

China CleanTech Index

1Q13

Quarterly Performance Report

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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 150 companies falling under the coverage of the Index and with a combined market capitalisation of nearly 800 billion Renminbi (US\$126 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 SinoCleantech website at www.sinocleantech.com and on the Australian CleanTech website at www.auscleantech.com.au. 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 underperformed all but one of its benchmarks for the month of March 2013.

The China CleanTech Index fell from 40.2 to 38.8 over the month of March recording a 3.4% loss. This compared to the NEX loss of 0.3%, the CTIUS gain of 2.1%, the Shanghai Composite loss of 5.4% and the MSCI gain of 2.1%. The China CleanTech 20 fared better with a loss of only 0.9%.

However, over the first quarter of the 2013, the China CleanTech Index recorded a gain of 13.0%, outperforming all of these benchmark indices. Over the quarter, the NEX gained 9.5%, the CTIUS gained 10.6%, the Shanghai Composite lost 1.4% and the MSCI gained 7.2%.

This outperformance would have been stronger except for the loss of confidence in the solar sector over the last week of the quarter following the collapse of Suntech.

Over the quarter, the China CleanTech 20 fared better with a strong gain of 14.7%.

Percentage Change	2009	2010	2011	2012	MAR'13	1Q13	6 Months	12 Months	3 Years
China CleanTech Index (CCTI)	77.5%	-9.6%	-48.0%	-16.5%	-3.4%	13.0%	19.7%	-5.4%	-55.1%
China CleanTech 20 (CCT20)	59.6%	-15.6%	-47.4%	-15.5%	-0.9%	14.7%	21.8%	-2.8%	-55.7%
Wilder Hill New Energy Global Innovation Index (NEX)	39.7%	-14.6%	-40.2%	-5.5%	-0.3%	9.5%	12.7%	-3.6%	-41.0%
Cleantech Index (CTIUS)	38.1%	7.3%	-18.3%	7.3%	2.1%	10.6%	17.5%	7.2%	4.1%
China Shanghai Composite Index (SHCOMP)	80.0%	-14.3%	-21.7%	3.2%	-5.4%	-1.4%	7.2%	-1.2%	-28.1%
MSCI World (MSCI)	27.0%	9.6%	-7.6%	13.2%	2.1%	7.2%	9.3%	9.3%	19.5%

The market capitalisation of the 148 stocks in the China CleanTech Index is RMB 786 billion (US\$126 billion), before its rebalance, falling from its peak of RMB 911 billion in February 2011 but up from its 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 the first quarter of 2013 are shown in the table below.

Over the month, 6 companies recorded share price gains of more than 25% and 13 companies recorded losses of more than 25%. Eight of these 13 companies are constituents of the China Solar Index.

Over the quarter, 17 companies recorded share price gains of more than 40% and 10 companies, 4 of which are solar, recorded losses of more than 25%.

March 2013	
Best Performers Share Price Gain > 25%	Worst Performers Share Price Loss > 25%
Bodisen Biotech, Inc. Shenzhen Desay Battery Technology Co., Ltd. Beijing Capital Co., Ltd. Duoyuan Global Water Guangdong Golden Dragon Development Inc. China Hydroelectric Corporation	ZJ Fuchunjiang Environ Thermoelectric Shenzhen Sunwin Intelligent Co., Ltd. China Singyes Solar Tech. Hold. Ltd China Solar & Clean Energy Solns., Inc. China Solar Energy Holdings Limited Daqo New Energy Corp. JinkoSolar Holding Co., Ltd. LDK Solar ReneSola Ltd. (ADR) Suntech Power Holdings China Sun Group High Tech Co. Coslight Technology International Group CleanTech Innovations Inc.
First Quarter 2013	
Best Performers Share Price Gain > 40%	Worst Performers Share Price Loss > 25%
Hanwei Energy Services Beijing SJ Environmental Protection & New Material Co. Ltd Bodisen Biotech, Inc. Fujian Longking Co., Ltd Shantou Wanshun Package Material Co., Ltd. China Solar & Clean Energy Solns., Inc. Shunfeng Photovoltaic International Advanced Battery Technologies Shenzhen Desay Battery Technology Co., Ltd. Beijing Capital Co., Ltd. Chengdu Xingrong Investment Co.,Ltd China Everbright International Duoyuan Global Water Tianjin Capital Environmental Protection Group Co., Ltd. China Hydroelectric Corporation China Datang Corp Renewable Power Co Ltd Huaneng Renewables Corp Ltd	China Clean Energy Inc. ZJ Fuchunjiang Environ Thermoelectric LED International Holdings Ltd. Shenzhen Sunwin Intelligent Co., Ltd. China Solar Energy Holdings Limited JinkoSolar Holding Co., Ltd. Shanghai Chaori Solar Energy Science Suntech Power Holdings China BAK Battery China Sun Group High Tech Co.

