

# China CleanTech Index

January-March 2016

## Quarterly Performance Report

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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 160 companies falling under the coverage of the Index and with a combined market capitalisation of 1.8 trillion Renminbi (US\$276 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](http://www.sinocleantech.com). It is published internationally in conjunction with Cleantech Investor ([www.cleantechinvestor.com](http://www.cleantechinvestor.com)) and in China in conjunction with Top Capital ([www.topcapital.cn](http://www.topcapital.cn)). Monthly results can be emailed directly to interested parties by subscribing at [www.sinocleantech.com](http://www.sinocleantech.com).

## 2. China CleanTech Index Performance

The China CleanTech Index outperformed all but one of its four benchmarks for the month of March 2016 and recorded a gain of 11.4%.

The China CleanTech Index rose from 44.6 to 49.7 over the month making up for some of the 23% loss in January. This compared to the NEX gain of 7.4%, the CTIUS gain of 7.5%, the Shanghai Composite gain of 11.8% and the MSCI World gain of 6.5%. The China CleanTech 20 recorded a 10.4% gain.

Over the first quarter of 2016, the China CleanTech Index recorded a loss of 15.1%, underperforming three of its benchmark indices. Over the quarter, the NEX lost 5.1%, the CTIUS gained 2.1%, the Shanghai Composite lost 15.1% and the MSCI World lost 0.9%.

The twelve-month performance for the China CleanTech Index is a loss of 22.7% driven by losses across most sub-indices led by the China Solar Index (-37.2%) and the China Waste Index (-31.8%) partially offset by gains to the China Storage Index (+56.1%).

	2013	2014	2015	MAR 2016	1Q16	6 Months	12 Months	3 Years
<b>China CleanTech Index (CCTI)</b>	29.2%	18.8%	11.1%	<b>11.4%</b>	<b>-15.1%</b>	0.8%	<b>-22.7%</b>	28.0%
<b>China CleanTech 20 (CCT20)</b>	24.1%	18.2%	<b>-0.9%</b>	<b>10.4%</b>	<b>-12.9%</b>	<b>-9.3%</b>	<b>-24.4%</b>	10.4%
<b>Wilder Hill New Energy Global Innovation Index (NEX)</b>	53.7%	<b>-3.2%</b>	<b>-0.6%</b>	<b>7.4%</b>	<b>-5.1%</b>	3.4%	<b>-13.6%</b>	28.1%
<b>Cleantech Index (CTIUS)</b>	37.0%	<b>-8.4%</b>	1.6%	<b>7.5%</b>	<b>2.1%</b>	13.7%	<b>-0.6%</b>	17.7%
<b>China Shanghai Composite Index (SHCOMP)</b>	<b>-6.7%</b>	52.8%	9.4%	<b>11.8%</b>	<b>-15.1%</b>	<b>-1.6%</b>	<b>-19.9%</b>	34.3%
<b>MSCI World (MSCI)</b>	24.1%	2.9%	<b>-2.7%</b>	<b>6.5%</b>	<b>-0.9%</b>	4.2%	<b>-5.3%</b>	14.9%

The market capitalisation of the 162 stocks in the China CleanTech Index after its rebalance is RMB 1.8 trillion (US\$276 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, 15 companies recorded share price gains of more than 30% and 10 companies recorded losses of more than 10%.

Over the quarter, 10 companies recorded share price gains of more than 10% and 20 companies recorded losses of more than 30%.

March 2016	
Best Performers Share Price Gain > 30%	Worst Performers Share Price Loss > 10%
Ledman Optoelectronic Shenzhen AOTO Electronics Shenzhen Refond Optoelectronics Leader Environmental Technologies Shenzhen Sunwin Intelligent Beijing Easpring Material Technology EVE Energy Jiangxi Ganfeng Lithium Sichuan Tianqi Lithium Industries. Tianneng Power International Zhejiang Narada Power Source Gansu DAYU Water-saving Group Jiangxi Sanchuan Water Meter Chongqing Three Gorges Water Conservancy China Longyuan Power Group	Bodisen Biotech Canadian Solar China Singyes Solar Tech China Sunergy Gintech Energy Green Energy Technology JinkoSolar Holding. Neo Solar Power Sino-American Silicon Products Hong Kong Highpower Technology.
First Quarter 2016	
Best Performers Share Price Gain > 10%	Worst Performers Share Price Loss > 30%
China Energy Recovery Ledman Optoelectronic China Solar & Clean Energy Solns Daqo New Energy GCL-Poly Energy Risen Energy Suntech Power Sichuan Tianqi Lithium Industries Zhejiang Reclaim Construction Group Chongqing Three Gorges Water Conservancy	China Clean Energy Foshan Electrical and Lighting HC Semitek SmartHeat Inc Xiamen Changelight Beijing SDL Technology Bodisen Biotech Hebei Sailhero Environmental Protection High-tech RINO International Corporation Xiamen Savings Environmental Canadian Solar China Singyes Solar Tech China Sunergy Hong Kong Highpower Technology. Shenzhen Desay Battery Technology China Industrial Waste Management Shanghai Canature Environmental Products Sound Global Huayi Electric Xiangtan Electric Manufacturing

