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27 February 2018

China Materials

Reuters 0868.HK
Bloomberg 868 HK

Priced on 26 February 2018
HS CEI @ 12,834.1

12M hi/lo HK\$12.44/6.83

12M price target HK\$14.70
±% potential +23%

Shares in issue 4,018.0m
Free float (est.) 43.9%

Market cap US\$6,132m

3M ADV US\$21.1m

Foreign s'holding 52.5%

Major shareholders
Lee Yin Yee 21.6%
Tung Ching Sai 9.9%

Stock performance (%)

1

Financials

Year to 31 December	16A	17A	18CL	19CL	20CL
Revenue (HK\$m)	12,848	14,728	16,492	19,159	22,354
Rev forecast change (%)	-	-	1.3	9.2	-
Adjusted net profit (HK\$m)	3,055	3,697	4,679	5,704	7,015
NP forecast change (%)	-	-	1.8	8.8	-
Adjusted EPS (HK¢)	76.5	91.9	115.9	141.3	173.7
CL/consensus (8) (EPS%)	-	-	100	108	-
Adj EPS growth (% YoY)	77.8	20.1	26.2	21.9	23.0
Adjusted PE (x)	15.6	13.0	10.3	8.5	6.9
Dividend yield (%)	3.4	4.0	4.6	5.6	6.9
ROE (%)	24.8	25.6	24.0	25.7	27.5
Net debt/equity (%)	37.0	29.6	24.4	13.5	2.3

Source: www.clsa.com

XYG's 2017 core profit was up 21.0% YoY, in-line with CLSA consensus

Strong YoY float glass revenue was mainly driven by the significant increase in float glass market prices since 2H16

A higher GPM was supported by higher ASPs, offsetting higher raw materials & production costs

In-line 2017

XYG's 2017 core profit (HK\$3,697m) was up 21.0% YoY, in line with our forecast as well as consensus. Revenue (+14.6% YoY) was in line, with higher than expected auto / construction glass sales offsetting some miss in float glass sales. GPM (37.0% overall) was slightly above us amid slight beat in GPM for float / construction glass especially in 2H17 despite higher costs, offsetting higher than expected expenses like OPEX, depreciation, interest and tax.

Highlights:

Revenue was up 14.6% YoY to HK\$14,728m, in line with our forecast. In particular:

- Revenue from float glass segment surged 23.2% YoY, 2.5% below our forecast which we believe was due to slightly lower than expected sales volume. Meanwhile, strong YoY growth was mainly driven by the significant increase in float glass market prices since 2H16 which stayed high throughout 2017, resulting in significant YoY increase in ASP.
- Revenue from auto glass was up 4.3% YoY, 1.8% above our forecast. The impact from change in accounting treatment (as the company started to take out the rebate from revenue in 2H16 but not in 1H17, which resulted in lower revenue growth in 1H17 but at the same time lower expenses as well) faded out for full-year 2017. Besides, FX movements and also spin-off of Xinyi Automobile Glass Hong Kong (8328.HK) also resulted in some revenue decline. The growth is also due to contributions from new products.
- Revenue from construction glass was up 8.1% YoY, 5.1% above us amid stronger product demand in 2H17 with some ASP hike.

Overall GPM was 37.0%, up 0.7ppt YoY, and higher than us by 0.7ppt. In particular:

- GPM for float glass was 31.7% (up 4.2ppt YoY), 0.4ppt about us, thanks to further ASP increase in 2H17 to drive GPM to increase from 30.1% in 1H17 to 33.0% in 2H17, and offset higher soda ash/natural gas costs.
- GPM for auto glass was 46.9% (down 2ppt YoY), in line with our estimate, with lower GPM in 2H17 amid higher float glass production costs.
- GPM for construction glass was 38.0% (down 1.8ppt YoY), 2.2ppt above us, due to GPM improved in 2H17 from some ASP hike and better efficiency to offset higher float glass costs.

Opex was up 9.9% YoY to HK\$1,970m, 1.9% above our forecast. Depreciation expense was up 6.1% YoY, 2.9% above our estimate.

Other revenue was up 10.4% YoY to HK\$377m, 3.1% above our forecast as the company started to have wind farm electricity sales which was included in other income (instead of revenue).

Net interest expense was up 25.7% YoY to HK\$97m, due to lower than expected interest income and higher than expected interest expenses.

The share of profit of associates was up 24.4% YoY to HK\$700m, 7.4% above our estimate partly due to better-than-expected results of Xinyi Solar (29.5% owned by XYG)

Income tax expense was up 12.4% YoY to HK\$682m, 7.8% above us.

Reported profit was HK\$4,014m, up 24.9% YoY. Excluding non-core other gains of HK\$317m, core profit is calculated to be HK\$3,697m, up 21.0% YoY and in line with our forecast as well as Bloomberg consensus.

A final dividend of HK 28 cents was declared, implying a payout ratio of 47.5% (2016: 48%).

