

Report of the Auditors

ZCHJSZ (2019) 0760

To: The Board of Directors of Suzlon Wind Energy Equipment Trading (Shanghai) Co., Ltd

I . Opinion

We have audited the accompanying financial statements of Suzlon Wind Energy Equipment Trading (Shanghai) Co., Ltd. including balance sheet as of December 31, 2018, and the statement of income, cash flows and changes in equity for the year then ended, and the notes to the financial statements.

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Company as of December 31, 2018 and the results of its operations and cash flows for the year then ended, in accordance with the requirements of Accounting System for Business Enterprise.

II . Basis for opinion

We conducted our audit in accordance with Auditing Standards for Chinese Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. According to the CPA professional ethical code, we are independent of the Company and comply with all other professional ethical requirements. We believe the audit evidences we have obtained are sufficient and appropriate and provide a reasonable basis for our opinion.

III. Management's and Governance's Responsibility for the financial statements

The management of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of Accounting System for Business Enterprise and designing, implementing and maintaining necessary internal control so that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and applying going concern basis of accounting unless the management plans to liquidate the Company, to cease operations or have no other realistic alternatives but to do so. The governance is responsible for overseeing the financial reporting process of the Company.

IV. Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Chinese Certified Public Accountants Standards of Auditing, we exercise professional judgment and maintain professional suspicion throughout the audit. We also:

- 1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - 2) Obtain an understanding of internal control relevant to the audit 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.
 - 3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
 - 4) Conclude on the appropriateness of the Management's use of the going concern basis of accounting. Meantime, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - 5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The English report and its appendices are for reference only, if there is any discrepancy, its official interpretation will be based on its Chinese version.

Shanghai Zhong Chuang Hai Jia Certified Public Accountants Co., Ltd.

Shanghai, the People's Republic of China

Date: March 25, 2019



BALANCE SHEET

December 31, 2018

D.C. Schachtel 01

Enterprise's Name: Suzlon Wind Energy Equipment Trading (Shanghai) Co., Ltd

[illegible]

Income Statement

Year 2018

O.C. Schedule 02
Unit: RMB

Enterprise's Name: Suzlon Wind Energy Equipment Trading (Shanghai) Co., Ltd.

Item	Line	Year 2018	Year 2017	Item	Line	Year 2018	Year 2017
I. Total operating income	1	6,037,587.48	7,416,428.22	Gains from debt restructuring	38		
Including: operating income	2	6,037,587.48	7,416,428.22	Less: Non-operating expenses	39		24,433.42
△ Interest income	3			Including: Losses from debt restructuring	40		
△ Earned premium	4			IV. Total profit (mark "-" referred to as total loss)	41	841,358.85	59,087.40
△ Fee and commission income	5			Less: Income tax expenses	42		
II. Total operating cost	6	5,334,790.76	7,371,763.39	V. Net profit (mark "-" referred to as net loss)	43	841,358.85	59,087.40
Including: Operating cost	7	51,047.87	-	(I) Classification by ownership	44		
△ Interest expense	8			Owners' net profit of parent company	45		
△ Fee and commission expense	9			* minority shareholders' loss and equity	46		
△ Surrogate value	10			(II) Classification by continuity of operations:	47		
△ Net compensation expense	11			Net profit from continuing operations	48		
△ Net amount of reserves for reinsurance contract	12			Net profit from discontinued operations	49		
△ Expenditures dividend policy	13			VI. After-tax net amount of other comprehensive income	50		
△ Reinsurance expenses	14			Other comprehensive income, net of tax, attributable to shareholders of the parent company	51		
Tax and surcharges	15	44,557.15	44,984.11	(1) Other comprehensive income that can not be reclassified into profit and loss	52		
Selling expenses	16	4,411,516.45	5,921,520.89	1. Changes resulting from the re-measurement of the defined benefit plan	53		
General and administrative expenses	17	880,087.45	1,329,523.91	2. Other comprehensive income that cannot be reclassified into the profit and loss under the equity method	54		
Including: Fund for party construction	18			* 3. Change in fair value of other equity instrument investments	55		
R&D expenses	19			* 4. Change in fair value of the enterprise's own credit risk	56		
Financial expenses	20	-48,418.17	73,734.48	5. Others	57		
Including: Interest expenses	21			(2) Other comprehensive income that will be reclassified into profit and loss	58		
Interest income	22	455.21	827.03	1. Other comprehensive income that can be reclassified into the profit and loss under the equity method	59		
Net gain on foreign exchange	23	64,241.57		* 2. Change in fair value of other debt investments	60		
Exchange loss	24		59,900.43	3. Profit and loss from changes in fair value of financial assets available for sale	61		
Impairment losses on assets	25			* 4. Amount of financial assets reclassified into other comprehensive income	62		
* Credit Impairment loss	26			5. Profit and loss of Held-to-maturity investments reclassified as financial assets available for sale	63		
Others	27			* 6. Credit impairment provision for other debt investments	64		
Add: Other incomes	28	38,000.00	33,835.99	7. Cash flow reserve (effective part in the gains or losses on cash flow hedging)	65		
Investment income (mark "-" referred to as loss)	29			8. Translation differences in currency financial statements	66		
Including: Income from investment in jointly managed enterprises and joint enterprises	30			9. Others	67		
△ Exchange gains (Losses expressed with "-")	31			* Total comprehensive income, net of tax, attributable to minority shareholders	68		
* Net exposure hedging benefits ("-" means loss)	32			VII. Accumulated other comprehensive income	69	841,358.85	59,087.40
Fair value altered gain (mark "-" referred to as loss)	33			Accumulated other comprehensive income attributable to the owners of the parent	70		
Income from disposal of assets ("-" means loss)	34			* Accumulated other comprehensive income attributable to minority interests	71		
III. Operating profit (mark "-" referred to as loss)	35	728,796.74	60,500.82	VIII. Earnings per share:	72		
Add: Non-operating income	36	112,582.21	-	(1) Basic earnings per share	73		
Including: Government subsidy	37			(2) Diluted earnings per share	74		

