

China CleanTech Index

2011 Full Year Performance Report

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Table of Contents

1. China CleanTech Index Overview	3
2. China CleanTech Index Performance	5
3. Component Sub-indices	9
4. Index Component Companies	12



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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 130 companies falling under the coverage of the Index and with a combined market capitalisation of nearly 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 December 2011.

The China CleanTech Index fell from 45.5 to 41.2 over the month of December recording a 9.4% loss. This compared to the NEX loss of 6.8%, the CTIUS loss of 3.2%, the Shanghai Composite loss of 5.7% and the MSCI loss of 0.2%.

The China CleanTech 20 fared slightly better with a loss of 7.6%.

Over the fourth quarter of the 2011, the China CleanTech Index recorded a loss of 8.6%, underperforming the NEX loss of 3.5%, the CTIUS gain of 4.7%, the Shanghai Composite loss of 6.8% and the MSCI gain of 7.1%.

For the 2011 calendar year, the China CleanTech Index significantly underperformed all of its benchmarks driven by the collapse of the solar and wind stocks. For the full year, the China CleanTech Index recorded a loss of 48.0%, compared to the NEX loss of 40.2%, the CTIUS loss of 18.3%, the Shanghai Composite loss of 21.7% and the MSCI loss of 7.6%.

Percentage Change	2009	2010	DEC'11	4Q11	2H11	2011	3 Years
China CleanTech Index (CCTI)	77.5%	-9.6%	-9.4%	-8.6%	-33.4%	-48.0%	-16.5%
China CleanTech 20 (CCT20)	59.6%	-15.6%	-7.6%	-6.9%	-31.9%	-47.4%	-29.1%
Wilder Hill New Energy Global Innovation Index (NEX)	39.7%	-14.6%	-6.8%	-3.5%	-38.1%	-40.2%	-28.6%
Cleantech Index (CTIUS)	38.1%	7.3%	-3.2%	4.7%	-23.5%	-18.3%	21.0%
China Shanghai Composite Index (SHCOMP)	80.0%	-14.3%	-5.7%	-6.8%	-20.4%	-21.7%	20.8%
MSCI World (MSCI)	27.0%	9.6%	-0.2%	7.1%	-11.2%	-7.6%	28.5%

The market capitalisation of the 135 stocks in the China CleanTech Index is RMB 697 billion (US\$111 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 the fourth quarter and full year of 2011 are shown in the table below.

December 2011	
Best Performers Share Price Gain > 10%	Worst Performers Share Price Loss > 30%
Bodisen Biotech, Inc. China Sunergy E-Ton Solar Tech Gintech Energy Corporation Green Energy Technology LDK Solar Sino-American Silicon Products China Ritar Power Corp. China Hydroelectric Corporation China Power New Energy Development Co., Ltd Cleantech Solutions International Inc	Gushan Environmental Energy China Energy Recovery Inc China Solar & Clean Energy Solns., Inc. Hanwha Solarone Co Ltd Liao Ning Oxiranchem, Inc Hunan Corun New EnergyY Co., Ltd. Beijing Water Business Doctor Co., Ltd. Sichuan Minjiang Hydropower Co., Ltd A-Power Energy Generation Systems Ltd
Fourth Quarter 2011	
Best Performers Share Price Gain > 20%	Worst Performers Share Price Loss > 40%
Ledman Optoelectronic Co Ltd 'A' CNY1 Hebei Sailhero Environmental Protection High-tech Co.,Ltd LDK Solar Yingli Green Energy Nanjing CEC Environmental Protection Co., Ltd China Power New Energy Development Co., Ltd	China Clean Energy Inc. SmartHeat Inc Xiamen Changelight Co., Ltd. China Solar & Clean Energy Solns., Inc. Daqo New Energy Corp. Hanwha Solarone Co Ltd Advanced Battery Technologies Hunan Corun New EnergyY Co., Ltd. China Hydroelectric Corporation A-Power Energy Generation Systems Ltd
Full Year 2011	
Best Performers Share Price Gain > 20%	Worst Performers Share Price Loss > 80%
Shanghai 3F New Materials Co Ltd Chaowei Power Holdings Limited	SmartHeat Inc Xiamen Changelight Co., Ltd. Daqo New Energy Corp. Hanwha Solarone Co Ltd JA Solar Holdings ReneSola Ltd. (ADR) Advanced Battery Technologies China Sun Group High Tech Co. Beijing Water Business Doctor Co., Ltd. China Hydroelectric Corporation A-Power Energy Generation Systems Ltd China Ming Yang Wind Power Group Ltd Cleantech Solutions International Inc

