

Suzlon Energy (Tianjin) Limited

Independent Audit Report

Anbotong Audit (2016) No.057

Beijing An Bo Tong Certified Public Accountants Limited

Independent Audit Report
And
Financial Statements Of
Suzlon Energy (Tianjin) Limited
(For the Year Ended December 31, 2015)

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Independent Audit Report

Anbotong Audit (2016) No.057

To Board of director of Suzlon Energy (Tianjin) Limited:

We have audited the financial statements of Suzlon Energy (Tianjin) Limited, including the balance sheets at 31st December, 2015, the income statements, statements of changes in equity, and cash flow statements of Suzlon Energy (Tianjin) Limited for the year ended 31st December, 2015, and notes to financial statements.

I. Independent Audit Report to Financial Statements

i. Management's responsibility to the financial statements

Suzlon Energy (Tianjin) Limited 's management is responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards issued by the Chinese Accounting Standards Board, and for such internal control of design, implement and maintenance as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

ii. Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our procedures, which were conducted in accordance with "China Standards on Auditing". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 auditors' 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 auditors consider 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 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 evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

iii. Audit Opinion

In our opinion, Suzlon Energy (Tianjin) Limited 's financial statements present fairly, in all material respects, the financial position of Suzlon Energy (Tianjin) Limited as at 31st December, 2015, Suzlon Energy (Tianjin) Limited's results of operations and cash flows for the year ended 31st December, 2015, in conformity with "Accounting Standards for Business Enterprises".

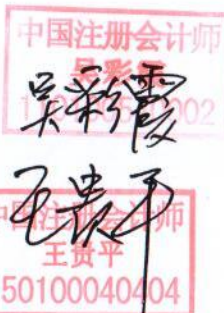
Beijing An Bo Tong Certified
Public Accountants Limited

Beijing, the People's Republic of China

Certified Public Accountants:

Certified Public Accountants:

5th June, 2016



Suzlon Energy (Tianjin) Limited

Balance Sheet

As of 31st December 2015

(The currency of the statements are Chinese Yuan, 'CNY', unless otherwise indicated)

Assets	Notes 5	31 Dec 2015	31 Dec 2014
Current assets:			
Cash and cash equivalent	Note 1	3,871,607.55	33,596,881.53
Notes receivable	Note 2	4,200,000.00	
Accounts receivable	Note 3	296,972,434.43	362,762,892.68
Advances to suppliers	Note 4	21,789,604.63	14,763,897.04
Interest receivable			
Dividends receivable			
Other receivables	Note 5	5,158,126.09	6,871,915.14
Inventories	Note 6	26,881,831.94	29,175,266.70
Current portion of non-current assets			
Other current assets	Note 7	2,735,352.73	333,037.83
Total current assets		361,608,957.37	447,503,890.92
Non-current assets:			
Available-for-sale financial assets			
Held-to-maturity investments			
Long-term receivables			
Long-term equity investments			
Investment property			
Fixed assets net book value	Note 8	139,140,377.59	158,447,881.87
Construction in progress			
Construction materials			
Fixed assets pending for disposal			
Intangible assets	Note 9	26,640,373.02	28,728,612.45
Development disbursements			
Goodwill			
Long-term deferred expenses			
Deferred tax assets			
Other non-current assets			
Total non-current assets		165,780,750.61	187,176,494.32
Total assets		527,389,707.98	634,680,385.24

(Attached Notes to statements are part of the consolidated financial statements)

Legal Representative Person



Chief Finance Officer:

Finance Manager:

Suzlon Energy (Tianjin) Limited

Balance Sheet (Continue)

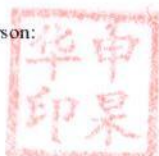
As of 31st December 2015

(The currency of the statements are Chinese Yuan, 'CNY', unless otherwise indicated)

