

Xinyi Solar

Lifting PT to HK\$4.0 - More capacity for growth in solar farms

Xinyi Solar (XYS) is the largest maker of solar cover glass in the world, with over a 20% global market share. The company announced a placement agreement on Mar 10 after trading hours. We see any downside to the share price from the recent equity placement as a good buying opportunity. We have lifted our PT to HK\$4.0 to reflect more contribution from solar farm operations that are financed from the new equity funding.

- New equity raising removes an overhang.** Due to the large amounts of solar projects that XYS is at the late stage of negotiations for, it became obvious that funding needs in 2015 would be great and was likely to push ND/E above the level of 80% before the end of 2015. Therefore, the company's raising approx US\$145m in a fund raising yesterday came as no surprise to most market observers. We see, at least for 2015, that the abundance of attractive solar farm projects means that the new equity can be deployed in investments that can generate income in a short period of time (4-6 months) and should be EPS enhancing in the year following the new equity issuance. XYS is transforming from a low cost maker of solar cover glass to become an integrated solar company with significant downstream operations in solar farm construction, operations and ownership. We expect downstream contribution to operating profits to reach 47% by 2016 and 50% by 2017.
- Lifting 2016 EPS and PT to HK\$4.0.** We have lowered our sales for FY15 by 3.3% as we cut EPC contract as we assume XYS to retain more solar farms for its own operations. The positive impact of the additional solar farms would be reflected by higher generation sales and profits for 2016. As XYS will have a full year contribution from the additional solar farms (only 4 months for 2015) which enhances earnings by 9.4% and result in a lifting of the EPS by 3.1% for 2016. Our Dec-15 DCF is lifted to HK\$4.0 given long term earnings improvement.
- Price, valuation and risks.** Our PT of HK\$4.0 implies a forward P/E of 12.1x (CY16E). The key downside risks are slower-than-expected recovery in global demand and delays in solar panel approvals in China.

Overweight

0968.HK, 968 HK

Price: HK\$2.50

▲ **Price Target: HK\$4.00**
Previous: HK\$3.60

China

SMID-Caps

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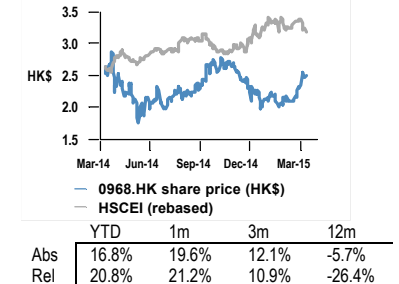
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Price Performance



Xinyi Solar (Reuters: 0968.HK, Bloomberg: 968 HK)

HK\$ in mn, year-end Dec	FY12A	FY13A	FY14A	FY15E	FY16E
Revenue (HK\$ mn)	1,533	1,968	2,410	5,584	8,513
Net Profit (HK\$ mn)	119	304	493	1,298	2,133
EPS (HK\$)	0.03	0.07	0.08	0.20	0.33
DPS (HK\$)	0.00	0.02	0.02	0.06	0.09
Revenue growth (%)	24.3%	28.3%	22.5%	131.7%	52.5%
EPS growth (%)	(63.0%)	115.7%	14.7%	138.7%	64.3%
ROCE	11.9%	17.9%	14.7%	19.2%	19.1%
ROE	12.0%	18.0%	17.6%	29.9%	31.7%
P/E (x)	73.5	34.1	29.7	12.5	7.6
P/BV (x)	8.2	6.2	4.6	3.1	2.2
EV/EBITDA (x)	58.3	29.7	21.6	9.8	6.2
Dividend Yield	0.0%	0.7%	1.0%	2.3%	3.8%

Source: Company data, Bloomberg, J.P. Morgan estimates.

Company Data

Shares O/S (mn)	6,080
Market Cap (HK\$ mn)	15,200
Market Cap (\$ mn)	1,958
Price (HK\$)	2.50
Date Of Price	10 Mar 15
Free Float(%)	-
3M - Avg daily vol (mn)	17.17
3M - Avg daily val (HK\$ mn)	38.68
3M - Avg daily val (\$ mn)	5.0
HSCEI	1,1507.63
Exchange Rate	7.76
Price Target End Date	31-Dec-15

See page 11 for analyst certification and important disclosures, including non-US analyst disclosures.