Index Rebalance

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

The following two companies added to the index at the end of December following ongoing research by Sino Cleantech into the activities of Chinese listed companies.

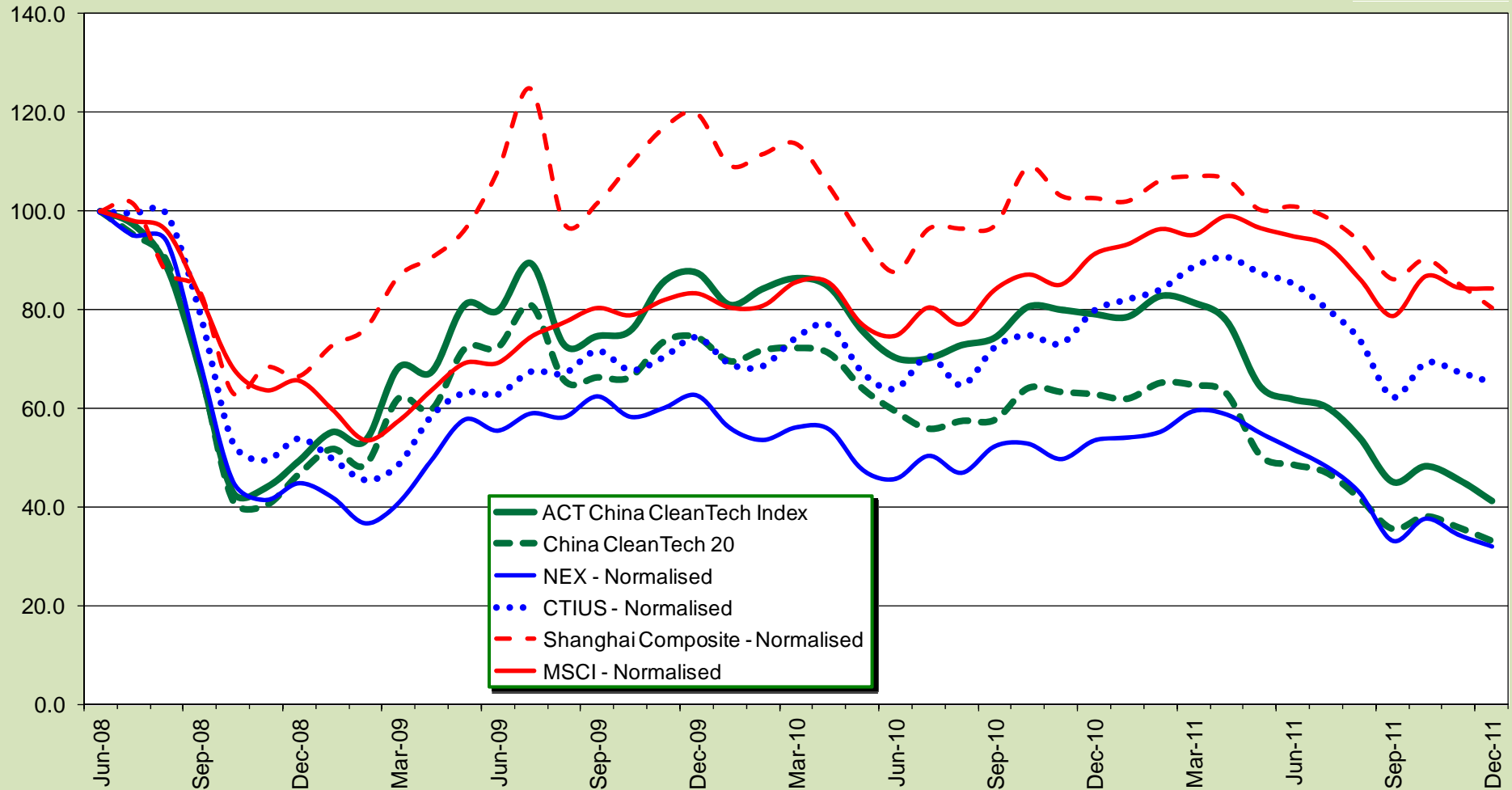
- **Beijing Jingyuntong Technology Co Ltd (SHA:601908)** - Beijing Jingyuntong Technology is principally engaged in the manufacture of photovoltaic equipment, mono-crystalline silicon growth and silicon chip businesses. The Company primarily provides mono-crystalline silicon growth furnaces and poly-crystalline silicon ingot furnaces, as well as silicon rods, silicon ingots and silicon chips. Its products are applied in the manufacture of poly-crystalline silicon ingots, mono-crystalline silicon rods, solar energy silicon chips and solar cell chips, among others.

