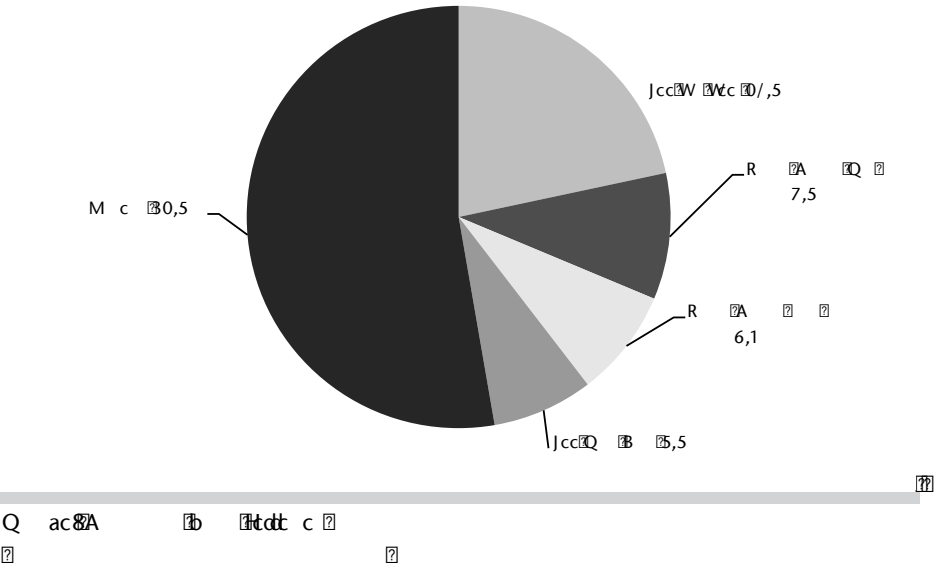


Q ac 8 c 11 dt c 2



Q ac 8 c 11 dt c 2

Shareholding structure



[illegible]

Chig mng hn				
BE g	,*+/-	,*+0	,*+1	,*+2
ho	++& 0*	+, &230	+ - & - 0	+ . & 2*
AME Q	+6 106	+6 105	+6 643	+7 /3.
E d	1 /11	2 347	3 . 5/	3 01.
M c c c	+ / 4/3	+ / 712	+0 . 7.	+0 /35
I l ndha li n	+& +2	, &0- /	, &2+	- & 1-
M c c	412	145	200	26/
Q c d c a, & AC%	1/5	5 .	7 .	/ . 30
D ac	+7.	+7/	+7/	+70
I 'n li n	, & 2*	- &0++	. & +,	. & +.
R	+044	+320	+410	+455
N d	0 / /2	1 . 5.	1 36.	1 615
K c c	.	.	.	.
H n li n	, & +-	- & 1*	- & 2*	- & - 1
a c	. ,32	. ,57	. ,70	. ,77
B c b c	. ,31	. ,57	. ,70	. ,76

nb fi				
BE g	,*+/-	,*+0	,*+1	,*+2
li n il n	, & 2*	- &0++	. & +,	. & +.
B \$	527	572	632	642
A c d d	3 .	+076	+ /37	+40
M c	+770	+320	+410	+455
I i g i l nd hm	, &0- 1	- & /00	. & 10	. &0- 3
A c	+0 / . 3	+ / 5 .	+ / . . .	+ / . . .
a b c	362	.	.	.
I i g d h ndha	' + & , *	' + & **	' + & **	' + & **
C c b c b'	+4. 5	.	.	.
B c c b c b'	/4	1.	1.	1.
B b c b c c b c	+11	+ / . 17	+ / 3/.	+ / 54/
I i g d h dha	' 0, /	' + & * 3	' + & 2*	' + & - +
H n nb fi	. 3,	2/0	+ & 30	+ & * 3
C a c	+03	.	.	.
nb n h i l	+ & 32	, & - /	- & / *	/ & / 3

f h nb n				
BE g	,*+/-	,*+0	,*+1	,*+2
A	/ 076	0 /33	1 73.	3 637
G c c	/ 001	/ 001	/ 1. 0	/ 121
Pcac c	0 16/	0 46.	0 674	0 766
M c c c	71	71	71	71
D c	/ / 75/	/ 0 655	/ 1. 00	/ 1 /36
M c c	2 233	2 233	2 233	2 233
Ni n f nmrm	, + & , ,	, - & 2,	, / & +3	, 1 & 31
Q c	0 3/2	0 3/2	0 3/2	0 3/2
M c c c	0 223	0 223	0 360	0 432
JR c	1 3/2	1 322	1 352	1 4. 2
M c R c	001	001	001	001
Ni n ffc dnc m	2 & 030	2 & 1, 0	2 & 23,	2 & 3/
Q c bc %	/ 0 5/6	/ 2 527	/ 4 6/7	/ 6 673
K c c	5	5	5	5
Ni n ffc dnc koan	, + & , ,	, - & 2,	, / & +3	, 1 & 31

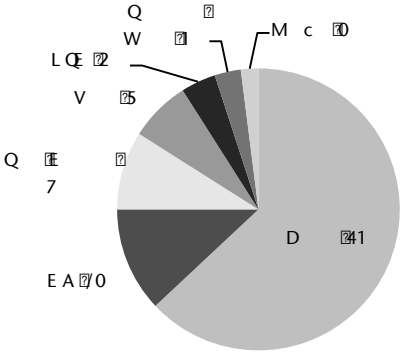
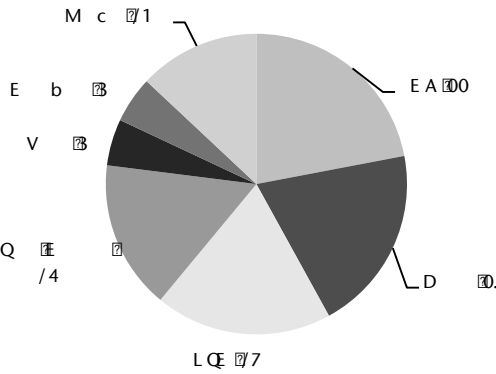
nd d h c fg n l c m h f nm				
BE g	,*+/-	,*+0	,*+1	,*+2
Pc c c	3,3	/ 0,3	6,/	1,0
C c	16,4	51,4	/ 1,/	1,/
C c	32,7	25,	/ 4,4	5,0
C c	/ 1,0	0. ,2	0 /,2	0 /,2
L c d c	/ 6,2	01,6	03,5	04,5
N P	27,0	27,0	27,0	27,0
P fo nd h g n l c m				
N c	/ 1,4	7,0	5,7	5,2
CT-C c c	/ 2,4	7,2	6,	5,1
N ac c c	0,0	/ ,7	/ ,5	/ ,3
f h Mb n nd m				
PMC	/ 4,4	0. ,6	0 /,1	0. ,1
PMAC	5,5	/ 0,	/ 1,2	/ 1,4
L c c c	15,0	04,3	/ 0,5	/ ,2
G c c c c c	03,/	15,6	20,/	21,
c c c c	1,0	1,6	2,1	2,7

