

China CleanTech Index

2Q12

Quarterly Performance Report

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1. China CleanTech Index Overview

The China CleanTech Index provides the definitive measure of the performance of Chinese cleantech companies that are listed on stock exchanges around the world.

The cleantech industry is split into a number of sub-sectors as detailed in the table below. Each of the sub-sectors contains companies that have both environmental and economic benefits.

Biogas	Geothermal – Hot dry rocks and conventional
Biofuels	Low Emissions Transport Technologies
Carbon Trading	Solar Thermal and Photovoltaics
Energy Efficiency & Biomaterials	Waste Management & Recycling
Energy Storage & Fuel Cells	Water
Environmental Services	Wave, Tidal & Hydro
Green Buildings	Wind Generation

The cleantech sector is fundamentally different to Socially Responsible Investments (SRI) or Environmental, Social and Governance (ESG) performance. SRI and ESG look at incremental improvements in company performance and can be seen as ‘operational hygiene’ measures that find the best in class. Cleantech focuses on companies whose output positively enhances the communities and ecologies in which they reside. It is about doing ‘more good’ rather than ‘less bad’.

With over 140 companies falling under the coverage of the Index and with a combined market capitalisation of over 700 billion Renminbi (US\$112 billion), the China CleanTech Index presents for the first time a picture of the Chinese cleantech industry’s growth in a single measure.

The Index is weighted by market capitalisation and is benchmarked against the following indices to show its relative performance:

- **Wilder Hill New Energy Global Innovation Index (NEX)** – which measures the performance of global clean energy stocks
- **Cleantech Index (CTIUS)** – which measures the performance of global cleantech stocks
- **China Shanghai Composite Index (SHCOMP)** – which measures the performance of stocks listed in Shanghai.
- **MSCI World (MSCI)** – which provides a measure of the performance of global stock markets.

The rules for the formulation and management of the Index have been developed with reference to global best practice. An overview of these rules is provided in the Index Launch report.

The China Cleantech Index is updated each month and published on the on the SinoCleantech website at www.sinocleantech.com and on the Australian CleanTech website at www.auscleantech.com.au.

Monthly results can be emailed directly to interested parties by subscribing at www.sinocleantech.com.

2. China CleanTech Index Performance

The China CleanTech Index underperformed all of its benchmarks for the month of June 2012.

The China CleanTech Index fell from 40.0 to 36.7 over the month of June recording a 8.1% loss. This compared to the NEX gain of 3.5%, the CTIUS gain of 1.9%, the Shanghai Composite loss of 6.2% and the MSCI gain of 4.9%.

The China CleanTech 20 fared slightly worse with a loss of 9.3%.

Over the second quarter of the 2012, the China CleanTech Index recorded a loss of 10.5%, outperforming the NEX loss of 15.5% and the CTIUS loss of 11.2%, but underperforming the Shanghai Composite loss of 1.6% and the MSCI loss of 5.8%.

Over the first half of 2012, the China CleanTech Index recorded a loss of 10.8%, underperforming all of its benchmarks: the NEX loss of 9.4%, the CTIUS loss of 1.8%, the Shanghai Composite gain of 1.2% and the MSCI gain of 4.5%.

Percentage Change	2009	2010	2011	JUN'12	2Q12	1H12	12 Months	3 Years
China CleanTech Index (CCTI)	77.5%	-9.6%	-48.0%	-8.1%	-10.5%	-10.8%	-40.5%	-53.9%
China CleanTech 20 (CCT20)	59.6%	-15.6%	-47.4%	-9.3%	-10.3%	-10.5%	-39.1%	-59.1%
Wilder Hill New Energy Global Innovation Index (NEX)	39.7%	-14.6%	-40.2%	3.5%	-15.5%	-9.4%	-43.9%	-47.7%
Cleantech Index (CTIUS)	38.1%	7.3%	-18.3%	1.9%	-11.2%	-1.8%	-24.9%	1.9%
China Shanghai Composite Index (SHCOMP)	80.0%	-14.3%	-21.7%	-6.2%	-1.6%	1.2%	-19.4%	-24.8%
MSCI World (MSCI)	27.0%	9.6%	-7.6%	4.9%	-5.8%	4.5%	-7.2%	27.3%

The market capitalisation of the 147 stocks in the China CleanTech Index is RMB 722 billion (US\$115 billion), after its rebalance, falling from its peak of RMB 911 billion in February 2011.