Index Rebalance

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

The following two companies were **added** into the index at the end of March 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
Shenzhen SX (SHE)	ENERGY EFFICIENCY & BIOMATERIALS	HC Semitek	300323.SZ	RMB
HKSE	WASTE	Chiho-Tiande Group Limited	0976.HK	HKD

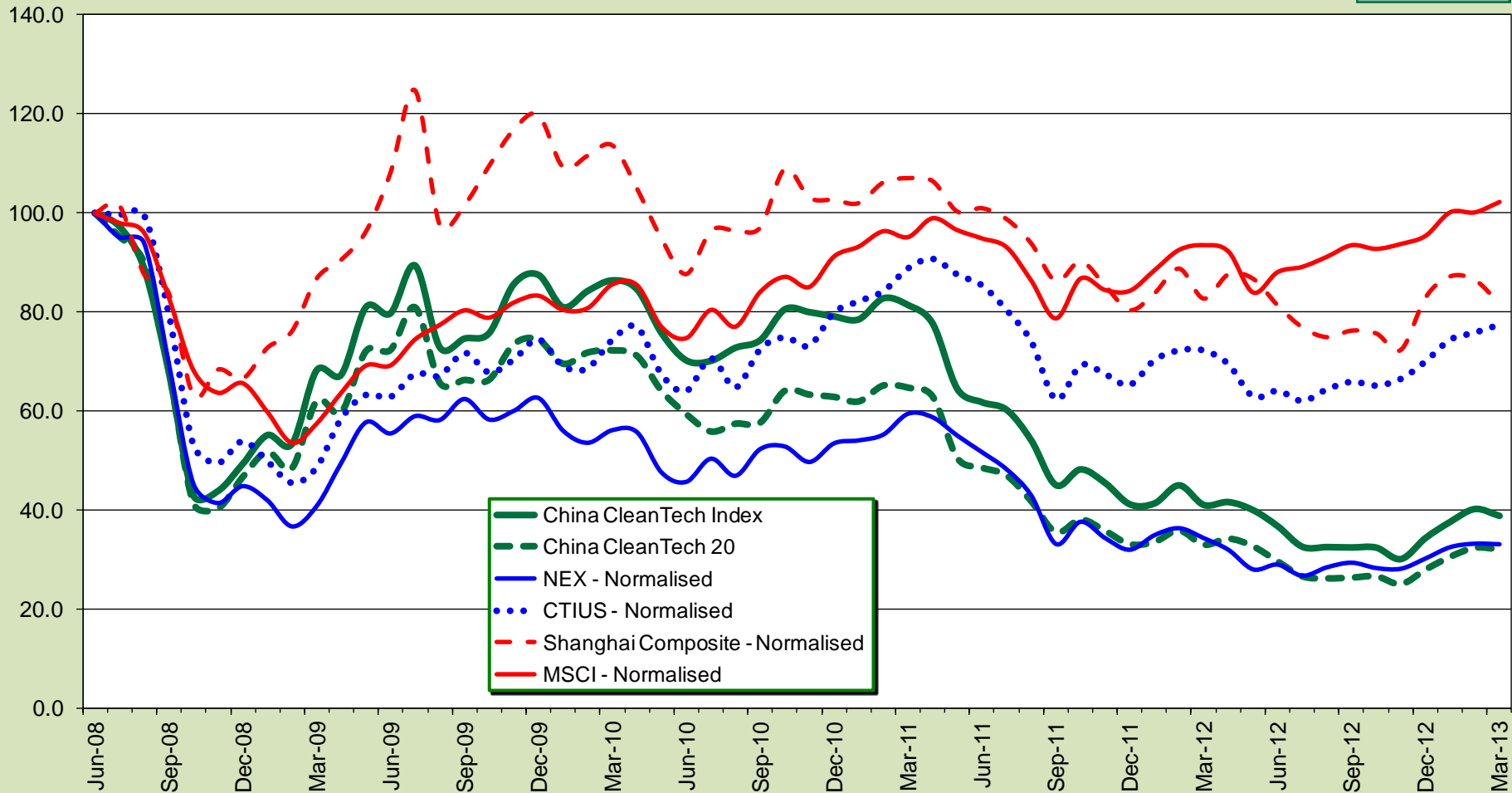
HC SemiTek Corporation (300323.SZ)

