

China CleanTech Index

July-September 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 1.9 trillion Renminbi (US\$275 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
- **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 benchmarks for the third quarter of 2018 recording a loss of 6.2%. The China CleanTech Index fell from 39.60 to 37.13 over the quarter.

This compared to the 0.7% gain for the NEX, a 4.5% gain for the MSCI World and the Shanghai Composite loss of 0.9%. The China CleanTech 20 recorded an 3.9% loss.

Over the last 12 months, the China CleanTech Index recorded a loss of 25.1%, underperforming all of its benchmark indices and driven by the losses on the Shanghai Composite.

	2015	2016	2017	3Q18	6 Months	12 Months	3 Years
China CleanTech Index (CCTI)	11.1%	-19.1%	2.0%	-6.2%	-19.9%	-25.1%	-24.6%
China CleanTech 20 (CCT20)	-0.9%	-16.2%	8.6%	-3.9%	-15.7%	-18.2%	-22.1%
Wilder Hill New Energy Global Innovation Index (NEX)	-0.6%	-8.3%	25.5%	0.7%	-8.4%	-6.6%	13.3%
China Shanghai Composite Index (SHCOMP)	9.4%	-12.3%	8.6%	-0.9%	-11.0%	-15.8%	-7.6%
MSCI World (MSCI)	-2.7%	5.3%	20.1%	4.5%	5.7%	9.2%	38.1%

The market capitalisation of the 158 stocks in the China CleanTech Index after its rebalance is RMB 1.89 trillion (US\$275 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

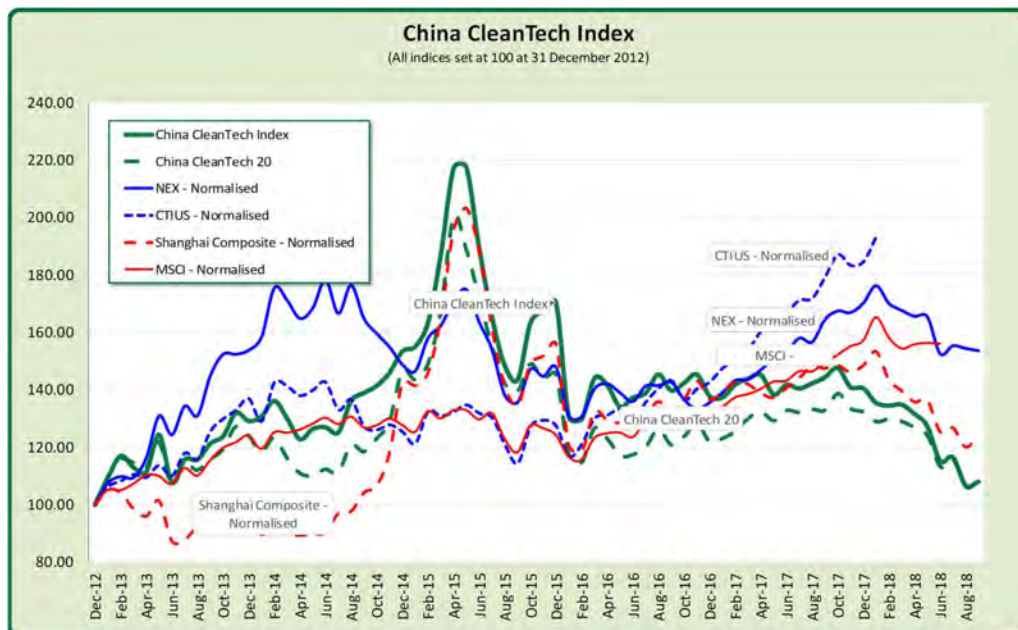
The best and worst performers in terms of share price performance over the quarter are shown in the table below.

Over the quarter, ten companies recorded share price gains of more than 10% and 24 companies recorded losses of more than 25%.

