Technology & Business Model Innovation to Promote Green Equity Investments

U.S.-China Green Fund Case Study for MOST-UN Forum

U.S.-China Green Fund
December 5, 2017
Green Financing Mechanisms for Developing Country Projects

- Green Bonds
- Green Equity
- Infrastructure Grants
U.S.-China Green Collaboration: From Potential To Our Mission And Vision

**Mission:** Greenergize China through investments and U.S.-China cross-border innovative collaborations in finance, green technologies, and business models

**Vision:** Become the best-in-class green equity fund and the commercial implementer of U.S.-China green collaboration

- **Tackle** 🌖
  China’s environmental pollution and reduce emissions

- **Obtain** 🅱️
  Policy and capital support in China market

- **Introduce** 🌐
  Advanced U.S. technology and resources to China

- **Create** 🎨
  Green jobs and growth in U.S. and China

- **Improve** 👤
  U.S.-China bilateral relationship
U.S.-China Green Collaboration: Opportunities, Challenges, and Solutions

**Resources & Technology**

- **Innovative but demonstrated green technology**
- **Proven business model**

1. Adapt technology to local market know-how and supply chain
2. Develop viable local business model

**China Market Potential**

- **Opportunity**: Sustainable development needs do not match local technical capacity
- **Challenge**: Foreign models cannot adapt to the current changes in the Chinese market

**U.S.-China Green Fund**

- **Bridging Western Greentech with Vast China Market**

**Tech**

- **Green consumer products and services**
- **High quality brands**

1. Access to or control of sub-sector market channels
2. Collaborate with government to facilitate cross-border channels for green products

**Opportunity**: Market potential to influence green consumption

**Challenge**: Foreign brands cannot efficiently enter the market

**Product**

- **Low cost and abundant reserves of gas resources**
- **Open market, good export facilities**

1. Expertise in US market, industry, policy, and regulatory environment
2. Building a value chain for investment platform penetration

**Opportunity**: Demand for natural gas grows with price arbitrage

**Challenge**: A monopolized infrastructure prevents fair market and value chain distribution

**Energy**

- **Innovative but demonstrated green technology**
- **Proven business model**

1. Adapt technology to local market know-how and supply chain
2. Develop viable local business model

**Opportunity**: Market potential to influence green consumption

**Challenge**: Foreign models cannot adapt to the current changes in the Chinese market
An Innovative Green Fund Business Model “P.R.I.M.E.” Verified by Chinese Market

| Policy | Obtain U.S.-China central government policy guidance  
|        | Work with local governments to establish partnerships and concrete policy support  
| Research | Green Technology Research Institute supports investment team to conduct applied research on tech commercialization  
|          | Assist overseas greentech and equipment to adapt to China market  
| Integration | Integrates U.S.-China greentech and provides comprehensive solutions  
|             | Improve green standards through the successful integration of technology and business models across the value chain  
| Money | Provide capital support to companies and projects  
|        | Utilize innovative financing to reduce capital costs  
| Execution | Select locally viable business models in leveraging a private equity investor’s perspective  
|           | Fund and support strong industry management teams |
Our Growth Fund Focuses on Green Project Execution & Green Product Penetration into China

**Green 1.0: Green Energy and Environmental Protection**

- **Clean Energy**
  - Distributed PV
- **Energy Efficiency**
  - Building Energy Efficiency
  - Industrial Energy Efficiency
- **Environment Protection**
  - Water and Air Treatment
  - Solid Waste Treatment

**Completed Investments:**

- **Capital Heat:** recovers waste heat to provide district heating
- **Trina Distributed PV:** distributed photovoltaic platform
- **East Low Carbon:** energy savings for commercial buildings
- **Cooling Co:** data center energy efficiency with water cooling
- **Green Supply Chain:** industrial energy savings, environment enhancements
- **Four Rivers Steel Restructuring Fund:** restructure the balance sheet, operations and environmental impacts for Chinese steel companies

**Green 2.0: Green Smart Cities and Villages**

- **Green Transportation**
- **Green Accommodations**
- **Smart City Upgrade**
  - Smart Parking
  - Green Buildings
  - Smart Energy
  - Charging Stations
  - Green Homes
  - Smart Logistics

- **~$750mm invested and committed in 2017**

**Completed Investments:**

- **Parking Co:** smart parking technology to address congestion
- **Hos Joy:** comprehensive smart and energy efficient home servicing
- **New Starting Point:** green blue-collar dorms and housing
- **Baoye JV:** green buildings through pre-fabrication and smart control
- **Rural Co:** leading distribution channel for green products to rural markets across China (GMV more than RMB 100 billion)
Launching Cross-Border Dual-Currency Green Technology VC Fund

Sizeable China Market Potential through U.S.-China Growth Fund’s Portfolio Companies

Global technical leader in niche sector with limited home country market

Consistent with China’s Policy and Macro Environment

U.S.-China Green Technology VC Fund

Technology/Business Model Maturity

10% 100%

Series A Series B Series C

Sourcing according to market demand

U.S.-China Green Technology VC Fund will invest in greentech companies from US/European/China with China market potentials through our channels
Leverages Strong Partnerships with Technology and VC Partners

U.S. and China Research Institutions and Tech Partners

- Chinese Academy of Sciences
- Shanghai Jiao Tong University
- Berkeley Lab
- NREL
- United Technologies
- Honeywell
- Dow
- GE

U.S.-China Green Investment Alliance Network

- BRAEMAR Energy Ventures
- Prelude Ventures
- True North Venture Partners
- Breakthrough Energy
- Middleland Capital
- CULTIVIAN Sandbox
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