



上海江南会计师事务所

Shanghai Jiang Nan Certified Public Accountants

有限公司

Co., Ltd.

报 告 书

REPORT



上海江南会计师事务所有限公司
SHANGHAI JIANGNAN CERTIFIED PUBLIC ACCOUNTANTS CO., LTD.

Report of the Auditors

SHJN[2010]No.238

To: The Board of Directors of

Suzlon Wind Energy Equipment Trading (Shanghai) Co., Ltd.

We have audited the accompanying financial statements of Suzlon Wind Energy Equipment Trading (Shanghai) Co., Ltd, which comprise the balance sheet as at December 31, 2009, and the income statement, statement of changes in equity and cash flow statement for the year then ended as well as the notes to the these financial statements.

I. Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with China Accounting Standards and Accounting Regulations for Enterprises. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

II. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Auditing Standards of Chinese Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidences obtained by us are sufficient and appropriate to provide a basis for our audit opinion.



上海江南会计师事务所有限公司
SHANGHAI JIANGNAN CERTIFIED PUBLIC ACCOUNTANTS CO.,LTD.

Report of the Auditors (continued)

III. Opinion

In our opinion, the financial statements of Suzlon Wind Energy Equipment Trading (Shanghai) Co., Ltd have been prepared in accordance with the enterprise accounting standards and the "Enterprise Accounting System", present fairly, in all material respects, the financial position of the company as of December 31, 2009, and the results of its operations and cash flow for the year then ended.

CPA of China

Xu Jin

CPA of China

Xu Xiao Duo

March 31, 2010

Shanghai Jiang Nan Certified Public Accountants Co.,

Shanghai, China

Suzlon Wind Energy Equipment Trading (Shanghai) Co., Ltd.

BALANCE SHEET

December 31, 2009

(Monetary Unit: RMB Yuan)

	ASSETS	AT END OF PERIOD December 31, 2009	AT BEG. OF YEAR December 31, 2008
CURRENT ASSETS			
Cash & Cash equivalents		3,729,336.21	2,247,275.95
Accounts receivable			
Prepayments		15,024.25	-
Other receivables		82,714.00	368,993.10
TOTAL CURRENT ASSETS		3,827,074.46	2,616,269.05
Fixed assets-cost		53,160.00	53,160.00
less: Accumulated depreciation		-20,991.11	-3,271.11
Fixed assets-net value		32,168.89	49,888.89
Long-term prepaid deferred expenses		12,666,258.14	5,954,656.48
TOTAL ASSETS		16,525,501.49	8,620,814.42
	LIABILITIES AND OWNERS' EQUITY		
CURRENT LIABILITIES			
Salary & Welfare payable		103,421.44	-
Taxes payable		50,150.31	-
Other payables		9,541,598.54	6,344,892.62
TOTAL CURRENT LIABILITIES		9,695,170.29	6,344,892.62
TOTAL LIABILITIES		9,695,170.29	6,344,892.62
OWNERS' EQUITY			
Paid-in capital		6,830,331.20	2,275,921.80
Undistributed profits		-	-
TOTAL OWNERS' EQUITY		6,830,331.20	2,275,921.80
TOTAL LIABILITIES AND OWNERS' EQUITY		16,525,501.49	8,620,814.42

Suzlon Wind Energy Equipment Trading (Shanghai) Co., Ltd.

Cash Flow Statement

For the year ended 2009

(Monetary Unit: RMB Yuan)

