

HANGZHOU HIKVISION DIGITAL
TECHNOLOGY CO., LTD.



2018 Quarter 3 Report
July to September 2018

October 20th 2018

Section I Important Notes, Contents and Definitions

The Board of Directors, Board of Supervisors, directors, supervisors and senior management of Hangzhou Hikvision Digital Technology Co., Ltd. (hereinafter referred to as the “Company”) hereby guarantee that the information presented in this report shall be together be wholly liable for the truthfulness, accuracy and completeness of its contents and free of any false records, misleading statements or material omissions, and will undertake individual and joint legal liabilities.

All directors have attended the board meeting to review this quarterly report.

Chen Zongnian, the Company's legal representative, Jin Yan, the person in charge of the accounting work, and Zhan Junhua, the person in charge of accounting institution (accounting supervisor) hereby declare and warrant that the financial statements in this report are authentic, accurate and complete.

Note:

This document is a translated version of the Chinese version 2018 Q3 Financial Report (“2018 年第三季度报告全文”), and the published Q3 report in the Chinese version shall prevail. The complete published Chinese 2018 Q3 Financial Report may be obtained at <http://www.cninfo.com.cn>.

Section II Corporate Profile

I. Key Accounting Data and Financial Indicators

Whether the Company performed a retroactive adjustment to or restatement of previous accounting data

☐ Yes ☒ No

	At September 30 th 2018	At December 31 st 2017	Change(%) between December 31 st 2017 and September 30 th 2018	
Total assets (RMB)	54,932,903,678.85	51,570,963,466.61	6.52%	
Net assets attributable to shareholders of the Company (RMB)	33,288,289,805.53	30,358,072,874.22	9.65%	
	2018 Q3	YoY Change(%) between 2017 Q3 and 2018 Q3	2018 Q1~Q3	YoY Change(%) between 2017 Q1~Q3 and 2018 Q1~Q3
Operating income (RMB)	12,926,932,976.48	14.58%	33,802,691,201.11	21.90%
Net profits attributable to shareholders of the Company (RMB)	3,248,407,615.14	13.53%	7,395,803,151.00	20.20%
Net profits attributable to shareholders of the Company excluding non-recurring gains and losses (RMB)	3,142,725,705.56	11.48%	7,151,996,666.81	19.02%
Net cash flows from operating activities (RMB)	4,267,464,655.50	109.33%	2,646,271,297.50	2,660.86%
Basic earnings per share (RMB/share)	0.357	13.33%	0.806	20.12%
Diluted earnings per share (RMB/share)	0.353	12.78%	0.804	19.47%
Weighted average Return on Equity (ROE)	10.25%	-1.30%	23.06%	0.68%

Items and Amounts of Non-recurring Gains and Losses

√ Applicable □ Inapplicable

Unit: RMB

Item	January 1 st –September 30 th 2018
Profit or loss from disposal of non-current assets (including the write-off for the impairment provision of assets)	3,972,499.20
The government subsidies included in the current profits and losses (excluding the government subsidy closely related to regular course of business of the Company and government subsidy based on standard quota or quantification application according to the national industrial policy.)	162,364,517.13
Profits and losses attributed to change in fair value for held-for-trading financial assets, held-for-trading financial liabilities, and investment income in disposal of held-for-trading financial assets and liabilities and available-for sale financial assets, excluding the effective hedging business related to the regular business operation of the Company.	67,991,633.56
Other non-operating income and expenditures except the items mentioned above	86,164,616.08
Less: Impact of income tax	57,283,249.95
The impact of the minority interests (after tax)	19,403,531.83
Total	243,806,484.19

Explain the reasons if the Company classifies an item as a non-recurring gain/loss according to the definition in the <Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Non-recurring Gains and Losses>, or classifies any non-recurring gain/loss item mentioned in the aforementioned note as a recurrent gain/loss item

□ Applicable √ Inapplicable

In the reporting period, the Company did not classify an item as a non-recurring gain/loss according to the definition in the <Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Non-recurring Gains and Losses>, or classifies any non-recurring gain/loss item mentioned in the aforementioned note as a recurrent gain/loss item

II. Total Number of Shareholders at the end of the reporting period and Information for Top 10 Shareholders

1. Total number of common shareholders and preferred shareholders with resumed voting rights and information about top 10 shareholders

Unit: Share

Total number of common shareholders at the end of the reporting period	182,216	Total number of preferred shareholders (if any) whose voting rights have been recovered at the end of the reporting period				0
Particulars about top 10 shareholders						
Name of shareholder	Nature of shareholder	Share-holding percentage (%)	Total shares held at the period-end	The number of common shares held with trading restrictions	Pledged or frozen	
					Status	Amount
China Electronics Technology HIK Group Co., Ltd.	State-owned corporation	39.60%	3,653,674,956	0	Pledged	50,000,000
Gong Hongjia	Overseas individual	13.60%	1,255,056,700	1,038,792,525	Pledged	336,783,300
Hong Kong Securities Clearing Company Ltd.(HKSCC)	Overseas corporation	10.41%	960,637,497	0	-	-
Xinjiang Weixun Investment Management Limited Partnership	Domestic non-state-owned corporation	4.89%	450,795,176	0	Pledged	161,500,000
Xinjiang Pukang Investment Limited Partnership	Domestic non-state-owned corporation	1.98%	182,510,174	0	Pledged	64,570,000
Hu Yangzhong	Domestic Individual	1.97%	182,186,477	136,639,858	Pledged	84,130,000
The 52nd Research Institute at China Electronics Technology Group Corporation	State-owned corporation	1.96%	180,775,044	0	-	-
UBS AG	Overseas corporation	0.84%	77,504,473	0	-	-
Central Huijin Investment Ltd.	State-owned corporation	0.71%	65,818,800	0	-	-
CITIC Securities Company Limited	Domestic non-state-owned corporation	0.62%	57,198,199	0	-	-

