

China CleanTech Index

April-June 2016 Quarterly Performance Report

Published internationally by:



Published in China by:



Published in Australia by:



Produced by:



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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 160 companies falling under the coverage of the Index and with a combined market capitalisation of 1.8 trillion Renminbi (US\$276 billion), the China CleanTech Index presents 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 annual performance report.

The China Cleantech Index is updated each month and published on the SinoCleantech website at www.sinocleantech.com. It is published internationally in conjunction with Cleantech Investor (www.cleantechinvestor.com) and in China in conjunction with Top Capital (www.topcapital.cn). Monthly results can be emailed directly to interested parties by subscribing at www.sinocleantech.com.

2. China CleanTech Index Performance

The China CleanTech Index outperformed all its four benchmarks for the month of June 2016 recording a gain of 2.5%.

The China CleanTech Index rose from 46.1 to 47.2 over the month. This compared to the NEX loss of 2.2%, the CTIUS loss of 3.0%, the Shanghai Composite gain of 0.5% and the MSCI World loss of 1.3%. The China CleanTech 20 recorded a 0.2% gain.

Over the second quarter of 2016, the China CleanTech Index recorded a loss of 4.7%, underperforming all its benchmark indices. Over the quarter, the NEX lost 3.1%, the CTIUS lost 0.7%, the Shanghai Composite lost 2.5% and the MSCI World gained 0.3%.

The twelve-month performance for the China CleanTech Index is a loss of 27.4% driven by losses across most sub-indices led by the China Water Index (-43.9%) and the China Wind Index (-35.8%) partially offset by gains to the China Storage Index (+37.2%).

	2013	2014	2015	JUN 2016	2Q16	6 Months	12 Months	3 Years
China CleanTech Index (CCTI)	29.2%	18.8%	11.1%	2.4%	-4.7%	-19.4%	-27.4%	27.4%
China CleanTech 20 (CCT20)	24.1%	18.2%	-0.9%	0.2%	-7.3%	-19.3%	-31.8%	9.8%
Wilder Hill New Energy Global Innovation Index (NEX)	53.7%	-3.2%	-0.6%	-2.2%	-3.1%	-8.1%	-16.9%	9.3%
Cleantech Index (CTIUS)	37.0%	-8.4%	1.6%	-3.0%	-0.7%	1.4%	-2.0%	17.5%
China Shanghai Composite Index (SHCOMP)	-6.7%	52.8%	9.4%	0.5%	-2.5%	-17.2%	-31.5%	48.0%
MSCI World (MSCI)	24.1%	2.9%	-2.7%	-1.3%	0.3%	-0.6%	-4.7%	15.3%

The market capitalisation of the 162 stocks in the China CleanTech Index after its rebalance is RMB 1.8 trillion (US\$268 billion). This is down from the all-time high of RMB 2.3 trillion set in June 2015 and a long way up from the Index's trough of RMB 604 billion in November 2012.

Best and Worst Stocks

The best and worst performers in terms of share price performance over the month and quarter are shown in the table below.

Over the month, 18 companies recorded share price gains of more than 15% and 7 companies recorded losses of more than 15%.

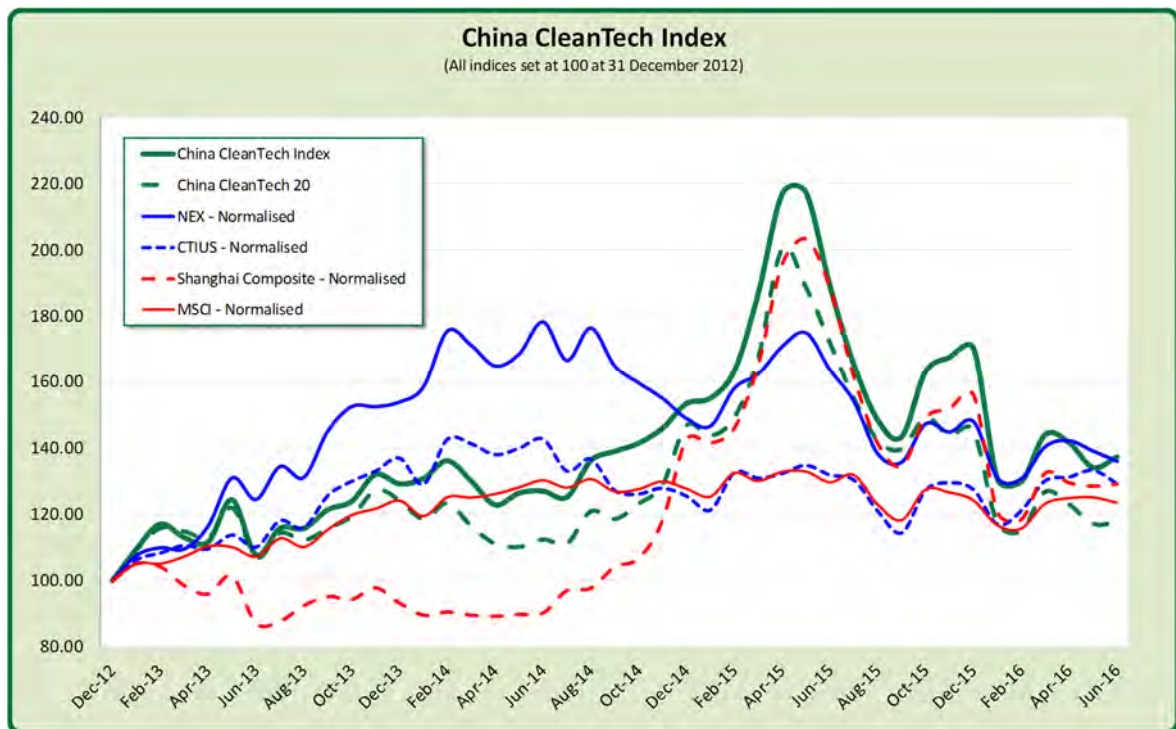
Over the quarter, 10 companies recorded share price gains of more than 30% and 16 companies recorded losses of more than 30%.