Cash Flow Statement

Year 2018

Q.C. Schedule 03

Enterprise's Name: Suzlon Wind Energy Equipment Trading (Shanghai) Co., Ltd.

Unit: RMB

Item	Line	Amount of Current Year	Amount of Prior Year	Item	Line	Amount of Current Year	Amount of Prior Year
I. Cash flows from operating activities:	1	—	—	Net Cash received from disposal of fixed assets, intangible assets and other long-term assets	30	—	—
Cash received from sale of goods or rendering of service	2	4,188,669.68	7,935,116.35	Net cash received from disposal of sub-company and other operating enterprises	31	4,226.00	-
△ Net increase in customer bank deposits and due to banks and other financial institutions	3			Other cash received relating to investing activities	32		
△ Net increase in borrowings from central bank	4			Sub-total of cash inflows relating to investing activities	33	4,226.00	-
△ Net increase in placements from other financial institutions	5			Cash paid to acquire fixed assets, intangible assets and other long-term assets	34	-	6,737.46
△ Cash received from receiving insurance premium of original insurance contract	6			Cash paid to acquire investments	35		
△ Net cash received from reinsurance business	7			△ Net increase in pledge loans	36		
△ Net increase in deposits from policyholders	8			Net cash paid for acquisition of subsidiaries and other business units	37		
△ Net increase from disposal of tradable financial assets	9			Other cash paid relating to investing activities	38		
△ Cash received from interests, fees and commissions	10			Sub-total of cash outflows of investment activities	39	-	6,737.46
△ Net increase in placements from banks and other financial institutions	11			Net cash flows from investment activities	40	4,226.00	-6,737.46
△ Net increase in repurchase business capital	12			III. Cash flow from financing activities:	41	—	—
Refund of tax and levies	13	30,000.00	20,000.00	Cash received from capital contribution	42		
Other cash received relating to operating activities	14	540,076.70	175,557.12	Including: Cash received from contribution of minority shareholders for sub-company	43		
Sub-total of operating activities cash inflows	15	4,756,745.38	8,130,675.47	Cash received from borrowings	44		
Cash paid for goods and service	16			△ Cash received from issuing bonds	45		
△ Net increase in loans and advances to customers	17			Other cash received relating to financing activities	46		
△ Net increase in deposits with central bank and other financial institutions	18			Sub-total of cash inflows from financing activities	47	-	-
△ Cash paid for indemnity of original insurance contract	19			Cash repayment of amounts borrowed	48		
△ Cash paid for interests, fees and commissions	20			Cash payment for interest expenses and distribution of dividend or profit	49		
△ Cash paid for policy dividends	21			Including: dividend or profit paid by minority shareholders to sub-company	50		
Cash paid to and on behalf of employees	22	3,389,547.30	5,324,246.24	Other cash payment relating to financing activities	51		
Payment of all types of tax and expenses	23	372,652.05	427,043.45	Sub-total of cash outflow of financing activities	52	-	-
Other cash paid relating to operating activities	24	1,664,059.04	1,784,207.58	Net cash flow from financing activities	53	-	-
Sub-total of operating activities cash outflows	25	5,426,258.39	7,535,497.27	IV. Influence of foreign exchange rate on cash and cash equivalents	54	-64,241.95	-59,880.43
Net cash flows from operating activities	26	-667,513.01	595,178.20	V. Net increase in cash and cash equivalents	55	-727,529.96	528,460.31
II. Cash flows from investing activities:	27			Add: balance of cash and cash equivalent at period beginning	56	864,804.45	336,344.14
Cash received from investment	28			VI. Balance of cash and cash equivalent at period end	57	137,275.49	864,804.45
Cash received from returns on investment	29				58		

