

China CleanTech Index

January–March 2018 Quarterly Performance Report

Produced by:



To request further information or to be added to the distribution list for future China CleanTech Index reports, please see www.sinocleantech.com

or contact contact@sinocleantech.com

Table of Contents

1. China CleanTech Index Overview	3
2. China CleanTech Index Performance	4
3. Component Sub-indices	6
4. Index Component Companies	8



Disclaimer

Whilst Australian CleanTech Pty Ltd provides this report with the skill, diligence and care normally exercised by qualified persons in the performance of comparable work, Australian CleanTech is not be liable to and does not indemnify any party that may rely on the content of the report, against any action, suit, claim, demand, loss, cost or expense whatsoever arising out of or referable to this document. By accepting this report, the reader, their organisations and any associated bodies corporate release Australian CleanTech from liability of any kind whatsoever arising out of or referable to this report.

In addition, nothing herein is intended to be nor should be construed as investment advice. Australian CleanTech does not recommend that any financial product should be bought, sold or held by you, and nothing in this document should be construed as an offer, nor the solicitation of an offer, to buy or sell securities by Australian CleanTech. You should not make any investment decision without consulting a fully qualified financial adviser.

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 2.0 trillion Renminbi (US\$323 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 outperformed all of its four benchmarks for the month of March 2018 recording a gain of 0.2%.

The China CleanTech Index rose from 46.22 to 46.33 over the month.

This compared to the NEX loss of 1.4%, the Shanghai Composite loss of 2.8% and the MSCI World loss of 2.4%. Figures for the CTIUS are currently unavailable after 12 January 2018 and its ongoing inclusion as a benchmark will be reviewed in the next quarterly report. The China CleanTech 20 recorded a 0.7% loss.

Over the first quarter of 2018, the China CleanTech Index recorded a loss of 4.1%, underperforming all but one of its benchmark indices. Over the quarter, the NEX lost 1.5%, the Shanghai Composite lost 6.0% and the MSCI World lost 1.7%.

	2015	2016	2017	MAR 2018	1Q18	6 Months	12 Months	3 Years
China CleanTech Index (CCTI)	11.1%	-19.1%	2.0%	0.2%	-4.1%	-6.6%	-6.3%	-27.9%
China CleanTech 20 (CCT20)	-0.9%	-16.2%	8.6%	-0.7%	-2.5%	-3.0%	-0.9%	-23.0%
Wilder Hill New Energy Global Innovation Index (NEX)	-0.6%	-8.3%	25.5%	-1.4%	-1.5%	2.0%	16.7%	3.3%
Cleantech Index (CTIUS)*	1.6%	12.0%	29.4%	-	-	-	-	-
China Shanghai Composite Index (SHCOMP)	9.4%	-12.3%	8.6%	-2.8%	-6.0%	-5.4%	-1.7%	-15.5%
MSCI World (MSCI)	-2.7%	5.3%	20.1%	-2.4%	-1.7%	3.3%	11.5%	18.7%

*: CTIUS performance unavailable after 12 January 2018

The market capitalisation of the 157 stocks in the China CleanTech Index after its rebalance is RMB 2.03 trillion (US\$323 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