Best and Worst Stocks

The best and worst performers in terms of share price performance over June, the second quarter of 2012 and the first half of 2012 are shown in the table below.

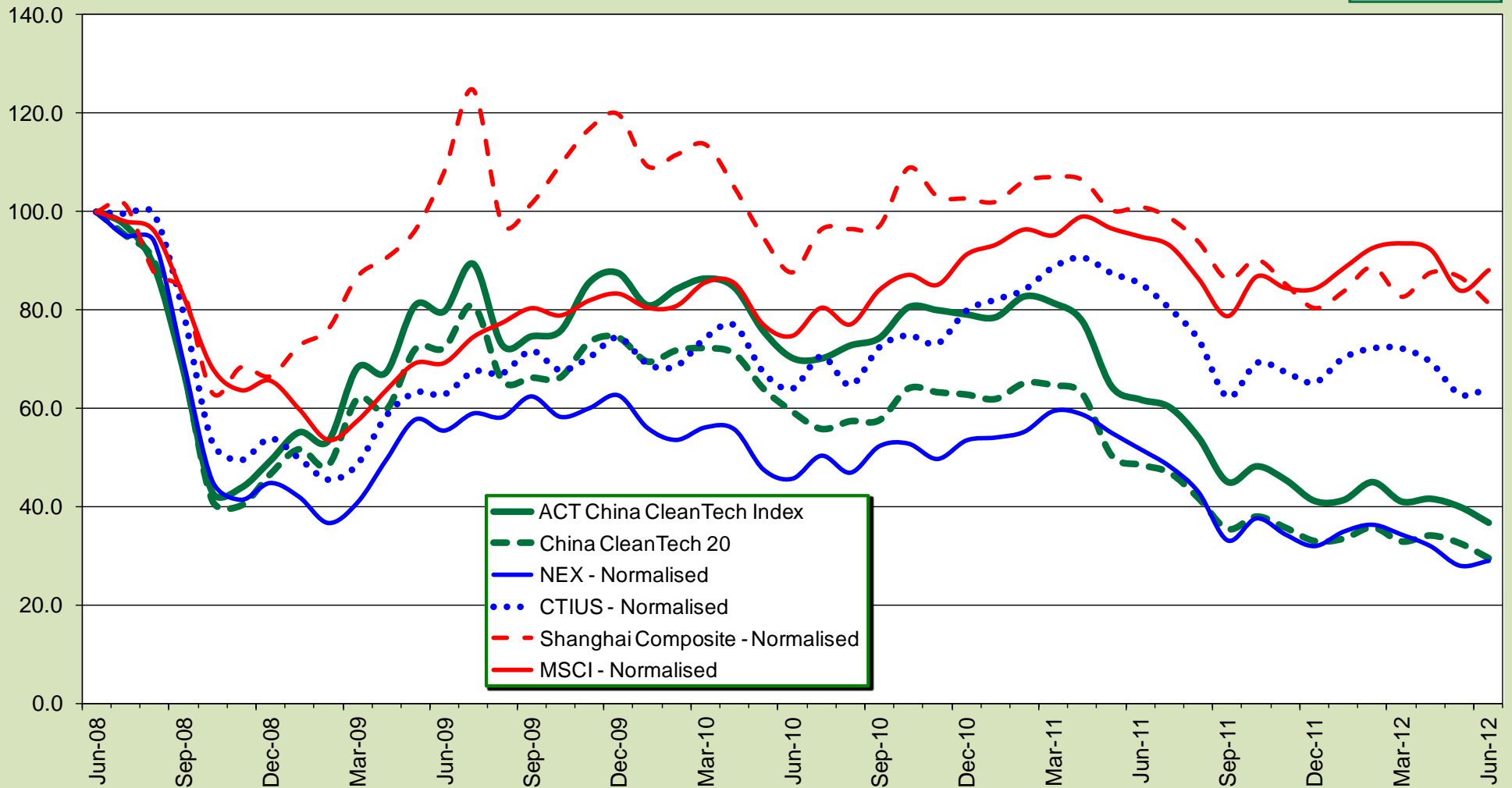
June 2012	
Best Performers Share Price Gain > 10%	Worst Performers Share Price Loss > 25%
Gushan Environmental Energy Canadian Solar Inc China Sunergy Hanwha Solarone Co Ltd JA Solar Holdings Solargiga Energy Holdings Limited Suntech Power Holdings Hunan Corun New Energy Co., Ltd.	China Energy Recovery Inc Shenzhen AOTO Electronics Co Ltd Tianli Environmental Protection Eng Co Hunan Yonker Environ Protection Co Ltd Beijing Jingyuntong Technology Co Ltd China Solar & Clean Energy Solns., Inc. Daqo New Energy Corp. China Hydroelectric Corporation Zhejiang Fuchunjiang Hydropower Equip Sinovel Wind Group Company Limited
Second Quarter 2012	
Best Performers Share Price Gain > 15%	Worst Performers Share Price Loss > 50%
SmartHeat Inc Dalian East New Energy Development Co.,Ltd Shenzen Das Intellitech Co., Ltd. China Sunergy China Ritar Power Corp. Hunan Corun New Energy Co., Ltd. Shenzen Desay Battery Technology Co., Ltd. Beijing Water Business Doctor Co., Ltd. Fujian