

China CleanTech Index

April-June 2017 Quarterly Performance Report

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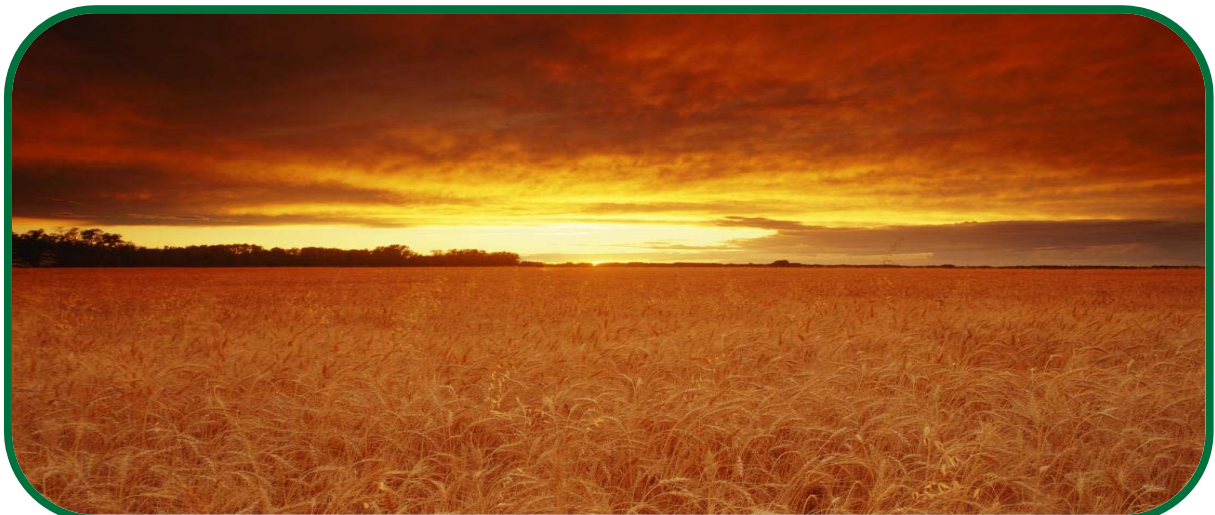


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1. China CleanTech Index Overview

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 161 companies falling under the coverage of the Index and with a combined market capitalisation of 2.1 trillion Renminbi (US\$314 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 of its four benchmarks for the month of June 2017 recording a gain of 2.5%.

The China CleanTech Index rose from 47.54 to 48.72 over the month.

This compared to the NEX gain of 1.4%, the CTIUS gain of 0.5%, the Shanghai Composite gain of 2.4% and the MSCI World gain of 0.2%. The China CleanTech 20 recorded a 2.8% gain.

Over the second quarter of 2017, the China CleanTech Index recorded a loss of 1.5%, underperforming all of its benchmark indices. Over the quarter, the NEX gained 6.5%, the CTIUS gained 8.6%, the Shanghai Composite lost 0.9% and the MSCI World gained 3.4%.

	2014	2015	2016	JUN 2017	2Q17	6 Months	12 Months	3 Years
China CleanTech Index (CCTI)	18.8%	11.1%	-19.1%	2.5%	-1.5%	2.9%	3.3%	11.7%
China CleanTech 20 (CCT20)	18.2%	-0.9%	-16.2%	2.8%	2.1%	8.9%	13.1%	18.3%
Wilder Hill New Energy Global Innovation Index (NEX)	-3.2%	-0.6%	-8.3%	1.4%	6.5%	12.8%	12.6%	-14.1%
Cleantech Index (CTIUS)	-8.4%	1.6%	12.0%	0.5%	8.6%	17.3%	29.5%	17.3%
China Shanghai Composite Index (SHCOMP)	52.8%	9.4%	-12.3%	2.4%	-0.9%	2.9%	9.0%	55.9%
MSCI World (MSCI)	2.9%	-2.7%	5.3%	0.2%	3.4%	9.4%	15.9%	9.9%

The market capitalisation of the 161 stocks in the China CleanTech Index after its rebalance is RMB 2.13 trillion (US\$314 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, 13 companies recorded share price gains of more than 15% and 8 companies recorded losses of more than 15%.

Over the quarter, 8 companies recorded share price gains of more than 30% and 15 companies recorded losses of more than 30%.