Q ac & A b d c c c

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Business Update

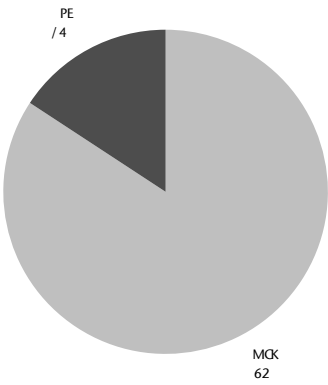
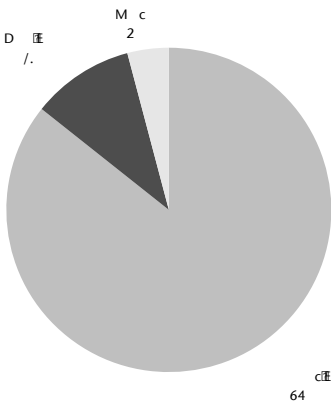
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c2a 2 aa 2 0. 2 d 2 2 2 c 2 b2 41 2 dA 2 2 2
c, 2S c2V 2E 2 a 2da c 2 2 c2 dc c 2c ac2 2S PE '2 c 2
D 2 2 c2da cb2 2 c2MCK 2 c 2 2 2c 2 2 2 c a c2
da c 2 2A 2 b2 c c ,R c2MCK 2a c 2 c 2 aa 2d 262 2 d c2
2 2 2 c 2 10. /3,2



Q ac8D 1E 2

Q ac8D 1E 2

D 1E 22 c2 2 22 c2 2 2 da c 2
2 2 2 2d 2 2a a 2 b2a 2 2 6. 2 d c2d 2 22 ccb ,R c2cd+
cb2 c 2 bc2 2 2 2a 2 c2 2 b2 a 2 d 2d 2 2
,R c2a 2 c a2 c 2 2 2 2 7. 2 d 2 2 c 2 2 c2
d c,2



Q ac8A 1b 1td c 2

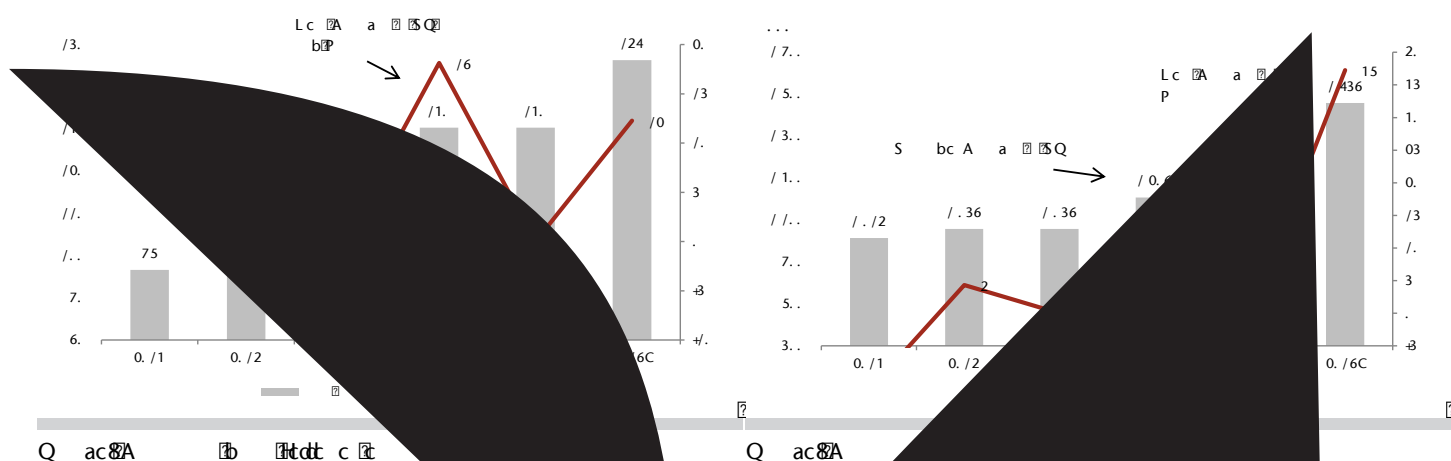
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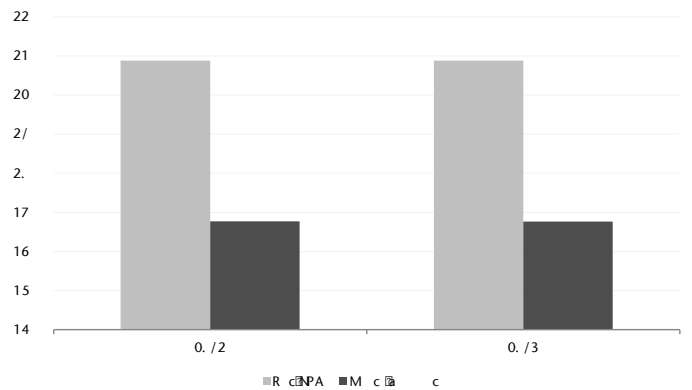
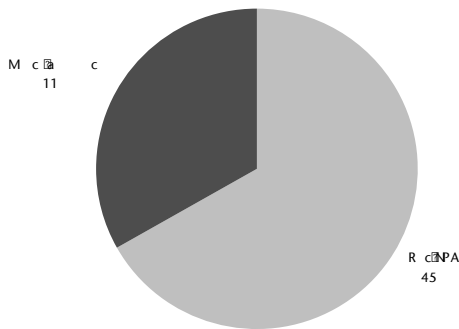
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D 4 2 2 cc 2 a c 2c b 2 2 c c 2 b a 2a a c 2 ac 2+ c 2
 6M 2 2 c 2R c 2 c 2a a c 2 2 c 2SQ b 2P 2 2 c 2 cb 2 2d d 2 2 c 2 c 2
 bc c cb 2 bc 2d 2a c 2 2 c a 2P 2 2 b 2C c 2a c 2R c 2
 a 2 c b 2 22, 2 2 2a a 2 2P 2 2 c 2 2d 2 c 2 2
 c 26,/ 2 2c ca cb 2a c ac 2a c a 2 c 2 2O/4, 2R c 2a 2
 2a c cb 2a a 2 2 2O,/ 2 2 2 2a a 2 2M 2SQ a 2
 2 c b 2a c acb 2 c 2 2