Statement of Changes in Owners' Equity

Year 2018

Enterprise's Name: Suzlon Wind Energy Equipment Trading (Shanghai) Co., Ltd. Amount of Current Year
 UNIT: RMB

		Amount of Current Year														
Item	Line	Owners' equity subtotal belong to Parent Company												Minority Shareholder's Equity	Total Owners' Equity	
		Paid-in capital (or share capital)	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive income	Special Reserves	Surplus Reserves	Δ Generic risk reserve	Undistributed profit	Others			Total
			Preferred Stock	Perpetual debt	Others											
Particulars	—	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
I. Closing balance of last year	1	14,893,981.11	-	-	-	-	-	-	-	-	-	-15,268,729.56	-	-366,748.45	14	-366,748.45
Plus: Changes of accounting policies	2	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Error correction in previous period	3	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Others	4															
II. Beginning balance of this year	5	14,893,981.11	-	-	-	-	-	-	-	-	-	-15,268,729.56	-	-366,748.45		-366,748.45
III. Change of current year (mark "+," referred to as decrease)	6	-	-	-	-	-	-	-	-	-	-	841,353.95		841,353.95		841,353.95
1) Total Amount of consolidated income	7											841,353.95		841,353.95		841,353.95
2) Capital invested and decreased by owners	8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Common shares invested by the owner	9															
2. Capital invested by the holders of other equity instruments	10															
3. Amount of share recorded in owners' equity	11															
4. Others	12															
3) Appropriation and use of special reserve	13															
1. Appropriation of special reserve	14															
2. Use of special reserve	15															
4) Profit distribution	16															
1. Withdrawal of surplus reserves	17															
Including: Statutory surplus reserve	18															
Discretionary surplus reserve	19															
§ Reserve fund	20															
§ Enterprise expansion fund	21															
§ Profit capitalized on return of investment	22															
2. Appropriation of generic risk reserve	23															
3. Distribution of owners (or shareholders)	24															
4. Others	25															
6) Internal transfer of owner's equity	26	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Capital reserves transferred to capital (or share capital)	27															
2. Surplus reserves transferred to capital (or share capital)	28															
3. Loss covered by surplus reserves	29															
4. Retained earnings carried forward from the changes resulting from the defined benefit plan	30															
☆5. Retained earnings carried forward from other comprehensive income	31															
5. Others	32															
IV. Closing balance of current year	33	14,893,981.11	-	-	-	-	-	-	-	-	-	-14,419,370.61	-	474,610.50		474,610.50

Statement of Changes in Owners' Equity (Continued)

Year 2018

Unit: RMB

Enterprise's Name: Suzlon Wind Energy Equipment Trading (Shanghai) Co., Ltd.