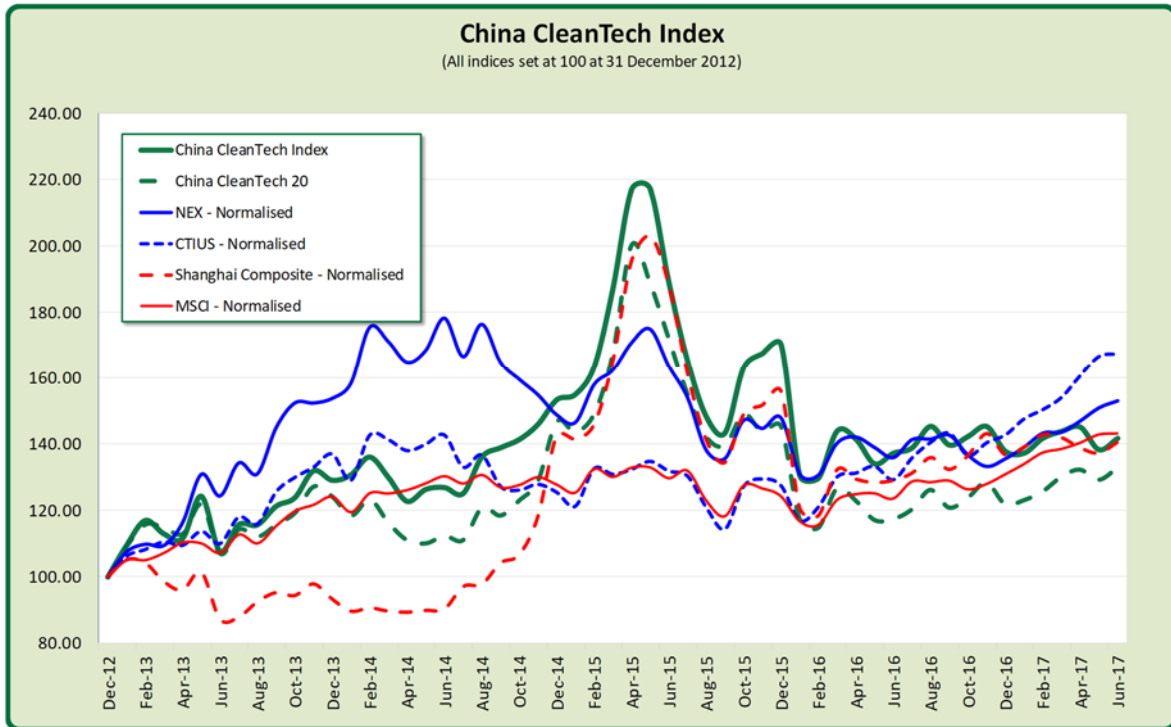
June 2017	
Best Performers Share Price Gain > 15%	Worst Performers Share Price Loss > 15%
Guangzhou Hongli Opto Electronic BY-Health Xiamen Savings Environmental Beijing New Building Materials Canadian Solar China Sunergy JinkoSolar Holding LDK Solar Beijing Easpring Material Technology EVE Energy Sichuan Tianqi Lithium Industries China Industrial Waste Management Cleantech Solutions International	China Clean Energy Shenzhen AOTO Electronics Tellhow Sci-Tech Shantou Wanshun Package Material China Solar & Clean Energy Solns China Sun Group High Tech Hong Kong Highpower Technology Guangdong No.2 Hydropower Engineering
Second Quarter 2017	
Best Performers Share Price Gain > 30%	Worst Performers Share Price Loss > 30%
Hebei Sailhero Environmental Protection High-tech Canadian Solar LDK Solar ReneSola China Industrial Waste Management Beijing Capital Tianjin Capital Environmental Protection Group Cleantech Solutions International	Guangzhou Zhiguang Electric Shenzhen AOTO Electronics Beijing SJ Environmental Protection and New Material China Solar & Clean Energy Solns Hareon Solar Technology Beijing Easpring Material Technology China Sun Group High Tech EVE Energy Shandong Sacred Sun Power Sources C&G Environmental Protection Holdings Gansu DAYU Water-saving Group Guangdong Golden Dragon Development Fujian Mindong Electric Power Limited Guangdong No.2 Hydropower Engineering Sinovel Wind Group

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 at this rebalance:

- **LED International Holdings Ltd (LED.L)** was removed from the Index as it has now been delisted from the London Stock Exchange.