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<p>Key catalyst for the stock price:</p> <ul style="list-style-type: none"> China announced a new rebate of Rmb0.42 per KWH for solar power in Aug 13 that should boost 2014 demand New downstream business (installing rooftop panels) is an upcoming growth driver 	<p>Upside risks to our view:</p> <ul style="list-style-type: none"> The margins for solar glass recover faster than expected. Our current GPM for 2014 is well below the peak GPM of over 50% achieved in 2010 The announcement of new downstream projects is faster than our expectation (currently 200MW assumed each year starting 2014) 	<p>Downside risks to our view:</p> <ul style="list-style-type: none"> Demand from Europe (still a third of total global) recovers slower than expected due to the economy or due to governments not subsidizing solar energy due to public deficits. Cost of gas (largest cost at nearly 40%) continues to rise as this is a long term policy of the Chinese government to liberalize energy prices New capacity in solar glass is built by competitors that could pressure prices
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Key financial metrics	FY13E	FY14E	FY15E	FY16E
Revenues (LC)	1,968	2,410	5,584	8,513
Revenue growth (%)	28.3%	22.5%	131.7%	52.5%
EBITDA (LC)	465	687	1,813	3,146
EBITDA margin (%)	23.6%	28.5%	32.5%	36.9%
Tax rate (%)	18%	14%	14%	15%
Net profit (LC)	304	493	1,298	2,133
EPS (LC)	0.073	0.084	0.201	0.330
EPS growth (%)	156%	62%	163%	64%
DPS (LC)	0.018	0.024	0.057	0.094
BVPS (LC)	0.41	0.54	0.82	1.14
Operating cash flow (LC mn)	556	148	1,273	2,638
Free cash flow (LC mn)	261	(1,706)	(3,787)	(2,275)
Interest cover (X)	-211	117	40	25
Net margin (%)	15.4%	20.5%	23.2%	25.1%
Sales/assets (X)	0.73	0.42	0.48	0.50
Debt/equity (%)	15.8%	73.8%	115.3%	111.4%
Net debt/equity (%)	NC	23%	69%	67%
ROE (%)	18%	18%	30%	32%

Key model assumptions	FY15E	FY16E
Capacity (Raw PV) (tons/day)	3800	4700
MW of solar power owned	1000	1700
ASP processed glass(HK\$/ton)	4726	4678

Source: Bloomberg, Company and J.P. Morgan estimates.

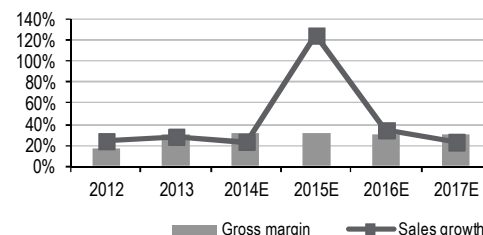
Sensitivity analysis	EBITDA		EPS	
	FY15E	FY16E	FY15E	FY16E
1% chg in ASP	3.6%	3.3%	4.3%	4.0%
1% chg in volume	1.0%	0.9%	1.4%	1.3%
1% inc in gas cost	-0.4%	-0.3%	-0.6%	-0.4%

Source: Bloomberg, Company and J.P. Morgan estimates.

Valuation and price target basis

Our price target is based on DCF methodology. The nature of the industry leads us to apply a terminal growth of 4.0% (near the middle of the 3% to 6% growth rate used for SMID Caps).

Sales growth and GPM trends



Source: Bloomberg, Company and J.P. Morgan estimates.

JPM vs. consensus, change in estimates

EPS	FY15E	FY16E
JPM old	0.206	0.320
JPM new	0.201	0.330
% chg	-2.3%	3.1%
Consensus	0.177	0.222

Source: Bloomberg, Company and J.P. Morgan estimates.