		Amount of Prior Year														Minority Shareholder's Equity	Total owners' equity
Item	Line	Owners' equity subtotal belong to Parent Company															
		Paid-in capital (or share capital)	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive income	Special Reserves	Surplus Reserves	Δ Generic risk reserve	Undistributed profit	Others	Total			
		16	17	18	19	20	21	22	23	24	25	26	27	28			
Particulars	—																
I. Closing balance of last year	1	14,893,981.11										-15,316,790.96		-422,815.85	-422,815.85		
Plus: Changes of accounting policies	2																
Error correction in previous period	3																
Others	4																
II. Beginning balance of this year	5	14,893,981.11															
III. Change of current year (mark "-" referred to as decrease)	6																
1) Total Amount of consolidated income	7																
2) Capital Invested and decreased by owners	8																
1. Common shares invested by the owner	9																
2. Capital invested by the holders of other equity instruments	10																
3. Amount of share recorded in owners' equity	11																
4. Others	12																
3) Appropriation and use of special reserve	13																
1. Appropriation of special reserve	14																
2. Use of special reserve	15																
4) Profit distribution	16																
1. Withdrawal of surplus reserves	17																
Including: Statutory surplus reserve	18																
Discretionary surplus reserve	19																
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2. Appropriation of generic risk reserve	23																
3. Distribution of owners (or shareholders)	24																
4. Others	25																
B) Internal transfer of owner's equity	26																
1. Capital reserves transferred to capital (or share capital)	27																
2. Surplus reserves transferred to capital (or share capital)	28																
3. Loss covered by surplus reserves	29																
4. Retained earnings carried forward from the changes resulting from the defined benefit plan	30																
ΔΔ. Retained earnings carried forward from other comprehensive income	31																
5. Others	32																
IV. Closing balance of current year	33	14,893,981.11										-15,290,729.96		-366,748.46	-366,748.46		

Suzlon Wind Energy Equipment Trading (Shanghai) Co., Ltd.
Notes to the 2018
Financial Statements
(All amounts expressed in RMB Yuan unless otherwise stated)

I Company Profile

Suzlon Wind Energy Equipment Trading (Shanghai) Co., Ltd. is a foreign-funded enterprise solely funded by Suzlon Energy Ltd incorporated on June 10, 2008. The uniform social credit code of the Company is 91310000674645534M. The registered capital of the Company is USD 2.22 million. Domicile of the Company: Room 18H, 1800 West Zhong Shan Road, Xuhui District, Shanghai. Legal representative: ABHINAV PRABHATKUMAR SHAH. The term of business of this Company is 30 years.

The Company's scope of business: Wholesale, import & export and commission agent services (except auction) of wind power generation units and parts (including turbine towers) as well as relevant services, and business consultation. (No goods under state-owned trade administration are included, and goods involving quota and license administration shall be applied for in accordance with relevant requirements of the state.) [Items that shall be approved according to law shall be operated only upon the approval by the competent authority].

II Basis of Preparation

These financial statements were prepared on a going concern basis for transactions made in accordance with Accounting System for Business Enterprises, relevant accounting standards, as well as the following significant accounting policies and accounting estimates.

III Significant Accounting Policies and Accounting Estimates

1. Accounting standards and accounting system.

The Company implements the Accounting System for Business Enterprises, relevant accounting standards and their supplementary provisions.

2. Fiscal year

A fiscal year of the Company runs from January 1 to December 31 of the Gregorian calendar.

3. Recording currency

The Company takes Renminbi (RMB) as the functional currency.

4. Accounting basis and valuation principle

The accounts are kept on an accrual basis. Unless otherwise stated, the assets are accounted for at the actual cost when acquired; in case of impairment after the asset acquisition, corresponding impairment provisions shall be drawn.

5. Accounting treatment of foreign currency business and translation method

Transactions denominated in foreign currencies are translated into RMB amounts at the exchange rates (middle rates) published by the People's Bank of China on the date of transaction. Foreign currency account balances as of the end of each term are translated into RMB at the exchange rates (middle rates) of that date, with differences stated as exchange gains/losses. Specifically, those incurred during the organization period of the Company are stated as long-term deferred and prepaid expenses; those related to the purchase of fixed assets are stated in accordance with the principle of capitalization.

