

China CleanTech Index

July-September 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\$272 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 underperformed all its four benchmarks for the month of September 2016 recording a loss of 3.9%.

The China CleanTech Index fell from 49.96 to 48.02 over the month. This compared to the NEX gain of 0.8%, the CTIUS gain of 2.0%, the Shanghai Composite loss of 2.6% and the MSCI World gain of 0.4%. The China CleanTech 20 recorded a 4.2% loss. The month saw some large losses from a few major companies as detailed below.

Over the third quarter of 2016, the China CleanTech Index recorded a gain of 1.8%, also underperforming all its benchmark indices. Over the quarter, the NEX gained 5.0%, the CTIUS gained 10.9%, the Shanghai Composite gained 2.6% and the MSCI World gained 4.4%.

	2013	2014	2015	SEP 2016	3Q16	6 Months	12 Months	3 Years
China CleanTech Index (CCTI)	29.2%	18.8%	11.1%	-3.9%	1.8%	-2.9%	-2.6%	15.2%
China CleanTech 20 (CCT20)	24.1%	18.2%	-0.9%	-4.2%	2.9%	-4.6%	-13.4%	4.4%
Wilder Hill New Energy Global Innovation Index (NEX)	53.7%	-3.2%	-0.6%	0.8%	5.0%	1.7%	5.2%	-1.6%
Cleantech Index (CTIUS)	37.0%	-8.4%	1.6%	2.0%	10.9%	10.1%	25.2%	14.1%
China Shanghai Composite Index (SHCOMP)	-6.7%	52.8%	9.4%	-2.6%	2.6%	0.0%	-1.6%	39.0%
MSCI World (MSCI)	24.1%	2.9%	-2.7%	0.4%	4.4%	4.7%	9.1%	11.8%

The market capitalisation of the 162 stocks in the China CleanTech Index after its rebalance is RMB 1.82 trillion (US\$272 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, 10 companies recorded share price gains of more than 10% and 19 companies recorded losses of more than 10%.

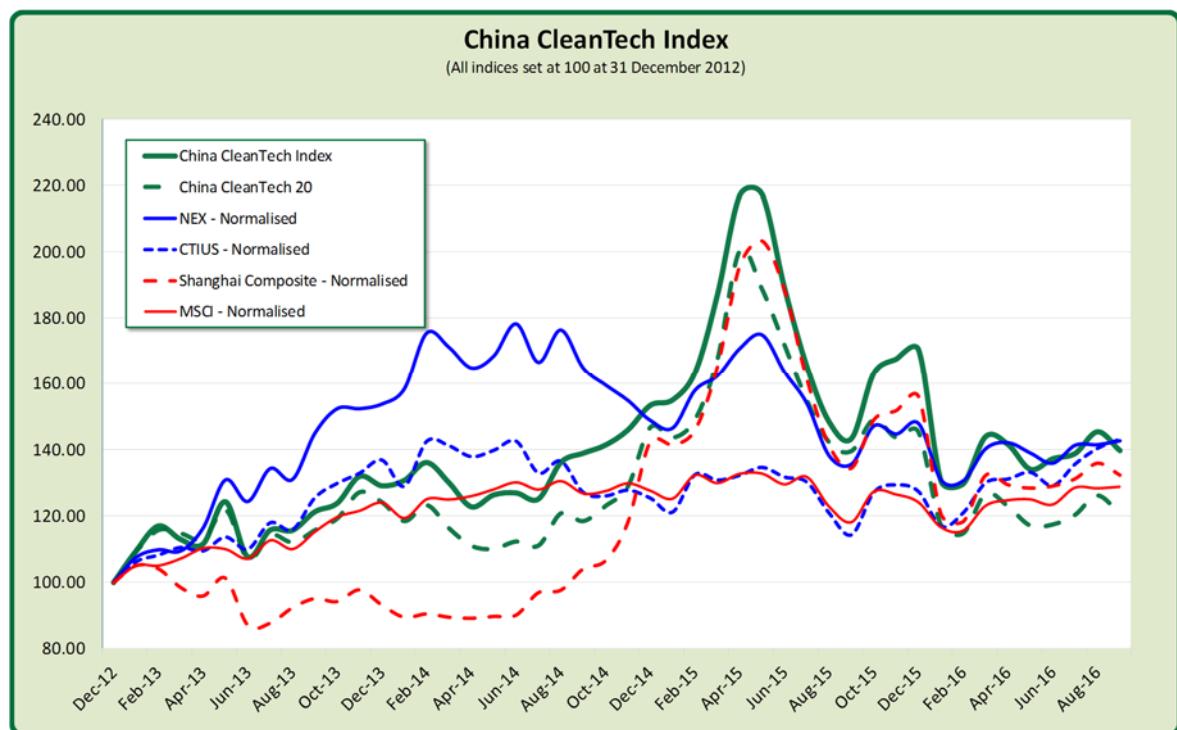
Over the quarter, 12 companies recorded share price gains of more than 30% and 8 companies recorded losses of more than 30%.