HC SemiTek Corporation, formerly Wuhan HC SemiTek Co., Ltd., was founded in 2005 and restructured into an incorporated company in 2011. HC SemiTek is a leading LED (Light Emitting Diode) chip supplier based in Wuhan, China. As a high-tech enterprise in the field of "New materials, and New energy", it undertakes R&D, production and sales of the high-quality LED chips, mainly in GaN-based blue and green light series. The company currently serves clients throughout China, and the product has been successfully applied to a number of domestic key projects.

Chiho-Tiande Group Limited (0976.HK)

Chiho-Tiande Group Limited is a mixed metal scrap recycler specialising in recycling, reuse and processing of mixed metal scrap. It is the largest mixed metal scrap recycler in China in terms of the total import volume for mixed metal scrap approved by the MEP and the actual import volume of mixed metal scrap. The company separates and demolishes mixed metal scrap from motors, electric wires and cables and break them down into their respective metal constituents.

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



3. Component Sub-Indices

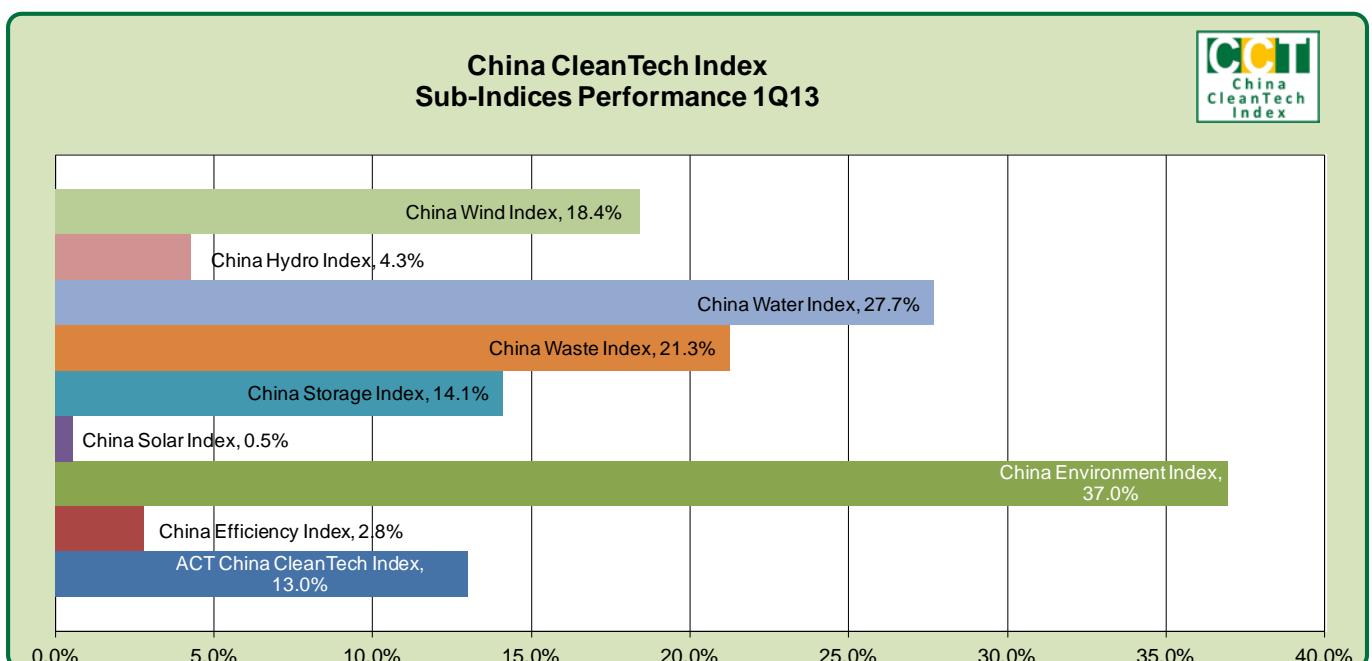
To provide an analysis of the China CleanTech Index, eight sub-indices have been developed. The performance of each of these sub-indices over the last four years is and the current quarter are shown in the table and charts below.