Particulars about shares held by the Top 10 common shareholders holding shares that are not subject to trading restriction(s)			
Name of shareholder	Number of common shares without trading restrictions held at the period-end	Type of shares	
		Type	Number
China Electronics Technology HIK Group Co., Ltd.	3,653,674,956	RMB ordinary shares	3,653,674,956
Hong Kong Securities Clearing Company Ltd.(HKSCC)	960,637,497	RMB ordinary shares	960,637,497
Xinjiang Weixun Investment Management Limited Partnership	450,795,176		450,795,176
Gong Hongjia	216,264,175	RMB ordinary shares	216,264,175
Xinjiang Pukang Investment Limited Partnership	182,510,174	RMB ordinary shares	182,510,174
The 52nd Research Institute at China Electronics Technology Group Corporation	180,775,044	RMB ordinary shares	180,775,044
UBS AG	77,504,473	RMB ordinary shares	77,504,473
Central Huijin Investment Ltd.	65,818,800	RMB ordinary shares	65,818,800
CITIC Securities Company Limited	57,198,199	RMB ordinary shares	57,198,199
GIC PRIVATE LIMITED	50,007,208	RMB ordinary shares	50,007,208
Explanation on associated relationship and concerted actions among top ten common shareholders without trading restrictions, and among top ten common shareholders and top ten common shareholders without trading restrictions	China Electronics Technology HIK Group Co., Ltd. and The 52nd Research Institute at China Electronics Technology Group Co., Ltd. are all subject to control of China Electronics Technology Group Corporation. Ms. Chen Chunmei, limited partner of Xinjiang Pukang Investment Limited Partnership, is the spouse of Mr. Gong Hongjia, foreign individual shareholder of the Company. Hu Yangzhong, domestic individual, is holding shares in both Xinjiang Weixun Investment Management Limited Partnership and Xinjiang Pukang Investment Limited Partnership. Except for these, the Company does not know whether the other shareholders are related parties or whether they are acting-in-concert parties in accordance with the <i>Measures for Management of the Disclosure of the Shareholding Changes of Shareholders of the Listed Company</i>.		

Any of the Company's top 10 common shareholders or top 10 non-restricted common shareholders conducts any agreed buy-back in the reporting period?

☐ Applicable ☒ Inapplicable

No such cases in the reporting period.

2. Total number of preferred shareholders and information about Top 10 preferred shareholders

☐ Applicable ☒ Inapplicable

Section III Significant Events

1. Information and explanation about variations in key financial statement items and financial indicators during the reporting period.

√Applicable □Inapplicable

1.1 Explanation for variations in balance sheet items

Item	Balance at September 30 th 2018 (RMB)	Balance at January 1 st 2018 (RMB)	YoY change (%)	Note of Changes
Financial assets at fair value through profit and loss	17,214,568.51	4,100,657.54	319.80%	Changes in fair value for foreign exchange hedging products
Other current assets	711,908,681.58	3,720,449,532.88	-80.86%	Withdraw of principal-guaranteed bank financial products which are due
Long-term equity investment	174,256,515.30	130,474,733.58	33.56%	Increase the investment of Maxio Technology (Hangzhou) Ltd. and other associated companies
Fixed assets	4,317,008,970.21	3,024,025,496.31	42.76%	Transfer of the completed Internet Security Industry Base project from construction in process to fixed assets
Construction in progress	848,421,778.65	1,436,319,118.30	-40.93%	
Intangible assets	827,671,591.59	429,160,982.63	92.86%	Purchase of land use right for Chengdu Science and Technology Base project during the current reporting quarter.
Other non-current assets	1,436,455,510.67	858,796,668.13	67.26%	Mainly due to increase in equipment prepayments and long-term assets formed by completed construction contracts that have not been settled yet
Short-term borrowings	3,186,577,915.25	97,114,655.91	3181.25%	Increase in bank borrowings due to temporary capital turnover
Financial liabilities at fair value through profit and loss	24,379,634.94	15,946,836.46	52.88%	Changes in fair value for foreign exchange hedging products

Non-current liabilities due within one year	4,033,158,623.18	1,546,407,270.89	160.81%	The Euro bond will be due within one year, and was categorized into current asset.
Bonds payable	-	3,120,920,000.00	-100.00%	
Long-term borrowings	190,000,000.00	490,000,000.00	-61.22%	Repayments of long-term borrowings which are due
Deferred income	175,001,027.42	88,925,771.65	96.79%	Increase in special government subsidies
Other comprehensive income	-53,399,341.65	-27,677,939.35	92.93%	Differences in foreign currency statements translation caused by changes in exchange rates

1.2 Explanation for variations in income statement items

Item	2018 Q1~Q3 (RMB)	2017 Q1~Q3 (RMB)	YoY Change (%)	Note of changes
Selling expenses	4,175,942,610.35	2,960,426,405.60	41.06%	Continue to increase investments in domestic and overseas sales network
Administrative expenses	960,293,296.63	569,994,387.84	68.47%	Personnel growth and increase in new office occupancy of low value consumables, and etc.
R&D expenses	3,077,722,956.20	2,292,071,002.00	34.28%	Continue to increase investments in R&D
Financial expense	-367,680,813.03	218,299,111.47	-268.43%	Increase in foreign exchange rate gains
Other income	1,417,431,530.21	1,040,078,811.54	36.28%	New special government subsidies and the increase in value-added tax (VAT) rebates as income increases
Investment income	61,182,269.35	46,547,777.20	31.44%	Increase in investment incomes obtained from principal-guaranteed bank financial products which are due
Gains from changes in fair values	5,191,145.93	38,626,739.56	-86.56%	Changes in fair value for foreign exchange hedging products

1.3 Explanation for variations in cash flow statement items

Item	2018 Q1~Q3 (RMB)	2017 Q1~Q3 (RMB)	YoY Change (%)	Note of changes
Net cash flow from operating activities	2,646,271,297.50	95,849,570.76	2660.86%	Increase in sales receipts
Net cash flow from investment activities	1,296,366,271.60	2,657,270,850.26	-51.21%	Increase in cash expenditures on long-term assets