September 2016		
Best Performers Share Price Gain > 10%	Worst Performers Share Price Loss > 10%	
ZJ Fuchunjiang Environ Thermolectric Leader Environmental Technologies Beijing New Building Materials Liao Ning Oxiranchem Wuhan Linuo Solar Energy Group Chaowei Power Holdings Coslight Technology International Group Hong Kong Highpower Technology Chongqing Three Gorges Water Conservancy Huayi Electric	Cofco Biochemical (Anhui) Ledman Optoelectronic Shantou Wanshun Package Material Comtec Solar Systems Group Daqo New Energy Corp. E-Ton Solar Tech JA Solar Holdings Jiangsu Akcome Solar JinkoSolar Holding ReneSola Ltd. (ADR)	Shunfeng Photovoltaic International Sungrow Power Supply Beijing Easpring Material Technology EVE Energy Jiangxi Ganfeng Lithium Sunwoda Electronics Jiangxi Hongcheng Waterworks China Windpower Group Cleantech Solutions International
Third Quarter 2016		
Best Performers Share Price Gain > 30%	Worst Performers Share Price Loss > 30%	
China Energy Recovery Tellhow Sci-Tech Beijing SJ Environmental Protection and New Material RINO International Corporation China Singyes Solar Tech Trina Solar Chaowei Power Holdings Coslight Technology International Group Hong Kong Highpower Technology. Guangxi Guidong Electric Heilongjiang Interchina Water Treatment China Power New Energy Development	China Clean Energy Bodisen Biotech Jiangsu Akcome Solar Science and Technology Sungrow Power Supply Sichuan Tianqi Lithium Industries Sunwoda Electronics China Industrial Waste Management Jiangxi Hongcheng Waterworks	

Index Rebalance

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

No companies were added to or removed from the Index at this rebalance.



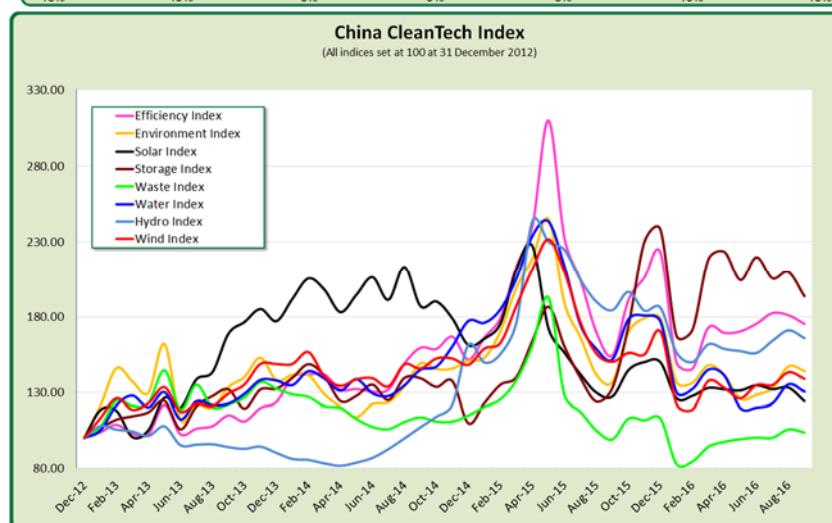
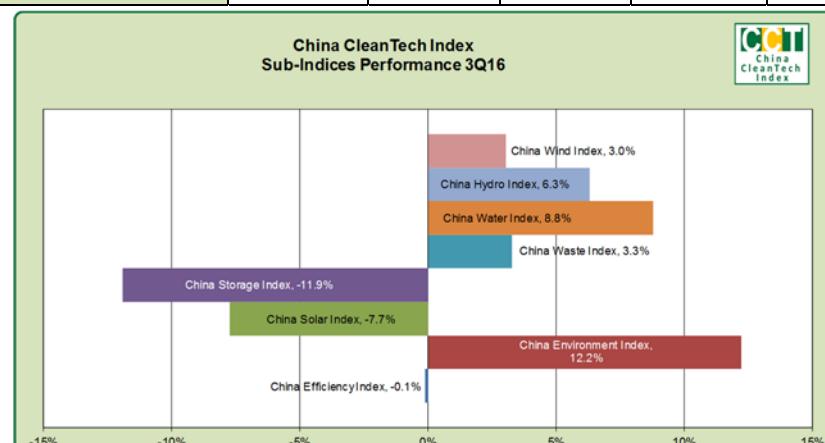
3. Component Sub-Indices