	For the year 2009	For the year 2008
1. Cash Flows From Operating Activities		
Cash received from rendering of services	-	-
Other cash received related to operating activities	-	-
Sub-Total Of Cash Inflows	-	-
Cash paid for goods and services	-	-
Cash paid to and on behalf of employees	-	-
Payments of taxes and levies	-	-
Cash payments relating to other operating activities	5,928,064.97	28,645.85
Sub-Total Of Cash Outflows	5,928,064.97	28,645.85
Net Cash Flows From Operating Activities	-5,928,064.97	-28,645.85
2. Cash flows From Investing Activities		
Net Cash Flows From Investing Activities	-	-
3. Cash flows From Financing Activities		
Cash received from absorb investment	4,554,409.40	2,275,921.80
Other cash received related to financing activities	2,861,801.72	-
Sub-Total Of Cash Inflows	7,416,211.12	2,275,921.80
Net Cash Flows From Financing Activities	7,416,211.12	2,275,921.80
4. Effect Of Exchange Rate Changes On Cash	-6,085.89	-
5. Net Increase In Cash & Cash Equivalents	1,482,060.26	2,247,275.95
Add: Cash equivalents at the beginning of the period	2,247,275.95	-
6. Cash Equivalents At The End Of The Period	3,729,336.21	2,247,275.95

Suzlon Wind Energy Equipment Trading (Shanghai) Co., Ltd

Notes to the Financial Statements for 2009

(Monetary Unit: RMB Yuan, Unless otherwise specified)

I. Company Profile

Suzlon Wind Energy Equipment Trading (Shanghai) Co., Ltd. (hereafter refers to the company), solely invested by Suzlon Energy Ltd. The company was approved to establish on June 2, 2008 and obtained the Business License for Enterprises as Legal Persons of No. 310000400575801 (Xu Hui) on June 10, 2008. Total investment of the company is USD \$ 2,220,000, and its registered capital is USD \$ 2,220,000. As at December 31, 2009, the company have received the registered capital totally USD \$ 1,000,000, audited by Shanghai Jiang Nan Certified Public Accountants Co., Ltd, which issued the capital verification report (JNSBY(2008) No.086 JNSBY(2009) No.064).

Operating range of wind energy generating units and parts (including the turbine tower) of the wholesale, import and export, commission agent (except auction), and its related services, business consulting (involving quota permit management, special management of merchandise in accordance with relevant state regulations).

In 2009 the Company has not yet formally operates still in a start-up period.

II. Basis of Preparation

The financial statements have been prepared in accordance with the Accounting Standards for Business Enterprise and the "Accounting System for Business Enterprise" as promulgated by the State of the People's Republic of China.

III. Principal Accounting Policies

1. Accounting year

The calendar year is from January 1 to December 31.

2. Recording currency

Renminbi (RMB) is the company's recording currency.

3. Bookkeeping Principle and Valuation Basis:

Bookkeeping is based on accrual basis, and valuation is based on historical cost. If the assets of the company arising from impairment, the impairment provision for the corresponding preparation

Suzlon Wind Energy Equipment Trading (Shanghai) Co., Ltd

Notes to the Financial Statements for 2009

(Monetary Unit: RMB Yuan, Unless otherwise specified)

4. Foreign currency Translation

Transactions denominated in foreign currencies are stated after they have been translated into RMB at the market exchange rate promulgated by the People's Bank of China prevailing at the day the transactions took place. At the end of the period, each monetary foreign currency asset and liability account will be adjusted after being translated into Rmb at the market exchange rate prevailing at the end of the period, and the difference thus occurred is taken to current profit & loss account.

Contributions to paid-in capital made in foreign currencies are translated into the Rmb denominated paid-in capital account at the stipulated exchange rates at the contribution dates.

5. Accounting method of fixed assets and depreciation:

- (1) Fixed assets is defined as selling products, providing labor or management held, the use of the period at more than 1 year and higher unit value of tangible assets.
- (2) Fixed assets are depreciated in the straight-line method, the depreciate rate is calculated by the value of fixed assets lessened the estimated useful life. The depreciation rate of fixed assets is as follows:

Item	Useful Life(Year)	annual depreciation rate (%)
Electricity Equipment	3	33.33%

6. Long-term prepaid expenses

Long-term prepaid expenses ---Organization expenses, would be amortized to current profit & loss account when the company began operating.

7. Tax items and rates

Value-added tax, the tax rate is 3%.

Business tax, the tax rate is 5%.

Enterprise income tax, the tax rate is 25% for the year 2009.