Company Name	Price (TP)	MCAP US\$MM	Vol US\$m	1W Chg	3M Chg	P/E 14E (x)	PE 15E (x)	ROE (%)	P/B (x)	Yid (%)	
XINYI GLASS HOLD (OW)*	868 HK	4.62 (6.1)	2,252	7.2	(3.9)	15.2	13.0	8.0	11.1	1.4	3.3
XINYI SOLAR HOLD (OW)*	968 HK	2.50 (4)	1,816	10.2	(7.5)	5.4	27.7	11.6	18.0	4.3	1.0
CHINA SINGYES SO (NC)	750 HK	10.68	969	5.2	(3.7)	(3.7)	9.2	7.1	22.4	2.2	1.1
CSG HOLDING CO-B (NC)	200012 CH	6.11	2,770	1.8	2.0	3.0	9.2	8.0	12.8	1.2	na
Average						10.3	8.6	19.6	2.3	2.6	

Source: Company data, Bloomberg estimates for Not Covered (NC) companies, J.P. Morgan estimates (*). Share prices are as of close of Mar 10, 2015

Raising new equity not a surprise

XYX announced the placement of 500m new shares at HK\$2.3 (after trading 10 March) which should raise approx US\$145m. We expect the company would be able to build and operate more solar farms as a result. Our previous estimate is for XYX to build and operate 550MW of solar farms for own use and build 300 MW for third parties (either EPC contract or build transfer sales) with a resulting Dec 15 ND/E of 87%. Following the equity issue our new estimate is for XYX to keep 750 MW of projects for own operations and build 200 MW on behalf of others (mostly EPC) for a total of 950MW of project completions in 2015 compared to management's target of 1.1 GW (1.0GW new unannounced projects + 100 MW already under construction in YTD). Our new year end ND/E is at 69%, below a level of 80% that management is comfortable with.

Highlights from post results meetings

- **Government targets expected to be met.** XYX management was confident that the government targets would be met and that the roughly 20% miss in completions (vs target) in 2014 was mainly due to policy uncertainties in the downstream projects that have been resolved at the end of 2014. Now downstream projects are easier to finance and less risky, and XYX has seen evidence that these projects are ramping up nicely in 2015.
- **Solar glass prices are margins are quite stable.** During the slack season ahead of and following the Chinese New Year holidays, XYX is still seeing strong demand and firm pricing for glass. Despite the sharp rise in capacity for XYX (about 80% from Aug 14 to Dec 14), the company does not see much price or margin degradation and believes that 2H15 should see demand exceed supply for solar glass as the peak installation season (June to Nov) should see much better growth than last year, which was clouded by regulatory uncertainty over downstream projects.

Net profits revised up by 3.7% for FY15E and 9.4% for FY16E

Year to June (HK\$ m)	New		Old		Chg	
	FY15E	FY16E	FY15E	FY16E	FY15E	FY16E
Turnover	5,584	8,513	5,775	8,357	-3.3%	1.9%
Gross profit	1,766	2,748	1,708	2,524	3.4%	8.8%
EBIT	1,551	2,603	1,497	2,374	3.6%	9.7%
Net profit	1,298	2,133	1,252	1,949	3.7%	9.4%
EPS	0.201	0.330	0.206	0.320	-2.3%	3.1%
Assumptions						
Gross margin	31.6%	32.3%	29.6%	30.2%	2.1%	2.1%

Source: J.P. Morgan estimates.

We have lowered our sales for FY15 by 3.3% as we cut EPC contracts for solar farms from 300 MW to 200MW, which lowers contract revenues. Offsetting this we are lifting the amount of newly completed solar farms that XYX will own and operate from 550 MW to 750MW (total 1,000 MW operational by Dec 2015). Profits are lifted by 3.7% for 2015 as margins on self-operated solar farms (GPM over 65%) are higher than the 15% GPM for EPC contracts. EPS is lowered by 2.3% due to the dilution related to the newly issued 500m shares. However, for 2016, we have a full year contribution from the additional solar farm operations (only 4 months for 2015), which enhances earnings by 9.4% and results in a lifting of the EPS by 3.1% for

2016. We believe that as long as there are attractive solar farm projects, future equity fund raising should be EPS enhancing in the year following the new equity issuance. Our Dec 15 DCF valuation is lifted to HK\$4.0 as a result of the long term earnings improvement.