Figure 1

XYG 2017 results highlights

HK\$ m	2016	2017	YoY growth	2017CL	Forecast vs actual	1H17	2H17
Sales	12,848	14,728	14.6%	14,747	(0.1%)	6,677	8,051
COGS (excl depr)	(7,392)	(8,438)	14.1%	(8,572)	(1.6%)	(3,853)	(4,585)

Upside potential on the supply side for float glass

The positive outlook for float glass remains

We reiterate our positive view on the float glass industry in China in 2018, with a stable demand/supply as our base case and potential positive surprise on the supply side. For supply, after the c.3% cut in national operating capacity since Nov 17, we continue to see potential limited number of brand new capacity coming to the market, plus the possibility of an increasing number of production lines which entered into operation in 2009-11 (amid approvals given under the Rmb4tn stimulus) going into overhaul, given normal float glass production lines are subject to the need to overhaul after approximately eight years of operation. We estimate that those commenced operation between 2009-11 (or even earlier) amounted to 52,610t/d, or about 34.2% of total operating capacity in China at present, although the currently healthy market with high profitability could make producers defer their overhaul schedule. In particular, eastern (about 56.3%) and southern (about 41.4%) regions saw a higher proportion of capacity commenced during that period of time. XYG is set to benefit given some 50% of capacity located in these two regions in 18CL (considering they could have one to two lines suspending production for overhaul as well).

Figure 2

Float glass capacity commenced from 2009 to 2011 (or earlier)

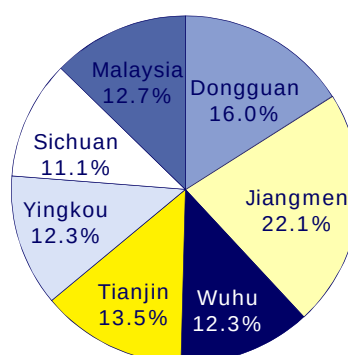
Region	Capacity commenced in 2009-11 (or earlier) (t/d)	Current operating capacity (t/d)	As % of current operating capacity
Northeast	600	10,800	5.6%
North	12,800	41,100	31.1%
East	16,850	30,430	55.4%
Central	4,910	24,060	20.4%
South	10,300	24,900	41.4%
Southwest	5,100	15,500	32.9%
Northwest	2,050	6,850	29.9%
Total	52,610	153,640	34.2%

Source: glassinfo.com.cn, CLSA

XYG's float glass capacity in the eastern (Wuhu) and southern (Dongguan, Jiangmen) regions accounts for c.50% of its total 18CL capacity

Figure 3

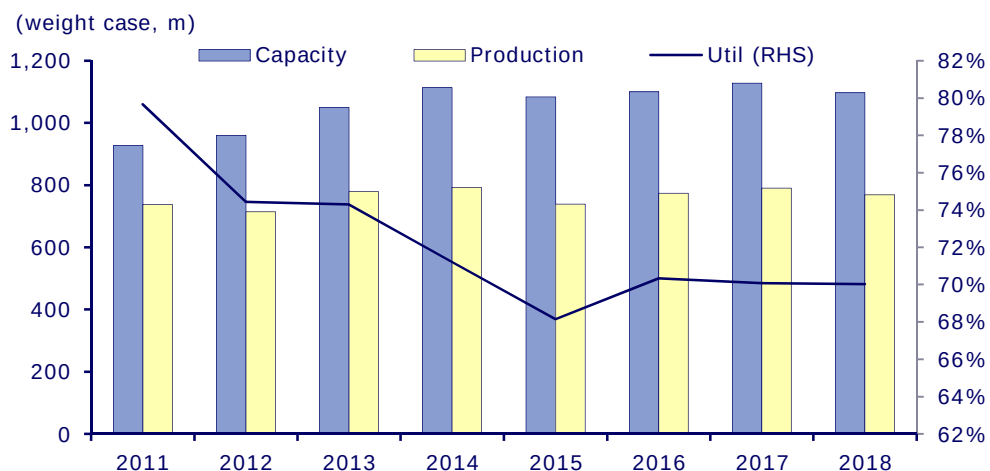
XYG's estimated 18CL float glass capacity breakdown by region



Source: CLSA, company

For demand, despite slowing property sales / new starts construction GFA since 2H17, we see support from previous strong sales on property completion, and the new rental policy from Beijing would also be a factor to support construction growth from rental housing.