Mindong Electric Power Limited Co Cleantech Solutions International Inc	China Clean Energy Inc. Suzhou Hailu Heavy Industry Co., Ltd. Beijing Jingyuntong Technology Co Ltd China Solar & Clean Energy Solns., Inc. Daqo New Energy Corp. LDK Solar China Sun Group High Tech Co. Duoyuan Global Water China Hydroelectric Corporation Zhejiang Fuchunjiang Hydropower Equip China Ming Yang Wind Power Group Ltd Sinovel Wind Group Company Limited
First Half 2012	
Best Performers Share Price Gain > 25%	Worst Performers Share Price Loss > 50%
Gushan Environmental Energy SmartHeat Inc Canadian Solar Inc China Sunergy Wuhan Linuo Solar Energy Group Co., Ltd. Hunan Corun New Energy Co., Ltd. Shenzen Desay Battery Technology Co., Ltd. Shenzhen Dongjiang Environmental Co Ltd Guangdong Golden Dragon Development Inc. Fujian Mindong Electric Power Limited Co Cleantech Solutions International Inc	China Clean Energy Inc. Suzhou Hailu Heavy Industry Co., Ltd. Beijing Jingyuntong Technology Co Ltd China Solar & Clean Energy Solns., Inc. LDK Solar Risen Energy Co., Ltd. Jiangsu Welle Eenvirontmetnal Co., Ltd. Duoyuan Global Water Zhejiang Fuchunjiang Hydropower Equip Sinovel Wind Group Company Limited