Table 3: XYG – Revenue mix

HK\$ MM, year-end 31Dec	2012	2013	2014	2015E	2016E	2017E
PV raw glass	442	562	237	398	563	1,396
YoY	14.9%	27.2%	-57.8%	68.0%	41.3%	148.0%
% of total	29%	29%	10%	7%	7%	13%
PV processed glass	852	1,405	2,142	3,440	3,624	3,452
YoY	6.2%	64.9%	52.5%	60.6%	5.3%	-4.7%
% of total	56%	71%	89%	62%	43%	33%
Solar projects owned		-	31	795	1,827	2,399
YoY				na	na	na
% of total			1%	14%	21%	23%
Solar construction (EPC)			-	950	2,500	3,225
YoY				na	na	na
% of total			0%	17%	29%	31%
TCO and others	240	1	-	-	-	-
YoY	na	na				
% of total	16%	0%	0%	0%	0%	0%
Total	1,533	1,968	2,410	5,584	8,513	10,472

Source: Company data, J.P. Morgan estimates.

Table 4: XYG – P&L statement

Year-end 31Dec (HK\$MM)	2012	2013	2014	2015E	2016E	2017E
Total Revenues	1,533	1,968	2,410	5,584	8,513	10,472
YoY change (%)	24.3%	28.3%	22.5%	131.7%	52.5%	23.0%
Cost of Goods Sold	(1,270)	(1,375)	(1,649)	(3,818)	(5,765)	(7,081)
YoY change (%)	60.5%	8.3%	19.9%	131.5%	51.0%	22.8%
Gross Profit	263	592	760	1,766	2,748	3,391
YoY change (%)	-40.5%	125.1%	28.4%	132.2%	55.6%	23.4%
Gross Margin	17.2%	30.1%	31.6%	31.6%	32.3%	32.4%
SGA	(164)	(287)	(259)	(360)	(366)	(395)
YoY change (%)	44.3%	74.6%	-9.7%	39.1%	1.7%	8.0%
Other Income/(Expenses)	43	63	87	145	221	272
Operating profit	142	369	589	1,551	2,603	3,268
EBITDA	241	465	687	1,813	3,146	4,041
EBITDA margin	15.7%	23.6%	28.5%	32.5%	36.9%	38.6%
Depreciation & Amortization	(99)	(97)	(97)	(262)	(542)	(773)
YoY change (%)	61.3%	-2.7%	0.8%	168.7%	107.4%	42.5%
EBIT	142	369	589	1,551	2,603	3,268
EBIT margin	9.2%	18.7%	20.8%	25.2%	28.0%	28.6%
Net Interest Expense	1	2	(5)	(39)	(104)	(124)
Exceptional item	0	0	(13)	0	0	0
Associates	0	0	0	0	0	0
Gains/losses	0	0	0	0	0	0
Net Income Before Taxes	143	370	571	1,512	2,499	3,143
YoY change (%)	-63.5%	159.5%	54.2%	164.7%	65.3%	25.8%
Tax	(24)	(67)	(78)	(214)	(366)	(476)
Effective Tax rate	16.7%	18.0%	13.7%	14.2%	14.7%	15.2%
Minority Interests	0	0	0	0	0	0
Net Income	119	304	493	1,298	2,133	2,667
YoY change (%)	-63.0%	155.7%	62.3%	163.2%	64.3%	25.1%
Net margin	7.8%	15.4%	20.5%	23.2%	25.1%	25.5%

Source: Company data, J.P. Morgan estimates.