Whilst all sub-indices recorded gains for the quarter, the best performing sector for the three months to March 2013 was the China Environment Index which recorded a massive 37.0% gain for the quarter. This was followed by the 27.7% gain by the China Water Index

The worst performers were the China Solar Index with a gain of only 0.5% which was hit by the collapse of Suntech to dent its recent strong gains and the China Efficiency Index recording a 2.8% gain. The China Solar Index lost 14.7% of its value in March indicating that the first two months of the year had provided a strong recovery from the woes of recent times.

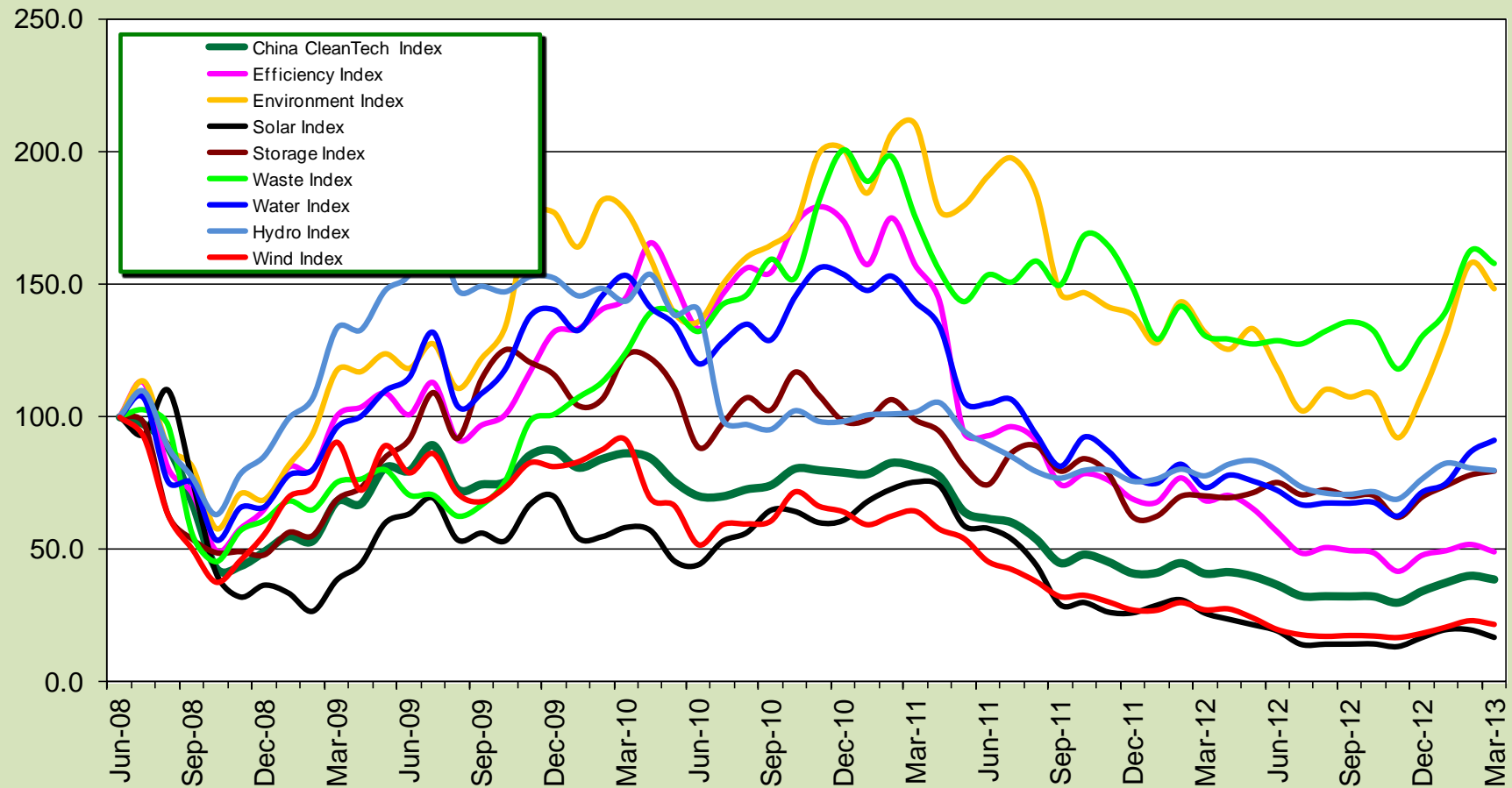
China CleanTech Sub-Indices

	2009	2010	2011	2012	1Q13
China Efficiency Index	102.4%	31.8%	-60.4%	-30.9%	2.8%
China Environment Index	157.4%	13.5%	-31.1%	-21.8%	37.0%
China Solar Index	92.4%	-13.0%	-57.5%	-36.2%	0.5%
China Storage Index	141.0%	-15.1%	-36.6%	11.7%	14.1%
China Waste Index	65.7%	99.1%	-25.9%	-12.5%	21.3%
China Water Index	113.5%	9.6%	-49.7%	-8.0%	27.7%
China Hydro Index	78.9%	-35.6%	-23.0%	1.1%	4.3%
China Wind Index	45.8%	-21.0%	-57.7%	-32.5%	18.4%



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 March 2013 are provided in the table below. These stocks will be the constituents of the China CleanTech 20 until the Index rebalance on 30 June 2013.

In the China CleanTech 20, the greatest sub-sector representations are Water with eight companies followed by Wind with five companies. Solar only has one remaining company, GCL Poly, in the top twenty, a big drop from its top place in 2011.