R c? bcb? ? ? a ? ? c? 5,3 'a c cb? ? c ? b? c? cb?
d ? ? a ? ? ? c ? c ? 23 'b cb? ? c d+ ? ? ?
? c ? d a ? a ,K c c ? ca ? c? ? a c ? ? c ? c ? ?
Ma c ? c? c? ? ? ? c b ? cb? d c ?





Q ac 8A b 11 c 2

Q ac 8A b 11 c 2

High Entry Barriers

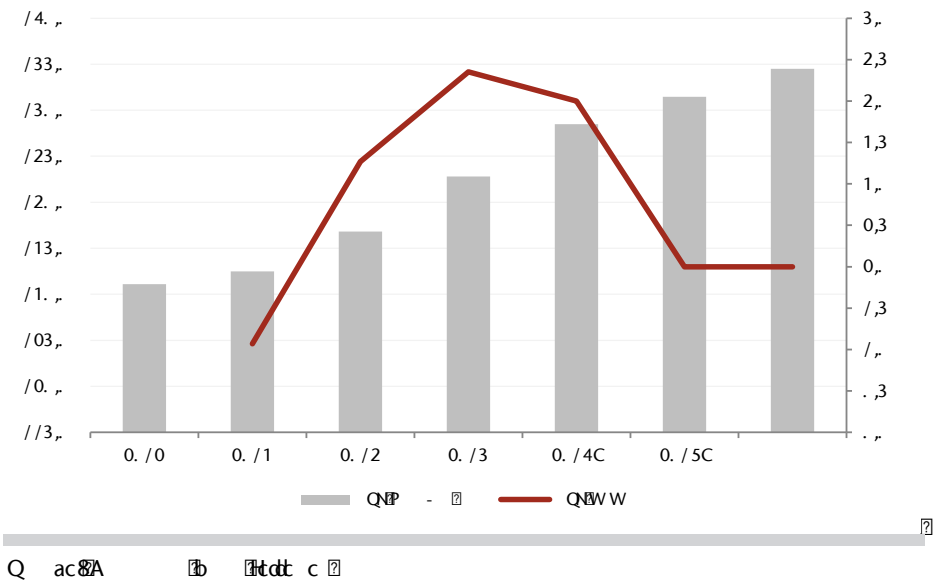
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 ,R c 2a 2 2 2 c c2 c 2c 2 2/ 2 c 2 2 2 +. 2
 a c ,R c 2 c2 2 c2 2 2 c2 2 da c 2 2A 2 2 c2
 cb2 b a 2c da 2 2 C c 2 c a 2H c c2 2 c 2 2Q 2 c 2
 c2 da c , 2

Top 10 Auto manufacturers in China

Top 3 auto glass manufacturers
 Fuyao AGC Saint Gobain

Q ac 8A b 11 c 2

D E 2 2 b +c b 2c c 2 b2 b a 2bc 2a c 2 2
 a c 2 2 c 2MK 2a c 2 2 d2 2 a 2 b2 b a 2a cb c 2C 2
 cac 2 c 2 c2a 2 c2 cc 2 a c 2 2 cb2 bbcb2 2 c +c b2
 2 b a 2 a b 2 d2 c 2ca a a2 c 2 b2a cb2 c 2 2 2
 c 2 c2 c c2c 2 ac 2 d2 2 b a 2 c2 cc 2 2 2 c b2 ac2. /0, 2



D E c c c c 0/0 c b a c

a cb c ac a bc

PT of HK\$24.0

U c? c?D ?E ? cb? ?B AD? c b ? ?U AA? d6,7 ?U c?d ca ?
c ? ? d? ? b?a c ? c b ? dP 1,. ?H ? c? c ? ? c ? b? ?
d ? ?P 0,. ? ?d b,?M ?NR? dFI " 02,. ? c ?/4 ?0. / 5?N+? b?0,5 ?
0. / 5?N ?

