

China CleanTech Index

3Q12

Quarterly Performance Report

October 2012

Produced by:



Published in China by:



To request further information or to be added to the distribution list for future China CleanTech Index reports, please see www.sinocleantech.com

or contact china-index@auscleantech.com.au

Table of Contents

1. China CleanTech Index Overview	3
2. China CleanTech Index Performance	5
3. Component Sub-indices	9
4. Index Component Companies	11



Disclaimer

Whilst Australian CleanTech Pty Ltd provides this report with the skill, diligence and care normally exercised by qualified persons in the performance of comparable work, Australian CleanTech is not be liable to and does not indemnify any party that may rely on the content of the report, against any action, suit, claim, demand, loss, cost or expense whatsoever arising out of or referable to this document. By accepting this report, the reader, their organisations and any associated bodies corporate release Australian CleanTech from liability of any kind whatsoever arising out of or referable to this report.

In addition, nothing herein is intended to be nor should be construed as investment advice. Australian CleanTech does not recommend that any financial product should be bought, sold or held by you, and nothing in this document should be construed as an offer, nor the solicitation of an offer, to buy or sell securities by Australian CleanTech. You should not make any investment decision without consulting a fully qualified financial adviser.

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 150 companies falling under the coverage of the Index and with a combined market capitalisation of over 600 billion Renminbi (US\$102 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 September 2012.

The China CleanTech Index fell from 32.5 to 32.4 over the month of September recording a 0.2% loss. This compared to the NEX gain of 3.2%, the CTIUS gain of 2.3%, the Shanghai Composite gain of 1.8% and the MSCI gain of 2.6%.

The China CleanTech 20 fared slightly better with a gain of 0.6%.

Over the third quarter of the 2012, the China CleanTech Index recorded a loss of 11.7%, well behind the NEX gain of 1.3%, the CTIUS gain of 2.8%, the Shanghai Composite gloss of 6.3% and the MSCI gain of 6.2%.

Percentage Change	2009	2010	2011	SEP'12	3Q12	6 Months	12 Months	3 Years
China CleanTech Index (CCTI)	77.5%	-9.6%	-48.0%	-0.2%	-11.7%	-20.9%	-28.0%	-56.5%
China CleanTech 20 (CCT20)	59.6%	-15.6%	-47.4%	0.6%	-11.0%	-20.2%	-25.9%	-60.3%
Wilder Hill New Energy Global Innovation Index (NEX)	39.7%	-14.6%	-40.2%	3.2%	1.3%	-14.4%	-11.4%	-52.9%
Cleantech Index (CTIUS)	38.1%	7.3%	-18.3%	2.3%	2.8%	-8.7%	5.7%	-8.1%
China Shanghai Composite Index (SHCOMP)	80.0%	-14.3%	-21.7%	1.8%	-6.3%	-7.8%	-11.6%	-24.9%
MSCI World (MSCI)	27.0%	9.6%	-7.6%	2.6%	6.2%	0.0%	18.8%	16.4%

The market capitalisation of the 147 stocks in the China CleanTech Index is RMB 637 billion (US\$102 billion), before 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 the third quarter of 2012 are shown in the table below.

September 2012	
Best Performers Share Price Gain > 15%	Worst Performers Share Price Loss > 15%
Hanwei Energy Services China Singyes Solar Tech. Hold. Ltd JinkoSolar Holding Co., Ltd. Neo Solar Power Corp China BAK Battery China Hydroelectric Corporation A-Power Energy Generation Systems Ltd China Energinet International (Hldgs) Ltd	Bodisen Biotech, Inc. Hunan Yonker Environ Protection Co Ltd China Solar & Clean Energy Solns., Inc. China Sunergy LDK Solar China Sun Group High Tech Co. Duoyuan Global Water Guangdong Golden Dragon Development Inc. Heilongjiang Interchina Water Treatment Co Ltd
Third Quarter 2012	
Best Performers Share Price Gain > 15%	Worst Performers Share Price Loss > 30%
China Energy Recovery Inc Shenzhen Das Intellitech Co., Ltd. China Singyes Solar Tech. Hold. Ltd China Ritar Power Corp. Tianneng Power International Limited Beijing Originwater Technology Co., Ltd. China Hydroelectric Corporation	Bodisen Biotech, Inc. China Solar & Clean Energy Solns., Inc. China Sunergy LDK Solar Shanghai Chaori Solar Energy Science Solargiga Energy Holdings Limited Suntech Power Holdings Yingli Green Energy Zhejiang Sunflower Light Energy Science & Technology Limited Zhongshan Public Utilities Group co., Ltd. Hunan Chendian Int'l Dev. Share-Holding A-Power Energy Generation Systems Ltd China Datang Corp Renewable Power Co Ltd