Suzlon Wind Energy Equipment Trading (Shanghai) Co., Ltd

Notes to the Financial Statements for 2009

(Monetary Unit: RMB Yuan, Unless otherwise specified)

V. Notes to the main items of Financial Statements

1. Cash & Cash Equivalents

	2009.12.31	2008.12.31
Cash in Bank in RMB	137,379.41	293,031.91
Cash in Bank in USD	3,531,118.21 (USD 517,137.49)	1,954,244.04 (USD 285,933.93)
Total	3,729,336.21	2,247,275.95

2. Others receivables

The analysis is as follows according to the account age:

	2009.12.31		2008.12.31	
	Amount	Ratio in total	Amount	Ratio in total
Within a year	82,714.00	100%	368,993.10	100%
Total	82,714.00	100%	368,993.10	100%

3. Prepayments

The analysis is as follows according to the account age:

	2009.12.31		2008.12.31	
	Amount	Ratio in total	Amount	Ratio in total
Within a year	15,024.25	100%	-	-
Total	15,024.25	100%	-	-

4. Fixed assets and accumulated depreciation

Type	2008.12.31	Increase this year	Decrease this year	2009.12.31
Original value				
Electricity Equipment	53,160.00	-	-	53,160.00
Total	53,160.00	-	-	53,160.00
Accumulated depreciation				
Electricity Equipment	3,271.11	17,720.00	-	20,991.11
Total	3,271.11	17,720.00	-	20,991.11
Net value	49,888.89			32,168.89

Suzlon Wind Energy Equipment Trading (Shanghai) Co., Ltd

Notes to the Financial Statements for 2009

(Monetary Unit: RMB Yuan, Unless otherwise specified)

5. Long-term prepaid expenses

Item	Total Expenditure	2008.12.31	Increase this year	Decrease this year	2009.12.31
Office Decoration	897,440.00	207,327.50	68,130.00	221,654.58	53,802.92
Organization expenses	12,612,455.22	5,747,328.98	6,865,126.24	-	12,612,455.22
Total	13,491,885.22	5,954,656.48	6,933,256.24	221,654.58	12,666,258.14

6. Salary & Welfare Payable

Item	2009.12.31	2008.12.31
Welfare benefits payable	103,421.44	-
Total	103,421.44	-

7. Taxes payable

Item	2009.12.31	2008.12.31
Individual Income Tax Payable	50,150.31	-
Total	50,150.31	-

8. Other payables

	2009.12.31		2008.12.31	
	Amount	Ratio in total	Amount	Ratio in total
Within a year	3,202,705.92	34%	6,338,892.62	100%
1-2 years	6,338,892.62	66%	-	-
Total	9,541,598.54	100%	6,338,892.62	100%

The ending balance was 9,541,598.54 at December 31, 2009, among which the amount should pay to related company was 9,530,598.54.

9. Paid-in Capital

Investor	2009.12.31			
	Registered currency	Actual paid-in capital		Ratio
	Original Monetary (USD)	Original Monetary (USD)	Recording Monetary (RMB)	%
Suzlon Energy Ltd	2,220,000.00	1,000,000.00	6,830,331.20	45.05%

Suzlon Wind Energy Equipment Trading (Shanghai) Co., Ltd

Notes to the Financial Statements for 2009

(Monetary Unit: RMB Yuan, Unless otherwise specified)

10. Cash and cash equivalents of the company

Item	2009 year	2008 year
The net increase in cash and cash equivalent	1,482,060.26	2,247,275.95
Among which:		
Net cash flow from operating activities	-5,928,064.97	-28,645.85
Net cash flow from investing activities	-	-
Net cash flow from financing activities	7,416,211.12	2,275,921.80
Effect of foreign exchange rate changes on cash	-6,085.89	-

Suzlon Wind Energy Equipment Trading (Shanghai) Co., Ltd
Statement of the adjustments Taxable Amount of Income
For the year 2009

(Monetary Unit: Rmb)

No	Item	Taxable amount of income	
A	Original book profit or loss for the year2009	0	
B	Items to be adjusted	Increase	Decrease
	Total adjustment	-	-
C	Taxable amount of income after adjustment	0	