Rmb m		2015	2016E	2017E	2018E	2019E	2020E
Valuation		Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20
Group revenue		13,573	15,483	17,623	20,253	20,719	20,719
EBIT		3,327	4,034	4,548	5,089	5,181	5,163
NOPAT		2,851	3,457	3,866	4,326	4,404	4,388
Share of results from associates & JCE's, net of tax		6	6	6	6	6	6
Capex, net	-	3,343	- 3,000	- 3,000	- 2,000	- 2,000	- 2,000
Depreciation & amortization		1,021	1,247	1,446	1,622	1,667	1,706
Change in working capital	-	412	- 483	- 525	- 641	- 113	- 1
Free Cash Flow (FCF)		122	1,227	1,792	3,312	3,963	4,101
Discount factor			0	1	2	3	4
Discounted FCF		122	1,227	1,645	2,793	3,068	2,916
Group revenue, YoY	%	5.0%	14.1%	13.8%	14.9%	2.3%	0.0%
EBIT, YoY	%	-0.7%	21.3%	12.7%	11.9%	1.8%	-0.3%
FCF, YoY	%	-84.9%	903.2%	46.1%	84.8%	19.6%	3.5%
EBIT margin	%	24.5%	26.1%	25.8%	25.1%	25.0%	24.9%
Net capex as a % of revenue	%	-24.6%	-19.4%	-17.0%	-9.9%	-9.7%	-9.7%
Depreciation as a % of Capex	%	-30.6%	-41.6%	-48.2%	-81.1%	-83.3%	-85.3%
Normalised tax rate	%	14.3%	14.3%	15.0%	15.0%	15.0%	15.0%
DCF Parameters		Parameters					
WACC			8.9%				1.0%
NPV of FCF			11,648				3.2%
+ Terminal value			37,256				7.2%
+ Net cash (debt), current			1,186				1.2
- Minority shares		-	6				40.0%
							25.0%
							6.0%
							0.86
= Equity value			50,084				
/ Number of shares	mn		2,509				
= NPV per share	HK\$		24.00				
Current share price			20.95				
Upside			15%				

Q ac8A ? ? ? ? c ?

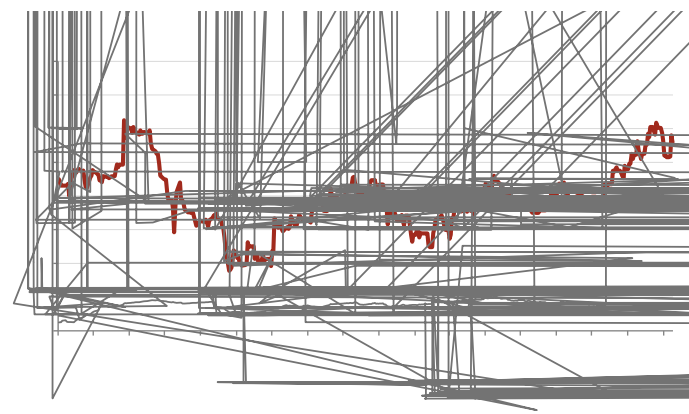
Risks

I c ? ? ? ?c c ? b?NR?Bc ? ? c c ?a a ?c ? c ? ?
c + +c ca cb? c ? c? ? b? c ? c? ? c c ?
c ? c c ? a ?a ? c ? ? b c? ? bb ?c c c ?
c d ?a c ? ? c?a ? ?c c ? ? b ? ? ? c ? ?A ?
b? c c ? c ? bcb? c ? c cc ?A ? b? c ?a c ? b?a c a ?
d a ?
?