Index Rebalance

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

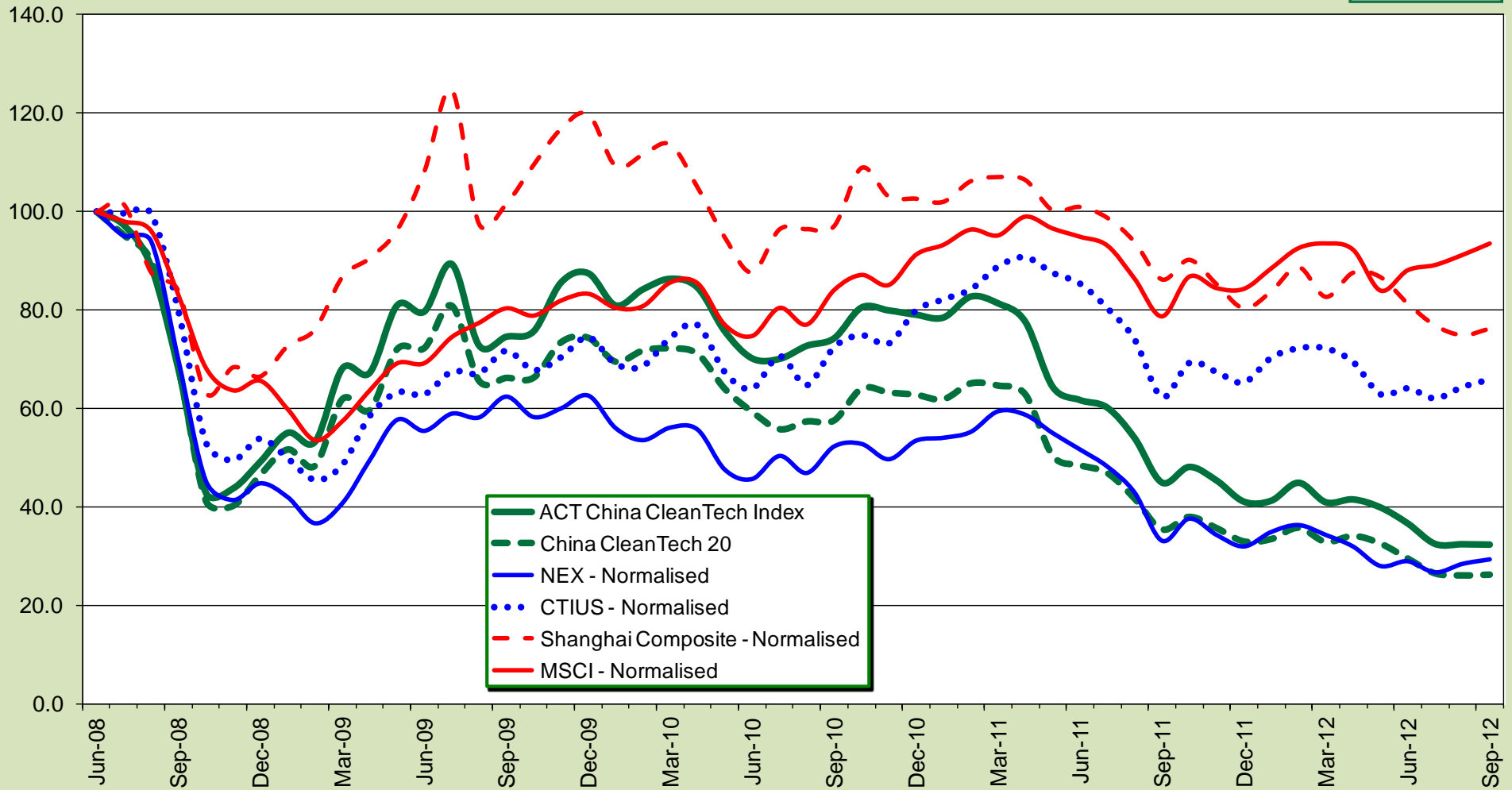
There were two companies added to the index at the end of September following ongoing research by Sino Cleantech into the activities of Chinese listed companies. The two new companies are:

Exchange	Sector	Company Name	Share Code	Currency
EURONEXT Paris	SOLAR	CNPV Solar Power	ALCNP.PA	EUR
Singapore SX (SI)	WASTE	C&G Environmental Protection Holdings Ltd	D79.SI	SGD

CNPV Solar Power SA engages in building and selling photovoltaic modules. The company's solar power products include ingots, wafers, cells, and solar panels. It offers various monocrystalline and polycrystalline modules for use in a range of on-grid and off-grid residential, commercial, industrial, and utility scale applications. The company sells and markets its products through distributors and representatives primarily in Spain, Germany, France, the United States, South Korea, India, and the People's Republic of China. CNPV Solar Power S.A. was founded in 2005 and is headquartered in Dongying.

C&G Environmental Protection Holdings Ltd is headquartered in Hong Kong and listed on the SGX Mainboard since April 2005 and is a leading Waste-to-Energy ("WTE") investor and operator. C&G invests in, constructs, operates and maintains waste incineration power plants for the treatment of Municipal Solid Waste ("MSW") under the Build-Operate-Transfer ("BOT") investments schemes mainly in China.

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



3. Component Sub-Indices

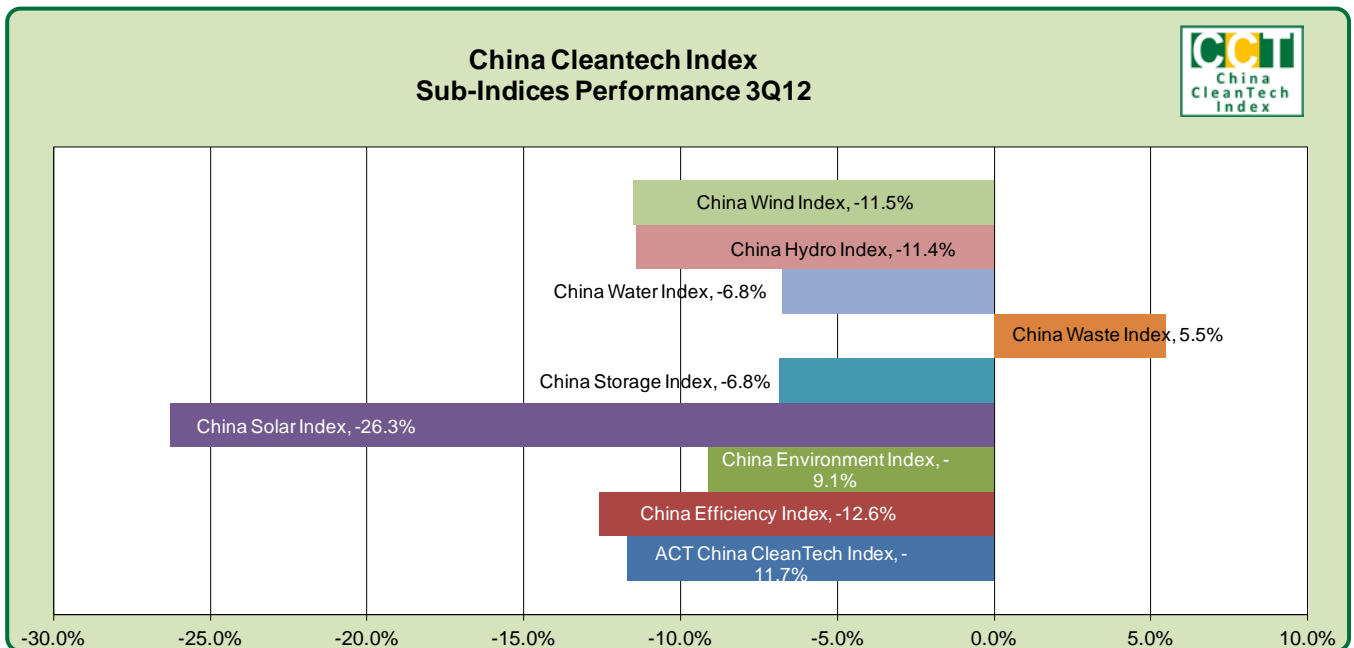
To provide an analysis of the China CleanTech Index, eight sub-indices have been developed. The performance of each of these sub-indices over the last three financial years is shown in the table and charts below.