2. Progress and influence of significant events, analysis and explanation of corresponding solutions.

☐ Applicable ☒ Inapplicable

3. Incomplete commitments from the related committed parties such as the Company's actual controller, shareholders, related parties, acquirer(s), and the Company during the reporting period

☒ Applicable ☐ Inapplicable

Commitments	Giver of commitments	Details of commitments	Date of commitments	Term of commitments	Performance
Commitments in acquisition report or shareholding alterations	CETHIK Group Co., Ltd.	1. Commitments in non-competition within the industry: In the period as controlling shareholders of the Hikvision, CETHIK and its controlling subsidiaries (excluding Hikvision and its subsidiaries, the same below) will not be engaged in such business that is competitive to Hikvision and its subsidiaries directly or indirectly. 2. Commitments in decrease and regulation of transactions with related party: Zhejiang Haikang Group Co., Ltd (hereinafter referred to as Haikang Group or actual controller) as the controlling shareholders of Hangzhou Hikvision Digital Technology Co., Ltd (hereinafter referred to as "Hikvision" or "Listed Company") are committed as below for the transactions with Hikvision: (1) Haikang Group will not make use of the controlling power to offer more favorable conditions to Hikvision than those to any independent third party in any fair market transactions in the cooperation with Hikvision. (2) Haikang Group will not make use of the controlling power to obtain the	October 29 th 2013	Long-term	Strict performance

Commitments	Giver of commitments	Details of commitments	Date of commitments	Term of commitments	Performance
		prior right to complete the transaction with Hikvision. (3) Haikang Group will not deal with Hikvision in not fair terms comparing to the market prices to prejudice the Company's interests. For unavoidable related transactions, the Company will observe the principles of justice and fairness to determine prices according to the market on the basis of equality, voluntarily. The Company will obey the Articles of Association and other regulatory documents related to the avoiding of issues about related transactions. The related transactions will go through approval procedures in accordance with related rules and complete legal procedures, fulfilling the information disclosure obligations in respect to the related transactions 3. Commitment to the maintenance of the independence of the listed Company 3.1 Commitment to Personnel Independence of the listed Company (1) Commitment that our general manager, deputy general manager, chief financial officer, secretary of the board and other members of senior management shall not assume any positions other than directors and supervisors or get any remuneration in CETHIK and/or any of its controlled entities; (2) Commitment in keeping the management of labor, human resources and issues related to remuneration of the listed Company independent from that of CETHIK; 3.2 Commitment to the independence of the asset of the listed Company (1) Commitment to independent and complete asset of the listed Company (2) Commitment free of unlawful use of cash and asset of the listed Company by the controlling shareholders 3.3 Commitment to financial independence of the listed Company (1) Commitment to an independent finance department with a team and accounting system; (2) Commitment to a regulated, independent accounting system and financial management system of the branches and subsidiaries (3) Commitment to maintaining accounts with banks independently of and not sharing any bank account with our controlling shareholders (4) Commitment that the financial staff shall not assume any positions in			

Commitments	Giver of commitments	Details of commitments	Date of commitments	Term of commitments	Performance
		CETHIK (5) Commitment to paying taxes independently according to the law; (6) Commitment to implementing financial decisions independently 3.4 The Company has set up an independent organizational structure which maintains its independent operations which is independent from that of CETHIK. 3.5 Commitment to business Independence of the listed Company (1) The Company has the asset, personnel, aptitude and management capability for independent and complete business operation. The Company has the ability to operate independently in the market. (2) Commitment in independence in both business and operations 4. Regarding plans for the development and relevant commitment for the listed Company, Haikang Group has committed as below for the subsequent development of Hikvision according to the Securities Acts and relevant laws and rules, 4.1 Currently the Company has no plan to change or make significant adjustments for principal business in the next 12 months; 4.2 Currently the Company has no plan to sell, merge or operate with another Company for the assets and business of the listed Company or its subsidiaries in the next 12 months. 4.3 Currently the Company has no plan to alter the Board of the Directors and senior management and no agreement with other shareholders about the appointment and removal of the directors or senior management. The team of Board of Directors and senior management will remain unchanged for the foreseeable future. 4.4 Currently the Company has no plan to make significant changes to the Articles of Association for the listed Company. 4.5 Currently the Company has no plan to make significant changes to the			

Commitments	Giver of commitments	Details of commitments	Date of commitments	Term of commitments	Performance
		existing employee recruitment for the listed Company. 4.6 Currently the Company has no plan to make significant changes for the dividend distribution plan for the listed Company. 4.7 Currently the Company has no plan to make significant changes for business and organizational structure for the listed Company.			
Commitments in Initial Public Offering or re-financing	Hangzhou Weixun Investment Management Ltd. (later renamed as Xinjiang Weixun Investment Management Limited Partnership)	During Hu Yangzhong, Wu Weiqi, Jiang Haiqing, Zhou Zhiping, Xu Lirong, Cai Dingguo, He Hongli, Zheng Yibo, Hu Dan, Jiang Yufeng, Liu Xiang, Wang Ruihong, Chen Junke's tenure of the Company's board of directors, supervisors and senior management personnel, the annual transfer of Hikvision's total shares should not exceed 25% of total number of shares held under Weixun; within 6 months after abovementioned personnel's dimission, should not transfer Hikvision's shares held under Weixun.	May 17 th 2010	Long term	Strict performance
	Hangzhou Pukang Investment Ltd. (later renamed as Xinjiang Pukang Investment Limited Partnership)	During Hu Yangzhong, Wu Weiqi, Gong Hongjia's tenure of the Company's board of directors, supervisors and senior management persone, the annual transfer of Hikvision's total shares should not exceed 25% of total number of shares held under Pukang; whithin 6 months after abovementioned personnel's dimission, should not transfer Hikvision's shares held under Pukang.	May 17 th 2010	Long term	Strict performance
	The Company's directors, supervisors and executive: HuYangzhong, Wu Weiqi, Jiang Haiqing, Zhou Zhiping, Xu Lirong, Cai Dingguo, He Hongli, Zheng Yibo, Hu Dan, Jiang Yufeng, Liu Xiang, Wang Ruihong, Chen Junke	During their tenure of the Company's board of directors, supervisors and senior management personnel, the annual shares transfer should not exceed 25% of total number of shares held under Weixun; whthin 6 months after their dimission, they should not transfer their shares held under Weixun.	May 17 th 2010	Long term	Strict performance
	Directors, executive officers of the Company: Hu Yangzhong, Wu Weiqi	During their tenure of the Company's board of directors, supervisors and senior management personnel, the annual shares transfer should not exceed	May 17 th 2010	Long term	Strict performance