6. Cash and cash equivalents

The cash presented in the cash flow statement means the vault cash, bank deposits ready for payment at any time and cash equivalents. The term "cash equivalents" means short-term (generally due within three months as of the date of purchase) and highly liquid investments that are readily convertible to known amount of cash and is subject to an insignificant risk of change in value.

7. Accounts receivable

(1) Standards for the recognition of accounts receivable as bad debts:

(i) An account receivable whose debtor goes bankrupt or is dead, and which cannot be recovered with the bankruptcy properties or heritage;

(ii) An account receivable whose debtor fails to perform the repayment obligation as scheduled, and there is an obvious sign indicating that the amount cannot be recovered;

(iii) Accounts receivable meeting one of the aforesaid standards will be recognized as bad debt losses after being approved according to the management authority of the Company, and written off with the bad debt provision drawn.

(2) Accounting treatment of bad debt losses: the bad debts are accounted for by the allowance method.

(3) Withdrawal of bad debt provision: the bad debt provision is drawn by the specific identification method and according to the year-end balance of the accounts receivable or other receivables (excluding the security deposit).

8. Inventories

(1) Classification of inventories: materials in transit, commodities purchased, etc.

(2) Valuation methods applicable to acquisition and delivery: inventories will be measured at actual cost when being acquired, and by the specific identification method when being delivered.

(3) Inventory system: perpetual inventory system

(4) Amortization of low-value consumables and package materials: the one-off amortization method is adopted in accounting when such materials are drawn.

(5) Recognition of provisions for obsolete stocks: the inventories are measured at the lower one of the year-end book cost and the realizable net value of the inventories. When the realizable net value falls below the book cost, the provisions for obsolete stocks will be drawn according to the difference.

(6) Basis for determining the realizable net value: in the course of normal production and operations, the realizable net value shall be the value left after deducting the estimated completion costs and estimated expenses for sale from the estimated selling price.

(7) Withdrawal of impairment provision: the provision for obsolete stocks is drawn by single inventory. As for inventories of numerous quantity and low unit price, the provisions for obsolete stocks are drawn by the inventory category and the inventory impairment loss will be recorded into the current profits and losses.

9. Fixed assets

(1) The term "fixed assets" means the tangible assets held for sale of goods, rendering of service or business management, with the service life of over 1 year and high unit value.

(2) Measurement of fixed assets: a fixed asset is measured at the actual cost of acquisition.

(3) Depreciation of fixed assets: fixed assets are depreciated by the straight-line method. See below for the depreciation rates determined according to the original price, estimated economic service life and estimated salvage value rate of fixed assets:

Asset category	Estimated service life	Estimated salvage value rate (%)	Annual depreciation rate (%)
Electronic and other equipment	3 years	-	33.33

(4) Recognition and withdrawal of the provisions for impairment of fixed assets: at the end of each period, the provisions for impairment of fixed assets is drawn at the difference of the recoverable amount of a single fixed asset below its book value, and is recorded into the current profits and losses.

10. Long-term deferred expenses

A long-term deferred expense will be accounted for at the amount actually incurred, and be amortized evenly through the benefit period of the expense item. In case of no more use, the benefits of the future period shall be recorded once and for all into the current profits and losses.

11. Revenue recognition principles

(1) Sale of goods: an operating revenue will not be recognized unless major risks and rewards on the product ownership have been transferred to the buyer, The enterprise has retained neither the continuous management rights usually connected with the ownership nor the right to exert valid control over the products, the economic benefits related to the transaction can flow into the enterprise and the cost related to the sale of the products can be measured reliably.

(2) Rendering of service: if the service is started and completed in the same year, the service revenues will be recognized when the service has been rendered, and price or the basis for acquiring the price has been obtained; if the service is started and completed in different fiscal years, if the service transaction results can be estimated reliably, relevant service revenues shall be recognized by the percentage-of-completion method on the balance sheet date.

(3) Revenues from alienation of the right to use assets: the interest income arising from the alienation of the rights to use assets shall be calculated and determined according to the length and interest rate of cash use; the royalty income formed from intangible asset (e.g., trademark rights, patent rights, exclusive rights, software, copyrights, etc.) alienation shall be calculated and determined according to the time and method of charge stipulated in the relevant contract or agreement.

