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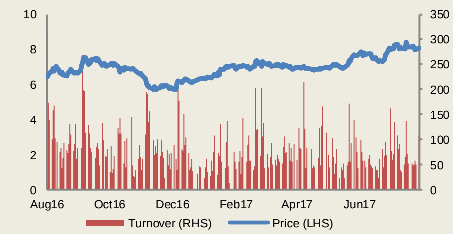

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- 19.5 16.359 13.5 66.768 2016 58.85 35.3 2017 2.7 6.0 [8328.HK] 30.1 37.5 47.8 2016 22.3 39.0 48.7 2017 36.4 2016 34.7 2016 37.6 2017 2017 18 2017 0.20 2016 0.17 2017 48
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PricewaterhouseCoopers

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52 5.69-8.39

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(20.3%)

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,
(852) 3698-6318
markpo@chinastock.com.hk

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(852) 3698-6317
cmwong@chinastock.com.hk

	10,861.1	11,460.3	12,848.4	14,346.4	16,008.0
( )	9.3	5.5	12.1	11.7	11.6
	2,733.4	3,132.7	4,659.3	5,191.2	5,742.9
	25.2	27.3	36.3	36.2	35.9
	1,364.3	2,113.1	3,213.4	3,606.3	4,031.0
	12.6	18.4	25.0	25.1	25.2
	0.35	0.54	0.83	0.90	1.01
( )	(61.3)	54.9	54.2	8.9	11.8
	$0.150	$0.265	$0.400	$0.445	$0.497
	11.1	16.9	24.8	25.7	25.4
	1.86	3.28	4.95	5.51	6.16
	23.3	15.0	9.8	9.0	8.0
	2.6	2.5	2.4	2.2	1.9
	-0.58%	3.31%	5.44%	3.05%	7.25%
	(1,729.0)	(1,967.0)	(1,853.0)	(2,500.0)	(1,501.0)
	(0.0)	0.3	0.4	0.2	0.6
	42.0	37.2	37.3	38.3	31.7

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Investment Highlights

- XYG's net profit increased 19.5% YoY to HK$1,635.9m in 1H 2017, which was lower than we expected. XYG's turnover was HK$6,676.8m in 1H 2017, up 13.5% YoY from HK$5,885,0m in 1H 2016. The Company's top-

Revenue	5,034	5,827	5,283	6,177	5,885	6,963	6,677	7,670
Cost of sales and services	-3,697	-4,430	-3,873	-4,455	-3,844	-4,346	-4,248	-4,908
	1,337	1,397	1,410	1,723	2,041	2,618	2,429	2,762
Other income and other gains and losses	247	152	287	307	147	236	96	286
Distribution and selling expenses	-268	-340	-312	-367	-351	-269	-334	-359
Administrative expenses	-472	-558	-441	-494	-533	-669	-586	-756
Finance costs	-25	-14	-26	-24	-44	-48	-50	-43
JV & Associates								

