

China CleanTech Index

January-March 2017

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 162 companies falling under the coverage of the Index and with a combined market capitalisation of 2.1 trillion Renminbi (US\$304 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 three of its four benchmarks for the month of March 2017 recording a gain of 1.4%.

The China CleanTech Index rose from 48.74 to 49.44 over the month.

This compared to the NEX gain of 0.2%, the CTIUS gain of 2.5%, the Shanghai Composite loss of 0.6% and the MSCI World gain of 0.8%. The China CleanTech 20 recorded a 3.5% gain.

Over the first quarter of 2017, the China CleanTech Index recorded a gain of 4.4%, underperforming three of its benchmark indices. Over the quarter, the NEX gained 5.9%, the CTIUS gained 7.9%, the Shanghai Composite gained 3.8% and the MSCI World gained 5.9%.

	2014	2015	2016	MAR 2017	1Q17	6 Months	12 Months	3 Years
China CleanTech Index (CCTI)	18.8%	11.1%	-19.1%	1.4%	4.4%	3.0%	-0.1%	10.7%
China CleanTech 20 (CCT20)	18.2%	-0.9%	-16.2%	3.5%	6.7%	7.7%	2.7%	11.9%
Wilder Hill New Energy Global Innovation Index (NEX)	-3.2%	-0.6%	-8.3%	0.2%	5.9%	0.7%	2.4%	-16.1%
Cleantech Index (CTIUS)	-8.4%	1.6%	12.0%	2.5%	7.9%	7.5%	18.4%	9.0%
China Shanghai Composite Index (SHCOMP)	52.8%	9.4%	-12.3%	-0.6%	3.8%	7.2%	7.3%	58.5%
MSCI World (MSCI)	2.9%	-2.7%	5.3%	0.8%	5.9%	7.4%	12.5%	10.7%

The market capitalisation of the 162 stocks in the China CleanTech Index after its rebalance is RMB 2.07 trillion (US\$304 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, 11 companies recorded share price gains of more than 15% and 11 companies recorded losses of more than 15%.

Over the quarter, 14 companies recorded share price gains of more than 25% and 5 companies recorded losses of more than 25%.

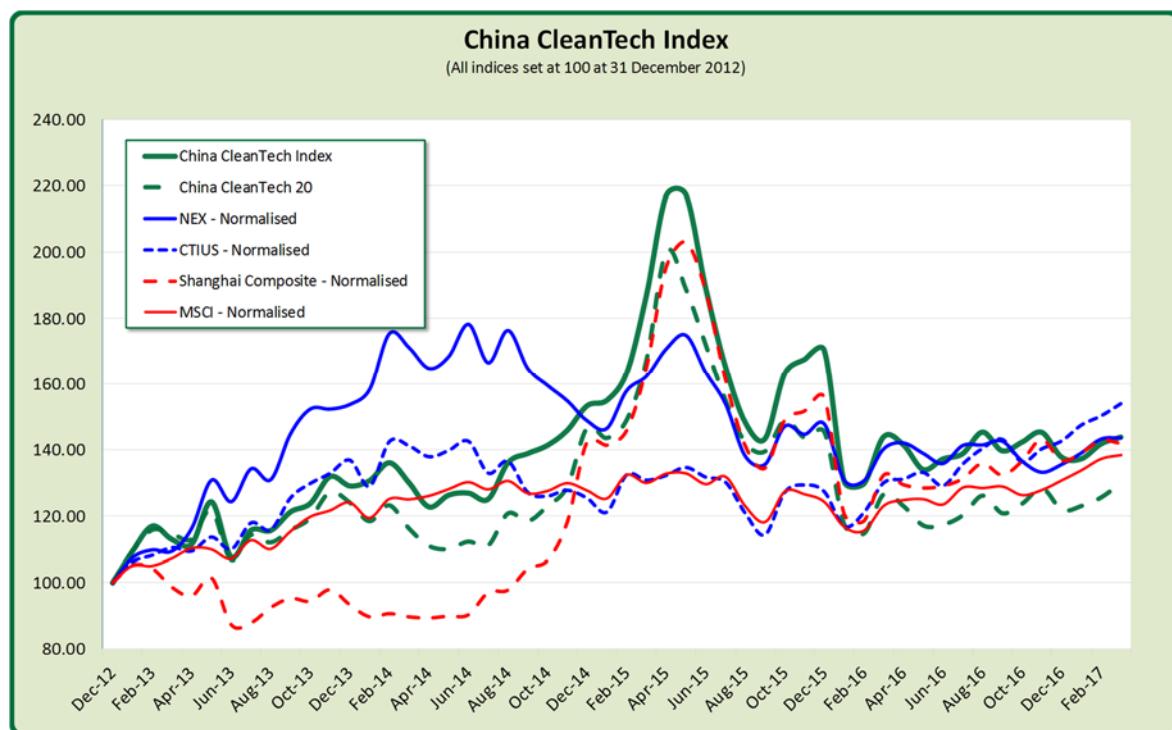
March 2017	
Best Performers Share Price Gain > 15%	Worst Performers Share Price Loss > 15%
Shenwu Environmental Technology Beijing SJ Environmental Protection and New Material Shenzhen Sunwin Intelligent JA Solar Holdings China Sun Group High Tech Hong Kong Highpower Technology Jiangxi Ganfeng Lithium Sichuan Tianqi Lithium Industries China Industrial Waste Management Chongqing Three Gorges Water Conservancy Cleantech Solutions International	China Clean Energy Shanghai Yanhua Smartech Canadian Solar Comtec Solar Systems Daqo New Energy Hanwha Q Cells LDK Solar ReneSola Shunfeng Photovoltaic International Yingli Green Energy C&G Environmental Protection
First Quarter 2017	
Best Performers Share Price Gain > 25%	Worst Performers Share Price Loss > 25%
HC Semitek Shenwu Environmental Technology Beijing SJ Environmental Protection and New Material Shenzhen Sunwin Intelligent JA Solar Holdings Sino-American Silicon Products China Sun Group High Tech. Coslight Technology International Group Hong Kong Highpower Technology Jiangxi Ganfeng Lithium Sichuan Tianqi Lithium Industries China Industrial Waste Management China Energen International Cleantech Solutions International	China Solar & Clean Energy Solns China Sunergy LDK Solar C&G Environmental Protection China Renewable Energy Investment