12. Accounting treatment of income tax

Accounting treatment of income tax: tax payable method, the income tax expenses of the current period shall be calculated and recognized according to the taxable income and applicable tax rate of the current period.

IV Taxes

Tax	Tax base	Tax rate	Benchmark tax rate/ tax preference and relevant approvals
VAT	Taxable income	17%,16%,6%	Benchmark tax rate
Urban maintenance and construction tax	Turnover tax	7%	Benchmark tax rate
Educational surcharges	Turnover tax	3%	Benchmark tax rate
Local educational surcharges	Turnover tax	2%,1%	Benchmark tax rate
Enterprise income tax	Taxable income	25%	Benchmark tax rate

V Notes to Financial Statement Items

1. Monetary funds

Item	Year end			Year beginning		
	Amount in original currency	Translation exchange rate	Equivalent to RMB	Amount in original currency	Translation exchange rate	Equivalent to RMB
Cash			-			-
Bank deposits			137,275.49			864,804.45
Including: RMB			129,925.89			54,648.40
USD	1,070.87	6.8632	7,349.60	123,987.03	6.5342	810,156.05
Total			137,275.49			864,804.45

2. Notes receivable & Accounts receivable

Item	Closing book balance	Opening book balance
Notes receivable	-	-
Accounts receivable	1,859,990.34	11,072.53
Total	1,859,990.34	11,072.53

Accounts receivable

(1) By the Age structure

Age	Year end		Year beginning	
	Book balance	Bad debt provision	Book balance	Bad debt provision
Less than 1 year (1 year inclusive)	1,848,917.81	-	-	-
1-2 years (2 years inclusive)	-	-	-	-
2-3 years (3 years inclusive)	-	-	-	-
More than 3 years	11,072.53	-	11,072.53	-
Total	1,859,990.34		11,072.53	-

(2) Receivables of significant amount

Item	Closing book balance	Opening book balance
Suzlon Energy Ltd	1,848,917.81	-
Total	1,848,917.81	-

3. Other receivables

(1) By the Age structure

Age	Year end		Year beginning	
	Book balance	Bad debt provision	Book balance	Bad debt provision
Less than 1 year (1 year inclusive)	45,071.52	-	5,042.94	-
1-2 years (2 years inclusive)	-	-	33,300.00	-
2-3 years (3 years inclusive)	33,300.00	-	-	-
More than 3 years	28,027.94	-	141,114.94	-
Total	106,399.46	-	179,457.88	-

(2) Other receivables of significant amount

Item	Closing book balance	Opening book balance
House leasing security deposit	66,300.00	146,387.00
Total	66,300.00	146,387.00

4. Inventories

Item	Year beginning	Increase in the current year	Decrease in the current year	Year end
Stock goods	51,047.87	-	51,047.87	-
Total	51,047.87	-	51,047.87	-

5. Fixed assets

Item	Year beginning	Increase in the current year	Decrease in the current year	Year end
1.Total original value	138,797.34	2,757.76	12,978.79	128,576.31
Including: Electronic and other equipment	138,797.34	2,757.76	12,978.79	128,576.31
2.Total accumulated depreciation	130,579.71	4,586.14	12,978.79	122,187.06
Including: Electronic and other equipment	130,579.71	4,586.14	12,978.79	122,187.06
3. Total accumulated impairment provision	-	-	-	-
Including: Electronic and other equipment	-	-	-	-
4. Total book value of fixed assets	8,217.63	/	/	6,389.25

6. Long-term deferred expenses

Item	Year beginning	Increase in the current year	Decrease in the current year	Year end
1.Original costs				
Office renovation	30,608.12	10,396.79	-	41,004.91
2.Accumulated amortization				
Office renovation	26,861.66	4,882.27	-	31,743.93
3.Amortized value				
Office renovation	3,746.46	/	/	9,260.98

7. Notes payable & Accounts payable

Item	Year end	Year beginning
Notes payable	-	-
Accounts r payable	1,148,643.66	1,248,561.93
Total	1,148,643.66	1,248,561.93