Index Rebalance

The China CleanTech Index underwent its quarterly rebalancing at the end of June which took account of recent share issues and other corporate activity.

There were no changes to the constituents during this rebalance.

China Cleantech Index (All Indices set at 100 at 30 June 2008)



3. Component Sub-Indices

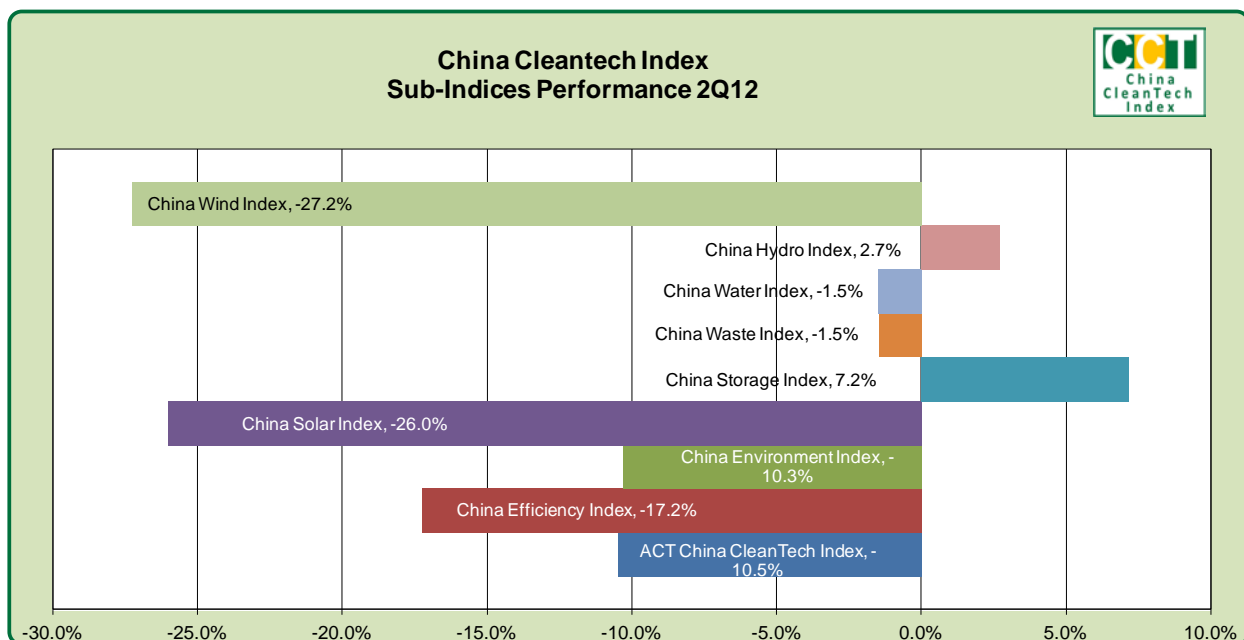
To provide an analysis of the China CleanTech Index, eight sub-indices have been developed. The performance of each of these sub-indices over the last three financial years is shown in the table and charts below.

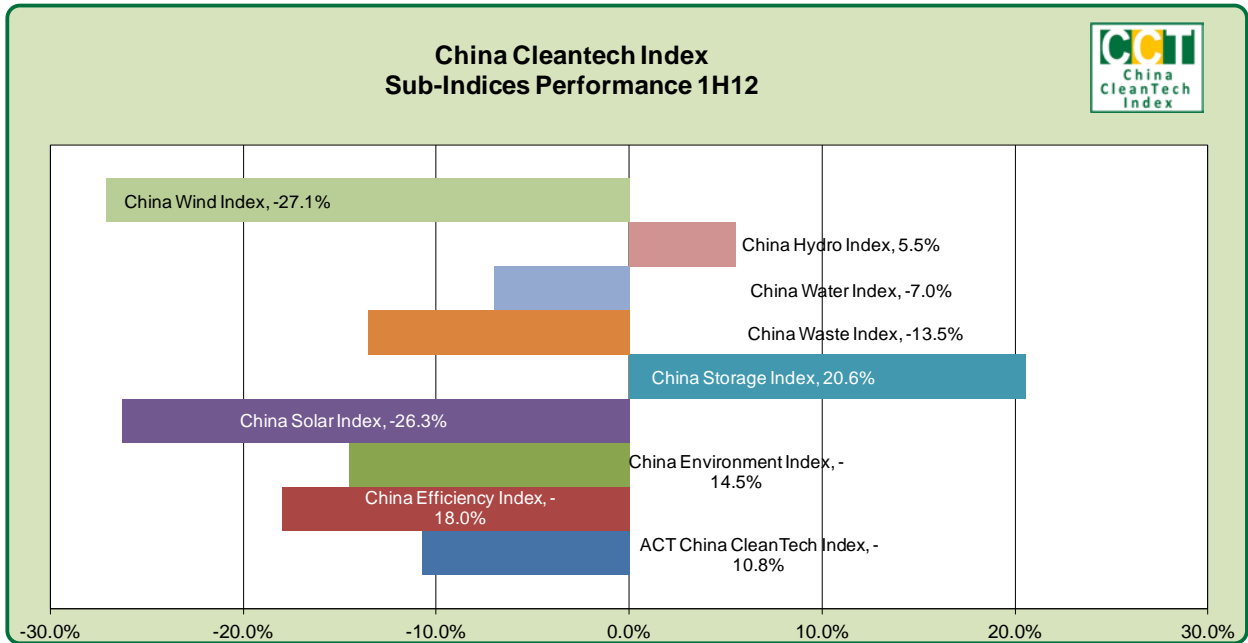
The best performing sectors for the three months to June 2012 were the China Storage Index (7.2%) and the China Hydro Index (2.7%). The worst performers in the second quarter were the China Wind index (-27.2%) and the China Solar Index (-26.0%).

