E

47

W S : KN 153

Prior TP: HK$8.88

Price: KN 13

9 KN

WS E VR WS

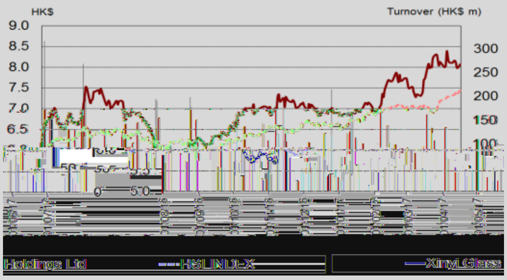
Xinyi Glass Holdings

XYG announced a solid set of 1H17 resu[illegible] with ne[illegible]rofit up[illegible]% YoY, driven mainly by rising float glass A[illegible] and ope[illegible]ting lev[illegible]ge, which more than offset the stagnation in[illegible]he archit[illegible]tural an[illegible] auto segments. Interim dividend of HK$0.20/share was declared. We revise up our forecast by 2% following the strong float glass ASP. 83 years will be a positive catalyst as the company executes the plan. Maintain *BUY* with new target price of HK$9.20.

Key Factors for Rating

- **Solid 1H17 results.**
- **Aggressive capacity expansion plan revealed.**

Trading Summary



Key Risks to Rating

-
-
-

Valuation

- *BUY*

Investment Summary

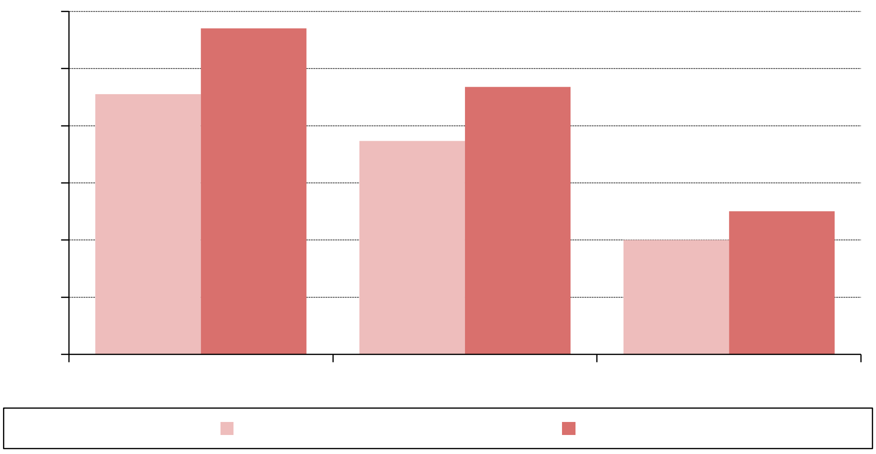
ER LU O
L E P
F O

Solid 1H17 Results

Figure 1. 1H17 Result Review

Aggressive Capacity Target can Bring Upside to our Forecast

Figure 4. 2017E Gross and Net Profit Sensitivity to Changes in Assumptions



Industry Review

Figure 5. Total Number of Float Glass Production Lines vs. Number of Operating Lines

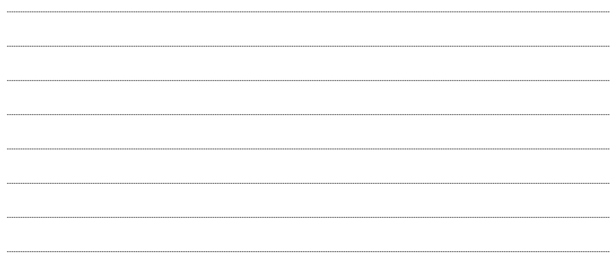


Figure 6. Operating Float Glass Production Capacity and Industry Average Capacity Utilisation Rate