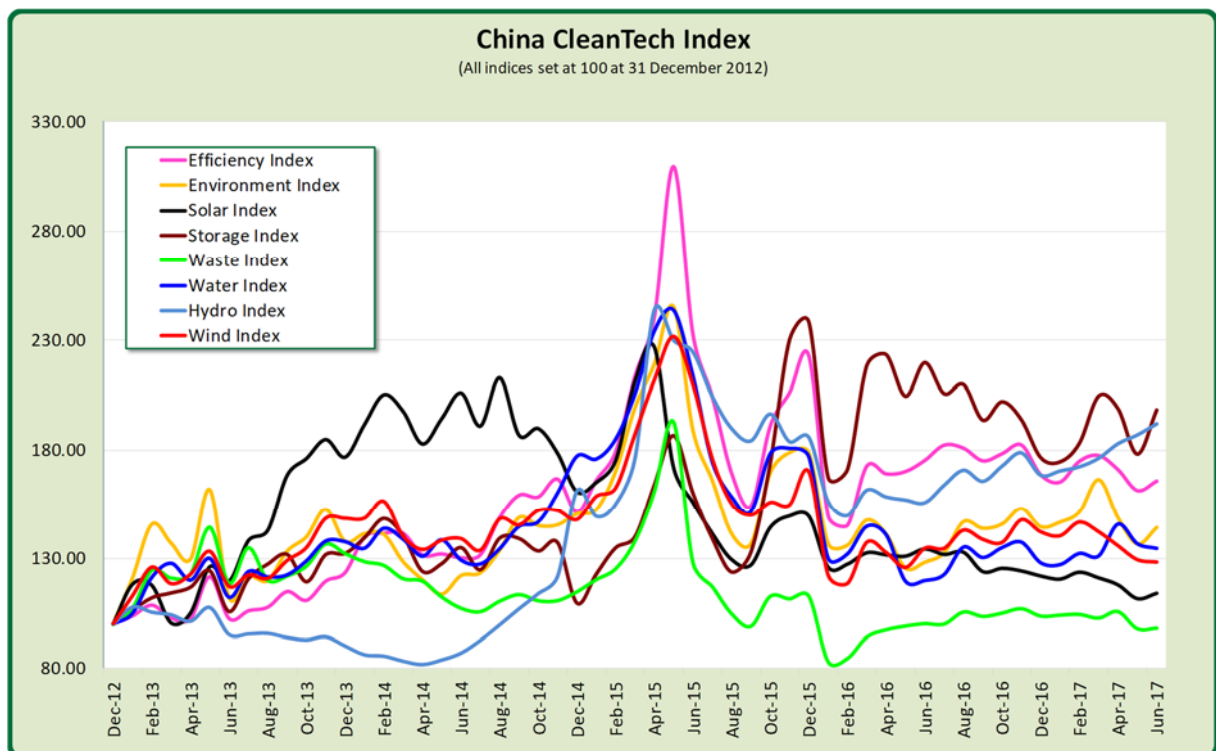
3. Component Sub-Indices

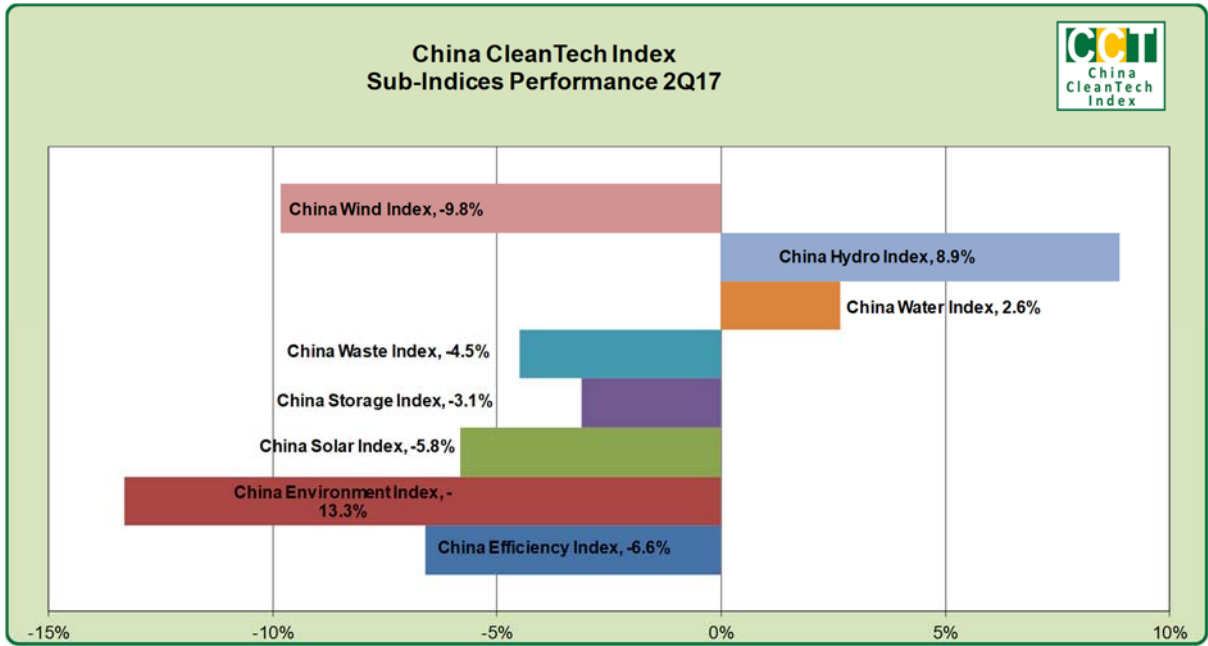
To provide an analysis of the China CleanTech Index, eight sub-indices have been developed. The performance of each of these sub-indices over the last five years and the current quarter are shown in the table and charts below.