The best performing sector for the three months to September 2012 was the China Waste Index which was the only positive performer for the quarter.

The worst performers were the China Solar Index which is continuing its long decline and the China Efficiency Index.

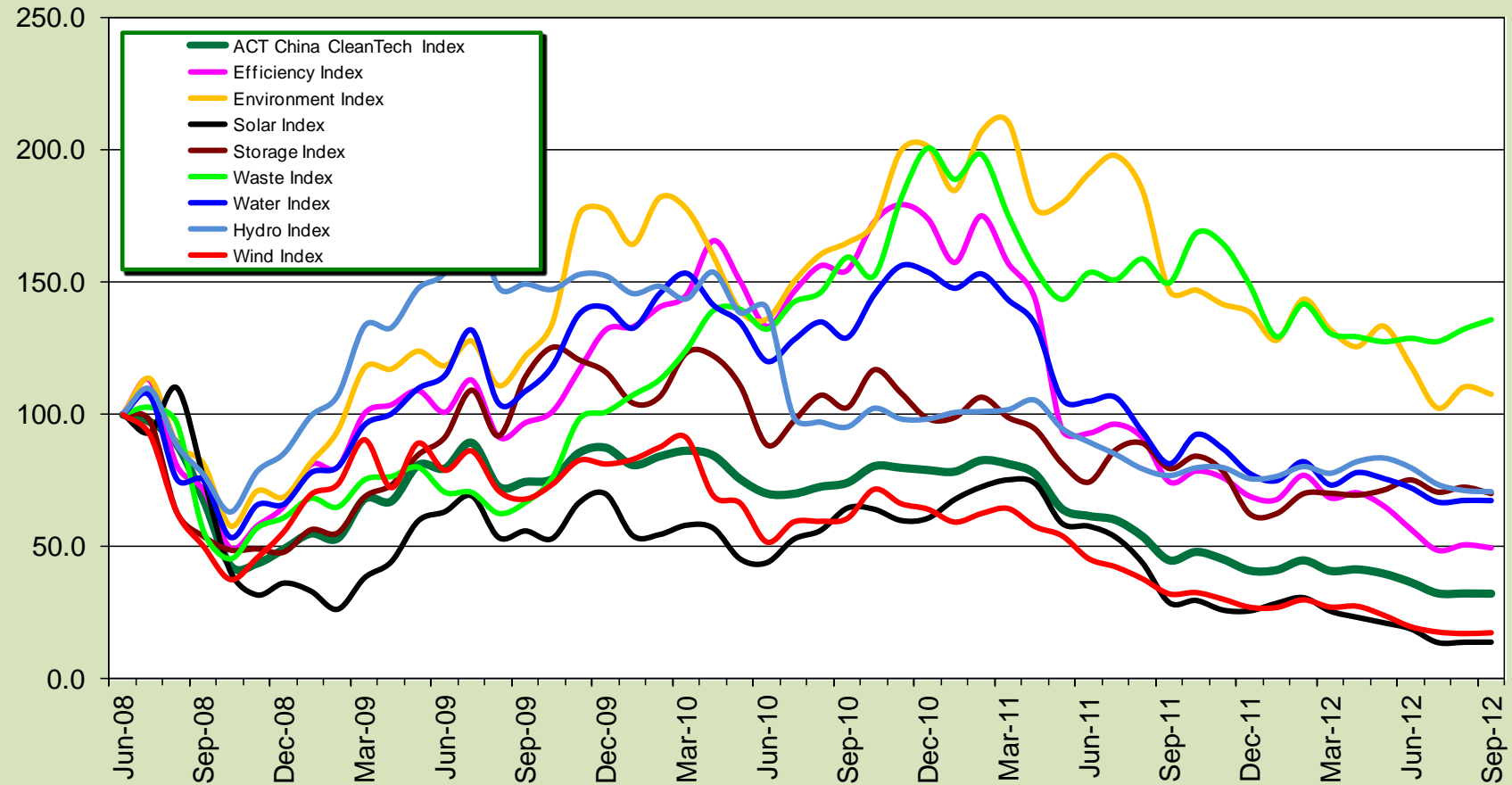
China CleanTech Sub-Indices

	2009	2010	2011	3Q12
China Efficiency Index	102.4%	31.8%	-60.4%	-12.6%
China Environment Index	157.4%	13.5%	-31.1%	-9.1%
China Solar Index	92.4%	-13.0%	-57.5%	-26.3%
China Storage Index	141.0%	-15.1%	-36.6%	-6.8%
China Waste Index	65.7%	99.1%	-25.9%	5.5%
China Water Index	113.5%	9.6%	-49.7%	-6.8%
China Hydro Index	78.9%	-35.6%	-23.0%	-11.4%
China Wind Index	45.8%	-21.0%	-57.7%	-11.5%



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 September 2012 are provided in the table below. These stocks will be the constituents of the China CleanTech 20 until the Index rebalance on 31 December 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 one remaining company, GCL Poly, 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	China Longyuan Power Group Corp	龙源电力	WIND	HKSE	0916.HK
3	Sinohydro Group Ltd	中国水利水电建设股份有限公司	WAVE, TIDAL, HYDRO	Shanghai (SH)	601669.SS