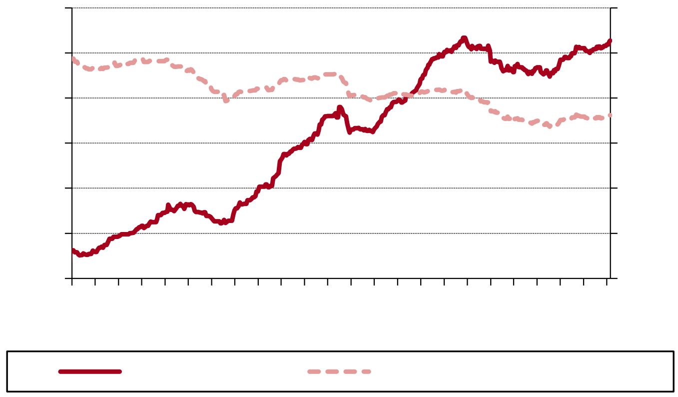


Figure 7. Cumulative Monthly GFA Starts YoY Change

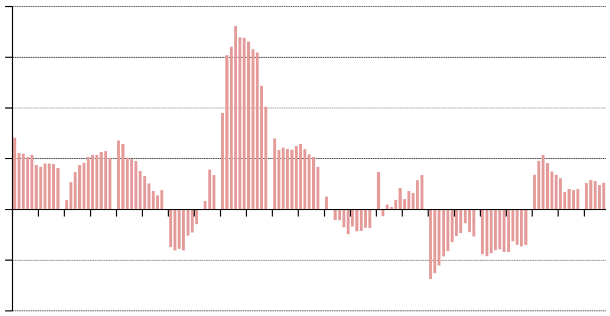


Figure 8. Cumulative Monthly GFA Sold of Commodity Housing YoY Change

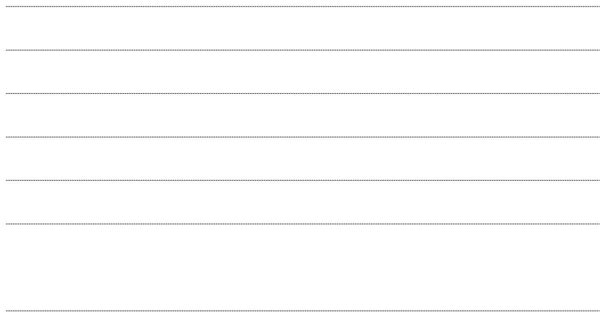


Figure 9. Domestic Float Glass ASP

Figure 10. Domestic Float Glass ASP by Quarter

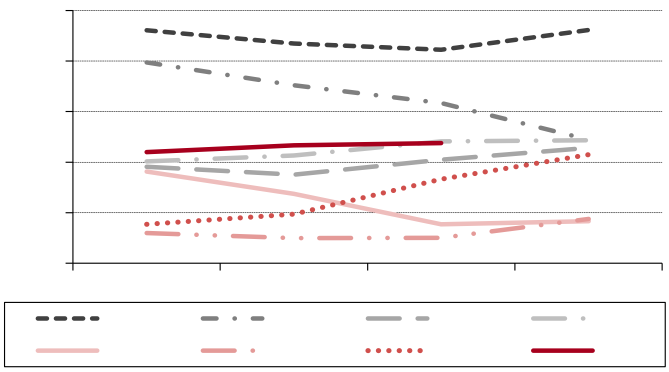
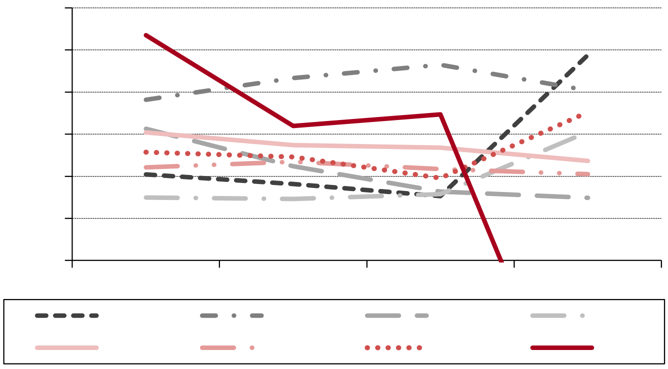


Figure 11. National Average Price of Dense Soda Ash

Figure 12. National Price of Dense Soda Ash by Quarter



Maintain BUY with New TP of HK$9.20

Figure 13. SOTP Valuation

Figure 141 4-year Forward P/E vs. National Avg Spread for Float Glass

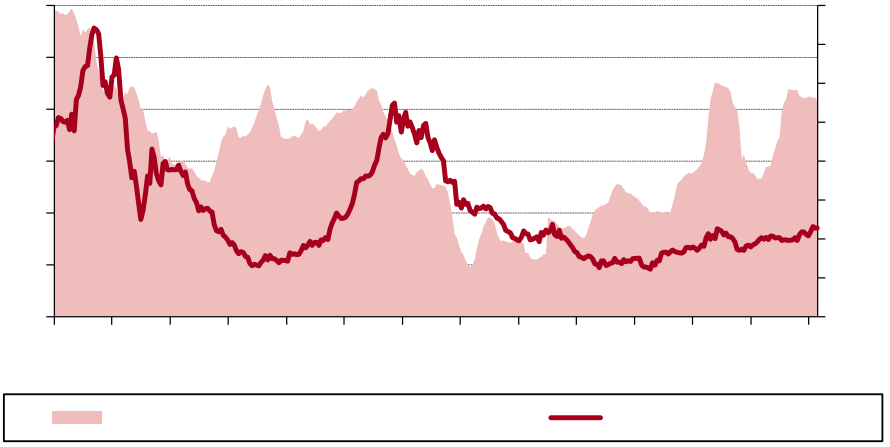


Figure 15. 1-year Forward P/E Range

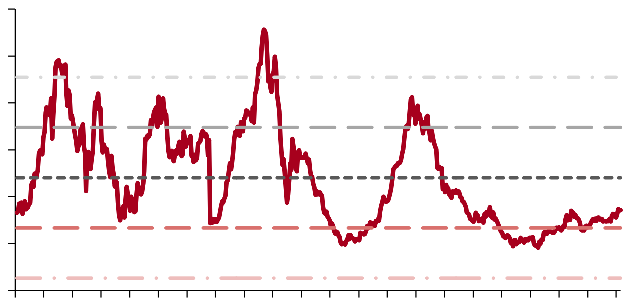
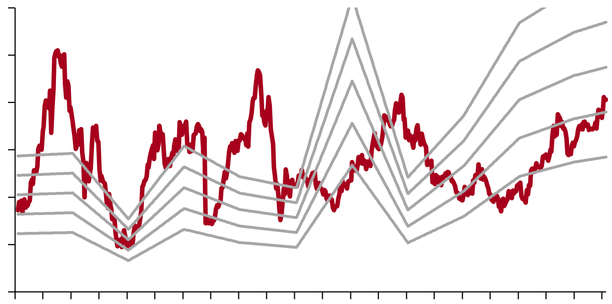


Figure 16. 1-year Forward P/E Band



Income Statement *(HK$ m)*

Cash-flow Statement *(HK$ m)*

Key Ratios

Balance Sheet *(HK$ m)*