Commitments	Giver of commitments	Details of commitments	Date of commitments	Term of commitments	Performance
		25% of total number of shares held under Pukang; within 6 months after their dimission, they should not transfer their shares held under Pukang.			
	The Company's director Gong Hongjia's spouse, Chen Chunmei	During Gong Hongjia's tenure of the Company's board of directors, supervisors and senior management personnel, Chen's annual shares transfer should not exceed 25% of total number of shares held under Pukang; within 6 months after the dimission of Gong Hongjia, Chen should not transfer her shares held under Pukang.	May 17 th 2010	Long-term	Strict performance
	China Electronics Technology Group Corporation (later renamed as China Electronics Technology Group Co., Ltd.)	To avoid any loss of the Company and other shareholders arising from any competing business, China Electronics Technology Group Corporation, the actual controller of the Company, issued Letters of non-competition on 18 September, 2008.	September 18 th 2008	Long term	Strict performance
	Gong Hongjia; Hangzhou Weixun Investment Management Limited Partnership (later renamed as Xinjiang Weixun Investment Management Limited Partnership); Hangzhou Pukang Investment Limited Partnership (later renamed as Xinjiang Pukang Investment Limited Partnership); ZheJiang Orient Holdings Co., Ltd.	To avoid any loss of the Company and other shareholders arising from any competing business, Gong Hongjia, Hangzhou WeiXun Investment Management Limited Partnership, ZheJiang Orient Holdings Co., Ltd and Hangzhou KangPu Investment Management Limited Partnership, the promoters of the Company, issued <i>Commitment Letters of non-competition in the same industry</i> on 10 July, 2008.	July 10 th 2008	Long term	Strict performance
Whether the undertaking is fulfilled on time	Yes				

4. Guidance on the Company's 2018 full year operational results.

Guidance on the Company's 2018 full year operational performance: Net profits attributable to shareholders of the Company are positive, and situation of turning losses into gains is not applicable.

Estimated YoY change (%) of 2018 net profits attributable to shareholders of the Company	10%	to	30%
Estimated variation interval of 2018 net profits attributable to shareholders of the Company (0,000 RMB)	1,035,194.06	to	1,223,411.16
2017 net profits attributable to shareholders of the Company (0,000 RMB)	941,085.51		
Note of change in operational results	The Company's operating performance continues to have a steady and healthy growth.		

5. Financial Assets measured at fair value

√ Applicable □ Inapplicable

Unit: RMB

Asset Category	Initial investment cost	Profits or losses on the changes in fair value in current period	Cumulative fair value change charged to equity	Purchase during the reporting period	Sales during the reporting period	Cumulative investment income	Closing balance	Source of funds
Financial derivative instruments	1,400,293,692.23	5,191,145.93	0.00	7,631,386,701.31	0.00	35,043,866.01	2,239,570,541.52	Company's own funds
Total	1,400,293,692.23	5,191,145.93	0.00	7,631,386,701.31	0.00	35,043,866.01	2,239,570,541.52	--

6. Illegal provision of guarantees for external parties

□ Applicable √ Inapplicable

No such case in the reporting period.

7. The Company's funds used by the controlling shareholder or its related parties for non-operating purposes

☐ Applicable ☒ Inapplicable

No such case in the reporting period.

8. Entrusted financial management

☒ Applicable ☐ Inapplicable

Unit: 0'000 RMB

Type	The source of funds for entrusted financial management	Amount of entrusted financial management incurred	Unexpired balance	Amount not recovered in time
Bank Financial Products	The Company's own funds	449,000	10,000	0
Total		449,000	10,000	0

Notes of entrusted financial management involving single significant amount or low security, poor liquidity, principal-not-guaranteed with high risks

☐ Applicable ☒ Inapplicable

Entrusted financial management that is expected to fail to recover the principal or other circumstances that may lead to impairment

☐ Applicable ☒ Inapplicable

9. Schedule for the reception activities including research, communication and interviews during the report period

☒ Applicable ☐ Inapplicable

9.1 Reception of research activities during 2018 Q3

Time of reception	Location	Method of reception	Type of reception object	Index of basic situation of the research
July 23 rd 2018	Headquarter Conference Room	Performance result-Conference Call	Institutional and individual investors	CNINF, <i>Investor Relations Activity Record: July 23rd 2018</i>
From July 24 th 2018 to August 10 th 2018	Headquarter Conference Room	Site Research and telephone communication	Institutional investors	CNINF, <i>Investor Relations Activity Record: From July 24th 2018 to August 10th 2018</i>

Time of reception	Location	Method of reception	Type of reception object	Index of basic situation of the research
From August 13 th 2018 to August 31 st 2018	Headquarter Conference Room	Site Research and telephone communication	Institutional investors	CNINE, <i>Investor Relations Activity Record: From August 13th 2018 to August 31st 2018</i>
From September 3 rd 2018 to September 14 th 2018	Headquarter Conference Room	Site Research and telephone communication	Institutional investors	CNINE, <i>Investor Relations Activity Record: From September 3rd 2018 to September 14th 2018</i>

9.2 Participation of conferences for investor relationship activities during 2018 Q3

Time of conference	Location	Conference Name	Type of reception object	Method of reception
September 2018	London	CICC Forum (UK) 2018	All kinds of investors	One-on-One, One-on-multi, small group Meetings, and etc.
September 2018	Stockholm -London	Europe NDR-via CICC	All kinds of investors	One-on-One Meetings
September 2018	Shenzhen	UBS China A-Share Conference 2018	All kinds of investors	One-on-One, One-on-multi, small group Meetings, and etc.
September 2018	Taipei	Credit Suisse 19 th Annual Asian Technology Conference	All kinds of investors	One-on-One, One-on-multi, small group Meetings, and etc.
September 2018	Hongkong	25 th CLSA Investors' Forum	All kinds of investors	One-on-One, One-on-multi, small group Meetings, and etc.