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.

One company was removed from and another company added to the Index at this rebalance:

- **Duoyuan Global Water (OTC:DGWIY)** was removed from the Index as it has now been delisted from the NASDAQ.
- **By-Health Co., Ltd (300146.SZ)** was added to the Index after meeting the company in Melbourne in March and hearing about its organic farming operations in Australia. By-Health is a China-based company principally engaged in the research, development, production and distribution of nutrition supplements. The Company's products portfolio consists of protein powders, vitamin C tablets, vitamin B tablets, natural vitamin E capsules, vitamin A and D soft capsules, calcium and vitamin D soft capsules, bovine colostrum calcium tablets, bone collagen calcium tablets, spirulina tablets, grape seed tablets, wheat germ oil soft capsules, deep-sea fish oil soft capsules, tuna oil soft capsules, propolis soft capsules, soybean phospholipids soft capsules and squalene soft capsules, among others. The Company distributes its products primarily in Chinese domestic markets.



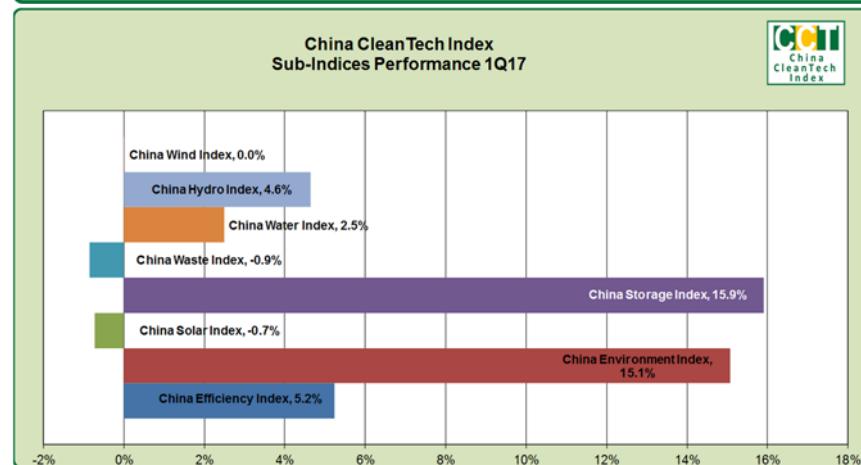
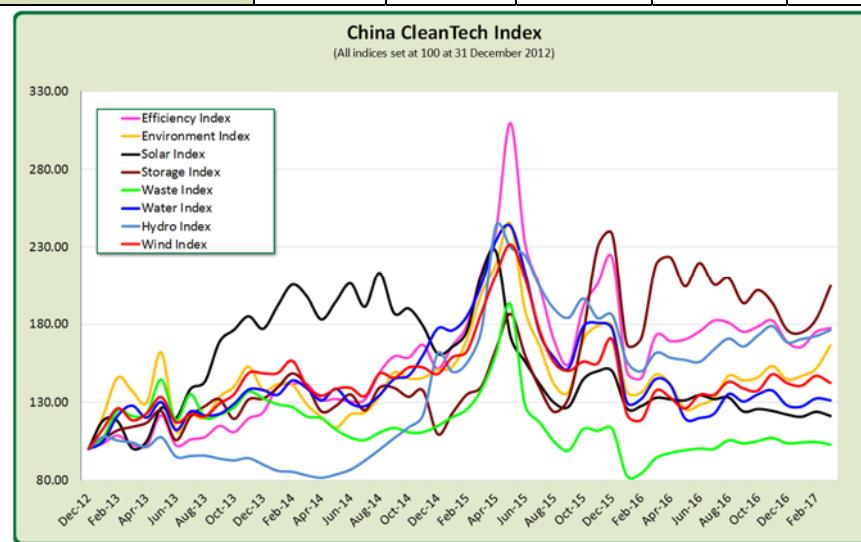
3. Component Sub-Indices

