

China CleanTech Index

April-June 2018
Quarterly Performance Report

Produced by:



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The Definitive Measure of Chinese Cleantech Industry Performance

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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 158 companies falling under the coverage of the Index and with a combined market capitalisation of 2.0 trillion Renminbi (US\$300 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. 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 four benchmarks for the month of June 2018 recording a loss of 9.5%.

The China CleanTech Index fell from 43.75 to 39.60 over the month.

This compared to no change for the NEX, a 0.2% loss for the MSCI World and was driven by the Shanghai Composite loss of 8.0%. Figures for the CTIUS are currently unavailable after 12 January 2018 and its ongoing inclusion as a benchmark will be reviewed on an ongoing basis. The China CleanTech 20 recorded an 8.8% loss.

Over the second quarter of 2018, the China CleanTech Index recorded a loss of 14.5%, underperforming all of its benchmark indices. Over the quarter, the NEX lost 2.8%, the Shanghai Composite lost 10.1% and the MSCI World gained 1.1%.

	2015	2016	2017	JUN 2018	2Q18	6 Months	12 Months	3 Years
China CleanTech Index (CCTI)	11.1%	-19.1%	2.0%	-9.5%	-14.5%	-18.0%	-18.7%	-39.1%
China CleanTech 20 (CCT20)	-0.9%	-16.2%	8.6%	-8.8%	-12.3%	-14.5%	-14.8%	-34.3%
Wilder Hill New Energy Global Innovation Index (NEX)	-0.6%	-8.3%	25.5%	0.0%	-2.8%	-4.3%	6.5%	-0.4%
Cleantech Index (CTIUS)*	1.6%	12.0%	29.4%	-	-	-	-	-
China Shanghai Composite Index (SHCOMP)	9.4%	-12.3%	8.6%	-8.0%	-10.1%	-15.5%	-10.8%	-33.4%
MSCI World (MSCI)	-2.7%	5.3%	20.1%	-0.2%	1.1%	-0.7%	9.0%	20.4%

*: CTIUS performance unavailable after 12 January 2018

The market capitalisation of the 158 stocks in the China CleanTech Index after its rebalance is RMB 1.98 trillion (US\$300 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 quarter are shown in the table below.

Over the quarter, 6 companies recorded share price gains of more than 20% and 13 companies recorded losses of more than 40%.

Second Quarter 2018		
Best Performers Share Price Gain > 20%	Worst Performers Share Price Loss > 40%	
RINO International Corporation Beijing Easpring Material Technology China Sun Group High Tech Tianneng Power International C&G Environmental Protection China Datang Corp Renewable Power	Foshan Nationstar Optoelectronics Shenzhen Refond Optoelectronics Tellhow Sci-Tech Shenwu Environmental Technology Shenzhen Sunwin Intelligent. Comtec Solar Systems Group Limited LDK Solar	Sungrow Power Supply Jiangxi Ganfeng Lithium Jiangsu Welle Environmetnal Zhongyuan Environment-Protection Hunan Chendian Int'l Dev. Titan Wind Energy (Suzhou)