Figure 4

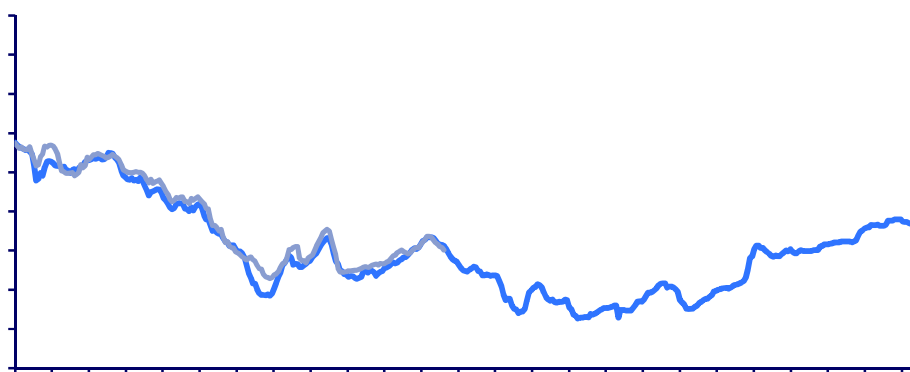
Float glass demand and supply forecast

Source: WIND, glassinfo.com.cn, CLSA

We estimate that XYG's current float glass price is c.14%/9% above average 1H17/2017 levels, respectively.

Besides, on top of a stable float glass prices in Dec-Feb despite under traditional slow season (although some discounts made during CNY), the soda ash price (about 25% of cost of float glass) retreated about 31% from the peak in Nov, and the spot price is about 15% lower than the average 2017 level already, partly helped by the ability to import lower-priced soda ash from the US. This will support margin improvement for XYG's all 3 key segments. We forecast float/auto/construction glass GPM of 37.4%/47.1%/40.0% in 18CL, vs. 31.7%/46.9%/38.0% in 2017.

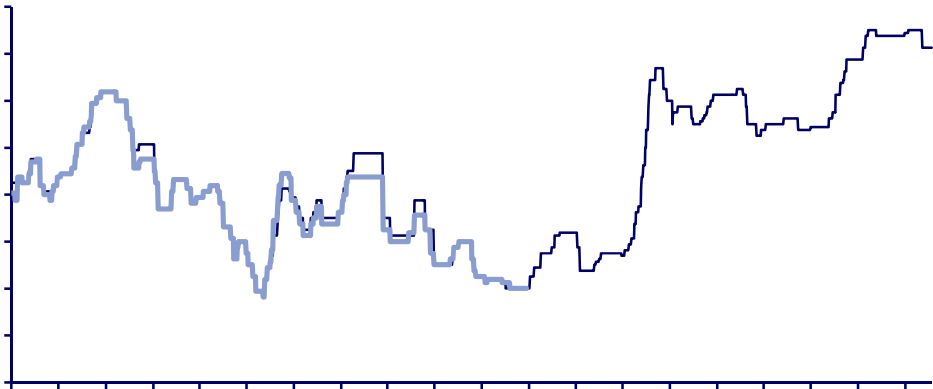
Figure 5

Float-glass prices in various regional markets across China

Source: WIND, CLSA

Figure 6

XYG's float-glass product price quotes (5mm clear glass)



Source: SCI99.com, CLSA

Figure 7

YTD property sales; new starts started have to slow

Figure 8

Glass demand lags property sales

Source: NBS, CLSA

Source: NBS, CLSA

Figure 9

Float-glass capacity under operation in China (including lines just ignited and ultra-clear lines)

Figure 10

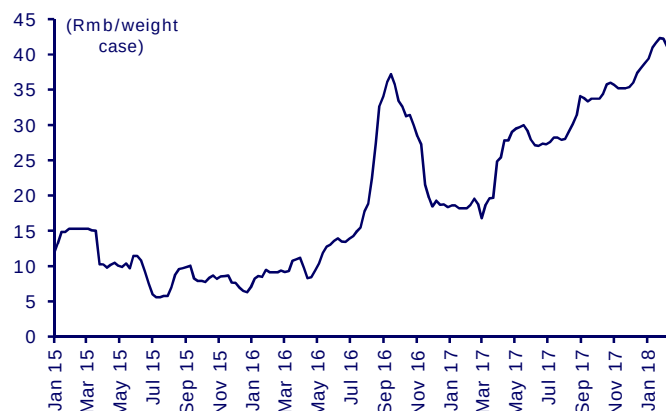
Domestic soda-ash prices

Source: WIND, CLSA

Source: WIND, CLSA

Figure 11

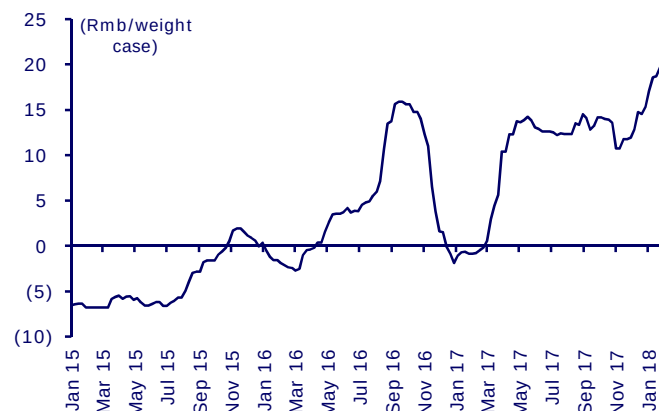
Approximate spread between the float glass price and major costs (natural gas and soda ash) for XYG



Source: CLSA

Figure 12

Approximate spread between the float glass price and major costs (natural gas and soda ash) for the Industry



Source: CLSA

Adding float glass capacity overseas. . .