New entrants to this list at this rebalance are China Datang Corp Renewable Power Co Ltd and Beijing SJ Environmental Protection and New Material Co. Ltd. These have taken the place of Hunan Corun New Energy Co., Ltd. and Shanghai Aero Auto Electromechanical.

	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		WIND	HKSE	0916.HK
3	Sinohydro Group Ltd		WAVE, TIDAL, HYDRO	Shanghai (SH)	601669.SS
4	Chongqing Water Group Company Limited	重庆水务	WATER	Shanghai (SH)	601158.SS
5	Beijing Originwater Technology Co., Ltd.	碧水源	WATER	Shenzhen SX (SHE)	300070.SZ
6	Sinovel Wind Group Company Limited	华锐风电	WIND	Shanghai (SH)	601558.SS
7	GCL-Poly Energy Holdings		SOLAR	HKSE	3800.HK
8	Sound Environmental Resources Co., Ltd.	桑德环境	WASTE	Shenzhen SX (SHE)	000826.SZ
9	Beijing Capital Co., Ltd.	首创股份	WATER	Shanghai (SH)	600008.SS
10	China Everbright International		WATER	HKSE	0257.HK
11	Xinjiang Goldwind Science & Technology Co.	金风科技	WIND	Shenzhen SX (SHE)	002202.SZ
12	Huaneng Renewables Corp Ltd		WIND ENERGY EFFICIENCY & BIOMATERIALS	HKSE	0958.HK
13	Tsinghua Tongfang Co., Ltd.	同方股份		Shanghai (SH)	600100.SS
14	Tianjin Capital Environmental Protection Group Co., Ltd.	创业环保	WATER	Shanghai (SH)	600874.SS
15	Beijing Enterprises Water Group		WATER	HKSE	0371.HK
16	Chengdu Xingrong Investment Co.,Ltd	兴蓉投资	WATER	Shenzhen SX (SHE)	000598.SZ
17	Beijing New Building Materials Public Limited Company	北新建材	GREEN BUILDINGS	Shenzhen SX (SHE)	000786.SZ
18	Zhongshan Public Utilities Group co., Ltd.	中山公用	WATER	Shenzhen SX (SHE)	000685.SZ
19	China Datang Corp Renewable Power Co Ltd		WIND	HKSE	1798.HK
20	Beijing SJ Environmental Protection and New Material Co. Ltd	三聚环保	ENVIRONMENTAL SERVICES	Shenzhen SX (SHE)	300072.SZ