Table 5: XYG – Balance sheet

Year-end 31Dec (HK\$MM)	2012	2013	2014	2015E	2016E	2017E
Cash and Cash Equivalents	54	279	543	201	481	1,039
Inventories	217	91	299	480	533	623
Accounts receivable	641	499	733	1,409	1,828	2,203
Other Current Assets	2	206	28	175	182	215
Total Current Assets	931	1,075	1,602	2,265	3,024	4,080
Intangible Assets	188	188	180	180	180	180
Property and Equipment, Net	1,654	1,368	1,725	2,063	2,212	2,277
Other Assets	1	56	1,960	6,420	10,643	12,041
Non-Current assets	1,864	1,612	4,161	9,347	14,077	15,780
Total Assets	2,796	2,687	5,764	11,612	17,101	19,860
Accounts Payable	190	350	1,121	2,155	2,797	3,539
Other Accrued Expenses	1,511	0	0	0	0	0
Taxes Payable	1	17	28	164	316	426
ST and current LT debts	0	0	143	428	648	648
Total Current Liabilities	1,701	367	1,291	2,747	3,761	4,613
Long-term Debt	0	0	1,157	3,472	5,252	5,252
Other Noncurrent Liability	29	0	0	0	0	0
Noncurrent liabilities	29	19	1,167	3,481	5,261	5,261
Total Liabilities	1,731	367	2,448	6,219	9,013	9,865
Share capital	900	1,809	2,387	3,537	4,707	4,707
Reserves and Surplus	144	403	846	1,774	3,299	5,206
Total Shareholders' Equity	1,065	2,310	3,306	5,384	8,079	9,986
Minority Interest	0	10	10	10	10	10
Total Shareholders' Equity	1,065	2,320	3,315	5,394	8,088	9,995
Total Liabilities and Equity	2,796	2,687	5,764	11,612	17,101	19,860

Source: Company data, J.P. Morgan estimates.

Table 6: XYG – Cash flow statement

Year-end 31Dec (HK\$ MM)	2012	2013	2014	2015E	2016E	2017E
EBIT	142	369	589	1,551	2,603	3,268
Depreciation and Amortization	99	97	97	262	542	773
Working Capital Changes	(84)	113	(467)	(423)	(189)	77
Net Interest	0	2	(5)	(39)	(104)	(124)
Tax Paid	(70)	(24)	(67)	(78)	(214)	(366)
Cash Flow From Operations	87	556	148	1,273	2,638	3,627
Capital expenditures	(348)	(240)	(454)	(500)	(331)	(257)
Investments and others	39	(55)	(1,400)	(4,560)	(4,582)	(1,980)
Cash Flow from Investing	(309)	(295)	(1,854)	(5,060)	(4,913)	(2,237)
Free Cash Flow	(222)	261	(1,706)	(3,787)	(2,275)	1,391
Dividends	0	(37)	(110)	(257)	(489)	(684)
Common issue	2	0	780	1,150	1,170	0
Other Financing	0	0	1,305	2,600	2,000	0
Contribution from owner	243	0	(6)	(47)	(125)	(149)
Cash Flow from financing	245	(37)	1,970	3,446	2,556	(833)
Change in cash	22	224	264	(342)	281	557
Cash beginning	32	54	279	543	201	481
Foreign exchange changes	0	1	0	0	0	0
Cash at end	54	279	543	201	481	1,039

Source: Company data, J.P. Morgan estimates

Table 7: Interim estimates

Year to Dec (HK\$ MM)	1H13	2H13E	1H14	2H14	1H15E	2H15E
Total Revenues	860	1,108	994	1,415	2,454	3,129
Gross Profit	222	370	335	425	776	990
EBIT	95	274	237	352	618	-937
Net Income Before Taxes	96	275	239	332	602	-960
Net Income	80	224	200	293	517	-1,089
Diluted EPS (HK\$)	0.023	0.064	0.035	0.051	0.091	-0.191
Ratios						
Revenue split	43.7%	56.3%	41.3%	58.7%	44.0%	56.0%
GPM	25.9%	33.4%	33.7%	30.1%	31.6%	31.6%
EBIT margin	11.0%	24.7%	23.8%	24.9%	25.2%	-29.9%
NPM	9.3%	20.2%	20.1%	20.7%	21.1%	-34.8%
YoY						
Revenue	na	na	15.7%	27.7%	146.8%	121.1%
GP	na	na	50.8%	14.9%	131.6%	132.7%
EBIT	na	na	149.6%	28.7%	160.7%	-365.9%
NP	na	na	149.7%	31.0%	158.3%	-471.8%

Source: Company data, J.P. Morgan estimates.