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	Beijing Originwater Technology Co., Ltd.	碧水源	WATER	Shenzhen SX (SHE)	300070.SZ
7	Tsinghua Tongfang Co., Ltd.	同方股份	ENERGY EFFICIENCY & BIOMATERIALS	Shanghai (SH)	600100.SS
8	Xinjiang Goldwind Science & Technology Co.	金风科技	WIND	Shenzhen SX (SHE)	002202.SZ
9	GCL-Poly Energy Holdings	保利协鑫	SOLAR	HKSE	3800.HK
10	China Everbright International	中国光大	WATER	HKSE	0257.HK
11	Sound Environmental Resources Co., Ltd.	桑德环境	WASTE	Shenzhen SX (SHE)	000826.SZ
12	Beijing Enterprises Water Group	北控水务	WATER	HKSE	0371.HK
13	Beijing Capital Co., Ltd.	首创股份	WATER	Shanghai (SH)	600008.SS
14	Chengdu Xingrong Investment Co.,Ltd	兴蓉投资	WATER	Shenzhen SX (SHE)	000598.SZ
15	Hunan Corun New Energy Co., Ltd.	科力远	STORAGE & FUEL CELLS	Shanghai (SH)	600478.SS
16	Beijing New Building Materials Public Limited Company	北新建材	GREEN BUILDINGS	Shenzhen SX (SHE)	000786.SZ
17	Foshan Electrical and Lighting Co., Ltd. (FSL)	佛山照明	ENERGY EFFICIENCY & BIOMATERIALS	Shenzhen SX (SHE)	000541.SZ
18	Tianjin Capital Environmental Protection Group Co., Ltd.	创业环保	WATER	Shanghai (SH)	600874.SS
19	Huaneng Renewables Corp Ltd	华能新能源	WIND	HKSE	0958.HK
20	Zhongshan Public Utilities Group co., Ltd.	中山公用	WATER	Shenzhen SX (SHE)	000685.SZ