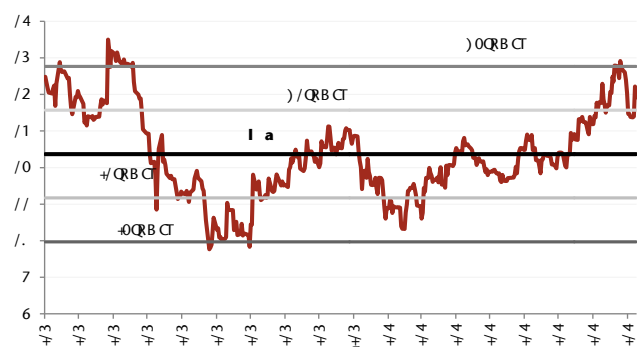
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i g h	Nc e l	Gen "OM h	I c "fi f oll(	N l a n "fi f oll(	O n e r i (n l a n	) "		) "		P S) Q "		I "		c S c f "		
						, *+0	, *+1	, *+0	, *+1	, *+0	, *+1	, *+0	, *+1	, *+0	, *+1	
Af rmi B																
D E	14. 4E1	4,0	0. ,73	02, .	/3	/3,0	/2,3	0,2	0,1	5, .	4,1	/5, .	/4,6	2,6	3,2	
						4814	4616	518	516	1	19	4 16	4 16	716	71	
V E	646E1	1,5	5,14	6,4.	/5	7,1	6, .	/,7	/,5	7,5	6,5	0. ,6	0/,1	3,1	4,0	
						4313	19	513	41	16	14	531	5513	719	817	
D E	4643E1	. ,2	/,7.		LA	3,4	3,1	. ,6	. ,6	d	d	/7, /	/5, .	d	d	
I a						+*(+)	3(-)	+(-)	+(-)	2(-)	1(-)	+3(+)	+2(-)	/(+)	/(-)	
Af rmi																
J E E	4. . 654EAF	/,1	03,4/		LA	d	d	d	d	d	d	2,3	4,0	d	d	
D E E	4. . 44. EAF	4,0	/4, /7		LA	/1,7	/0,1	0,1	0, /	6,7	5,5	/4,7	/5,6	2,5	3, /	
AQ E b	 /0EAF	0,7	/ /,1/		LA	06, /	00,1	0,5	0,4	/1,0	/, .2	7,6	/ /,3	0,5	0,5	
X E E	4. /414EAF	/,3	1,52		LA	/2,6	/3,2	/,4	/,3	6,3	5,4	/ /, /	/, .4	d	d	
H E	4. . 364EAF	/, .	2,31		LA	2. , /	10,4	/,4	/,6	7,4	6,7	1,6	2,2	d	d	
I a						, . (-)	0+(-)	- /(-)	- (-)	+* (-)	2(-)	0(-)	3(+)	- (-)	- (-)	
b d i G m																
E	0016E1	/5,6	/, .76	7,6.	F b	4/	6,5	5,5	/,2	/,0	06,3	0/,6	/4,4	/4,3	1,1	2, .
E c E K +	0111E1	/0,1	5,71	6,7.	/0	5,0	5, .	/,2	/,0	4,5	4,2	0. ,6	/7, .	2,1	2,2	
B c E K +	267E1	6,7	6, .2	/, .5.	11	2,7	2,5	. ,4	. ,3	0/, /	/7,0	/1,2	/0,3	1, /	1,2	
A	0. . 403EAF	/, .1	/1, .1	/7,6.	30	2,4	2,1	/,0	/, .	05,6	/0, /	06,6	03,6	5, .	5,7	
a E K +	/736E1	6, /	6,02	3,5.	F b	4/	/, .6	7, .	/,2	/,1	4,2	3, /	/1,1	/2,0	1,1	2, .
ac E A	/ / /2E1	3,7	7, .4	6, /.	F b	4/	/ /,0	7,0	/,5	/,3	d	d	/4,3	/5, /	/, .	/,1
E c c E	/53E1	6,0	5, /7	2,1.	F b	42.	/2,1	/, .6	0,2	0, .	5,6	3,7	/5,1	/7, /	. ,7	/,0
I a							2(-)	1(-)	+(-)	+(-)	+0(-)	++(-)	+2(+)	+1(-)	- (-)	- (-)
b d i G m																
Q a E K +	4. . / . 2EAF	13,2	0/,23	/7,5.	46	5,3	5, /	/,0	/, /	7,0	6, .	/5, /	/4,5	4,5	5, /	
E	4. /016EAF	/5,6	01, /4		LA	/6,4	/3,7	1,1	0,7	00,2	/5,0	/4,7	/6, .	/,1	/,5	
E c E K +	4. /411EAF	/0,1	/, . /1		LA	/, .1	7,3	0, /	/,6	4,4	4, /	0/,3	/7,7	1, /	1, /	
A	. . . 403EAF	/, .1	/3,31	0. ,1.	1/	4,2	4, .	/,5	/,2	05,6	/0, /	06,6	03,6	2,5	3,0	
D E A E b+	. . . 6. . EAF	0,4	/, .50		LA	1/3,1	244, /	/,7	/,7	00,1	/6, /	1,6	1,4	. , .	. , .	
H	. . . 33. EAF	1, /	07, /.		LA	/, .5	6,3	/,7	/,4	2,3	1,3	/6,2	/7,5	1,2	2,1	
B c E K +	4. . . . 4EAF	0,2	5,62		LA	05, .	00,2	0,1	0, /	d	d	4,4	5,7	d	d	
E H +	4. . 2/6EAF	1,7	/1,4/		LA	/6,3	/3, /	0, .	/,7	/0,2	/ /,7	/ /,0	/0,5	/,5	/,7	
I a						/+(-)	02(-)	, (+)	+(-)	+ /(-)	++(-)	+ / /	+ / /	- (-)	- (-)	
f l m h ori l m G ho nol l m																
U c a E N c +	0116E1	3,1	/, .3.	5, .	SLND	411	/7,0	/4,0	/, /	/, .	4,0	3,4	3,6	4,4	/,6	0, /
K E E b	203E1	2, .	05,2.		LA	/4, .	/1,2	0,3	0,0	/ /, .	7,1	/4,4	/5,4	0,2	0,7	
L c c c	/1/4E1	1,5	/ /,22		LA	/1,5	/ /,5	1,3	0,6	4,7	4, /	07,1	04,7	/,2	/,4	
E	/071E1	/,2	2,02		LA	/5,0	/1,4	/,4	/,3	6, /	5, /	7, .	/, .2	. ,5	/, .	
Q E E b	16. 6E1	/,3	2, /.	2, /.	SLND	.	02,1	/7, /	. ,3	. ,3	2, /	2, .	0,0	0,5	/,2	/,5
X c E	66/ E1	0,0	5,71		LA	/2,4	/0,1	/,0	/, /	6,6	5,6	6,7	7,3	/,1	/,5	
A E E E	1614E1	. ,6	2, .1		LA	6, .	5, /	. ,6	. ,6	2,3	1,7	/, .1	/ /, /	1,2	1,7	
B E A E	/606E1	. ,6	1,1.		LA	7,2	6, /	. ,4	. ,4	4,5	4, /	5, /	5,4	2,0	2,6	
A E K c	/506E1	. ,5	0,36		LA	5,7	4,1	. ,3	. ,3	5,4	4,4	5,0	6, /	1,1	1,7	
V b E G	/677E1	. ,4	1, .3		LA	/2,4	6,0	. ,6	. ,5	3,4	2, .	5,2	/0,3	3, .	6,6	
I a							+ . /	++(-)	+(-)	+(-)	0(-)	0(-)	+* (-)	++(-)	, /	- (-)

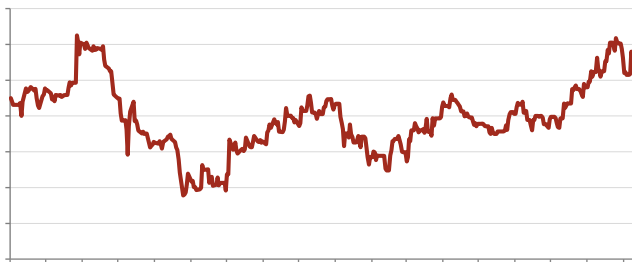
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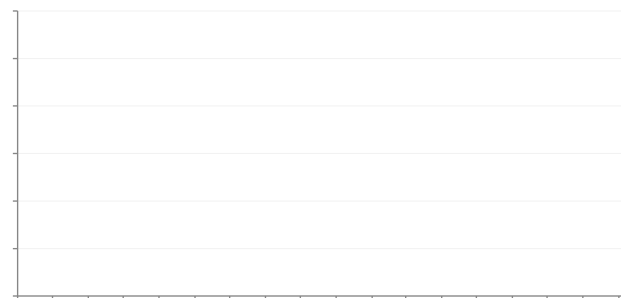
Q ac8 c 1111 c 2