## 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 to or removed from the Index at this rebalance.



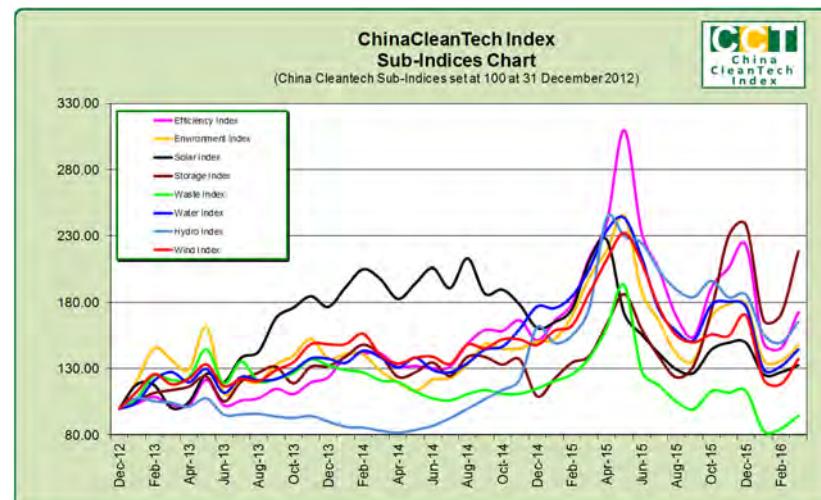
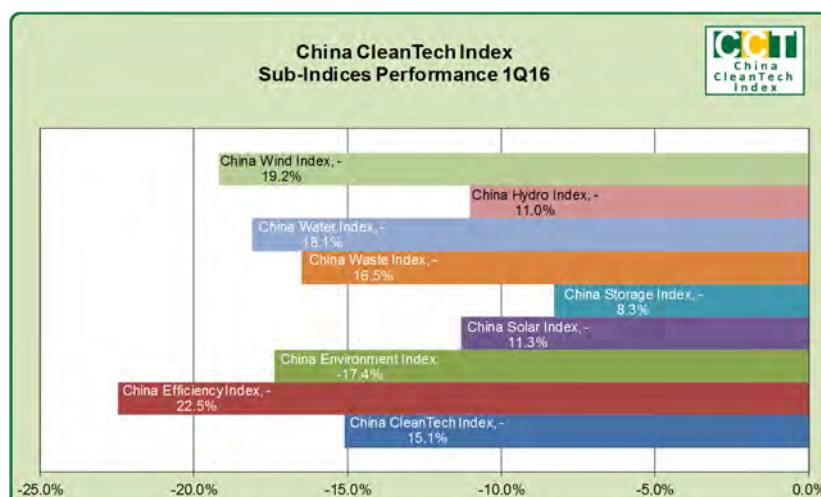
### 3. Component Sub-Indices

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 8.3% loss for the China Storage Index and the 11.0% loss for the China Hydro Index. The worst result was recorded by the 22.5% loss from the China Efficiency Index.

China CleanTech Sub-Indices

	2011	2012	2013	2014	2015	1Q16
China Efficiency Index	-60.4%	-30.9%	23.5%	22.6%	47.1%	-22.5%
China Environment Index	-31.1%	-21.8%	37.7%	9.3%	18.7%	-17.4%
China Solar Index	-57.5%	-36.2%	76.9%	-9.0%	-7.0%	-11.3%
China Storage Index	-36.6%	11.7%	32.2%	-17.2%	117.5%	-8.3%
China Waste Index	-25.9%	-12.5%	32.5%	-13.2%	-1.8%	-16.5%
China Water Index	-49.7%	-8.0%	37.6%	28.7%	-0.2%	-18.1%
China Hydro Index	-23.0%	1.1%	-9.9%	78.9%	15.2%	-11.0%
China Wind Index	-57.7%	-32.5%	48.5%	-0.3%	14.9%	-19.2%



## 4. Index Component Companies

The 20 largest Index constituents by market capitalisation on 31 March 2016 are provided in the table below. These stocks will be the constituents of the China CleanTech 20 until the Index rebalance on 30 June 2016.

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

The two new entrants to this list at this rebalance are GCL-Poly Energy and Huaneng Renewables. These have taken the place of Sinovel Wind Group and Chengdu Xingrong Investment.

	Company	Sector	Exchange	Code
1	China Yangtze Power	WAVE, TIDAL, HYDRO	Shanghai (SH)	600900.SS
2	Hanergy Thin Film Power Group	SOLAR	HKSE	0566.HK
3	Power Construction Corporation of China	WAVE, TIDAL, HYDRO	Shanghai (SH)	601669.SS
4	Beijing Originwater Technology	WATER	Shenzhen SX (SHE)	300070.SZ
5	Sichuan Tianqi Lithium Industries	STORAGE & FUEL CELLS	Shenzhen SX (SHE)	002466.SZ
6	GCL System Integration Technology	SOLAR	Shenzhen SX (SHE)	002506.SZ
7	Xinjiang Goldwind Science & Technology	WIND	Shenzhen SX (SHE)	002202.SZ
8	China Longyuan Power Group	WIND	HKSE	0916.HK
9	Chongqing Water Group	WATER	Shanghai (SH)	601158.SS
10	Tsinghua Tongfang	ENERGY EFFICIENCY & BIOMATERIALS	Shanghai (SH)	600100.SS
11	Beijing Enterprises Water Group	WATER	HKSE	0371.HK
12	China Everbright International	WATER	HKSE	0257.HK
13	Sound Environmental Resources	WASTE	Shenzhen SX (SHE)	000826.SZ
14	Beijing SJ Environmental Protection and New Material	ENVIRONMENTAL SERVICES	Shenzhen SX (SHE)	300072.SZ
15	Beijing SPC Environment Protection Tech	ENVIRONMENTAL SERVICES	Shenzhen SX (SHE)	002573.SZ
16	Beijing Capital	WATER	Shanghai (SH)	600008.SS
17	Jiangxi Ganfeng Lithium	STORAGE & FUEL CELLS	Shenzhen SX (SHE)	002460.SZ
18	GCL-Poly Energy	SOLAR	HKSE	3800.HK
19	Huaneng Renewables	WIND	HKSE	0958.HK
20	Guangdong Golden Dragon Development	WATER	Shenzhen SX (SHE)	000712.SZ