Investment Thesis, Valuation and Risks

Xinyi Solar (*Overweight; Price Target: HK\$4.00*)

Investment Thesis

XYS has one of the lowest costs of production for solar glass, and demand is rising due to new subsidies offered by governments in both China and Japan. The announcement of new downstream projects is faster than our expectations (currently 450MW assumed in 2014).

Valuation

Our Dec-15 PT is based on a DCF valuation that assumes a market risk premium of 6.0% and a risk free rate of 4.2% (yield on 10-year government notes in China). We have assumed a beta of 1.5. Accordingly, WACC is assumed at 10.4%. We have estimated free cash flow for XYG until 2020 and assume a terminal growth rate of 4%. The terminal growth is based on the annual growth rate expected in 2020 (the final year of the estimate period) subject to a minimum of 3% and a maximum of 6% depending on the nature of the industry and the level of maturity in China.

Risks to Rating and Price Target

Demand from Europe (still a third of total global) recovers more slowly than expected due to the economy or due to governments not subsidizing solar energy due to public deficits.

Cost of gas (largest cost at nearly 40%) continues to rise, as this is a long-term policy of the Chinese government to liberalize energy prices.

New capacity in solar glass is built by competitors, which could pressure prices.

Xinyi Solar: Summary of Financials

Income Statement						Cash flow statement					
HK\$ in millions, year end Dec	FY13	FY14	FY15E	FY16E	FY17E	HK\$ in millions, year end Dec	FY13	FY14	FY15E	FY16E	FY17E
Revenues	1,968	2,410	5,584	8,513	10,472	EBIT	369	589	1,551	2,603	3,268
% change Y/Y	28.3%	22.5%	131.7%	52.5%	23.0%	Depr. & amortization	97	97	262	542	773
Gross Profit	592	760	1,766	2,748	3,391	Change in working capital	113	(467)	(423)	(189)	77
% change Y/Y	125.1%	28.4%	132.2%	55.6%	23.4%	Taxes	(24)	(67)	(78)	(214)	(366)
EBITDA	465	687	1,813	3,146	4,041	Cash flow from operations	556	148	1,273	2,638	3,627
% change Y/Y	93.0%	47.6%	164.0%	73.5%	28.5%	Capex	(240)	(454)	(500)	(331)	(257)
EBIT	369	589	1,551	2,603	3,268	Net Interest	2	(5)	(39)	(100)	(115)
% change Y/Y	160.0%	59.9%	163.2%	67.8%	25.5%	Other	(55)	(1,400)	(4,560)	(4,582)	(1,980)
EBIT Margin	18.7%	24.5%	27.8%	30.6%	31.2%	Free cash flow	315	(302)	806	2,393	3,468
Net Interest	2	(5)	(39)	(100)	(115)	Equity raised/(repaid)	0	780	1,150	1,170	0
Earnings before tax	370	571	1,512	2,499	3,143	Debt raised/(repaid)	0	1,300	2,600	2,000	0
% change Y/Y	159.5%	54.2%	164.7%	65.3%	25.8%	Other	0	(1)	(47)	(125)	(149)
Tax	(67)	(78)	(214)	(366)	(476)	Dividends paid	(37)	(110)	(257)	(489)	(684)
as % of EBT	18.0%	13.7%	14.2%	14.7%	15.2%	Beginning cash	54	279	543	201	481
Net income (reported)	304	493	1,298	2,133	2,667	Ending cash	279	543	201	481	1,039
% change Y/Y	155.7%	62.3%	163.2%	64.3%	25.1%	DPS	0.02	0.02	0.06	0.09	0.12
Shares outstanding	5,700	6,090	6,590	7,058	7,058						
EPS (reported)	0.07	0.08	0.20	0.33	0.41						
% change Y/Y	115.7%	14.7%	138.7%	64.3%	25.1%						
Balance sheet						Ratio Analysis					
HK\$ in millions, year end Dec	FY13	FY14	FY15E	FY16E	FY17E	HK\$ in millions, year end Dec	FY13	FY14	FY15E	FY16E	FY17E
Cash and cash equivalents	279	543	201	481	1,039	Gross margin	30.1%	31.6%	31.6%	32.3%	32.4%
Accounts receivable	499	733	1,409	1,828	2,203	EBITDA margin	23.6%	28.5%	32.5%	36.9%	38.6%
Inventories	91	299	480	533	623	Operating margin	18.7%	24.5%	27.8%	30.6%	31.2%
Others	206	28	175	182	215	Net margin	15.4%	20.5%	23.2%	25.1%	25.5%
Current assets	1,075	1,602	2,265	3,024	4,080	Sales per share growth	8.3%	(13.5%)	110.1%	52.5%	23.0%
LT investments	56	1,960	6,420	10,643	12,041	Sales growth	28.3%	22.5%	131.7%	52.5%	23.0%
Net fixed assets	1,368	1,725	2,063	2,212	2,277	Net profit growth	155.7%	62.3%	163.2%	64.3%	25.1%
Total Assets	2,687	5,764	11,612	17,101	19,860	EPS growth	115.7%	14.7%	138.7%	64.3%	25.1%
Liabilities						Interest coverage (x)	NM	136.0	46.3	31.4	35.2
Short-term loans	0	143	428	648	648	Net debt to equity	(12.0%)	22.8%	68.6%	67.0%	48.6%
Payables	350	1,121	2,155	2,797	3,539	Working Capital to Sales	0.4	0.1	NM	NM	NM
Others	17	28	164	316	426	Sales/assets	0.7	0.6	0.6	0.6	0.6
Total current liabilities	367	1,291	2,747	3,761	4,613	Assets/equity	1.6	1.5	2.0	2.1	2.0
Long-term debt	0	1,157	3,472	5,252	5,252	ROE	18.0%	17.6%	29.9%	31.7%	29.5%
Other liabilities	0	0	0	0	0	ROCE	17.9%	14.7%	19.2%	19.1%	18.6%
Total Liabilities	367	2,448	6,219	9,013	9,865						
Shareholders' equity	2,310	3,306	5,384	8,079	9,986						
BVPS	0.41	0.54	0.82	1.14	1.41						