June 2016	
Best Performers Share Price Gain > 15%	Worst Performers Share Price Loss > 15%
Suzhou Hailu Heavy Industry Shenwu Environmental Technology Xiamen Changelight Bodisen Biotech Leader Environmental Technologies Shantou Wanshun Package Material Shanghai Yanhua Smartech Beijing Jingyuntong Technology Liao Ning Oxiranchem Shenzhen Topraysolar Beijing Easpring Material Technology Coslight Technology International EVE Energy Shandong Sacred Sun Power Sources China Industrial Waste Management Jiangxi Sanchuan Water Meter Sichuan Minjiang Hydropower China Longyuan Power Group	China Clean Energy China Energy Recovery RINO International Corporation Canadian Solar LDK Solar China Sun Group High Tech C&G Environmental Protection Holdings
Second Quarter 2016	
Best Performers Share Price Gain > 30%	Worst Performers Share Price Loss > 30%
China Clean Energy Guangzhou Hongli Opto Electronic Bodisen Biotech Jiangsu Akcome Solar Science and Technology Beijing Easpring Material Technology Coslight Technology International Group EVE Energy China Industrial Waste Management China Recycling Energy China Water Affairs Group	China Energy Recovery Hanwei Energy Services Shenwu Environmental Technology Hunan Yonker Environ Protection RINO International Corporation Shenzhen Sunwin Intelligent LDK Solar Jiangxi Ganfeng Lithium Unilumin Group Beijing Capital Beijing Originwater Technology Jiangsu Jiangnan Water Jiangxi Sanchuan Water Meter Nanjing CEC Environmental Protection Chongqing Three Gorges Water Conservancy Titan Wind Energy (Suzhou)

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.

No companies were added to or removed from the Index at this rebalance.



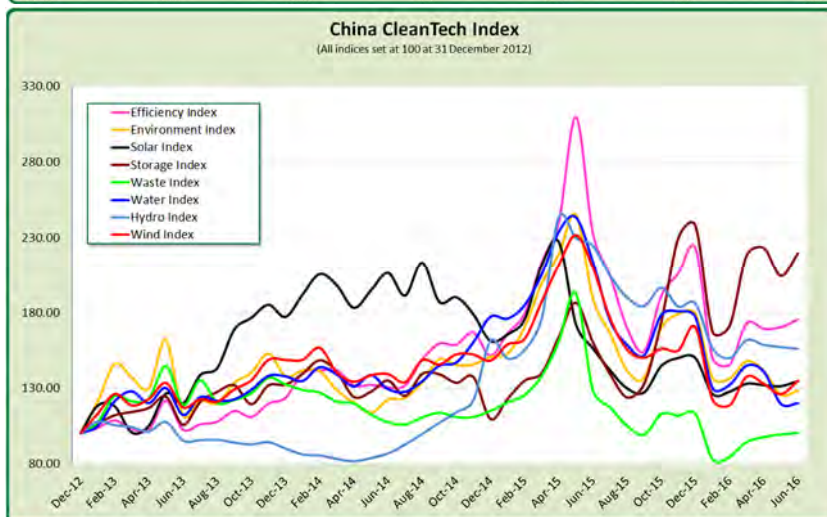
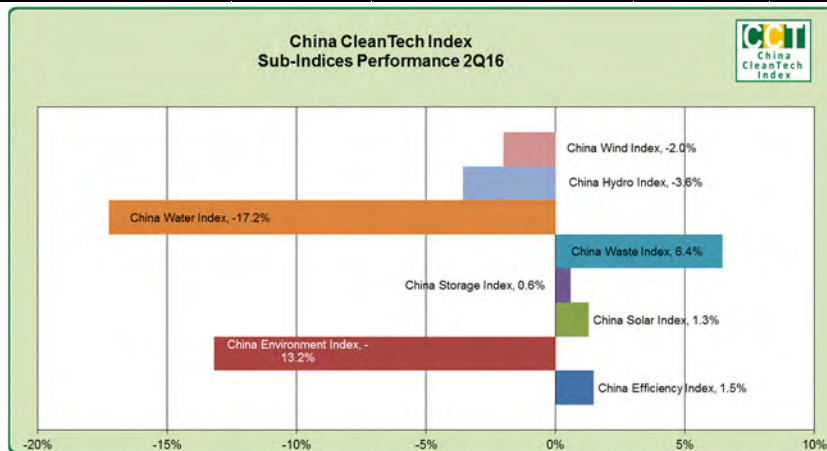
3. Component Sub-Indices