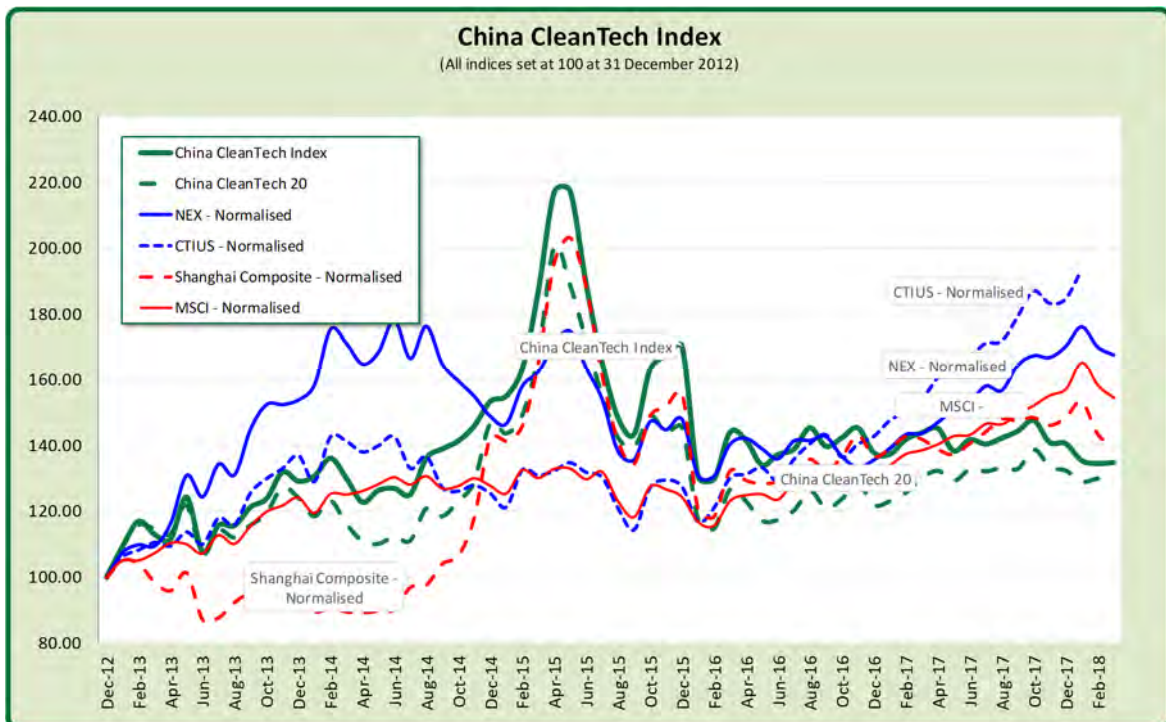
The best and worst performers in terms of share price performance over the quarter are shown in the table below.

Over the quarter, 8 companies recorded share price gains of more than 20% and 19 companies recorded losses of more than 20%.

First Quarter 2018		
Best Performers Share Price Gain > 20%	Worst Performers Share Price Loss > 20%	
Hanwei Energy Services HC Semitek Leader Environmental Technologies China Solar & Clean Energy Solns LDK Solar Sino-American Silicon Products Guangxi Guidong Electric Cleantech Solutions International	Shenwu Environmental Technology Zhejiang Yankon Group Beijing SPC Environment Protection Tech Zhejiang Feida Environmental Science Technology Shanghai Yanhua Smartech Comtec Solar Systems E-Ton Solar Tech GCL-Poly Energy Holdings Hareon Solar Technology JinkoSolar Holding	Shanghai Aero Auto Electromechanical Shenzhen Topraysolar Shunfeng Photovoltaic International Solargiga Energy Holdings Limited Hunan Corun New Energy C&G Environmental Protection China Recycling Energy Corp. Beijing Enterprises Water Group Shanghai Taisheng Wind Power Equipment.

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. No companies were added or removed from the Index.