. . . as well as specialty glass capacity in China

Expansion underway

XYG believe their target of expanding float glass production capacity by 50% by end-2020 (vs 17,100t/d by 2017) is achievable, and could be even faster amid the newly announced plan to add specialty float glass capacity in Guangxi. Despite slower float glass capacity growth in 2018 at c.2.1% to 5.4mt/y (vs 8% YoY in 2017) given the new Malaysia plants being offset by planned overhauls, management expects the float glass capacity will see strong double-digit growth in 2019. Here are the key capacities under construction / planning:

Guangxi specialty float glass lines (3,200t/d): under construction, will commence production in end-2018 to 2019.

Malaysia second phase float glass lines (2,000t/d): under construction, will commence production in 2H18.

Malaysia third phase float glass lines (3,600-4,000t/d): under planning, target to commence production starting 2Q19

Southern Ontario of Canada (1,800-2,000t/d): under planning, target to commence production in 2019-20.

Despite the limitation of new float-glass approvals, according to the Catalogue of Priority Industries for Foreign Investment in the Central and Western Regions (2017 Revision) (中西部地区外商投资优势产业目录(2017 年修订) announced in February 2017), some provinces classify high-end float-glass production (including ultra-clear float glass, ultra-thick float glass) as priority industries supported for foreign investments, like Guangxi, Wuhu/Sichuan Provinces. Higher-end ultra-clear float glass contributes c.38% of XYG's overall production, and GP can be 15% higher than normal float glass. That's why XYG got the plan to build new capacity in Guangxi.

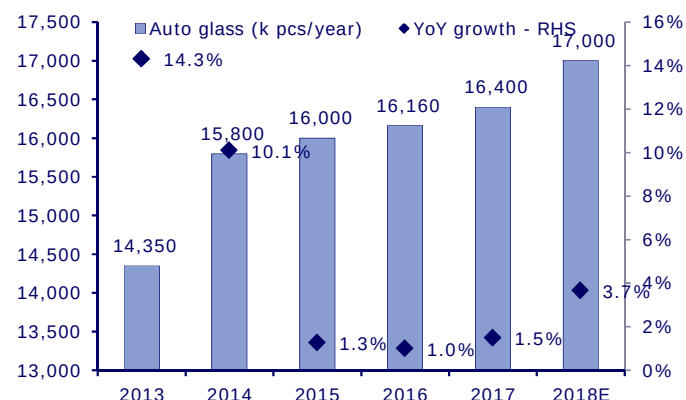
Management believes peers have limited ability to do this given they are one of the only 2 players out of the 60+ float glass producers as foreign invested entities. The market could question about new float-glass capacity in the market, but given the policy is targeted for foreign investments, and the products would mainly be for the high-end market, the risk of creating pressure of additional overcapacity appears relatively limited.

And adding more auto glass capacity

At the same time, XYG is also adding the aftermarket auto glass capacity by c.5m pieces, which is partly supported by the new Guangxi float glass capacity, coming likely by 2020 as well. Thus management is also expecting 10%+ growth for auto glass segment after 2018 as well, faster than the average growth in the past years.

