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HANGZHOU HIKVISION DIGITAL TECHNOLOGY CO., LTD.
2018 Fiscal Year Financial Preview

Hangzhou Hikvision Digital Technology Co., Ltd. (hereinafter referred to as the “Company”) and all members of the Board of Directors hereby guarantee that the information presented in this report shall be truthful, accurate and complete of its contents and shall be free of any false records, misleading statements or material omissions.

Note: The 2018 annual financial data provided in this announcement is preliminary accounting data, which has been reviewed by internal audit. The certified public accountants’ audit has not been performed yet. Differences may occur in the finalized audited financial report. Please pay attention to the potential investment risk.

I. Key Accounting Data and Financial Indicators for Fiscal Year 2018

	2018	2017	YoY Change (%)
Total Operating income (RMB)	49,809,885,519.34	41,905,476,572.07	18.86%
Total Operating Profit (RMB)	12,356,372,039.95	10,443,111,610.45	18.32%
Total Profit (RMB)	12,489,078,074.40	10,486,820,482.36	19.09%
Net profits attributable to shareholders of the Company (RMB)	11,335,992,570.44	9,410,855,084.82	20.46%
Basic earnings per share (RMB/share)	1.243	1.030	20.68%
Weighted average ROE (%)	33.95%	34.96%	-1.01%
	At the end of 2018	At the end of 2017	YoY Change (%)
Total assets (RMB)	63,083,452,741.91	51,570,963,466.61	22.32%
Owners’ equity attributable to shareholders of the Company (RMB)	37,572,181,929.70	30,358,072,874.22	23.76%
Share Capital (RMB) ^{Note 3}	9,227,270,473.00	9,228,865,114.00	-0.02%

Net asset per share attributable to shareholders of the Company (RMB)	4.07	3.29	23.71%
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Note 1: The above financial data is filled in with the Company's consolidated statement data.

Note 2: The amount resulted in the same period of prior year and the beginning balances were retroactively adjusted for business merger under the common control.

Note 3: During the reporting period, the total capital shares of the company altered from 9,228,865,114 shares to 9,227,270,473 shares due to the implementation of the second repurchase and cancellation of 2014 Restricted Share Incentive Scheme.

II. Information about Preliminary Operational and Financial Results

In 2018, the company maintains high-level R&D investment, enhances overall competitiveness, continuously strengthens management level and improves operational efficiency by optimizing internal resources, continues to develop domestic and overseas markets, and maintains a steady and healthy growth in performance.

In 2018, the Company's total operating income was RMB 49,809,885,519.34, representing a year-over-year growth of 18.86%; total operating profit was RMB 12,356,372,039.95, indicating a year-over-year growth of 18.32%; total profit was RMB 12,489,078,074.40, a year-over-year growth of 19.09%; net profits attributable to shareholders of the Company amounted to RMB 11,335,992,570.44, a 20.46% increase over 2017.

III. Explanation for Any Deviation from Previous Operational Result Guidance

The business performance disclosed in this 2018 financial preview aligned with the 2018 operational result guidance disclosed in 2018 3rd quarter report.

IV. Documents Available for Reference

1. The comparative balance sheet and income statement that signed and sealed by the person in charge of the Company, the responsible person in charge of accounting work, and the person in charge of accounting organization.
2. Internal audit report signed by the person in charge of the internal audit department.

HANGZHOU HIKVISION DIGITAL TECHNOLOGY CO., LTD.

The Board of Directors

February 15th, 2019