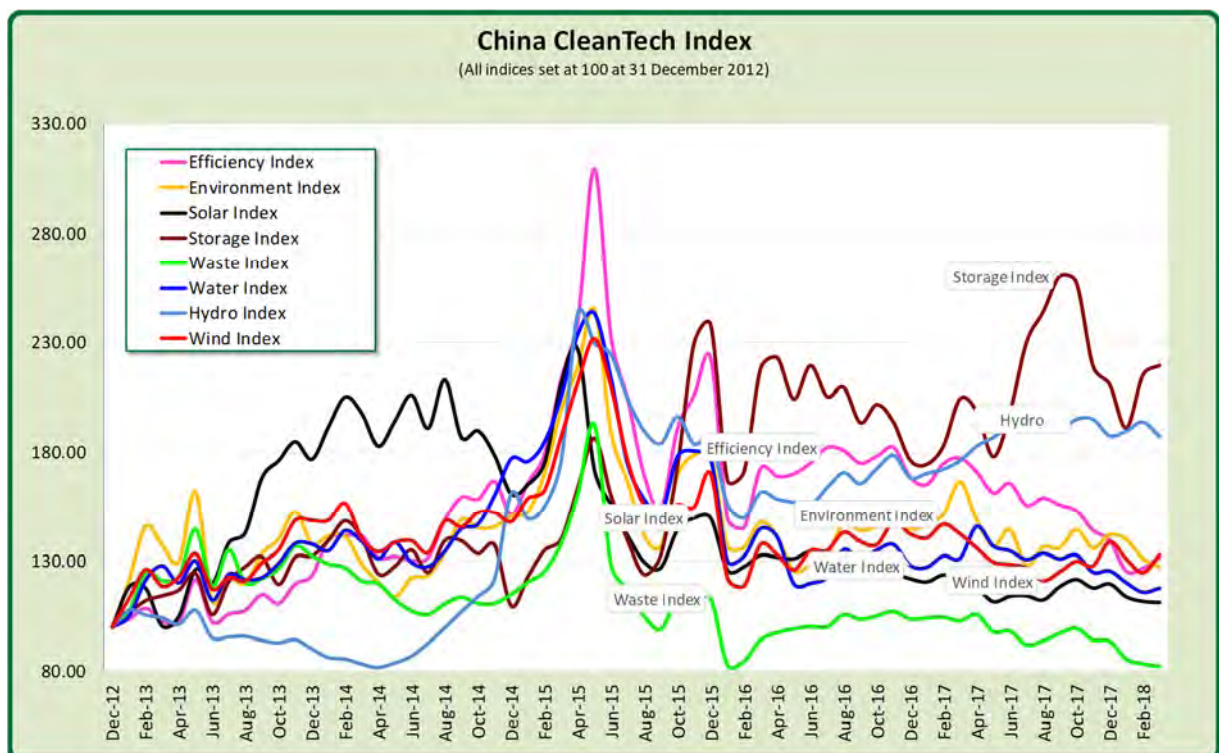
3. Component Sub-Indices

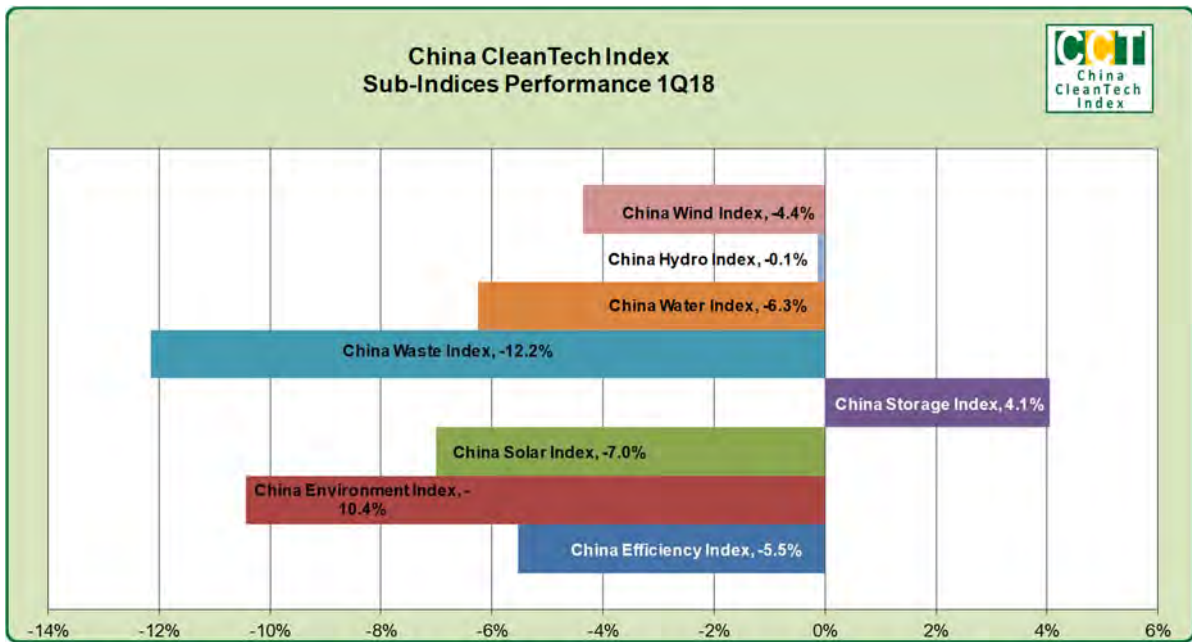
To provide an analysis of the China CleanTech Index, eight sub-indices have been developed. The performance of each of these sub-indices over the last five years and the current quarter are shown in the table and charts below.