Over the first half of 2012, the best performers were the China Storage Index (20.6%) and the China Hydro Index (5.5%). The worst performers over the first half were the China Wind Index (-27.1%) and the China Solar Index (-26.3%).

China CleanTech Sub-Indices

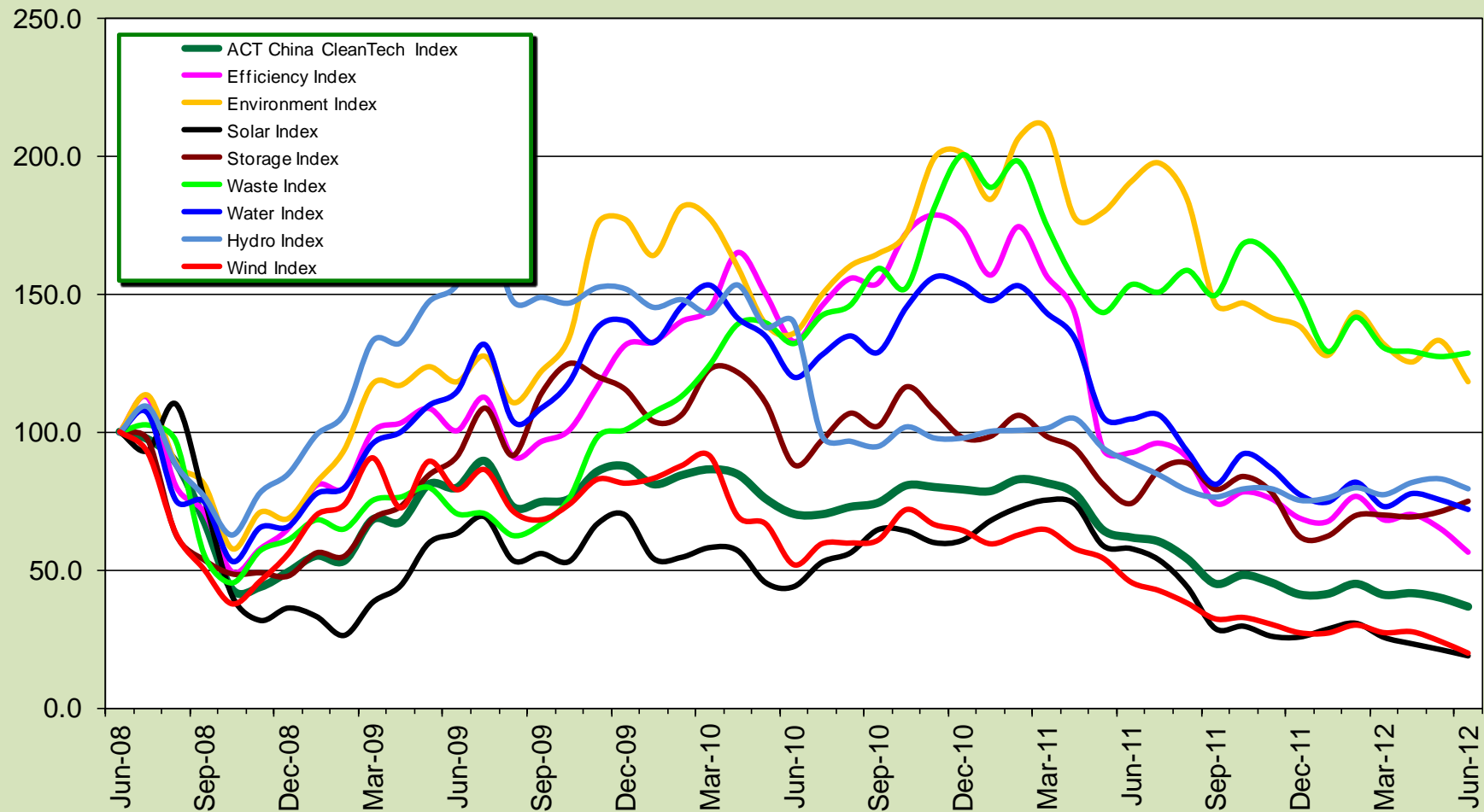
	2009	2010	2011	2Q12	1H12
China Efficiency Index	102.4%	31.8%	-60.4%	-17.2%	-18.0%
China Environment Index	157.4%	13.5%	-31.1%	-10.3%	-14.5%
China Solar Index	92.4%	-13.0%	-57.5%	-26.0%	-26.3%
China Storage Index	141.0%	-15.1%	-36.6%	7.2%	20.6%
China Waste Index	65.7%	99.1%	-25.9%	-1.5%	-13.5%
China Water Index	113.5%	9.6%	-49.7%	-1.5%	-7.0%
China Hydro Index	78.9%	-35.6%	-23.0%	2.7%	5.5%
China Wind Index	45.8%	-21.0%	-57.7%	-27.2%	-27.1%