The Company raised ¥2.5 billion (US\$394 million) in its IPO and listed on the Shanghai Stock Exchange on 7 September 2011 with a price/earnings ratio of 26 times its estimated 2011 earnings.

- **Sinohydro Group Ltd (SHA:601669)** - the Sinohydro Group is principally engaged in project contracting, electricity investment and operation, equipment manufacturing and leasing, as well as real estate development. The Company constructs water conservancy and hydropower projects, amongst other construction activity and is active in Asia, Africa and South America. The Company's electricity investment businesses include hydroelectricity investment, wind power electricity investment and thermal electricity investment.

The Company raised ¥13.5 billion (US\$2.1 billion) in its IPO and listed on the Shanghai Stock Exchange on 18 October 2011 with a price/earnings ratio of 15.

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



3. Component Sub-Indices

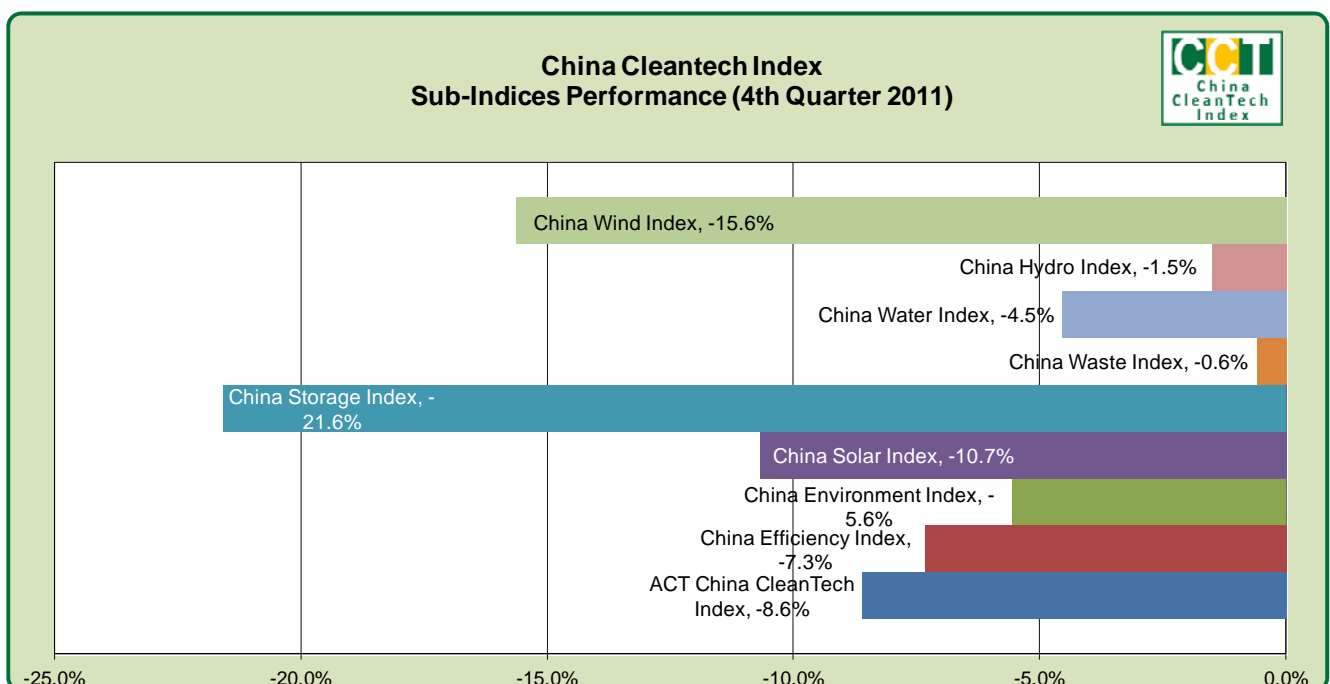
To provide an analysis of the China CleanTech Index, eight sub-indices have been developed. The performance of each of these sub-indices over the last three financial years is shown in the table and charts below.