The best results for the quarter were the 4.1% gain for the China Storage Index building on its 2017 performance and the 0.1% loss for the China Hydro Index. The worst result was recorded by the 12.2% loss from the China Waste Index that has performed poorly since mid-2015.

China CleanTech Sub-Indices

	2013	2014	2015	2016	2017	1Q18
China Efficiency Index	23.5%	22.6%	47.1%	-24.3%	-17.4%	-5.5%
China Environment Index	37.7%	9.3%	18.7%	-19.1%	-1.9%	-10.4%
China Solar Index	76.9%	-9.0%	-7.0%	-18.4%	-1.9%	-7.0%
China Storage Index	32.2%	-17.2%	117.5%	-25.9%	19.6%	4.1%
China Waste Index	32.5%	-13.2%	-1.8%	-8.1%	-9.8%	-12.2%
China Water Index	37.6%	28.7%	-0.2%	-27.6%	-2.0%	-6.3%
China Hydro Index	-9.9%	78.9%	15.2%	-9.3%	11.4%	-0.1%
China Wind Index	48.5%	-0.3%	14.9%	-16.4%	-2.5%	-4.4%





4. Index Component Companies

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

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

The two new entrants to this list at this rebalance are BY-Health and Wuhan Linuo Solar Energy Group. These companies have taken the place of Shenwu Environmental Technology and Beijing SPC Environment Protection Tech.

	Company	Sector	Code
1	China Yangtze Power	HYDRO	600900.SS
2	Hanergy Thin Film Power Group	SOLAR	0566.HK
3	Power Construction Corporation of China	HYDRO	601669.SS
4	Sichuan Tianqi Lithium Industries	ENERGY STORAGE	002466.SZ
5	Beijing SJ Environmental Protection and New Material	ENVIRONMENTAL SERVICES	300072.SZ
6	Jiangxi Ganfeng Lithium	ENERGY STORAGE	002460.SZ
7	Beijing Originwater Technology	WATER	300070.SZ
8	Xinjiang Goldwind Science & Technology.	WIND	002202.SZ
9	Beijing New Building Materials	GREEN BUILDINGS	000786.SZ
10	China Everbright International	WATER	0257.HK
11	China Longyuan Power Group Corp	WIND	0916.HK
12	Beijing Enterprises Water Group	WATER	0371.HK
13	Chongqing Water Group	WATER	601158.SS
14	Tsinghua Tongfang	ENERGY EFFICIENCY	600100.SS
15	Sound Environmental Resources	WASTE	000826.SZ
16	Sungrow Power Supply	SOLAR	300274.SZ
17	Beijing Capital	WATER	600008.SS
18	BY-Health	ENVIRONMENTAL SERVICES	300146.SZ
19	Huaneng Renewables Corp	WIND	0958.HK
20	Wuhan Linuo Solar Energy Group	SOLAR	600885.SS