Liability and Equity	Notes 5	31 Dec 2015	31 Dec 2014
Current liabilities:			
Short-term borrowings			
Notes payable			
Accounts payable	Note 10	139,046,217.03	120,763,899.01
Advances from customers	Note 11	11,288,114.65	11,171,756.65
Employee salary and benefits payable	Note 12	1,374,404.52	1,554,187.01
Taxes and surcharges payable	Note 13	36,924,440.74	35,936,150.06
Interest payable			
Dividends payable			
Other payables	Note 14	23,107,328.95	63,170,505.45
Current portion of non-current liabilities			
Other current liabilities			
Total current liabilities		<u>211,740,505.89</u>	<u>232,596,498.18</u>
Non-current liabilities:			
Long-term borrowings			
Bonds payable			
Long-term payable			
Grants payable			
Provisions	Note 15	90,836,345.95	99,337,615.94
Other non-current liabilities			
Total non-current liabilities		<u>90,836,345.95</u>	<u>99,337,615.94</u>
Total liabilities		<u>302,576,851.84</u>	<u>331,934,114.12</u>
Equity:			
Paid in capital	Note 16	408,313,285.00	408,313,285.00
Capital reserve	Note 17	108,425.59	108,425.59
Less: Treasury Share			
Surplus reserve	Note 18	14,753,853.75	14,753,853.75
Retained earnings	Note 19	-198,362,708.20	-120,429,293.22
Currency translation reserve			
Total owner's equity		<u>224,812,856.14</u>	<u>302,746,271.12</u>
Total liabilities and owner's equity		<u>527,389,707.98</u>	<u>634,680,385.24</u>

(Attached Notes to statements are part of the consolidated financial statements)

Legal Representative Person:



Chief Finance Officer:

Finance Manager:

Suzlon Energy (Tianjin) Limited

Profit and loss statement

As of 31st December 2015

(The currency of the statements are Chinese Yuan, 'CNY', unless otherwise indicated)

Item	Notes 5	Current Year	Previous Year
1.Revenue	Note 20	16,015,436.08	1,431,814.40
Less: operating costs	Note 20	28,063,138.06	8,646,141.70
Business taxes and surcharges	Note 21		27,903.91
Selling expenses		15,266,039.71	13,905,772.86
Administrative expenses		49,322,830.81	54,559,120.89
Financial expenses	Note 22	-4,018,489.03	1,972,590.78
Losses of asset impairment	Note 23	4,887,458.14	-6,216,185.59
Add: gain from fair-value changes ("—"for loss)			
Investment income ("—"for loss)			
Including: investment income from associates and joint ventures			
2.Operating profits ("—"for loss)		-77,505,541.61	-71,463,530.15
Add: non-operating income	Note 24		1,833.33
Including: gain from disposal of non-current assets			1,833.33
Less: non-operating expenses	Note 24	427,873.37	74,402.01
Including: loss on disposal of non-current assets		47,878.82	
3.Profit before tax ("—" for loss)		-77,933,414.98	-71,536,098.83
Less: income tax			
4.Net profit ("—"for loss)		-77,933,414.98	-71,536,098.83
5.Net other comprehensive income after tax		-	-
6.Total comprehensive income		-77,933,414.98	-71,536,098.83
7.Earnings per share:			
Basic earnings per share			
Diluted earnings per share			

(Attached Notes to statements are part of the consolidated financial statements)

Legal Representative Person:



Chief Finance Officer:

Finance Manager:

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Suzlon Energy (Tianjin) Limited

Cash Flow

As of 31st December 2015

(The currency of the statements are Chinese Yuan, 'CNY', unless otherwise indicated)

Item	Notes 5	Current Year	Previous Year
1. Cash flows from operating activities:			
Cash received from sales and services		76,024,940.51	126,792,787.31
Tax refunds			
Net cash from other operating activities		48,247.82	103,470.31
Financial expenses		76,073,188.33	126,896,257.62
Losses of asset impairment		26,548,161.89	25,535,049.08
Cash paid to and on behalf of employees		21,238,280.66	21,866,640.71
Payment of taxes and surcharges		1,136,474.16	2,374,706.44
Other cash payments relating to operating activities		25,957,415.51	31,097,692.17
Total cash outflows from operating activities		74,880,332.22	80,874,088.40
Net cash flows from operating activities		1,192,856.11	46,022,169.22
2. Cash flows from investing activities:			
Cash receipts from withdraw of investments			
Cash received from investment income			
Net cash from disposal of fixed assets, intangible assets and other long-term assets			
Net cash received from disposal of subsidiaries and other business units			
Other cash receipts relating to investing activities			
Total cash inflows from investing activities		-	-
Cash paid for fixed assets, intangible assets and other long-term assets		1,421,893.86	9,198,742.75
Cash payments for investments			
Net cash paid for acquiring subsidiaries and other business units			
Net cash used in other investing activities			
Total cash outflows from investing activities		1,421,893.86	9,198,742.75
Net cash flows from investing activities		-1,421,893.86	-9,198,742.75
3. Cash flows from financing activities:			
Cash proceeds from investments by others			
Cash received from borrowings		16,403,336.86	68,668,260.00
Cash receipts related to other financing activities			
Total cash inflows from financing activities		16,403,336.86	68,668,260.00
Cash repayments for debts		45,800,000.00	75,316,205.61
Cash payments for distribution of dividends, profit and interest expenses		100,000.00	4,115,503.83
Including: dividends or profit paid by subsidiaries to minority shareholders			
Other cash payments relating to financing activities		45,900,000.00	79,431,709.44
Total cash outflows from financing activities		-29,496,663.14	-10,763,449.44
4. Effect of foreign exchange rate changes on cash and cash equivalents		426.91	-38,105.21
5. Net increase in cash and cash equivalents		-29,725,273.98	26,021,871.82
Add: beginning balance of cash and cash equivalents		33,596,881.53	7,575,009.71
6. Ending balance of cash and cash equivalents		3,871,607.55	33,596,881.53