Figure 13

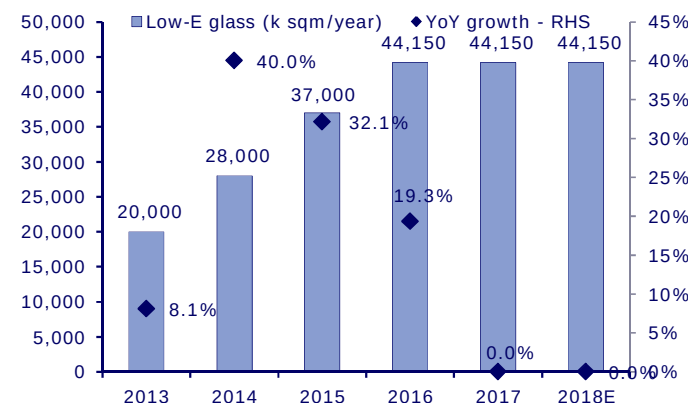
Auto glass capacity



Source: Company, CLSA

Figure 14

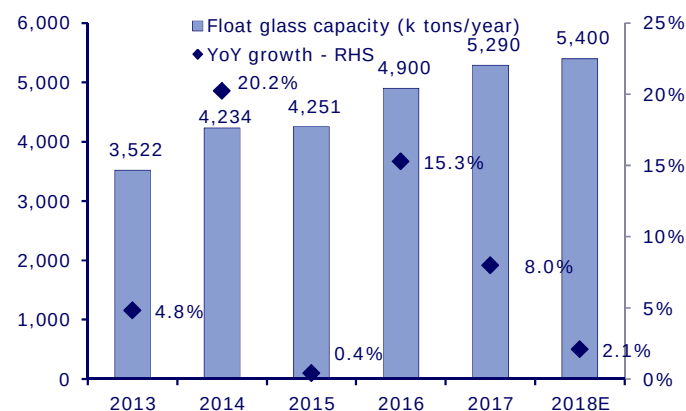
Low-E glass capacity



Source: Company, CLSA

Figure 15

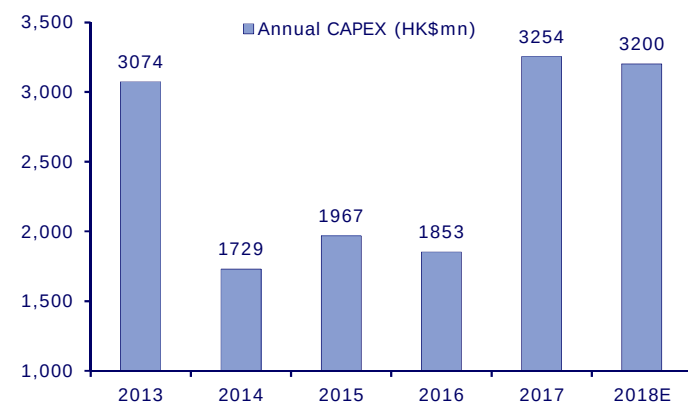
Float glass capacity



Source: Company, CLSA

Figure 16

XYG's capex plan



Source: Company, CLSA

Lift forecast and target price

Maintain BUY

We lift our 18/19CL core profits by 1.8%/8.9% on higher sales from all segments, with better ASP for float/construction glass which also resulted in higher GPMs, and higher volumes for float/auto glass amid new capacity addition plans. We thus lift our target from HK\$13.10 to HK\$14.70 based on a blended PE/PB approach: for PE, we apply the same 12x on 19CL EPS; for PB we use same 2.4x on 18CL BVPS. Maintain BUY on XYG for its improving float glass business to continue, with capacity expansion to fuel its long-term growth.

Figure 17

XYG earnings revisions

	New			Old			Change		
	18CL	19CL	20CL	18CL	19CL	20CL	18CL	19CL	20CL
Revenue									
Automobile glass products	4,096	4,500	4,876	4,005	4,169	na	2.3%	7.9%	na
Construction glass	2,953	3,091	3,159	2,876	2,941	na	2.7%	5.1%	na
Float glass (including electronic glass)	9,443	11,569	14,318	9,320	10,357	na	1.3%	11.7%	na
Total	16,492	19,159	22,354	16,276	17,541	na	1.3%	9.2%	na
Gross margin						na			na
Automobile glass products	47.1%	47.2%	47.8%	47.0%	46.8%	na	0.1 ppt	0.4 ppt	na
Construction glass	40.0%	40.7%	41.4%	37.8%	38.3%	na	2.2 ppt	2.4 ppt	na
Float glass (including electronic glass)	37.4%	39.4%	41.6%	36.8%	38.5%	na	0.7 ppt	0.9 ppt	na
Total	40.3%	41.5%	42.9%	39.6%	40.5%	na	0.7 ppt	0.9 ppt	na
Core profit	4,679	5,704	7,015	4,595	5,240	na	1.8%	8.9%	na

Source: CLSA

Glass maker earnings are more sensitive to prices than costs

Figure 18

Earnings sensitivity analysis

	Change in 18CL core profit
1% increase in float glass price	+1.3%
1% increase in auto glass price	+0.6%
1% increase in soda ash price	-0.3%
1% increase in fuel cost	-0.5%

Source: CLSA

Our target price is based on a blended PE and PB approach

Figure 19

Valuation of Xinyi Glass

PE basis	
19CL EPS (HK\$)	1.41
Target multiple (x)	12
Fair value (HK\$)	17.00
PB basis	
18CL BVPS (HK\$)	5.13
Target multiple (x)	2.4
Fair value (HK\$)	12.30
Average (HK\$)	14.70
Implied 18/19CL PE	12.7x/10.4x

Source: CLSA

Its current market-cap implies 10.3x/8.4x for its non-solar business earnings in 17/18CL

Figure 20

Valuation of Xinyi Glass's non-solar business

HK\$m	FY18CL	FY19CL
Net profit of Xinyi Glass	4,679	5,704
Less: after-tax share of profits of Xinyi Solar	(741)	(881)
Non-solar profit	(a) 3,938	4,823
Current market cap of Xinyi Glass	(b) 47,975	47,975
Current market cap of Xinyi Solar	(c) 24,576	24,576
M'cap of Xinyi Glass's non-solar business	(d) = (b) - 29.5%*(c) 40,717	40,717
PE of Xinyi Glass's non-solar business	(e) = (d)/(a) 10.3	8.4