9.3 Investor relations activity statistics during 2018 Q3

Number of daily research received (On-site and telephone conference, times)	135
Number of institutional investors received (ppl)	981
Number of individual investors received (ppl)	9
Number of investor relations conference participated	5

Section IV Financial Reports

4.1 Financial Reports

1. Consolidated Balance Sheet

Prepared by Hangzhou Hikvision Digital Technology Co., Ltd.

September 30th 2018

Unit: RMB

Item	Closing balance	Opening balance
Current Assets:		
Cash and bank balances	18,273,311,625.69	16,468,430,702.64
Balances with clearing agencies		
Placements with banks and other financial institutions		
Financial assets at fair value through profit and loss	17,214,568.51	4,100,657.54
Derivative financial assets		
Notes Receivable and Accounts Receivables	20,174,353,891.92	18,342,171,688.84
Including : Notes receivable	1,993,898,058.19	3,636,961,616.03
Accounts receivable	18,180,455,833.73	14,705,210,072.81
Prepayments	454,115,714.47	527,576,857.11
Premiums receivable		
Amounts receivable under reinsurance contracts		
Reinsurer's share of insurance contract reserves		
Other receivables	723,430,178.28	583,681,240.81
Financial assets purchased under resale agreements		
Inventories	5,797,676,969.36	4,940,332,311.65
Held-for-sale assets		
Non-current assets due within one year	78,666,535.33	66,566,230.12
Other current assets	711,908,681.58	3,720,449,532.88
Total Current Assets	46,230,678,165.14	44,653,309,221.59
Non-current Assets:		
Loans and advances to customers		

Item	Closing balance	Opening balance
Available-for-sale financial assets	287,466,813.00	287,466,813.00
Held-to-maturity investments		
Long-term receivables	24,113,182.32	23,375,680.61
Long-term equity investment	174,256,515.30	130,474,733.58
Investment properties		
Fixed assets	4,317,008,970.21	3,024,025,496.31
Construction in progress	848,421,778.65	1,436,319,118.30
Productive biological assets		
Oil and gas assets		
Intangible assets	827,671,591.59	429,160,982.63
Development expenditures		
Goodwill	255,885,609.58	248,964,102.97
Long-term prepaid expenses		
Deferred tax assets	530,945,542.39	479,070,649.49
Other non-current assets	1,436,455,510.67	858,796,668.13
Total Non-current Assets	8,702,225,513.71	6,917,654,245.02
Total Assets	54,932,903,678.85	51,570,963,466.61
Current Liabilities:		
Short-term borrowings	3,186,577,915.25	97,114,655.91
Loans from the central bank		
Customer deposits and deposits from banks and other financial institutions		
Capitals taking from banks and other financial institutions		
Financial liabilities at fair value through profit and loss	24,379,634.94	15,946,836.46
Derivative financial liabilities		
Notes payable & Accounts payable	9,117,814,070.08	10,885,340,440.18
Receipts in advance	584,648,648.48	570,573,208.60
Financial assets sold under repurchase agreements		
Fees and commissions payable		
Payroll payable	1,355,915,098.46	1,391,291,256.90
Taxes payable	1,289,792,684.65	1,453,515,065.77
Other payables	636,962,573.57	496,718,217.83
Amounts payable under reinsurance contracts		

Item	Closing balance	Opening balance
Insurance contract reserves		
Funds from securities trading agency		
Funds from underwriting securities agency		
Held for sale liabilities		
Non-current liabilities due within one year	4,033,158,623.18	1,546,407,270.89
Other current liabilities	681,816,656.89	744,583,627.22
Total Current Liabilities	20,911,065,905.50	17,201,490,579.76
Non-current Liabilities:		
Long-term borrowings	190,000,000.00	490,000,000.00
Bonds payable		3,120,920,000.00
Including: Preferred share		
Perpetual bond		
Long-term payables		2,437,038.62
Long-term employee benefits payable		
Provisions	75,970,616.45	63,068,638.49
Deferred income	175,001,027.42	88,925,771.65
Deferred tax liabilities		
Other non-current liabilities		
Total non-current liabilities	440,971,643.87	3,765,351,448.76
Total liabilities	21,352,037,549.37	20,966,842,028.52
Owners' Equities		
Share capital	9,227,270,473.00	9,228,865,114.00
Other equity instruments		
Including: Preferred share		
Perpetual debt		
Capital reserves	1,931,995,805.38	1,819,397,715.63
Less: Treasury stock	681,816,656.89	744,583,627.22
Other comprehensive income	-53,399,341.65	-27,677,939.35
Special reserves		
Surplus reserves	3,483,742,918.53	3,483,742,918.53
General risk reserve		
Retained earnings	19,380,496,607.16	16,598,328,692.63
Total owners' equity attributable to owner of the Company	33,288,289,805.53	30,358,072,874.22

Item	Closing balance	Opening balance
Minority interests	292,576,323.95	246,048,563.87
Total owners' equity	33,580,866,129.48	30,604,121,438.09
Total liabilities and owners' equity	54,932,903,678.85	51,570,963,466.61

Legal Representative: Chen Zongnian Person in Charge of the Accounting work: Jin Yan