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 12.2% gain for the China Environment Index and the 8.8% gain for the China Water Index. The worst result was recorded by the 11.9% loss from the China Storage Index.

China CleanTech Sub-Indices

	2011	2012	2013	2014	2015	3Q16
China Efficiency Index	-60.4%	-30.9%	23.5%	22.6%	47.1%	-0.1%
China Environment Index	-31.1%	-21.8%	37.7%	9.3%	18.7%	12.2%
China Solar Index	-57.5%	-36.2%	76.9%	-9.0%	-7.0%	-7.7%
China Storage Index	-36.6%	11.7%	32.2%	-17.2%	117.5%	-11.9%
China Waste Index	-25.9%	-12.5%	32.5%	-13.2%	-1.8%	3.3%
China Water Index	-49.7%	-8.0%	37.6%	28.7%	-0.2%	8.8%
China Hydro Index	-23.0%	1.1%	-9.9%	78.9%	15.2%	6.3%
China Wind Index	-57.7%	-32.5%	48.5%	-0.3%	14.9%	3.0%



4. Index Component Companies

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

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

The three new entrants to this list at this rebalance are Wuhan Linuo Solar Energy, Chengdu Xingrong Investment and Beijing New Building Materials. These have taken the place of the three new entrants in July 2016: EVE Energy, Sinovel Wind Group and Sunwoda Electronics.

	Company	Sector	Exchange	Code
1	China Yangtze Power Co., Ltd.	WAVE, TIDAL, HYDRO	Shanghai (SH)	600900.SS
2	Hanergy Thin Film Power Group Ltd	SOLAR	HKSE	0566.HK
3	Power Construction Corporation of China	WAVE, TIDAL, HYDRO	Shanghai (SH)	601669.SS
4	China Longyuan Power Group	WIND	HKSE	0916.HK
5	Tsinghua Tongfang	ENERGY EFFICIENCY & BIOMATERIALS	Shanghai (SH)	600100.SS
6	Xinjiang Goldwind	WIND	Shenzhen SX (SHE)	002202.SZ
7	Beijing Enterprises Water Group	WATER	HKSE	0371.HK
8	Sichuan Tianqi Lithium Industries	STORAGE & FUEL CELLS	Shenzhen SX (SHE)	002466.SZ
9	China Everbright International	WATER	HKSE	0257.HK
10	Chongqing Water Group	WATER	Shanghai (SH)	601158.SS
11	Beijing SJ Environmental Protection and New Material	ENVIRONMENTAL SERVICES	Shenzhen SX (SHE)	300072.SZ
12	GCL System Integration Technology	SOLAR	Shenzhen SX (SHE)	002506.SZ
13	Sound Environmental Resources	WASTE	Shenzhen SX (SHE)	000826.SZ
14	Beijing Originwater Technology	WATER	Shenzhen SX (SHE)	300070.SZ
15	Huaneng Renewables	WIND	HKSE	0958.HK
16	Beijing SPC Environment Protection Tech	ENVIRONMENTAL SERVICES	Shenzhen SX (SHE)	002573.SZ
17	Wuhan Linuo Solar Energy Group	SOLAR	Shanghai (SH)	600885.SS
18	Guangdong Golden Dragon Development	WATER	Shenzhen SX (SHE)	000712.SZ
19	Chengdu Xingrong Investment	WATER	Shenzhen SX (SHE)	000598.SZ
20	Beijing New Building Materials	GREEN BUILDINGS	Shenzhen SX (SHE)	000786.SZ