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 15.9% gain for the China Storage Index and the 15.1% gain for the China Environment Index. The worst result was recorded by the 0.9% loss from the China Waste Index.

China CleanTech Sub-Indices

	2012	2013	2014	2015	2016	1Q17
China Efficiency Index	-30.9%	23.5%	22.6%	47.1%	-24.3%	5.2%
China Environment Index	-21.8%	37.7%	9.3%	18.7%	-19.1%	15.1%
China Solar Index	-36.2%	76.9%	-9.0%	-7.0%	-18.4%	-0.7%
China Storage Index	11.7%	32.2%	-17.2%	117.5%	-25.9%	15.9%
China Waste Index	-12.5%	32.5%	-13.2%	-1.8%	-8.1%	-0.9%
China Water Index	-8.0%	37.6%	28.7%	-0.2%	-27.6%	2.5%
China Hydro Index	1.1%	-9.9%	78.9%	15.2%	-9.3%	4.6%
China Wind Index	-32.5%	48.5%	-0.3%	14.9%	-16.4%	0.0%



4. Index Component Companies

The 20 largest Index constituents by market capitalisation on 31 March 2017 are provided in the table below. These stocks will be the constituents of the China CleanTech 20 until the Index rebalance on 30 June 2017.

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

The two new entrants to this list at this rebalance are Shenwu Environmental Technology and Jiangxi Ganfeng Lithium. These have taken the place of Wuhan Linuo Solar Energy Group and Chengdu Xingrong Investment.

	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	Beijing SJ Environmental Protection and New Material	ENVIRONMENTAL SERVICES	Shenzhen SX (SHE)	300072.SZ
5	Beijing Originwater Technology	WATER	Shenzhen SX (SHE)	300070.SZ
6	Beijing Enterprises Water Group	WATER	HKSE	0371.HK
7	China Longyuan Power Group Corp	WIND	HKSE	0916.HK
8	Sichuan Tianqi Lithium Industries, Inc.	STORAGE & FUEL CELLS	Shenzhen SX (SHE)	002466.SZ
9	China Everbright International	WATER	HKSE	0257.HK
10	Xinjiang Goldwind Science & Technology	WIND	Shenzhen SX (SHE)	002202.SZ
11	Tsinghua Tongfang Co., Ltd.	ENERGY EFFICIENCY & BIOMATERIALS	Shanghai (SH)	600100.SS
12	Chongqing Water Group Company Limited	WATER	Shanghai (SH)	601158.SS
13	Shenwu Environmental Technology	ENERGY EFFICIENCY & BIOMATERIALS	Shenzhen SX (SHE)	300156.SZ
14	Jiangxi Ganfeng Lithium	STORAGE & FUEL CELLS	Shenzhen SX (SHE)	002460.SZ
15	Sound Environmental Resources	WASTE	Shenzhen SX (SHE)	000826.SZ
16	GCL System Integration Technology	SOLAR	Shenzhen SX (SHE)	002506.SZ
17	Huaneng Renewables	WIND	HKSE	0958.HK
18	Beijing New Building Materials	GREEN BUILDINGS	Shenzhen SX (SHE)	000786.SZ
19	Guangdong Golden Dragon Development	WATER	Shenzhen SX (SHE)	000712.SZ
20	Beijing SPC Environment Protection	ENVIRONMENTAL SERVICES	Shenzhen SX (SHE)	002573.SZ