Source: CLSA

Figure 21

Xinyi Glass 12-month forward PE chart



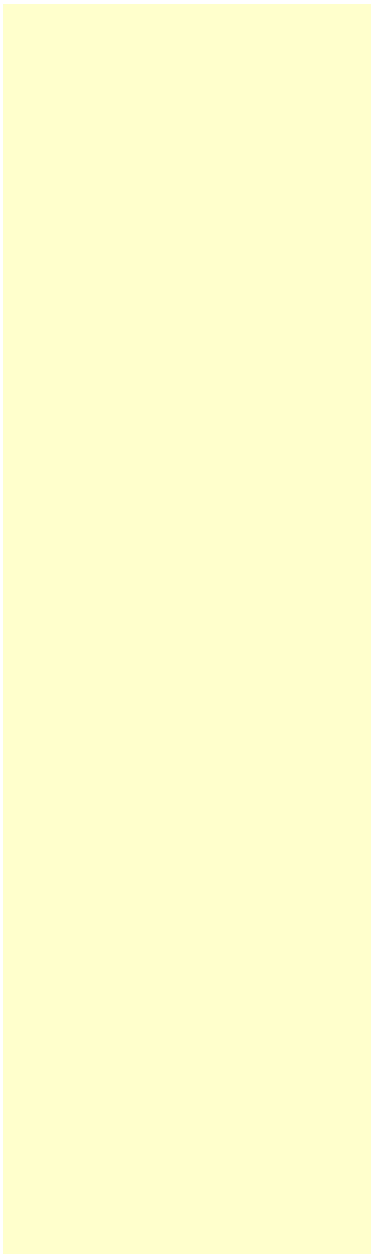
Figure 22

Xinyi Glass 12-month forward PB chart

Source: CLSA, Datastream

Figure 23

12-month forward PE chart: Xinyi Glass after stripping out Xinyi Solar at the market price (since December 2013)



Source: CLSA, Datastream

Figure 24

Valuation comp – Xinyi Glass

Stock	Ticker	Price (local)	Mkt Cap (USD,m)	ADTV (USD,m)	CLSA			12m forward valuations					EPS Cagr FY1-FY3	PEG	Gearing (%)	Performance (%)			
					Rec	Target	Upside	PE	PB	Yield	EV/Ebitda	ROE				1m	3m	6m	12m
Xinyi Glass	868 HK	11.94	6,132	21.1	BUY	14.70	23%	10.0	2.3	4.8	8.6	24.3	22.4	0.4	30	(2)	36	62	76
Xinyi Solar	968 HK	3.31	3,141	9.4	BUY	4.10	24%	9.5	2.1	4.8	8.7	23.3	17.5	0.5	56	(8)	19	28	22
Fuyao Glass - H	3606 HK	32.20	10,751	7.0	BUY	39.00	21%	16.7	3.1	3.6	10.7	19.7	23.7	0.7	0	(5)	3	28	38
Flat Glass	6865 HK	2.50	575	1.0				5.9	0.7			13.9	35.6	0.2	(14)	(7)	67	88	52
China Glass	3300 HK	0.81	187	0.9											55	(4)	13	19	(12)
Luoyang Glass	1108 HK	3.95	891	0.6											106	(12)	(2)	(16)	(33)
CSG Holding	000012 CH	8.06	2,586	41.6				18.9					18.5	1.0	73	(12)	(14)	(6)	(23)
Fuyao Glass - A	600660 CH	27.30	10,750	51.3				17.4	3.2	3.4	10.7	18.5	17.3	1.0	0	(2)	0	16	41
Yaohua Pilkington	600819 CH	4.85	685	2.0											48	(15)	(19)	(31)	(47)
Shandong Jinjing	600586 CH	4.06	939	5.8				9.4					114.0	0.1	57	(9)	(8)	(22)	(17)
AVIC Sanxin	002163 CH	7.64	973												287	0	0	(6)	(29)
Xiuqiang Glasswork	300160 CH	6.05	573	5.1				15.9	2.4	1.4	12.7	14.1	23.4	0.7	11	(20)	(19)	(32)	(52)
Changzhou Almaden	002623 CH	18.31	464	3.5				47.8							39	(18)	(27)	(26)	(53)
Zhuzhou Kibing	601636 CH	7.21	3,078	91.7				11.9	2.3	3.1	8.5	19.5	26.3	0.5	56	(7)	28	42	59
Taiwan Glass	1802 TT	18.20	1,810	5.7											44	(9)	9	11	4
Asahi Glass	5201 JP	4,555.00	10,043	38.9				13.3	0.9	2.3	5.8	6.4	12.4	1.1	28	(5)	(3)	8	(2)
Nippon Sheet Glass	5202 JP	875.00	742	11.4				8.4	0.7	0.8	7.0	12.5	127.1	0.1	233	(13)	(7)	6	5
Central Glass	4044 JP	2,441.00	984	4.1				15.9	0.6	2.0	7.1	3.8	30.7	0.5	24	0	4	8	(5)
Hankuk Glass Industries	002000 KS	34,950.00	329	0.1											(21)	0	1	17	27
Cie de St-Gobain	SGO FP	45.62	31,160	99.9				13.2	1.2	3.0	6.8	9.4	13.6	1.0	32	(5)	(6)	(1)	3
PPG Industries Inc	PPG US	117.46	29,351	168.9				17.4	6.1	1.6	11.7	32.5	11.5	1.5	47	(3)	1	13	14
Turkiye Sise	SISE TI	4.91	2,923	5.9				10.2	1.1	3.2	5.9	11.5	9.8	1.0	13	(5)	11	12	35
Trakya Cam Sanayii	TRKCM TI	4.67	1,396	2.3				9.2	1.5	3.9	6.7	14.0	8.9	1.0	32	(4)	11	28	90
Corning	GLW US	29.30	25,123	214.8				16.9	1.9	2.4	8.4	12.0	11.8	1.4	5	(15)	(8)	2	6
Average								14.9	2.0	2.9	8.5	15.7	30.9	0.7	51.8				