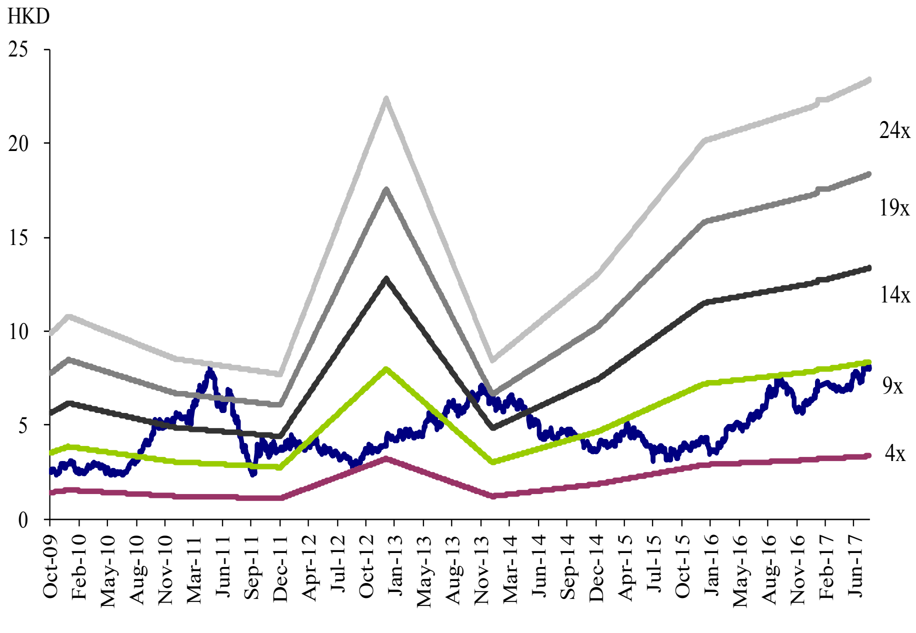
Turnover (HKDm)							
Automobile glass	3,077.8	3,287.2	3,593.2	3,786.6	3,748.4	3,975.9	4,189.7
Construction glass	1,574.6	2,154.5	2,555.5	2,651.5	2,590.2	2,509.9	2,739.3
Float glass	3,780.6	4,494.3	4,712.4	5,022.2	6,509.8	7,860.6	9,079.0
Total	8,433.0	9,936.1	10,861.1	11,460.3	12,848.4	14,346.4	16,008.0
YoY Change (%)							
Automobile glass		6.8	9.3	5.4	(1.0)	6.1	5.4
Construction glass		36.8	18.6	3.8	(2.3)	(3.1)	9.1
Float glass		18.9	4.9	6.6	29.6	20.8	15.5
Total		17.8	9.3	5.5	12.1	11.7	11.6
Volume							
Automobile (piece)		12,110.0	12,889.0	13,582.8	13,582.8	14,262.0	14,975.1
Construction(sqm)		16,363.0	19,380.0	20,107.5	21,716.1	20,630.3	22,074.4
Float glass (tonne)		2,927.0	3,510.0	3,856.8	4,435.3	4,657.0	5,122.7
YoY Change (%)							
Automobile (piece)			6.4	5.4	0	5.0	5.0
Construction(sqm)			18.4	3.8	8.0	(5.0)	7.0
Float glass (tonne)			19.9	9.9	15.0	5.0	10.0
ASP							
Automobile (HKD/piece)		271.4	278.8	278.8	276.0	278.8	279.8
Construction (HKD per sqm)		131.7	131.9	131.9	119.3	121.7	124.1
Float glass (HKD per tone)		1,535.5	1,342.6	1,302.2	1,467.7	1,687.9	1,772.3
YoY Change (%)							
Automobile (HKD/piece)			2.7	0.0	(1.0)	1.0	0.4
Construction (HKD per sqm)			0.1	0	(9.5)	2.0	2.0
Float glass (HKD per tone)			(12.6)	(3.0)	12.7	15.0	5.0
Gross margin (%)							
Automobile glass	42.8	43.3	41.8	44.3	49.0	48.0	48.0
Construction glass	37.2	39.9	35.3	33.9	39.9	37.5	37.5
Float glass	8.6	19.0	7.0	11.1	27.5	29.8	29.8
Blended	26.4	31.6	25.2	27.3	36.3	36.2	35.9
Net margin (%)	14.1	35.1 0 0 1 208.97 120.51 Tm09.23 457.44 8.88 reW*nBT/F2 8.04 Tf 8.04 T					

Selling General & Admin Exp.	(1,638)	(1,615)	(1,822)	(2,035)	(2,271)
Others Operating Expenses/Items	178	215	342	294	328
Interest Expense	(38.1)	(50.2)	(76.8)	(92.2)	(106.8)
Interest and Invest. Income					
Income/(Loss) from Affiliates	137.6	317.3	562.6	791.3	944.0
Other Non-Operating Inc. (Exp.)	0	0	0	0	0
Impairment of Goodwill	0	0	0	0	0
Gain (Loss) On Sale Of Invest.	220	379	159	89	99
Gain (Loss) On Sale Of Assets					
Income Tax Expense	(228)	(266)	(607)	(627)	(701)
Minority Int. in Earnings	(1)	(0)	(3)	(4)	(4)

Depreciation & Amort.	615	766	808	883	979
Change in Working Capital	(296)	456	40	(216)	(226)
Capital Expenditure	(1,729)	(1,967)	(1,853)	(2,500)	(1,501)
Sale of Property, Plant, and Equipment	-	-	-	-	-
Change in Investing Acitivities	53	40	51	51	36
Net increase in bank borrowings	873	16	1,646	0	0
Issuance of Common Stock	0	0	0	0	0
Common Dividends Paid	(590)	(1,043)	(1,552)	(1,780)	(1,989)
Special Dividend Paid	-	-	-	-	-
Other Financing Activities	0	0	(400)	0	0