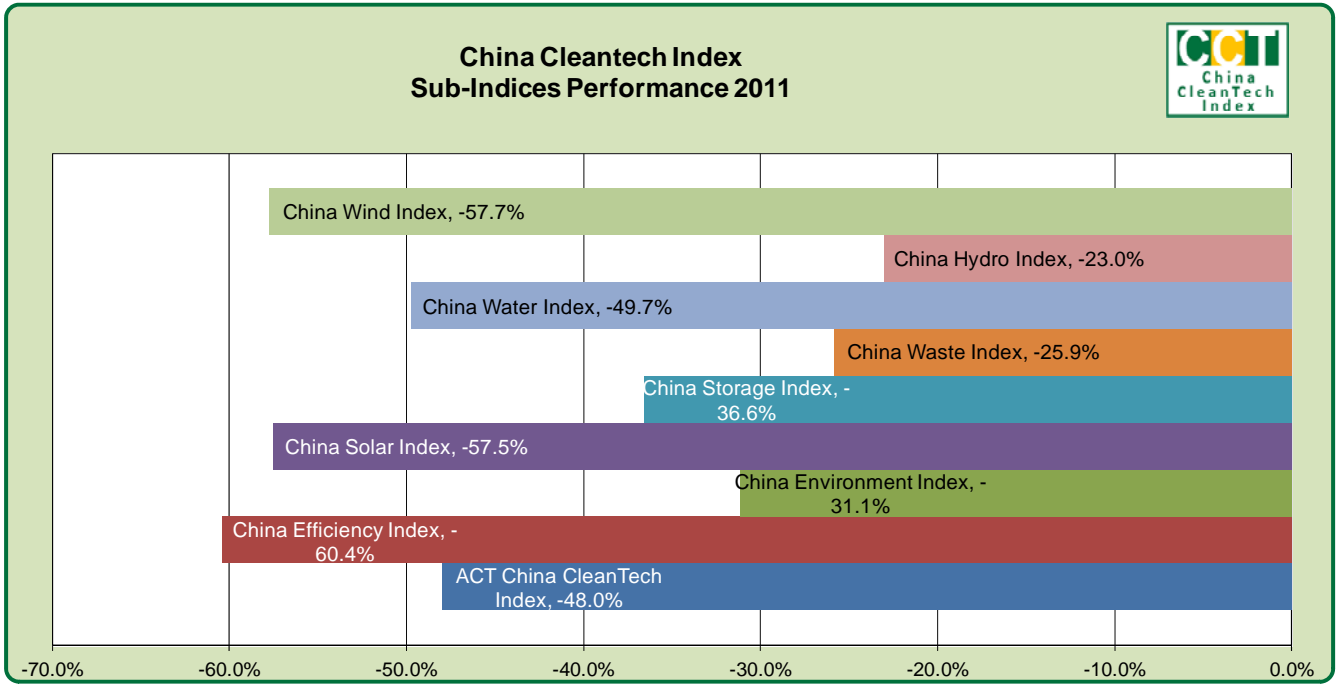
The best performing sectors for the three months to December 2011 were China Waste Index and the China Hydro Index and the worst performer was the China Storage Index.