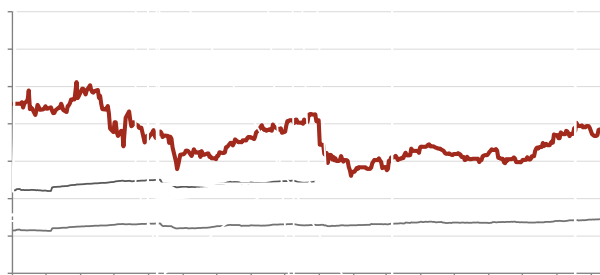
Q ac8 c 1111 c 2



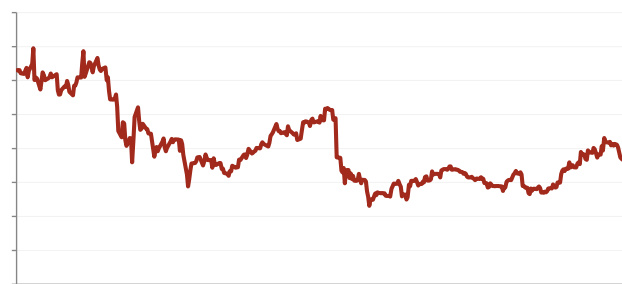
Q ac8 c 1111 c 2



Q ac8 c 1111 c 2



Q ac8 c 1111 c 2



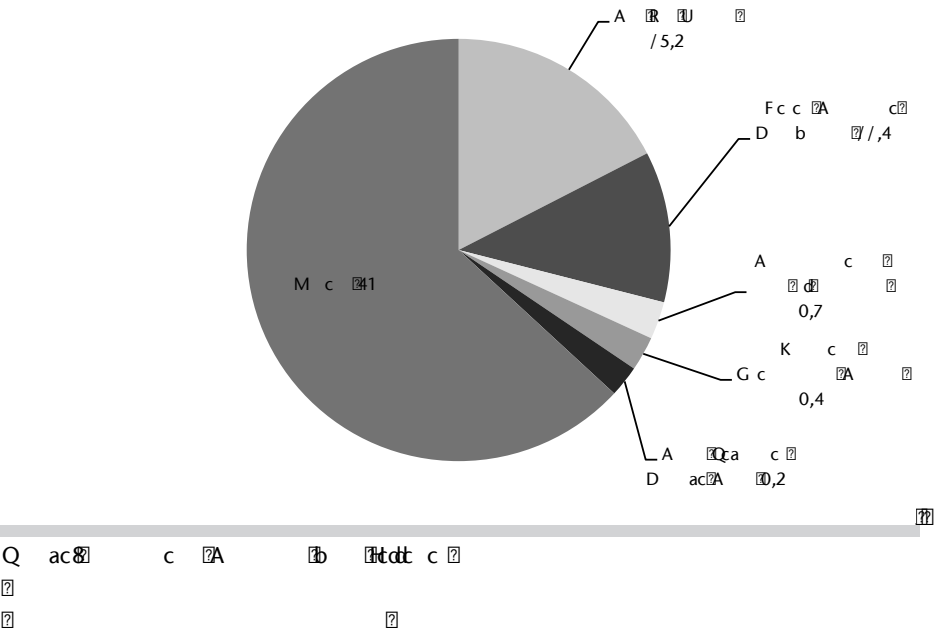
Q ac8 c 1111 c 2

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Shareholding structure



A	R U		A	B C ca c	47	K A ? ? c cb? ? ct ca cb ca ? b? ? ? c? b? d B ca ? d c?A ? ac? /777, f c? ? ? c? d? bc ? c ? b? c ? d? c?A , K , A ? ? ? ? c c ? d? c? L ?A cc? d? c? /0 ?A c c Nc c N a ?A c? A dt c ac ? ct ca c? ac? c bc ? d? c?A M c c ?A c c? C c c c ? a , K , A ? c cb? ? B ca ? d? c?A ? d ? /772? ? /777 ? ac? ? d? c? b? dB ca ? d? c?A ? /766? ? /772? b? c bc ? d? c?A ? ? /765? ? d . 1, ? ?
A c V			C ca cB ca ?	23	K , A c ? ? c cb? ? ct ca cb ca ? ac? d . 1 ? c? cd? a ? dtac ? ac? d . /3, f c? cb? c?A ? ? /772, K , A c ? b cb? ? L ? D c S c ? ? /77/? ? ? c cb ? ? ? ac? b? aa ? c? cb? c? da ? ? ? aa ? ? cb? ? c K ? d? Nc c ? d? c NPA? ? /774? b? c? da ? ? ? c ? ta ? ? cb? ? c D N a ? c ? ?A Qc ? b? c Mdtac? d? F P c ac B c c c ? d? c D N ac? d . /0, ? ?	
A c Ha c ?			C ca cB ca ?	22	K , A c ? ? c cb? ? ct ca cb ca ? ac? d . /3? b? c? ac? c bc ? d? c?A ? ac? d . // ? b? c? c c ? c? d? c? a c ac? bc c ? ac? d . 2, N ? ? ? c?A , K , A c ? ct cb? ? N H ? E ? ? ? c ? ? a b ? ct ca c? ac? c bc ? d? N ? H E N b a ?A , ? b, K , A c ? b cb? ? L G c? d? N a Q b c ? ? ta a ? b? b , f c? ? cb? ? c ca c? c ? d? c ? b Bbc cc? ct a ? d? c R ? S c ? ? ? c ? b Q QC B ? c Qa ? d ac? c ca c , ? ?	
R D ?			L + ca cB ca ?	23	K R ? ? ct ca cb ca ? d? c?A ? ? ? /776? ? ? O. /3, s ? cc ? c cb? ? ? + ca cb ca ? ac? d . /3' ? b? c? c bc ? d? c?A ? Q c c d . 4 ? H c d . /3 ? b? c? ? c cb? ? ? c? ac? ? d? c? b? dB ca ? d? c?A ? ac? d . /3, K , R ? cb? c?A ? ? /767, f c? cac cb? ? c Bbc cc? ? c ? b ? ? c ?A c c? ? c S cb Q c ? d . 3, K ?	

