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**SEWPG European Innovation
Center ApS**

Inge Lehmanns Gade 10
8000 Aarhus C
Business Registration No
39619830

**Annual report 28.05.2018
- 31.12.2018**

The Annual General Meeting adopted the annual report on 30.05.2019

Chairman of the General Meeting

Name: Jun Miao



Member of Deloitte Touche Tohmatsu Limited

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Entity details

Entity

SEWPG European Innovation Center ApS
Inge Lehmanns Gade 10
8000 Aarhus C

Central Business Registration No (CVR): 39619830
Registered In: Aarhus
Financial year: 28.05.2018 - 31.12.2018

Board of Directors

Jun Miao, Chairman
Fengfeng Huang
Xiaogang Meng

Executive Board

Xiaogang Meng, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of SEWPG European Innovation Center ApS for the financial year 28.05.2018 - 31.12.2018.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 28.05.2018 - 31.12.2018.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Aarhus, 30.05.2019

Executive Board


Xiaogang Meng
CEO

Board of Directors


Jun Miao
Chairman


17. 6. 10

Fengfeng Huang


2019.6.5

Xiaogang Meng


2019. 6. 10

Independent auditor's report

To the shareholders of SEWPG European Innovation Center ApS

Opinion

We have audited the financial statements of SEWPG European Innovation Center ApS for the financial year 28.05.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 28.05.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities 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 ISAs and the additional requirements applicable in Denmark 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 conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Independent auditor's report

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aarhus, 30.05.2019

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 33963556



Søren Alsen Lauridsen

State Authorised Public Accountant

Identification No (MNE) mne40040

Management commentary

Primary activities

SEWPG European Innovation Center ApS is established in May 2018 with the purpose of performing research and development, testing, sale and service within wind energy sector. During 2018, the Company's activities comprised primarily cost in the start-up stage.

Development in activities and finances

The income statement for 2018 shows a loss of DKK 862.560 and the balance sheet at 31 December 2018 shows equity of DKK 6.537.440.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2018

	<u>Notes</u>	<u>2018</u> <u>DKK</u>
Gross profit/loss		(1.078.563)
Other financial expenses		<u>(17.997)</u>
Profit/loss before tax		(1.096.560)
Tax on profit/loss for the year	1	<u>234.000</u>
Profit/loss for the year		<u>(862.560)</u>
Proposed distribution of profit/loss		
Retained earnings		<u>(862.560)</u>
		<u>(862.560)</u>

Balance sheet at 31.12.2018

	Notes	2018 DKK
Deposits		87.726
Fixed asset investments		87.726
Fixed assets		87.726
Deferred tax		234.000
Other receivables		203.585
Receivables		437.585
Cash		6.604.377
Current assets		7.041.962
Assets		7.129.688

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>
Contributed capital		7.400.000
Retained earnings		<u>(862.560)</u>
Equity		<u>6.537.440</u>
Other payables		<u>592.248</u>
Current liabilities other than provisions		<u>592.248</u>
Liabilities other than provisions		<u>592.248</u>
Equity and liabilities		<u>7.129.688</u>
Assets charged and collateral	2	
Group relations	3	

Statement of changes in equity for 2018

	Contributed capital DKK	Retained earnings DKK	Total DKK
Contributed upon formation	7.400.000	0	7.400.000
Profit/loss for the year	0	(862.560)	(862.560)
Equity end of year	7.400.000	(862.560)	6.537.440

Notes

	2018
	DKK
1. Tax on profit/loss for the year	
Change In deferred tax	(234.000)
	<u>(234.000)</u>
2. Assets charged and collateral	
The company has not provided any security or other collateral in assets at 31 December 2018.	
3. Group relations	
Name and registered office of the Parent preparing consolidated financial statements for the smallest group:	
Information about consolidated financial statements	
Parent company: Shanghai Electric Wind Power Group Co., Ltd.	
Domicile: Shanghai, China	

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises.

It is the first year audit of the company.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Cash

Cash comprises cash in hand and bank deposits.

Accounting policies

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