Third Quarter 2018		
Best Performers Share Price Gain > 10%	Worst Performers Share Price Loss > 25%	
Foshan Nationstar Optoelectronics	China Clean Energy Inc.	Beijing Easpring Material Technology
Hanwei Energy Services	Guangzhou Devotion Thermal Tech	China BAK Battery
Tsinghua Tongfang	Beijing SJ Environmental Protection	Tianneng Power International
BY-Health	Hebei Sailhero Environmental Protection High-tech	C&G Environmental Protection
Canadian Solar	RINO International	China Industrial Waste Management
China Singyes Solar	Shanghai Yanhua Smartech	China Recycling Energy
Hanwha Q Cells	China Solar & Clean Energy Solns.,	Beijing Originwater Technology
Liao Ning Oxiranchem	Daqo New Energy	China Everbright International
Shunfeng Photovoltaic International	E-Ton Solar Tech	Shanghai Canature Environmental
Sichuan Minjiang Hydropower	GCL-Poly Energy Holdings	Zhejiang Reclaim Construction
	Risen Energy	China Power New Energy Development
	Sino-American Silicon Products	Huayi Electric

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



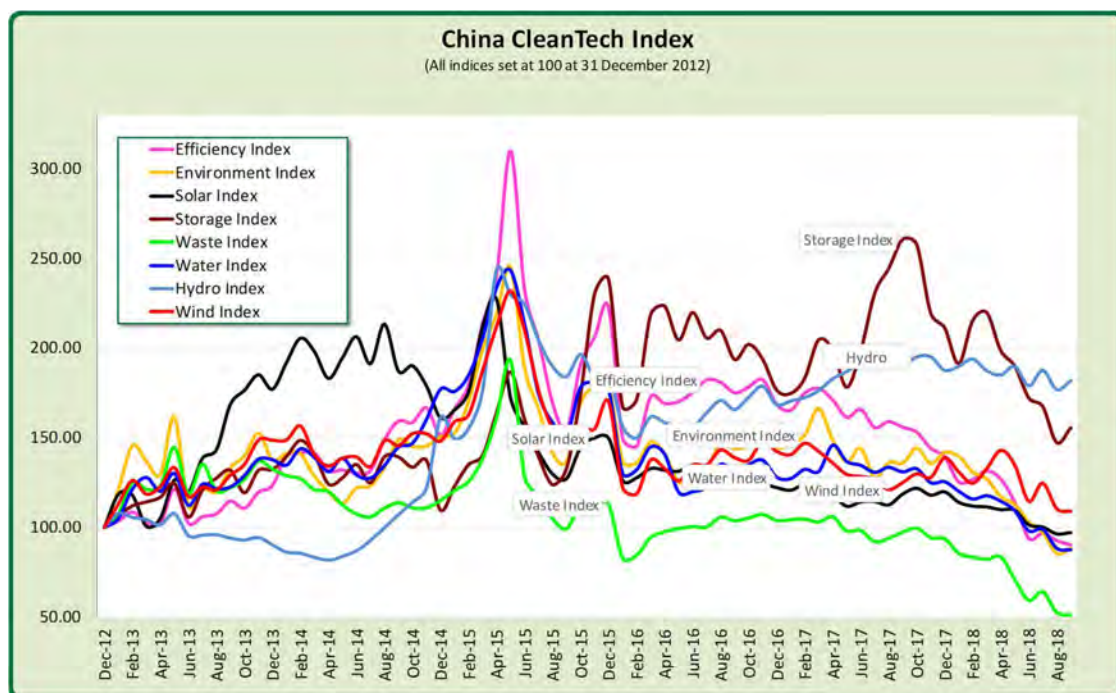
3. Component Sub-Indices

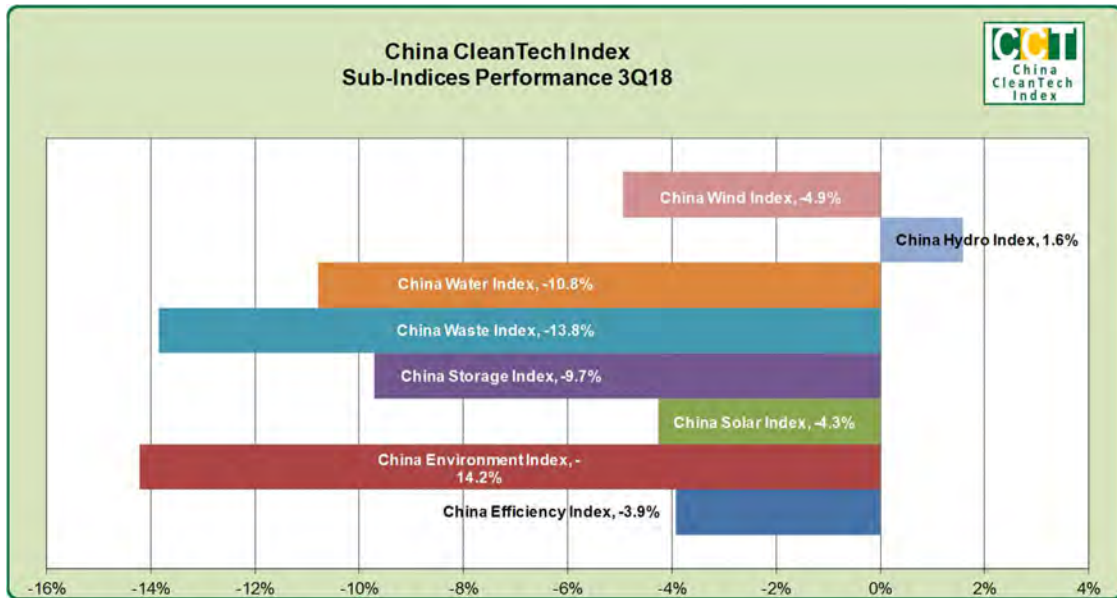
To provide an analysis of the China CleanTech Index, eight sub-indices have been developed. The performance of each of these sub-indices over the last five years and the current quarter are shown in the table and charts below.

The best results for the quarter were the 1.6% gain for the China Hydro Index and the 3.9% loss for the China Efficiency Index. The worst result was recorded by the 14.2% loss from the China Environment Index.

China CleanTech Sub-Indices

	2013	2014	2015	2016	2017	3Q18
China Efficiency Index	23.5%	22.6%	47.1%	-24.3%	-17.4%	-3.9%