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Ch i g m n g h n

g g ho	, * +/ + - 1 -	, * +0 + / 2 -	, * +1 + 100, -	, * +2 , * 5 / -	n b fi g g li n i l n	, * +/ - 1 . ,	, * +0 - 1 * -	, * +1 - 101 +	, * +2 10 . 10
AME Q	+5 717	+6 6 / 4	+ / . . 55	+ / / 50.	B \$ 2	/ . 0 /	/ 025	/ 224	/ 400
E d	3 413	4 445	5 323	6 311	A c d ,	+2 / 0	+261	+303	+42 /
M c c c	+0 1. 6	+0 411	+0 775	+1 223	M c	+43 /	+274	+33 /	+4 / /
I l n d h a l i n	- 1 , 1	. 1 - .	. 2 . 2	/ 23	li g i l n d h m	- 1 **	- 2 - 1	. 1 . *	. 1 . 0
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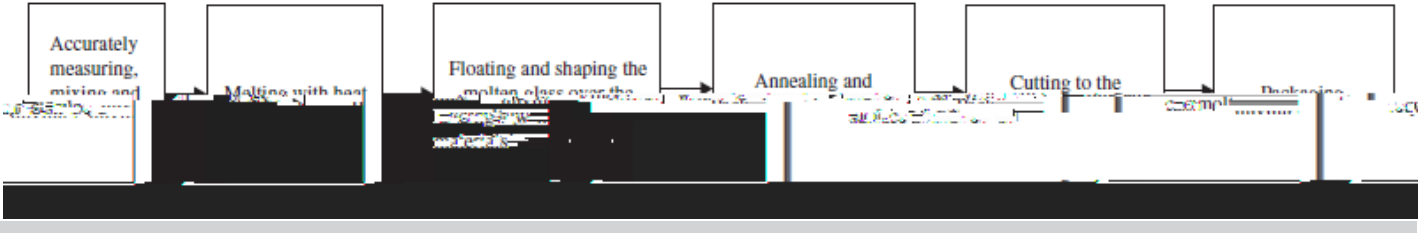
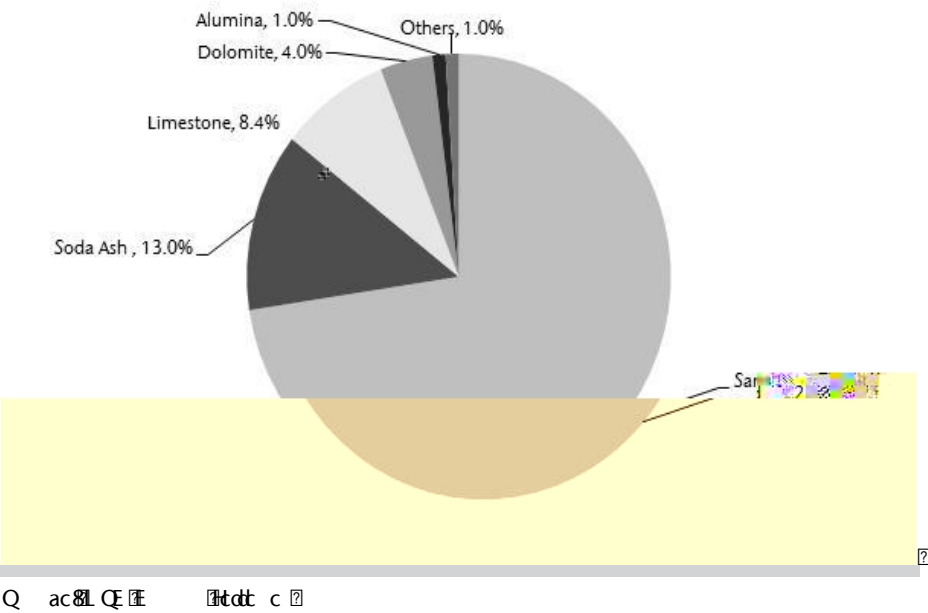
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Appendix 1: Chemistry of Glass Making

Raw materials used in the glass-making process include silica sand, soda ash, limestone, dolomite, alumina, and various additives. These materials are melted together in a furnace to form molten glass. The composition of the glass can vary depending on the intended application, but the basic ingredients are silica sand and soda ash.

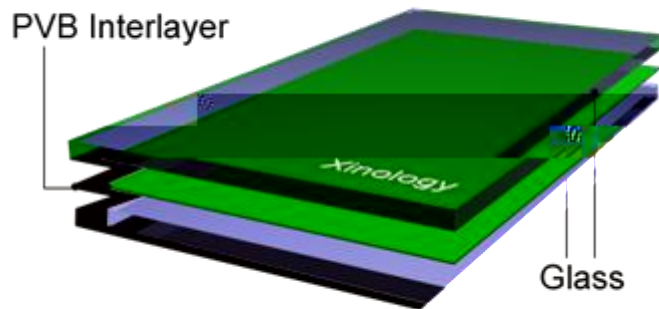
The glass-making process involves several steps, including melting, floating, shaping, annealing, and cutting. The molten glass is first melted in a furnace, then floated on a bed of molten tin. It is then shaped into various forms, such as sheets or containers, and finally annealed to remove internal stresses. The final product is then cut to the desired size and shape.

Quartz	50.4%	K2O	1.0%
Soda ash	1.0%	CaO	1.0%
Limestone	6.2%	B2O3	1.0%
Dolomite	2.0%	UO2	1.0%
Alumina	1.0%	C	1.0%
Others	1.0%	ac	1.0%
Soda ash	1.0%	ac	1.0%
Quartz	1.0%	ac	1.0%





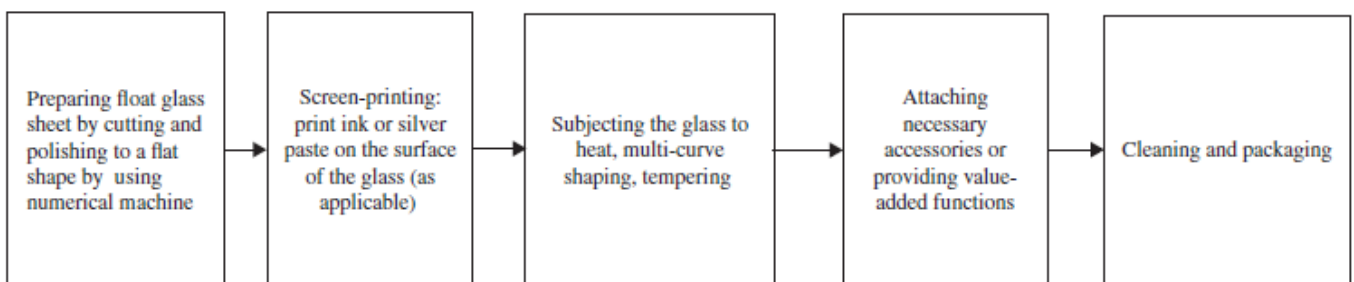
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Q ac8A b ttt c ?