Person in Charge of Accounting Institution: Zhan Junhua

2. Balance Sheet of the Parent Company

Unit: RMB

Item	Closing balance	Opening balance
Current Assets:		
Cash and bank balances	14,502,188,118.90	12,304,090,713.99
Financial assets at fair value through profit and loss		
Derivative financial assets		
Notes receivable & Accounts receivable	15,589,084,022.81	12,851,334,929.89
Including: Notes receivable	238,627,196.91	345,651,612.11
Accounts receivable	15,350,456,825.90	12,505,683,317.78
Prepayments	135,740,071.59	94,545,948.67
Other receivables	1,464,906,736.10	712,142,493.72
Inventories	197,372,249.47	376,776,045.69
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	25,020,914.50	3,296,055,941.42
Total Current Assets	31,914,312,113.37	29,634,946,073.38
Non-current Assets:		
Available-for-sale financial assets	287,456,813.00	287,456,813.00
Held-to-maturity investments		
Long-term receivables		
Long-term equity investment	4,155,325,078.57	3,367,076,734.95
Investment properties		
Fixed assets	2,832,768,252.84	1,757,777,870.77
Construction in progress	15,110,658.74	914,859,063.00
Productive biological assets		
Oil and gas assets		

Item	Closing balance	Opening balance
Intangible assets	205,850,650.42	154,604,755.69
Development expenditure		
Goodwill		
Long-term prepaid expenses		
Deferred tax assets	246,528,548.37	200,147,031.89
Other non-current assets	17,899,913.17	16,925,712.83
Total Non-Current Assets	7,760,939,915.11	6,698,847,982.13
Total Assets	39,675,252,028.48	36,333,794,055.51
Current Liabilities:		
Short-term borrowings		
Financial liabilities at fair value through profit and loss		
Derivative financial liabilities		
Notes payable & Accounts payable	336,170,093.42	286,629,255.35
Receipts in advance	231,725,897.10	216,747,866.68
Payroll payable	962,733,180.68	946,587,240.01
Taxes payable	1,132,024,963.72	1,219,102,007.88
Other payables	1,752,367,255.61	800,458,183.20
Held-for-sale liabilities		
Non-current liabilities due within one year	3,228,939,699.68	33,614,018.51
Other current liabilities	681,816,656.89	744,583,627.22
Total Current Liabilities	8,325,777,747.10	4,247,722,198.85
Non-Current Liabilities:		
Long-term borrowings		
Bonds payable		3,120,920,000.00
Including: Preferred share		
Perpetual bond		
Long-term payables		
Long-term employee benefits payable		
Provisions	48,871,158.60	43,024,784.70
Deferred income	125,668,163.01	62,903,600.00
Deferred tax liabilities		
Other non-current liabilities		
Total non-current liabilities	174,539,321.61	3,226,848,384.70

Item	Closing balance	Opening balance
Total liabilities	8,500,317,068.71	7,474,570,583.55
Owners' equity		
Share capital	9,227,270,473.00	9,228,865,114.00
Other equity instruments		
Including: Preferred share		
Perpetual bond		
Capital reserves	1,858,542,426.93	1,742,755,331.51
Less: Treasury share	681,816,656.89	744,583,627.22
Other comprehensive income		
Special reserves		
Surplus reserves	3,483,742,918.53	3,483,742,918.53
Retained earnings	17,287,195,798.20	15,148,443,735.14
Total owners' equity	31,174,934,959.77	28,859,223,471.96
Total liabilities and owners' equity	39,675,252,028.48	36,333,794,055.51

Legal Representative: Chen Zongnian Person in Charge of the Accounting work: Jin Yan

Person in Charge of Accounting Institution: Zhan Junhua

3. Consolidated Income Statement

Unit: RMB

Item	2018 Q3	2017 Q3
I. Total operating income	12,926,932,976.48	11,282,202,421.66
Including: Operating income	12,926,932,976.48	11,282,202,421.66
Interest income		
Premiums earned		
Fees and commissions income		
II. Total operating costs	10,130,850,428.37	8,770,040,115.83
Including: Operating costs	7,036,005,384.29	6,056,968,730.55
Interest expenses		
Fees and commissions expenses		
Surrender charge fee		
Claims and policyholder benefits (net of amounts recoverable from reinsurers)		
Insurance contract reserves (net of reinsurers' share)		
Insurance policyholder dividends		

Item	2018 Q3	2017 Q3
Expenses for reinsurance accepted		
Business taxes and levies	104,050,722.65	102,675,477.44
Selling expenses	1,526,549,345.93	1,233,501,449.38
Administrative expenses	369,444,844.78	263,068,174.65
R&D expenses	1,165,040,356.96	837,287,338.06
Financial expenses	-209,159,495.22	152,798,483.82
Including: Interest expenses	69,037,602.29	37,794,000.01
Interest income	121,478,786.49	54,429,161.81
Impairment losses of assets	138,919,268.98	123,740,461.93
Add: Other income	579,805,136.62	362,667,519.13
Investment income (Loss is indicated by "-")	-17,084,846.81	-3,104,411.90
Including: Income from investments in associates and joint ventures	-4,156,308.97	7,380,152.85
Gains from changes in fair values (Losses are indicated by "-")	11,293,693.95	74,249.15
Foreign exchange gains (Losses are indicated by "-")		
Gains from disposal of assets (Losses are indicated by "-")	208,920.36	21,403.96
III. Operating profit (Loss is indicated by "-")	3,370,305,452.23	2,871,821,066.17
Add: Non-operating income	42,218,791.84	67,653,321.38
Less: Non-operating expenses	2,129,007.88	506,767.80
IV. Total profit (total losses expressed with "-")	3,410,395,236.19	2,938,967,619.75
Less: Income tax expenses	170,291,201.09	93,778,273.29
V. Net profit (net loss expressed with "-")	3,240,104,035.10	2,845,189,346.46
(1) Net profit on continuous operation (net losses expressed with "-")	3,240,104,035.10	2,845,189,346.46
(2) Net profit on terminated operation (net losses expressed with "-")		
Net profit attributable to owners of parent company	3,248,407,615.14	2,861,268,129.82
Profit or loss attributable to minority interests	-8,303,580.04	-16,078,783.36
VI. Other comprehensive income, net of income tax	-12,993,816.04	-34,857,287.93
Other comprehensive income attributable to owners of the Company, net of tax	-12,822,856.59	-28,196,995.97
(I) Items that are not reclassified to profit or loss		
1. Changes in re-measurement of defined benefit obligation		