Source: Bloomberg (for the not-rated stocks), CLSA (for the rest)

Valuation details

We value XYG using a blended PE and PB approach. We apply a target multiple of 12x to 19CL EPS and a target multiple of 2.4x to 18CL BVPS, in line with the historical averages.

Investment risks

Key risks include: 1) Weakening of the property market or even the auto market. Demand for float glass and construction glass is highly dependent on the property market. Besides, despite being a stable business, the auto glass segment is correlated to the global number of vehicles in use, and any significant slowdown in the global auto industry may also affect the segment's performance. 2) Further tightening of credit. Tightening of credit also affects developers' cash flows and progress in construction of property projects. 3) Incremental production costs. A significant surge in natural gas, international crude oil prices and other raw material costs may affect XYG's gross margin if it cannot pass on incremental costs by raising ASP. 4) More capacity additions in the market.

Financials at a glance

Year to 31 December	2016A	2017A	2018CL	(% YoY)	2019CL	2020CL
Profit & Loss (HK\$m)						
Revenue	12,848	14,728	16,492	12	19,159	22,354
Cogs (ex-D&A)	(7,392)	(8,438)	(8,888)		(10,133)	(11,578)
Gross Profit (ex-D&A)	5,456	6,290	7,604	20.9	9,027	10,776
SG&A and other expenses	(1,793)	(1,970)	(2,096)		(2,377)	(2,707)
Op Ebitda	3,664	4,320	5,508	27.5	6,649	8,069
Depreciation/amortisation	(827)	(921)	(1,032)		(1,158)	(1,255)
Op Ebit	2,837	3,399	4,476	31.7	5,491	6,815
Net interest inc/(exp)	(77)	(97)	(62)		(54)	(21)
Other non-Op items	1,063	1,394	1,157	(17)	1,355	1,568
Profit before tax	3,823	4,696	5,571	18.6	6,792	8,362
Taxation	(607)	(682)	(891)		(1,088)	(1,347)
Profit after tax	3,216	4,014	4,679	16.6	5,705	7,015
Minority interest	(3)	0	0		0	0
Net profit	3,213	4,014	4,679	16.6	5,704	7,015
Adjusted profit	3,055	3,697	4,679	26.6	5,704	7,015
Cashflow (HK\$m)						
Operating profit	2,837	3,399	4,476	31.7	5,491	6,815
Depreciation/amortisation	827	921	1,032	12.1	1,158	1,255
Working capital changes	(426)	(1,409)	54		(303)	(359)
Other items	(784)	(834)	(1,013)		(1,209)	(1,445)
Net operating cashflow	2,453	2,077	4,548	119	5,138	6,265
Capital expenditure	(1,853)	(3,254)	(3,200)		(2,000)	(2,000)
Free cashflow	600	(1,177)	1,348		3,138	4,265
M&A/Others	1,112	1,448	1,217	(16)	1,422	1,646
Net investing cashflow	(741)	(1,806)	(1,983)		(578)	(354)
Increase in loans	1,646	792	(97)		(1,319)	(1,942)
Dividends	(1,622)	(1,926)	(2,221)		(2,707)	(3,329)
Net equity raised/other	(267)	1,146	-		0	0
Net financing cashflow	(244)	12	(2,318)		(4,026)	(5,272)
Incr/(decr) in net cash	1,468	283	247	(12.7)	533	639
Exch rate movements	-	-	-		-	-
Balance sheet (HK\$m)						
Cash & equivalents	2,768	3,051	3,298	8.1	3,832	4,471
Accounts receivable	1,036	1,243	1,276	2.7	1,482	1,730
Other current assets	2,732	3,638	3,530	(3)	3,752	4,011
Fixed assets	11,831	12,929	15,172	17.3	16,088	16,905
Investments	3,258	4,416	4,416	0	4,416	4,416
Intangible assets	1,193	3,497	3,421	(2.2)	3,348	3,276
Other non-current assets	1,205	1,532	1,532	0	1,532	1,532
Total assets	24,022	30,305	32,645	7.7	34,450	36,339
Short-term debt	3,165	2,068	2,044	(1.1)	1,722	1,247
Accounts payable	789	923	902	(2.3)	1,028	1,175
Other current liabs	2,046	2,166	2,166	0	2,166	2,166
Long-term debt/CBs	4,509	6,399	6,325	(1.1)	5,328	3,860
Provisions/other LT liabs	266	443	443	0	443	443
Shareholder funds	13,181	18,237	20,696	13.5	23,693	27,378
Minorities/other equity	66	69	69	0	69	69
Total liabs & equity	24,022	30,305	32,645	7.7	34,450	36,339
Ratio analysis						
Revenue growth (% YoY)	12.1	14.6	12.0		16.2	16.7
Ebitda margin (%)	28.5	29.3	33.4		34.7	36.1
Ebit margin (%)	22.1	23.1	27.1		28.7	30.5