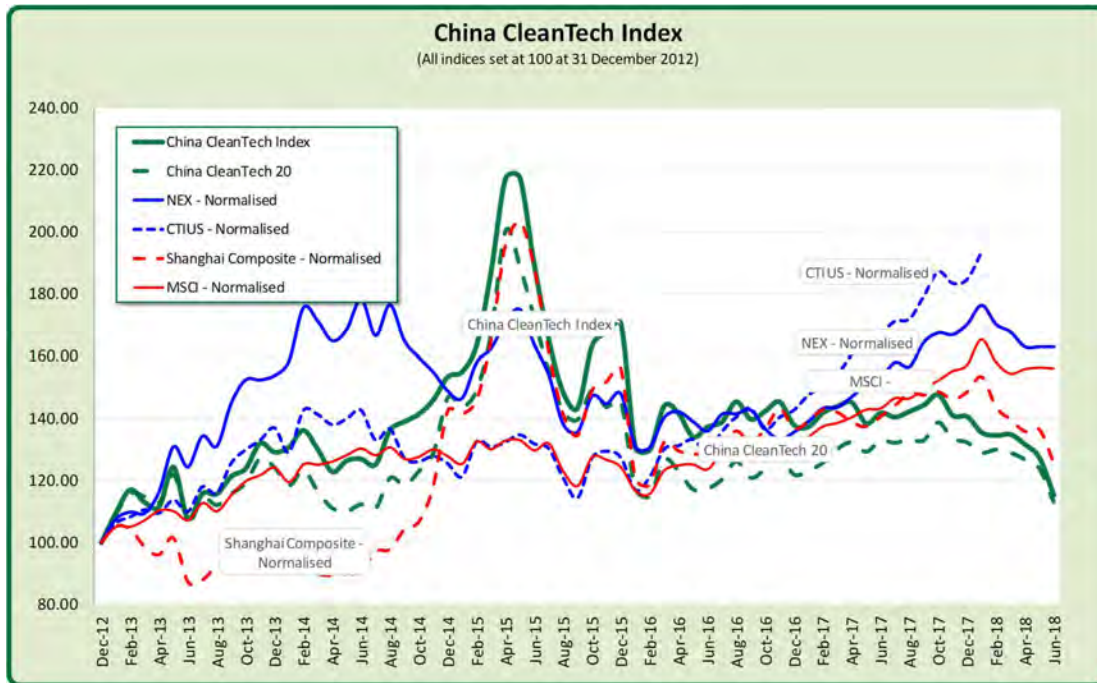
Index Rebalance

The China CleanTech Index underwent its quarterly rebalancing at the end of June which took account of recent share issues and other corporate activity. One company was removed from the index and two companies were added.

Trina Solar (TSL) was removed after delisting from the NYSE and going private.

BAIC Motor Corporation Limited (1958.HK) was added due to its acquisition of the Beijing Electric Vehicle Co, also known as BJEV, in a stock sale and asset-swap deal. BJEV will become the first state-owned manufacturer of new-energy vehicles to list on a mainland stock exchange. BJEV – which is disclosing a valuation publicly for the first time – is among companies raising funds and expanding to get a head start as China’s government encourages more clean-energy vehicles to hit the roads.

Contemporary Amperex Technology Ltd (CATL) (300750.SZ) was also added after listing on the Shenzhen stock exchange. CATL is China’s biggest lithium battery maker and is benefiting from a government policy to embrace clean energy. Based in southeast China’s Fujian province, sold 217 million new shares, or 10 percent of its enlarged capital, at an initial price of 25.14 yuan (\$3.92) each.



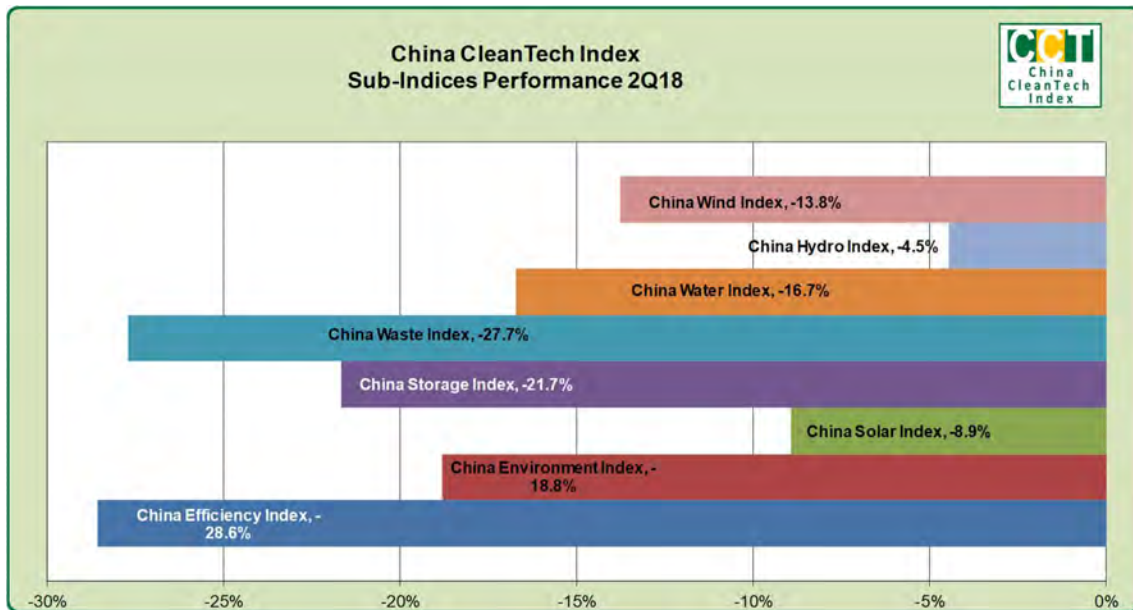
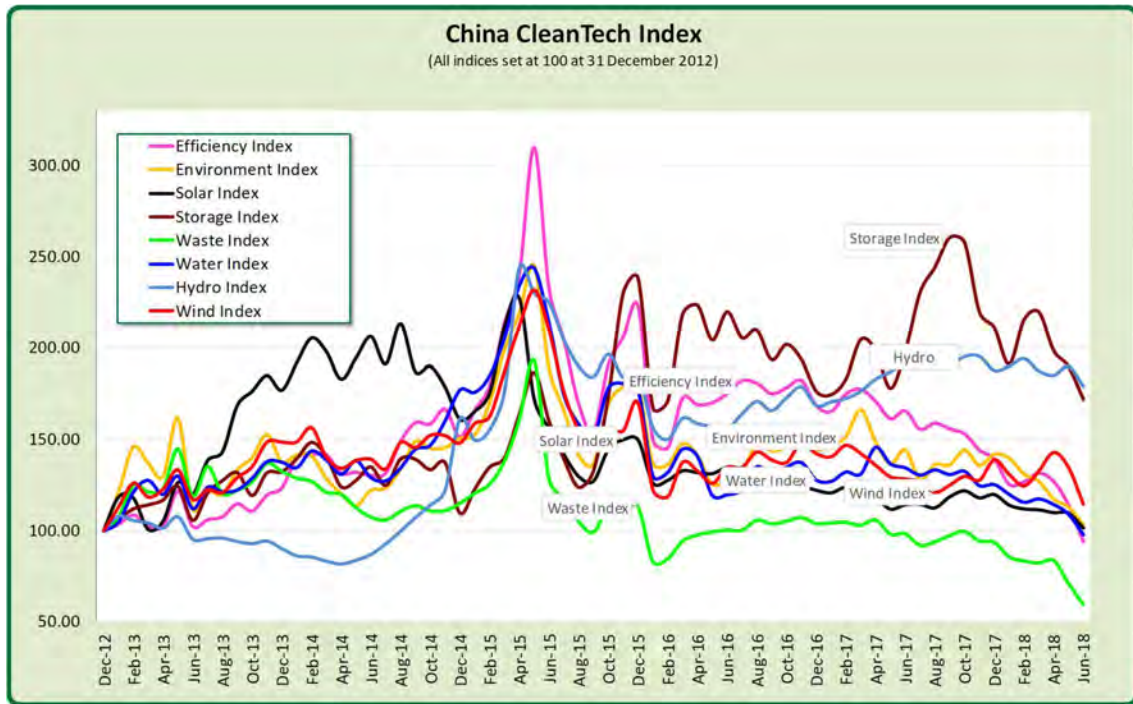
3. Component Sub-Indices