The best results for the quarter were the 8.9% gain for the China Hydro Index and the 2.6% gain for the China Water Index. The worst result was recorded by the 13.3% loss from the China Environment Index.

China CleanTech Sub-Indices

	2012	2013	2014	2015	2016	2Q17
China Efficiency Index	-30.9%	23.5%	22.6%	47.1%	-24.3%	-6.6%
China Environment Index	-21.8%	37.7%	9.3%	18.7%	-19.1%	-13.3%
China Solar Index	-36.2%	76.9%	-9.0%	-7.0%	-18.4%	-5.8%
China Storage Index	11.7%	32.2%	-17.2%	117.5%	-25.9%	-3.1%
China Waste Index	-12.5%	32.5%	-13.2%	-1.8%	-8.1%	-4.5%
China Water Index	-8.0%	37.6%	28.7%	-0.2%	-27.6%	2.6%
China Hydro Index	1.1%	-9.9%	78.9%	15.2%	-9.3%	8.9%
China Wind Index	-32.5%	48.5%	-0.3%	14.9%	-16.4%	-9.8%





4. Index Component Companies

The 20 largest Index constituents by market capitalisation on 30 June 2017 are provided in the table below. These stocks will be the constituents of the China CleanTech 20 until the Index rebalance on 30 September 2017.

In the China CleanTech 20, the greatest sub-sector representations are Water with six companies followed by Wind with three companies.

The two new entrants to this list at this rebalance are Beijing Capital and Tianjin Capital Environmental Protection Group. These have taken the place of Guangdong Golden Dragon Development and Beijing SPC Environment Protection.

	Company	Sector	Code
1	China Yangtze Power	WAVE, TIDAL, HYDRO	600900.SS
2	Hanergy Thin Film Power Group	SOLAR	0566.HK
3	Power Construction Corporation of China	WAVE, TIDAL, HYDRO	601669.SS
4	Beijing SJ Environmental Protection and New Material	ENVIRONMENTAL SERVICES	300072.SZ
5	Beijing Originwater Technology	WATER	300070.SZ
6	Sichuan Tianqi Lithium Industries	STORAGE & FUEL CELLS	002466.SZ
7	Beijing Enterprises Water Group	WATER	0371.HK
8	Tsinghua Tongfang	ENERGY EFFICIENCY & BIOMATERIALS	600100.SS
9	China Longyuan Power Group Corp	WIND	0916.HK
10	Xinjiang Goldwind Science & Technology	WIND	002202.SZ
11	China Everbright International	WATER	0257.HK
12	Chongqing Water Group	WATER	601158.SS
13	Jiangxi Ganfeng Lithium	STORAGE & FUEL CELLS	002460.SZ
14	Shenwu Environmental Technology	ENERGY EFFICIENCY & BIOMATERIALS	300156.SZ
15	Beijing Capital	WATER	600008.SS
16	Sound Environmental Resources	WASTE	000826.SZ
17	Beijing New Building Materials	GREEN BUILDINGS	000786.SZ
18	GCL System Integration Technology	SOLAR	002506.SZ
19	Tianjin Capital Environmental Protection Group	WATER	600874.SS
20	Huaneng Renewables	WIND	0958.HK