For the full year, whilst all sectors showed poor performance, the best performing sectors were China Waste Index and the China Hydro Index and the worst performing sectors were the China Efficiency Index, the China Solar Index and the China Wind Index, each of which lost more than half of their value.

China CleanTech Sub-Indices

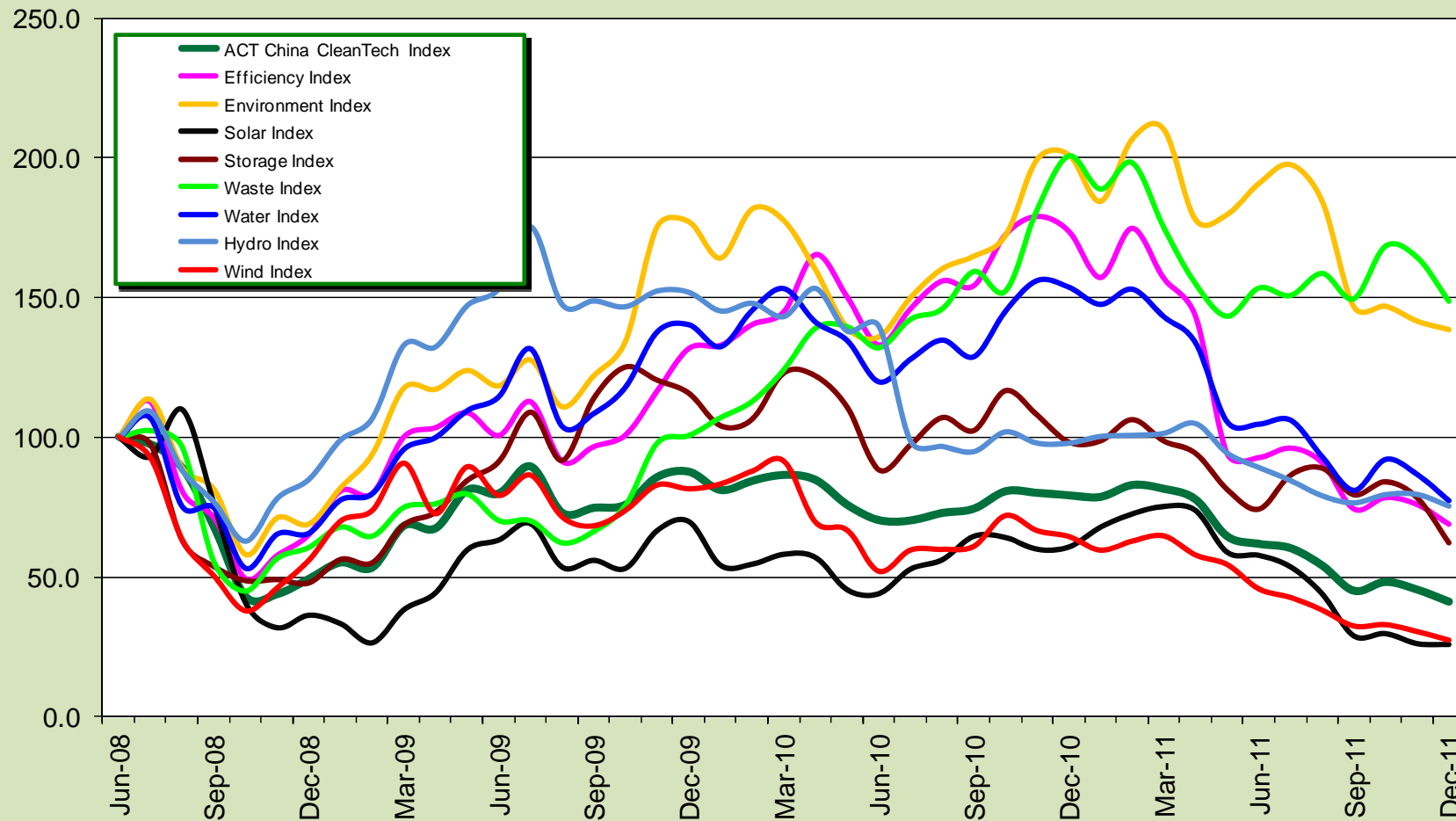
	2009	2010	4Q11	2011
China Efficiency Index	102.4%	31.8%	-7.3%	-60.4%
China Environment Index	157.4%	13.5%	-5.6%	-31.1%
China Solar Index	92.4%	-13.0%	-10.7%	-57.5%
China Storage Index	141.0%	-15.1%	-21.6%	-36.6%
China Waste Index	65.7%	99.1%	-0.6%	-25.9%
China Water Index	113.5%	9.6%	-4.5%	-49.7%
China Hydro Index	78.9%	-35.6%	-1.5%	-23.0%
China Wind Index	45.8%	-21.0%	-15.6%	-57.7%