Cash And Equivalents	831	1,298	2,763	1,967	2,357
Receivables	2,487	2,381	2,377	2,657	2,979
Inventory	1,478	1,223	1,321	1,476	1,655
Other Current Assets	9	93	76	76	76
Net Property, Plant & Equipment	12,581	13,177	12,952	14,571	15,096
Long-term Investments	-	-	-	-	-
Other Intangibles	-	-	-	-	-
Deferred Tax Assets, LT	-	-	-	-	-
Other Long-Term Assets	3,649	3,249	4,534	5,267	6,055
Goodwill	-	-	-	-	-
Accounts Receivable Long-Term	-	-	-	-	-
Total Long Term Assets					
Accounts Payable	1,978	2,112	2,297	2,568	2,879
Accrued Exp.	-	-	-	-	-
Short-term Borrowings	2,529	2,514	3,165	3,165	3,165
Curr. Port. of LT Debt	-	-	-	-	-
Curr. Income Taxes Payable	-	-	-	-	-
Unearned Revenue, Current	-	-	-	-	-
Other Current Liabilities	294	333	538	538	538
Long-Term Debt	3,483	3,514	4,509	4,509	4,509
Def. Tax Liability, Non-Curr.	159	159	218	218	218
Other Non-Current Liabilities	255	63	48	48	48
Common Stock	5,940	4,277	1,719	3,545	5,587
Additional Paid In Capital	-	-	-	-	-
Retained Earnings	6,393	8,442	11,462	11,353	11,200
Treasury Stock					
Comprehensive Inc. and Other	-	-	-	-	-
Minority Interest	2.0	7.2	66.0	70.3	74.6

Return on Assets %	6.7%	10.0%	14.1%	14.4%	14.9%
Return on Capital %	5.9%	7.9%	13.0%	13.0%	13.2%
Return on Equity %	11.1%	16.9%	24.8%	25.7%	25.4%
Gross Margin %	25.2%	27.3%	36.3%	36.2%	35.9%
SG&A Margin %	15.1%	14.1%	14.2%	14.2%	14.2%
EBIT Margin %	11.7%	15.1%	24.7%	24.0%	23.7%
EBITDA Margin %	17.4%	21.8%	31.0%	30.2%	29.9%
Net Income Margin %	12.6%	18.4%	25.0%	25.1%	25.2%
Total Asset Turnover	0.5x	0.5x	0.5x	0.6x	0.6x
Fixed Asset Turnover	0.7x	0.7x	0.7x	0.7x	0.8x
Accounts Receivable Turnover	4.6x	4.7x	5.4x	5.7x	5.7x
Inventory Turnover	7.3x	9.4x	9.7x	9.7x	9.7x
Current Ratio	1.0x	1.0x	1.1x	1.0x	1.1x
Quick Ratio	0.7x	0.7x	0.9x	0.7x	0.8x
Avg. Days Sales Out.	83.6	75.8	67.5	67.6	67.9
Avg. Days Inventory Out.	49.7	38.9	37.5	37.6	37.7
Avg. Days Payable Out.	83.6	89.6	98.3	97.0	96.8
Avg. Cash Conversion Cycle	83.5	62.2	61.1	61.1	61.1
Net Debt to Equity	42%	37%	37%	38%	32%
Total Revenue	9.3%	5.5%	12.1%	11.7%	11.6%
Net Income	(61.3%)	54.9%	52.1%	12.2%	11.8%
Payout Ratio %	43.3%	49.4%	48.3%	49.4%	49.4%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968 HK	Xinyi Solar Holdings Ltd
8328 HK	Xinyi Automobile Glass Hong
3300 HK	China Glass Holdings Ltd
1108 HK	Luoyang Glass Company Ltd-H
3606 HK	Fuyao Glass Industry Group-H
6865 HK	Flat Glass Group Co Ltd-H
600660 CH	Fuyao Glass Industry Group-A
000012 CH	Csg Holding Co Ltd- A
601636 CH	Zhuzhou Kibing Group Co Lt-A
002163 CH	Avic Sanxin Co Ltd-A
600819 CH	Shanghai Yaohua Pilkington-A
600876 CH	Luoyang Glass Company Ltd-A
1802 TT	Taiwan Glass Ind Corp
SISE TI	Turk Sise Ve Cam Fabrikalari
TRKCM TI	Trakya Cam Sanayii As
APOG US	Apogee Enterprises Inc
5201 JP	Asahi Glass Co Ltd
5214 JP	Nippon Electric Glass Co Ltd
4044 JP	Central Glass Co Ltd
5202 JP	Nippon Sheet Glass Co Ltd
SGO FP	Compagnie De Saint Gobain
PPG US	Ppg Industries Inc
GLW US	Corning Inc
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3323 HK	China National Building Ma-H
1313 HK	China Resources Cement
2009 HK	Bbmg Corp-H
743 HK	Asia Cement China Holdings
2128 HK	China Lesso Group Holdings L
358 HK	Jiangxi Copper Co Ltd-H
2600 HK	Aluminum Corp Of China Ltd-H
1088 HK	China Shenhua Energy Co-H
1898 HK	China Coal Energy Co-H
1171 HK	Yanzhou Coal Mining Co-H
347 HK	Angang Steel Co Ltd-H
323 HK	Maanshan Iron & Steel-H
2689 HK	Nine Dragons Paper Holdings
2314 HK	Lee & Man Paper
1812 HK	Shandong Chenming Paper-H
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