ChinaCleantech Index Sub-Indices Chart

(China Cleantech Sub-Indices set at 100 at 30 June 2008)



4. Index Component Companies

The 20 largest Index constituents by market capitalisation on 30 June 2012 are provided in the table below. These stocks will be the constituents of the China CleanTech 20 until the Index rebalance on 30 September 2012.

In the China CleanTech 20, the greatest sub-sector representations are Water with eight companies followed by Wind with four companies. Solar only has two remaining companies in the top twenty, a big drop from its top place in 2011.

	Company		Sector	Exchange	Code
1	China Yangtze Power Co., Ltd.	长江电力	WAVE, TIDAL, HYDRO	Shanghai (SH)	600900.SS
2	Sinohydro Group Ltd		WAVE, TIDAL, HYDRO	Shanghai (SH)	601669.SS
3	China Longyuan Power Group Corp		WIND	HKSE	0916.HK
4	Chongqing Water Group Company Limited	重庆水务	WATER	Shanghai (SH)	601158.SS
5	Sinovel Wind Group Company Limited	华锐风电	WIND	Shanghai (SH)	601558.SS
6	GCL-Poly Energy Holdings		SOLAR	HKSE	3800.HK
7	Xinjiang Goldwind Science & Technology Co.	金风科技	WIND	Shenzhen SX (SHE)	002202.SZ
8	Tsinghua Tongfang Co., Ltd.	同方股份	ENERGY EFFICIENCY & BIOMATERIALS	Shanghai (SH)	600100.SS
9	Beijing Originwater Technology Co., Ltd.	碧水源	WATER	Shenzhen SX (SHE)	300070.SZ
10	Sound Environmental Resources Co., Ltd.	桑德环境	WASTE	Shenzhen SX (SHE)	000826.SZ
11	China Everbright International		WATER	HKSE	0257.HK
12	Beijing Capital Co., Ltd.	首创股份	WATER	Shanghai (SH)	600008.SS
13	Shanghai Chaori Solar Energy Science	超日太阳	SOLAR	Shenzhen SX (SHE)	002506.SZ
14	Chengdu Xingrong Investment Co.,Ltd	兴蓉投资	WATER	Shenzhen SX (SHE)	000598.SZ
15	Zhongshan Public Utilities Group co., Ltd.	中山公用	WATER	Shenzhen SX (SHE)	000685.SZ
16	Huaneng Renewables Corp Ltd		WIND	HKSE	0958.HK
17	Hunan Corun New Energy Co., Ltd.	科力远	STORAGE & FUEL CELLS	Shanghai (SH)	600478.SS
18	Foshan Electrical and Lighting Co., Ltd. (FSL)	佛山照明	ENERGY EFFICIENCY & BIOMATERIALS	Shenzhen SX (SHE)	000541.SZ
19	Beijing Enterprises Water Group		WATER	HKSE	0371.HK
20	Tianjin Capital Environmental Protection Group Co., Ltd.	创业环保	WATER	Shanghai (SH)	600874.SS