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 31 December 2011 are provided in the table below. These stocks will be the constituents of the China CleanTech 20 until the Index rebalance on 31 March 2012.

In the China CleanTech 20, the greatest sub-sector representations are Water with six companies and then Wind with five companies. In the previous quarter Solar had six companies represented in the China CleanTech 20 and this has now dropped to only three companies.

	Company		Sector	Exchange	Code
1	China Yangtze Power Co., Ltd.	长江电力	WAVE, TIDAL, HYDRO	Shanghai (SH)	SH600900
2	Sinohydro Group Ltd		WAVE, TIDAL, HYDRO	Shanghai (SH)	SHA:601669
3	China Longyuan Power Group Corp		WIND	HKSE	HK:916
4	Sinovel Wind Group Company Ltd	华锐风电	WIND	Shanghai (SH)	SH601558
5	Chongqing Water Group Company Ltd	重庆水务	WATER	Shanghai (SH)	SH601158
6	GCL-Poly Energy Holdings		SOLAR	HKSE	HK:3800
7	Xinjiang Goldwind Science & Technology Co.	金风科技	WIND	Shenzhen SX (SHE)	SZ002202
8	Tsinghua Tongfang Co., Ltd.	同方股份	ENERGY EFFICIENCY & BIOMATERIALS	Shanghai (SH)	SH600100
9	Beijing Originwater Technology Co., Ltd.	碧水源	WATER	Shenzhen SX (SHE)	SZ300070
10	Huaneng Renewables Corp Ltd		WIND	HKSE	HK:958
11	Beijing Capital Co., Ltd.	首创股份	WATER	Shanghai (SH)	SH600008
12	Eguard Resources Development Co., Ltd.	桑德环境	WASTE	Shenzhen SX (SHE)	SZ000826
13	Foshan Electrical and Lighting Co., Ltd.	佛山照明	ENERGY EFFICIENCY & BIOMATERIALS	Shenzhen SX (SHE)	SZ000541
14	Chengdu Xingrong Investment Co.,Ltd	兴蓉投资	WATER	Shenzhen SX (SHE)	SZ000598
15	Beijing Jingyuntong Technology Co Ltd	北京京运通科技股份有限公司有限	SOLAR	SHA	SHA:601908
16	Zhongshan Public Utilities Group co., Ltd.	中山公用	WATER	Shenzhen SX (SHE)	SZ000685
17	Tianjin Capital Environmental Protection Group Co., Ltd.	创业环保	WATER	Shanghai (SH)	SH600874
18	China Datang Corp Renewable Power Co Ltd		WIND	HKSE	HK:1798
19	Shanghai 3F New Materials Co Ltd	三爱富	ENVIRONMENTAL SERVICES	Shanghai (SH)	SH600636
20	Shanghai Chaori Solar Energy Science	超日太阳	SOLAR	Shenzhen SX (SHE)	SZ002506