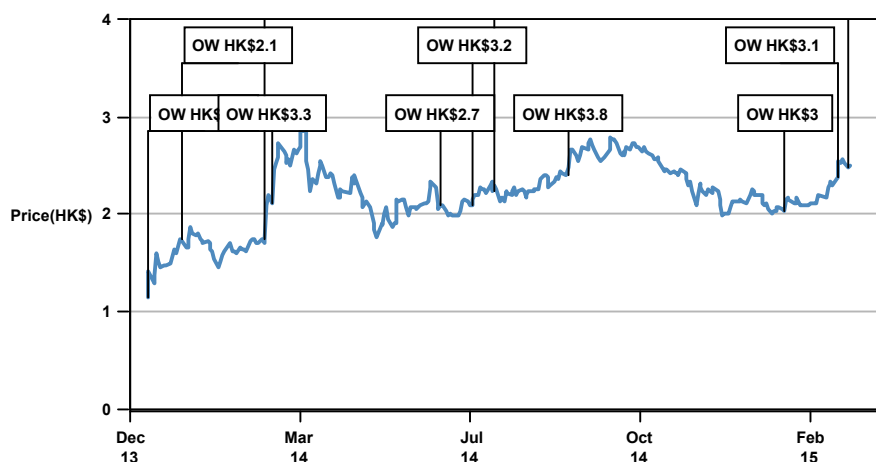
Source: Company reports and J.P. Morgan estimates.

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Xinyi Solar (0968.HK, 968 HK) Price Chart



Date	Rating	Share Price (HK\$)	Price Target (HK\$)
12-Dec-13	OW	1.14	1.30
03-Jan-14	OW	1.74	2.10
26-Feb-14	OW	1.74	2.80
03-Mar-14	OW	2.11	3.30
19-Jun-14	OW	2.10	2.70
10-Jul-14	OW	2.09	3.20
24-Jul-14	OW	2.23	3.40
09-Sep-14	OW	2.41	3.80
27-Jan-15	OW	2.04	3.00
02-Mar-15	OW	2.37	3.10
09-Mar-15	OW	2.48	3.60

Source: Bloomberg and J.P. Morgan; price data adjusted for stock splits and dividends. Initiated coverage Dec 12, 2013.

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