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REPUTEX ANNOUNCES CHINA'S TOP 10 SUSTAINABLE COMPANIES

Shanghai, 30 June, 2008. Ratings and research firm RepuTex today announced the RepuTex China Top 10, a best in sector listing of China's most sustainable companies from the CSI 100 Index.

The RepuTex China Top 10 identifies mainland China's leading companies based on their effective management of environmental, social, governance and workplace risks, relative to industry peers.

Companies are assigned an overall Sustainability Rating on a scale of AAA (outstanding) to D (at risk). To be considered for inclusion, a company must have achieved a minimum RepuTex Sustainability Rating of BBB (satisfactory) and above.

Highest performing companies are the Shanghai Pudong Development Bank (Financials) and Baoshan Iron & Steel Company (Materials), both of which received "A" overall Sustainability Ratings. The lowest performing sector was the Information Technology sector, which was not represented in the top 10 list.

"The goal of the RepuTex Top 10 is to recognise Chinese companies that have excelled in their management of new environment, social and governance risks. Beyond the social benefit, sustainability performance is having a rapidly growing impact on competitiveness, profitability, and share price performance", said General Manager of RepuTex China, Martha Grossman.

"International financial markets are paying more attention to sustainability factors as a means to assess business risk, particularly in areas related to efficiency, such as electricity consumption, emissions and carbon trading opportunities. As trends in other markets indicate, funds supporting this type of investment will only grow in China, especially as the myth behind reduced financial returns is debunked."

Figures released by RepuTex show that a portfolio made up of the RepuTex Top 10 would have out-performed the CSI 100 Index by 1.10% over the last quarter. A wider portfolio of 40 sustainable stocks has kept pace with the CSI 100 benchmark over 1 year (-0.32%).

"During a time of increased volatility in the mainland market, this performance indicates that it is possible to achieve returns through sustainability, with the added benefit of gaining exposure to new investment themes such as alternative energy, carbon credits and waste management. The likely growth of these industries makes sustainable investing a very palatable theme."

Ms Grossman noted that the sustainability performance of Chinese companies was higher than commonly perceived. "Mainland China companies are much more responsive to sustainability issues than many parties outside of China might perceive. In the area of environmental protection for instance, we are witnessing major activities by a number of Chinese companies, for example the development of internal carbon units to reduce emissions."

“This is a good indication that Chinese companies are beginning to decouple environmental and sustainability impacts from overall growth and returns”, said Ms Grossman.

Despite this, the overall “low” BB average RepuTex Sustainability Rating across the CSI 100 indicates that a large number of Chinese companies may be at longer term risk due to sustainability factors. According to Grossman, “Companies that fail to take action are likely to face competitive constraints through increased capital and operational expenditure as they play “catch up” in a new economic setting.”

The RepuTex Top 10

Sector	Company	RepuTex Sustainability Rating
Utilities	Beijing Capital Co. Ltd	BBB-
Telecommunication Services	China United Telecommunications Co. Ltd	BBB-
Materials	Baoshan Iron & Steel Co. Ltd	A
Information Technology	N/A	
Industrials	Sany Heavy Industry Co. Ltd	BBB+
Health Care	Yunnan Baiyao Industry Co. Ltd	BBB+
Financials	Shanghai Pudong Development Bank Co. Ltd	A
Energy	China Petroleum & Chemical Corporation	A-
Consumer Staples	Inner Mongolia Yili Industrial Group Co. Ltd	A
Consumer Discretionary	Shenzhen Overseas Chinese Town Holding Co.	A-

About RepuTex (www.reputexgroup.com)

RepuTex is a rating and research firm which specialises in quantifying the financial impacts of new risks such as sustainability, energy, emissions and carbon risk.

Established in 1999, RepuTex has offices in Shanghai, Hong Kong and Melbourne. The company is chaired by the former Managing Director of Standard & Poor’s Australia, Mr Graeme Lee.



RepuTex Indexes

RepuTex currently maintains 11 indexes which assist investors and asset managers to measure and track the impact of sustainability risk on company performance.

Indexes cover global and country universes, with a focus on Asia-Pacific markets such as China, Hong Kong, Singapore and Australia.

RepuTex maintains two China specific index series, the RepuTex Sustainable China Index Series, and the RepuTex China Governance Index Series.

Indexes are designed to be used as a basis for ETFs, index linked products and a range of tailored investment products such as warrants, certificates and derivatives.

RepuTex Sustainability Ratings

RepuTex has ratings in the market for over 2,000 companies globally, covering over 30 markets.

A RepuTex Sustainability Rating is an independent assessment of a company's capacity to address sustainability risks according to governance, environment, social and workplace factors.

RepuTex undertakes requested ratings for public and private companies and government owned enterprises. Analysis is supported by a range of research reports.

Companies seeking to obtain or use their RepuTex Rating, please contact RepuTex.

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To obtain a copy of the RepuTex China Top 10 Sustainable Companies 2008 please go to www.reputexgroup.com.

For further information/media interviews please contact:

English:

Martha Grossman

General Manager, China

Office: +8621 5238 3380

Mobile: +86 136 1196 1455

Chinese:

Lin Xu

Carbon Financial Analyst

Office: +8621 5238 3380

Mobile: +86 135 6758 2299