Accounts payable

(1) By the Age structure

Age	Year end		Year beginning	
	Amount	Proportion of total amount (%)	Amount	Proportion of total amount (%)
Less than 1 year (1 year inclusive)	-	-	-	-
1-2 years (2 years inclusive)	-	-	-	-
2-3 years (3 years inclusive)	-	-	-	-
More than 3 years	1,148,643.66	100	1,248,561.93	100
Total	1,148,643.66	100	1,248,561.93	100

(2) Payables of significant amount

Item	Closing book balance	Opening book balance
SETL	1,148,643.66	1,148,643.66
Total	1,148,643.66	1,148,643.66

8. Payroll payable

Item	Year beginning	Increase in the current year	Decrease in the current year	Year end
Staff Salary	342,624.15	2,117,761.60	2,090,329.17	370,056.58
Staff Welfare	-	765,090.44	765,090.44	-
Total	342,624.15	2,882,852.04	2,855,419.61	370,056.58

9. Taxes and dues payable

Tax	Year end	Year beginning
VAT	20,928.52	41,597.06
Urban maintenance and construction tax	1,465.00	2,911.79
Individual income tax	40,309.65	40,018.05
Educational surcharges	837.15	2,079.85
Stamp duty	106.91	-
Total	63,647.23	86,606.75

10. Paid-in capital

Investor's name	Year beginning		Increase in the current year	Decrease in the current year	Year end	
	Investment amount	Proportion (%)			Investment amount	Proportion (%)
Suzlon Energy Ltd	14,893,981.11 (USD 2,220,000.00)	100	-	-	14,893,981.11 (USD 2,220,000.00)	100
Total	14,893,981.11 (USD 2,220,000.00)	100	-	-	14,893,981.11 (USD 2,220,000.00)	100

11. Undistributed profits

Item	Current period	Prior period
Balance at the beginning of the current year	-15,260,729.56	-15,316,796.96
Increase in the current year	841,358.95	56,067.40
Including: transfer-in from the current year net profits	841,358.95	56,067.40
Decrease in the current year	-	-
Balance at the end of the year	-14,419,370.61	-15,260,729.56

12. Operating revenues and Operating cost

Item	Current period		Prior period	
	Income	Cost	Income	Cost
Main operating income	6,037,587.49	51,047.87	7,418,428.22	-
including: Consulting service income	6,008,077.49	-	7,418,428.22	-
Sales	29,510.00	51,047.87	-	-

13. Selling expenses

Item	Current period	Prior period
Total Selling expenses	4,411,516.45	5,921,520.89
Mainly: Salaries and social insurance premiums	3,380,747.30	4,267,565.73
Traveling expenses	65,599.98	232,329.75
Insurance expenses	62,546.51	19,500.00
Communication expenses	46,177.80	47,269.10

14. Administrative expenses

Item	Current period	Prior period
Total Administrative expenses	880,087.45	1,329,523.91
Mainly: Rents and Property charges	794,396.34	1,152,157.10
Communication expenses	15,296.27	27,720.75
Depreciation & Amortization expenses	9,468.41	13,390.97

15. Financial expenses

Item	Current period	Prior period
Total Financial expenses	-48,418.17	75,734.48
Including: Net interest expenses	-455.21	-827.03
Net exchange gains or losses	-64,241.97	59,980.43
Handling charges	16,279.01	16,581.08

16. Other incomes

Item	Current period	Prior period
Government grants	30,000.00	20,000.00
IIT charges return	-	13,835.99
Total	30,000.00	33,835.99

17. Non-operating revenue

Item	Current period	Prior period
Total Non-operating revenue	112,562.21	-
Including: Write-off Accounts payable more than 3 years	108,818.27	-
Disposal of fixed assets	3,743.94	-

VI Cash Flows

1. Reconciliation of net profit into cash flows from operating activities by the indirect method:

Item	Current year	Prior year
1. Reconciliation of net profit into cash flows from operating activities:	—	—
Net profit	841,358.95	56,067.40
Less: unrecognized investment losses	-	-
Add: provision for asset impairment	-	-
Depreciation of fixed assets	4,586.14	5,738.80
Amortization of intangible assets	-	-
Amortization of long-term deferred expenses	4,882.27	7,652.17
Decrease in deferred and prepaid expenses (increase expressed with "-")	-	-