China Environment Index	37.7%	9.3%	18.7%	-19.1%	-1.9%	-14.2%
China Solar Index	76.9%	-9.0%	-7.0%	-18.4%	-1.9%	-4.3%
China Storage Index	32.2%	-17.2%	117.5%	-25.9%	19.6%	-9.7%
China Waste Index	32.5%	-13.2%	-1.8%	-8.1%	-9.8%	-13.8%
China Water Index	37.6%	28.7%	-0.2%	-27.6%	-2.0%	-10.8%
China Hydro Index	-9.9%	78.9%	15.2%	-9.3%	11.4%	1.6%
China Wind Index	48.5%	-0.3%	14.9%	-16.4%	-2.5%	-4.9%





4. Index Component Companies

The 20 largest Index constituents by market capitalisation on 30 September 2018 are provided in the table below. These stocks will be the constituents of the China CleanTech 20 until the Index rebalance on 31 December 2018.

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

There were no change to China's largest twenty cleantech companies at this rebalance.

	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	China Longyuan Power	WIND	0916.HK
6	BAIC Motor Corporation	ENERGY STORAGE	1958.HK
7	Sichuan Tianqi Lithium Industries	ENERGY STORAGE	002466.SZ
8	China Everbright International	WATER	0257.HK
9	Jiangxi Ganfeng Lithium	ENERGY STORAGE	002460.SZ
10	Beijing SJ Environmental Protection and New Material	ENVIRONMENTAL SERVICES	300072.SZ
11	Xinjiang Goldwind Science & Technology	WIND	002202.SZ
12	Beijing Enterprises Water Group	WATER	0371.HK
13	Beijing Originwater Technology	WATER	300070.SZ
14	BY-Health	ENVIRONMENTAL SERVICES	300146.SZ
15	Tsinghua Tongfang	ENERGY EFFICIENCY	600100.SS
16	Beijing New Building Materials	GREEN BUILDINGS	000786.SZ
17	Chongqing Water Group	WATER	601158.SS
18	GCL System Integration Technology	SOLAR	002506.SZ
19	Huaneng Renewables	WIND	0958.HK
20	Sound Environmental Resources	WASTE	000826.SZ