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Companies mentioned

Xinyi Glass (868 HK - HK\$11.94 - BUY)
Asahi Glass (N-R)
AVIC Sanxin (N-R)
Central Glass (N-R)
Changzhou Almaden (N-R)
China Glass (N-R)
Cie de St-Gobain (N-R)
Corning (N-R)
CSG - A (N-R)
Flat Glass Group (N-R)
Fuyao Glass (3606 HK - HK\$32.20 - BUY)
Hankuk Glass Industries (N-R)
Jinjing (N-R)
Kibing (N-R)
Luoyang Glass (N-R)
NSG (N-R)
PPG (N-R)
Sise Cam (N-R)
SYP Glass - A (N-R)
Taiwan Glass (N-R)
Trakya Cam Sanayii (N-R)
Xinyi Automobile Glass Hong Kong (N-R)
Xinyi Solar (968 HK - HK\$3.31 - BUY)
Xiuqiang Glasswork (N-R)

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Important disclosures

Recommendation history of Xinyi Glass Holdings Ltd 868 HK



Date	Rec	Target	Date	Rec	Target
LATEST	BUY	14.70	15 Jun 2016	O-PF	6.12*
24 Jan 2018	BUY	13.10	04 May 2016	O-PF	5.56*
14 Dec 2017	BUY	10.70	16 Mar 2016	O-PF	4.80*
31 Oct 2017	BUY	9.50	05 Feb 2016	O-PF	4.24*
17 Jul 2017	BUY	9.60	19 Nov 2015	O-PF	4.33*
14 Dec 2016	BUY	8.35	29 Jul 2015	O-PF	4.24*
08 Nov 2016	BUY	8.30	24 Apr 2015	O-PF	4.90*
08 Sep 2016	BUY	8.35	03 Mar 2015	O-PF	4.81*
03 Aug 2016	BUY	7.25			

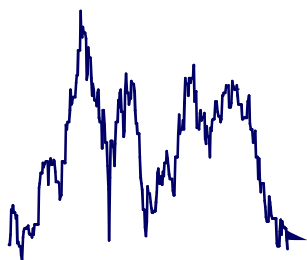
Source: CLSA; * Adjusted for corporate action

Recommendation history of Fuyao Glass Industry Group Co Ltd 3606 HK

Date	Rec	Target	Date	Rec	Target
24 Jan 2018	BUY	39.00	15 May 2017	BUY	32.60
27 Oct 2017	BUY	36.30			

Source: CLSA

Recommendation history of Xinyi Solar Holdings Ltd 968 HK



Date	Rec	Target	Date	Rec	Target
24 Jan 2018	BUY	4.10	16 Mar 2016	BUY	3.97*
04 Jan 2018	BUY	3.80	05 Feb 2016	BUY	4.07*
31 Oct 2017	BUY	3.30	12 Jan 2016	BUY	4.57*
01 Aug 2017	BUY	3.10	19 Nov 2015	BUY	4.67*
17 Jul 2017	BUY	3.00	02 Nov 2015	BUY	4.57*
22 Apr 2017	BUY	2.98*	19 Oct 2015	BUY	4.67*
28 Feb 2017	BUY	3.38*	12 Jun 2015	BUY	4.55*
14 Dec 2016	BUY	3.48*	27 May 2015	BUY	4.07*
18 Oct 2016	BUY	3.87*	24 Apr 2015	BUY	3.56*
15 Jun 2016	BUY	4.17*	12 Mar 2015	BUY	3.11*

Source: CLSA; * Adjusted for corporate action

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category: BUY / Outperform - CLSA: 2.61%; CLST only: 0.00%, Underperform / SELL - CLSA: 1.76%; CLST only: 0.00%, Restricted - CLSA: 0.00%; CLST only: 0.00%. Data for 12-month period ending 31 December 2017.

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