Item	Current year	Prior year
Increased in accrued expenses (decrease expressed with "-")	-	-
Losses on disposal of fixed assets, intangible assets and other long-term assets (income expressed with "-")	-	-
Losses on retirement of fixed assets	-3,743.94	-
Losses on changes in fair value (income expressed with "-")	-	-
Financial expenses	64,241.95	59,980.43
Investment losses (income expressed with "-")	-	-
Decrease in deferred tax assets (increase expressed with "-")	-	-
Increase in deferred tax liabilities (decrease expressed with "-")	-	-
Decrease in inventories (increase expressed with "-")	51,047.87	-
Decrease in operating receivables (increase expressed with "-")	-1,566,967.94	692,044.98
Increase in operating payables (decrease expressed with "-")	-62,918.31	-226,305.58
Others	-	-
Net cash flows from operating activities	-667,513.01	595,178.20
2. Significant investing and financing activities not involving cash receipts and expenditures:	—	—
Conversion of debts into capital	-	-
Convertible corporate bonds due within one year	-	-
Fixed assets acquired under finance lease	-	-
3. Net changes in cash and cash equivalents:	—	—
Year-end cash balance	137,275.49	864,804.45
Less: Year-beginning cash balance	864,804.45	336,344.14
Add: year-end cash equivalent balance	-	-
Less: year-beginning cash equivalent balance	-	-
Net increase in cash and cash equivalents	-727,528.96	528,460.31

2. Information regarding cash and cash equivalents:

Item	Year end	Year beginning
1. Cash	137,275.49	864,804.45
Including: Vault cash	-	-
Bank deposits ready for payment at any time	137,275.49	864,804.45
Other monetary capital ready for payment at any time	-	-
2. Cash Equivalents	-	-
Including: investments in bonds due within three months	-	-
3. Year-end Balance of Cash and Cash Equivalents	137,275.49	864,804.45
Including: cash and cash equivalents whose use is subject to restriction to the subsidiaries inside the parent company or group	-	-

VII Contingencies

The Company has no contingencies for disclosure.

VIII Events after the Balance Sheet Date

As of the approval and issue date of the financial statements (March 25, 2019), the Company has no non-adjustment events after the balance sheet date which will influence the reading and understanding of the financial statements.

IX Related Party Relationship and Transactions

1. Information of parent company

Name of parent company	Place of incorporation	Equity Ratio	
		Opening	Closing
Suzlon Energy Ltd	India	100%	100%

2. Related party transactions

Provision of labor services to related parties:

Name of related party	Amount of purchase		Pricing policy or method
Suzlon Energy Ltd	6,008,077.49	7,418,428.22	Negotiated prices

3. Accounts receivable from the related parties

Item	Related party	Year end		Year beginning	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Accounts receivable	Suzlon Energy Ltd	1,848,917.81	-	-	-

X Approval to the Financial Statements

The 2018 financial statements were approved by the GM office of the Company on March 25, 2019.

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

March 25, 2019

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

2018 Taxable Income Calculator

Unit: RMB

Adjustment item		Amount	Remarks
I Accounting profits of the Year		841,358.95	
II Increase in the Taxable Income due to Adjustments			
1	Business entertainment expenses	1,210.60	Actually Incurred 3,026.50*40%
2	Staff welfare expenses	12,415.09	
3	Accrued combined general insurance expenses	63,545.90	
4			
5			
Total		77,171.59	
III Decrease in the Taxable Income due to Adjustments			
1			
2			
3			
4			
5			
Total		-	
IV Income after the Tax Adjustments		918,530.54	
Less: prior year deficiency		918,530.54	
V Taxable Income after Adjustments		-	

Note:

The Taxable Income Adjustment Table only represents the opinions of the certified public account. The final taxable income of an enterprise is subject to the review of the concerned taxation administration.

Shanghai Zhongchuang & Haijia Certified Public Accountants Co., Ltd.

Chinese Certified Public Accountant: Xu Jin

Shanghai China

2019/3/25