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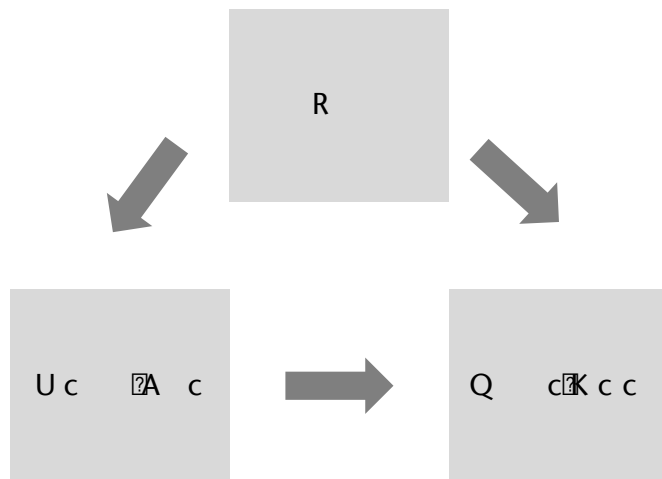


Q ac8A b ttt c ?

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Appendix 2: Definition of Weight Case

U c a c b c d a , bcd
T c d c a c c d c
& , . 0 / .⁰ E c c b c d c c c
a c d c c 3 . -¹ , 0¹ a c d
c c c a c d b . c c c a ,
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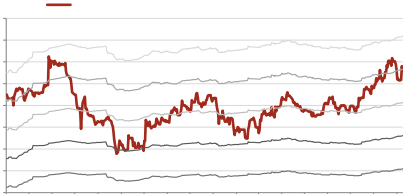
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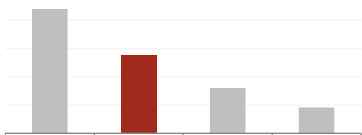
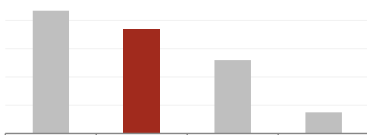
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Company Description

Xinyi Glass is engaged in the production and sales of a wide range of glass products, including automobile glass, energy saving construction glass, high quality float glass and other glass products. Its customers include companies in the business of automobile glass manufacturing, wholesale and distribution, curtain wall engineering and installing, construction and furniture glass manufacturing, and float glass wholesale and distribution. As of YE15, the company has ~5mt of float glass capacity.

Fuyao Glass engaged in design, manufacture, and sales of automotive grade float glass and auto glass. The Company provides globalized research and development, distribution and after-sales service. The company has manufacturing capacity in China, USA and Russia.

Analyst Certification:

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Investment Recommendation Record

(Article 3(1)e and Article 7 of MAR)

Recommendation Published , 06:17 ET. September 21, 2016

Recommendation Distributed , 06:20 ET. September 21, 2016

Johnson Leung owns a long position of Dongfeng Motor Group Co Ltd. common stock.

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Hold - Describes securities that we expect to provide a total return (price appreciation plus yield) of plus 15% or minus 10% within a 12-month period.

Underperform - Describes securities that we expect to provide a total return (price appreciation plus yield) of minus 10% or less within a 12-month period.

The expected total return (price appreciation plus yield) for Buy rated securities with an average security price consistently below \$10 is 20% or more within a 12-month period as these companies are typically more volatile than the overall stock market. For Hold rated securities with an average security price consistently below \$10, the expected total return (price appreciation plus yield) is plus or minus 20% within a 12-month period. For Underperform rated securities with an average security price consistently below \$10, the expected total return (price appreciation plus yield) is minus 20% or less within a 12-month period.

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P/FCF, premium (discount)/average group EV/EBITDA, premium (discount)/average group P/E, sum of the parts, net asset value, dividend returns, and return on equity (ROE) over the next 12 months.

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Other Companies Mentioned in This Report

- BAIC Motor Corporation Limited (1958 HK: HK\$8.16, HOLD)
- Brilliance China Automotive Holdings Ltd (1114 HK: HK\$8.81, HOLD)
- Chongqing Changan Automobile Company (000625 CH: CNY15.45, BUY)
- Chongqing Changan Automobile Company (200625 CH: HK\$13.16, BUY)
- Dongfeng Motor Group Co Ltd (489 HK: HK\$7.90, BUY)
- Fuyao Glass Industry Group Co., Ltd. (3606 HK: HK\$20.95, BUY)
- Geely Automobile Holdings Ltd (175 HK: HK\$7.13, HOLD)
- Great Wall Motor Co Ltd (2333 HK: HK\$7.75, BUY)
- Guangzhou Automobile (2238 HK: HK\$10.74, HOLD)
- SAIC Motor Corporation - A (600104 CH: CNY21.33, BUY)
- Saint-Gobain (SGO FP: €38.07, BUY)
- Sinotruk (3808 HK: HK\$4.13, UNDERPERFORM)
- Toyota Motor (7203 JP: ¥6,144, HOLD)
- Weichai Power - H (2338 HK: HK\$10.68, UNDERPERFORM)
- Xinyi Glass Holdings Limited (868 HK: HK\$7.48, BUY)

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			Count	Percent
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HOLD	842	40.38%	162	19.24%
UNDERPERFORM	152	7.29%	16	10.53%

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