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 five years and the current quarter are shown in the table and charts below.

The best results for the quarter were the 6.4% gain for the China Waste Index and the 1.5% gain for the China Efficiency Index. The worst result was recorded by the 17.2% loss from the China Water Index.

China CleanTech Sub-Indices

	2011	2012	2013	2014	2015	2Q16
China Efficiency Index	-60.4%	-30.9%	23.5%	22.6%	47.1%	1.5%
China Environment Index	-31.1%	-21.8%	37.7%	9.3%	18.7%	-13.2%
China Solar Index	-57.5%	-36.2%	76.9%	-9.0%	-7.0%	1.3%
China Storage Index	-36.6%	11.7%	32.2%	-17.2%	117.5%	0.6%
China Waste Index	-25.9%	-12.5%	32.5%	-13.2%	-1.8%	6.4%
China Water Index	-49.7%	-8.0%	37.6%	28.7%	-0.2%	-17.2%
China Hydro Index	-23.0%	1.1%	-9.9%	78.9%	15.2%	-3.6%
China Wind Index	-57.7%	-32.5%	48.5%	-0.3%	14.9%	-2.0%



4. Index Component Companies

The 20 largest Index constituents by market capitalisation on 30 June 2016 are provided in the table below. These stocks will be the constituents of the China CleanTech 20 until the Index rebalance on 30 September 2016.

In the China CleanTech 20, the greatest sub-sector representations are Water with five companies followed by Wind with four and Energy Storage with three companies.

The three new entrants to this list at this rebalance are EVE Energy, Sinovel Wind Group and Sunwoda Electronics. These have taken the place of Beijing Capital, Jiangxi Ganfeng Lithium and GCL-Poly Energy.

	Company	Sector	Exchange	Code
1	China Yangtze Power Co., Ltd.	WAVE, TIDAL, HYDRO	Shanghai (SH)	600900.SS
2	Hanergy Thin Film Power Group Ltd	SOLAR	HKSE	0566.HK
3	Power Construction Corporation of China, Ltd (previously Sinohydro Group Ltd)	WAVE, TIDAL, HYDRO	Shanghai (SH)	601669.SS
4	Tsinghua Tongfang Co., Ltd.	ENERGY EFFICIENCY & BIOMATERIALS	Shanghai (SH)	600100.SS
5	China Longyuan Power Group Corp	WIND	HKSE	0916.HK
6	Sichuan Tianqi Lithium Industries, Inc.	STORAGE & FUEL CELLS	Shenzhen SX (SHE)	002466.SZ
7	Xinjiang Goldwind Science & Technology Co.	WIND	Shenzhen SX (SHE)	002202.SZ
8	GCL System Integration Technology Co Ltd	SOLAR	Shenzhen SX (SHE)	002506.SZ
9	Beijing Enterprises Water Group	WATER	HKSE	0371.HK
10	China Everbright International	WATER	HKSE	0257.HK
11	Chongqing Water Group Company Limited	WATER	Shanghai (SH)	601158.SS
12	Sound Environmental Resources Co., Ltd.	WASTE	Shenzhen SX (SHE)	000826.SZ
13	Huaneng Renewables Corp Ltd	WIND	HKSE	0958.HK
14	Beijing SJ Environmental Protection and New Material Co. Ltd	ENVIRONMENTAL SERVICES	Shenzhen SX (SHE)	300072.SZ
15	Guangdong Golden Dragon Development Inc.	WATER	Shenzhen SX (SHE)	000712.SZ
16	EVE Energy	STORAGE & FUEL CELLS	Shenzhen SX (SHE)	300014.SZ
17	Beijing Originwater Technology Co., Ltd.	WATER	Shenzhen SX (SHE)	300070.SZ
18	Beijing SPC Environment Protection Tech Co., Ltd.	ENVIRONMENTAL SERVICES	Shenzhen SX (SHE)	002573.SZ
19	Sinovel Wind Group Company Limited	WIND	Shanghai (SH)	601558.SS
20	Sunwoda Electronics Co	STORAGE & FUEL CELLS	Shenzhen SX (SHE)	300207.SZ