Item	2018 Q3	2017 Q3
2. Amounts of other comprehensive income that cannot be transferred into profit or loss under equity method		
(II) Other comprehensive income to be reclassified to profit or loss	-12,822,856.59	-28,196,995.97
1. Amounts of other comprehensive income that are able to be transferred into profit or loss under equity method		
2. Gain or losses attributes to the changes in fair value of available-for-sale financial assets		
3. Gains or losses through reclassifying held-to-maturity financial assets to available-for-sale financial assets		
4. The effective part of gains and losses on cash flow hedging		
5. Exchange differences arising on conversion of financial statements denominated in foreign currencies	-12,822,856.59	-28,196,995.97
6. Others		
Other comprehensive income attributable to minority interests, net of tax	-170,959.45	-6,660,291.96
VII. Total comprehensive income	3,227,110,219.06	2,810,332,058.53
Total comprehensive income attributable to owners of the parent company	3,235,584,758.55	2,833,071,133.85
Total comprehensive income attributable to minority interests	-8,474,539.49	-22,739,075.32
VIII. Earnings per share		
(I) Basic earnings per share	0.357	0.315
(II) Diluted earnings per share	0.353	0.313

Legal Representative: Chen Zongnian Person in Charge of the Accounting work: Jin Yan

Person in Charge of Accounting Institution: Zhan Junhua

4. Income Statement of the Parent Company

Unit: RMB

Item	2018 Q3	2017 Q3
I. Total operating income	6,326,855,356.62	5,518,823,572.75
Less: Operating Costs	1,806,308,761.49	1,655,477,081.47
Business taxes and levies	76,813,412.34	77,581,355.14
Selling expenses	722,750,073.68	573,960,832.27
Administrative expenses	178,443,955.39	95,293,673.52
R&D expenses	704,150,930.84	528,081,712.59

Item	2018 Q3	2017 Q3
Financial expenses	-85,249,908.65	-47,411,878.28
Including: Interest expenses	35,733,846.62	7,255,031.83
Interest income	101,754,084.35	40,332,431.70
Impairment losses of assets	-298,410.00	143,064,436.54
Add: Other income	463,491,035.44	352,400,737.85
Investment income (Loss is indicated by "-")	18,078,624.24	-4,051,388.64
Including: Income from investments in associates and joint ventures	-2,018,558.50	4,657,858.86
Gains from changes in fair values (Losses are indicated by "-")		-2,995,797.66
Gains from disposal of assets (Loss is indicated by "-")	62,691.36	19,962.46
II. Operating profit (loss is indicated by "-")	3,405,568,892.57	2,838,149,873.51
Add: Non-operating income	14,684,291.45	25,555,498.50
Less: Non-operating expenses	281,527.25	378,569.23
III. Total profit (total loss is indicated by "-")	3,419,971,656.77	2,863,326,802.78
Less: Income tax expenses	87,517,500.57	76,096,578.94
IV. Net profit (Net loss is indicated by "-")	3,332,454,156.20	2,787,230,223.84
(1) Net profit on continuous operation (net losses expressed with "-")	3,332,454,156.20	2,787,230,223.84
(2) Net profit on terminated operation (net losses expressed with "-")		
V. Other comprehensive income, net of income tax		
(I) Items that are not reclassified to profit or loss		
1. Changes in re-measurement of defined benefit obligation		
2. Amounts of other comprehensive income that cannot be transferred into profit or loss under equity method		
(II) Other comprehensive income to be reclassified to profit or loss		
1. Amounts of other comprehensive income that are able to be transferred into profit or loss under equity method		
2. Gain or losses attributes to the changes in fair value of available-for-sale financial assets		
3. Gains or losses through reclassifying held-to-maturity financial assets to available-for-sale financial assets		
4. The effective part of gains and losses on cash flow hedging		

Item	2018 Q3	2017 Q3
5. Exchange differences arising on conversion of financial statements denominated in foreign currencies		
6. Others		
VI. Total comprehensive income	3,332,454,156.20	2,787,230,223.84
VII. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

Legal Representative: Chen Zongnian Person in Charge of the Accounting work: Jin Yan

Person in Charge of Accounting Institution: Zhan Junhua

5. Consolidated Income Statement from January 1st 2018 to September 30th 2018

Unit: RMB

Item	2018 Q1~Q3	2017 Q1~Q3
I. Total operating income	33,802,691,201.11	27,729,742,158.18
Including: Operating income	33,802,691,201.11	27,729,742,158.18
Interest income		
Premiums earned		
Fees and commissions income		
II. Total operating costs	27,215,340,568.93	22,170,841,572.33
Including: Operating costs	18,622,304,210.36	15,477,663,755.39
Interest expenses		
Fees and commissions expenses		
Surrender charge fee		
Claims and policyholder benefits (net of amounts recoverable from reinsurers)		
Insurance contract reserves (net of reinsurers' share)		
Insurance policyholder dividends		
Expenses for reinsurance accepted		
Business taxes and levies	281,941,341.25	276,908,073.14
Selling expenses	4,175,942,610.35	2,960,426,405.60
Administrative expenses	960,293,296.63	569,994,387.84
R&D expenses	3,077,722,956.20	2,292,071,002.00
Financial expenses	-367,680,813.03	218,299,111.47
Including: Interest expenses	131,591,884.36	93,957,230.91