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 in a dismal quarter for the sector were the 4.5% loss for the China Hydro Index and the 8.9% loss for the China Solar Index. The worst result was recorded by the 28.6% loss from the China Efficiency Index.

China CleanTech Sub-Indices

	2013	2014	2015	2016	2017	2Q18
China Efficiency Index	23.5%	22.6%	47.1%	-24.3%	-17.4%	-28.6%
China Environment Index	37.7%	9.3%	18.7%	-19.1%	-1.9%	-18.8%
China Solar Index	76.9%	-9.0%	-7.0%	-18.4%	-1.9%	-8.9%
China Storage Index	32.2%	-17.2%	117.5%	-25.9%	19.6%	-21.7%
China Waste Index	32.5%	-13.2%	-1.8%	-8.1%	-9.8%	-27.7%
China Water Index	37.6%	28.7%	-0.2%	-27.6%	-2.0%	-16.7%
China Hydro Index	-9.9%	78.9%	15.2%	-9.3%	11.4%	-4.5%
China Wind Index	48.5%	-0.3%	14.9%	-16.4%	-2.5%	-13.8%



4. Index Component Companies

The 20 largest Index constituents by market capitalisation on 30 June 2018 are provided in the table below. These stocks will be the constituents of the China CleanTech 20 until the Index rebalance on 30 September 2018.

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

The three new entrants to this list at this rebalance are Contemporary Amperex Technology, BAIC Motor Corporation and GCL System Integration Technology. These companies have taken the place of Sungrow Power Supply, Beijing Capital and Wuhan Linuo Solar Energy Group.

	Company	Sector	Code
1	China Yangtze Power	HYDRO	600900.SS
2	Contemporary Amperex Tech	ELECTRIC VEHICLES	300750.sz
3	Hanergy Thin Film Power	SOLAR	0566.HK
4	Power Construction Corporation of China	HYDRO	601669.SS
5	Sichuan Tianqi Lithium Industries	ENERGY STORAGE	002466.SZ
6	BAIC Motor Corporation	ENERGY STORAGE	1958.HK
7	Beijing Originwater Technology	WATER	300070.SZ
8	Jiangxi Ganfeng Lithium	ENERGY STORAGE	002460.SZ
9	China Longyuan Power	WIND	0916.HK
10	Beijing SJ Environmental Protection and New Material	ENVIRONMENTAL SERVICES	300072.SZ
11	China Everbright International	WATER	0257.HK
12	Xinjiang Goldwind Science & Technology	WIND	002202.SZ
13	Beijing Enterprises Water Group	WATER	0371.HK
14	Beijing New Building Materials	GREEN BUILDINGS	000786.SZ
15	Chongqing Water Group	WATER	601158.SS
16	Tsinghua Tongfang	ENERGY EFFICIENCY	600100.SS
17	Sound Environmental Resources	WASTE	000826.SZ
18	BY-Health	ENVIRONMENTAL SERVICES	300146.SZ
19	GCL System Integration Technology	SOLAR	002506.SZ
20	Huaneng Renewables	WIND	0958.HK