(Attached Notes to statements are part of the consolidated financial statements)

Legal Representative Person:



Chief Finance Officer:

Finance Manager:

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Suzlon Energy (Tianjin) Limited

Statement Of Changes In Equity

for the year 2015

(The currency of the statements are Chinese Yuan, 'CNY', unless otherwise indicated)

Item	Current Year				Total owner's equity
	Paid-in capital	Capital reserve	Surplus reserve	Retained earnings	
1. Ending balance of prior period	408,313,285.00	108,425.59	14,753,853.75	-120,429,293.22	302,746,271.12
Add: increase/decrease due to changes in accounting policies					
Increase/decrease due to corrections of errors in Prior Period					
Others					
Financial expenses					
Losses of asset impairment					
I. Total comprehensive income					
II. Owner's contributions and withdrawing of capital					
iii. Share-based payment recorded in owner's equity					
iv. Others					
III Profits distribution					
i. Appropriation of surplus reserve					
ii. Distribution to owner/shareholder					
iii. Others					
IV. Transfer within owner's equity					
i. Capital reserve transferred to paid-in capital					
ii. Surplus reserve transferred to paid-in capital					
iii. Recover of loss by surplus reserve					
iv. Gain or loss for revaluation on defined benefit plans					
v. Others					
V. Specialized reserve					
i. Current year accrue					
ii. Current year deploy					
VI. Others					
4. Ending balance of current year	408,313,285.00	108,425.59	14,753,853.75	-198,362,708.20	224,812,856.14
6. Ending balance of cash and cash equivalents					

Legal Representative Person:



Chief Finance Officer:

Finance Manager:

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Suzlon Energy (Tianjin) Limited
Statement Of Changes In Equity

for the year 2015

(The currency of the statements are Chinese Yuan, 'CNY', unless otherwise indicated)

Item	Previous Year				
	Paid-in capital	Capital reserve	Surplus reserve	Retained earnings	Total owner's equity
I. Ending balance of prior period	408,313,285.00	108,425.59	14,753,853.75	-48,893,194.39	374,282,369.95
Add: increase/decrease due to changes in accounting policies					
Increase/decrease due to corrections of errors in Prior Period					
Others					
Financial expenses	408,313,285.00	108,425.59	14,753,853.75	-48,893,194.39	374,282,369.95
Losses of asset impairment				-71,536,098.83	-71,536,098.83
I. Total comprehensive income				-71,536,098.83	-71,536,098.83
II Owner's contributions and withdrawing of capital					
iii. Share-based payment recorded in owner's equity					
iv. Others					
III. Profits distribution					
i. Appropriation of surplus reserve					
ii. Distribution to owner/shareholder					
iii. Others					
IV. Transfer within owner's equity					
i. Capital reserve transferred to paid-in capital					
ii. Surplus reserve transferred to paid-in capital					
iii. Recover of loss by surplus reserve					
iv. Gain or loss for revaluation on defined benefit plans					
v. Others					
V. Specialized reserve					
i. Current year accrue					
ii. Current year deploy					
VI. Others					
4. Ending balance of current year	408,313,285.00	108,425.59	14,753,853.75	-120,429,293.22	302,746,271.12
6. Ending balance of cash and cash equivalents					

Legal Representative Person:

Chief Finance Officer:

Finance Manager:

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9. Other important instructions

None

Suzlon Energy (Tianjin) Limited
(Company seal)

05 June 2016