Item	2018 Q1~Q3	2017 Q1~Q3
Interest income	323,231,227.64	171,304,498.13
Impairment losses of assets	464,816,967.17	375,478,836.89
Add: Other income	1,417,431,530.21	1,040,078,811.54
Investment income (Loss is indicated by "—")	61,182,269.35	46,547,777.20
Including: Income from investments in associates and joint ventures	-1,618,218.28	3,502,450.80
Gains from changes in fair values (Losses are indicated by "—")	5,191,145.93	38,626,739.56
Foreign exchange gains (Losses are indicated by "—")		
Gains from disposal of assets (Losses are indicated by "—")	3,972,499.20	2,820,089.76
III. Operating profit (Loss is indicated by "—")	8,075,128,076.87	6,686,974,003.91
Add: Non-operating income	115,369,165.70	99,370,915.16
Less: Non-operating expenses	6,713,135.08	2,787,256.22
IV. Total profit (total losses expressed with "-")	8,183,784,107.49	6,783,557,662.85
Less: Income tax expenses	836,093,959.57	662,436,664.14
V. Net profit (net loss expressed with "-")	7,347,690,147.92	6,121,120,998.71
(3) Net profit on continuous operation (net losses expressed with "-")	7,347,690,147.92	6,121,120,998.71
(4) Net profit on terminated operation (net losses expressed with "-")		
Net profit attributable to owners of parent company	7,395,803,151.00	6,152,814,186.52
Profit or loss attributable to minority interests	-48,113,003.08	-31,693,187.81
VI. Other comprehensive income, net of income tax	-27,278,644.78	-5,423,522.89
Other comprehensive income attributable to owners of the Company, net of tax	-25,721,402.30	393,383.74
(I) Items that are not reclassified to profit or loss		
1. Changes in re-measurement of defined benefit obligation		
2. Amounts of other comprehensive income that cannot be transferred into profit or loss under equity method		
(II) Other comprehensive income to be reclassified to profit or loss	-25,721,402.30	393,383.74
1. Amounts of other comprehensive income that are able to be transferred into profit or loss under equity method		
2. Gain or losses attributes to the changes in fair value of available-for-sale financial assets		

Item	2018 Q1~Q3	2017 Q1~Q3
3. Gains or losses through reclassifying held-to-maturity financial assets to available-for-sale financial assets		
4. The effective part of gains and losses on cash flow hedging		
5. Exchange differences arising on conversion of financial statements denominated in foreign currencies	-25,721,402.30	393,383.74
6. Others		
Other comprehensive income attributable to minority interests, net of tax	-1,557,242.48	-5,816,906.63
VII. Total comprehensive income	7,320,411,503.14	6,115,697,475.82
Total comprehensive income attributable to owners of the parent company	7,370,081,748.70	6,153,207,570.26
Total comprehensive income attributable to minority interests	-49,670,245.56	-37,510,094.44
VIII. Earnings per share		
(I) Basic earnings per share	0.806	0.671
(II) Diluted earnings per share	0.804	0.673

Legal Representative: Chen Zongnian Person in Charge of the Accounting work: Jin Yan

Person in Charge of Accounting Institution: Zhan Junhua

6. Income Statement of the Parent Company from January 1st 2018 to September 30th 2018

Unit: RMB

Item	2018 Q1~Q3	2017 Q1~Q3
I. Total operating income	15,464,499,573.18	13,028,365,700.13
Less: Operating Costs	4,417,272,352.25	4,006,666,044.52
Business taxes and levies	199,390,389.05	182,107,831.11
Selling expenses	1,961,637,326.64	1,380,249,988.98
Administrative expenses	452,964,347.64	205,389,899.54
R&D expenses	2,233,528,649.02	1,735,982,328.58
Financial expenses	-94,069,779.21	-151,720,746.96
Including: Interest expenses	60,724,467.42	15,822,806.87
Interest income	288,800,852.06	143,980,819.43
Impairment losses of assets	280,144,626.30	299,691,053.22
Add: Other income	1,230,024,234.53	997,732,905.65
Investment income (Loss is indicated by "—")	86,657,634.81	29,045,580.78
Including: Income from investments in	-387,572.76	3,248,710.08

Item	2018 Q1~Q3	2017 Q1~Q3
associates and joint ventures		
Gains from changes in fair values (Losses are indicated by "—")		50,744,609.92
Gains from disposal of assets (Loss is indicated by "—")	3,807,041.30	2,558,331.33
II. Operating profit (loss is indicated by "—")	7,334,120,572.13	6,450,080,728.82
Add: Non-operating income	55,046,967.74	43,305,368.62
Less: Non-operating expenses	1,137,844.51	1,592,024.50
III. Total profit (total loss is indicated by "—")	7,388,029,695.36	6,491,794,072.94
Less: Income tax expenses	635,642,395.80	603,705,435.66
IV. Net profit (Net loss is indicated by "—")	6,752,387,299.56	5,888,088,637.28
(3) Net profit on continuous operation (net losses expressed with "-")	6,752,387,299.56	5,888,088,637.28
(4) Net profit on terminated operation (net losses expressed with "-")		
V. Other comprehensive income, net of income tax		
(I) Items that are not reclassified to profit or loss		
1. Changes in re-measurement of defined benefit obligation		
2. Amounts of other comprehensive income that cannot be transferred into profit or loss under equity method		
(II) Other comprehensive income to be reclassified to profit or loss		
1. Amounts of other comprehensive income that are able to be transferred into profit or loss under equity method		
2. Gain or losses attributes to the changes in fair value of available-for-sale financial assets		
3. Gains or losses through reclassifying held-to-maturity financial assets to available-for-sale financial assets		
4. The effective part of gains and losses on cash flow hedging		
5. Exchange differences arising on conversion of financial statements denominated in foreign currencies		
6. Others		
VI. Total comprehensive income	6,752,387,299.56	5,888,088,637.28
VII. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

Legal Representative: Chen Zongnian Person in Charge of the Accounting work: Jin Yan

Person in Charge of Accounting Institution: Zhan Junhua

7. Consolidated Cash Flow Statement from January 1st 2018 to September 30th 2018

Unit: RMB

Item	2018 Q1~Q3	2017 Q1~Q3
I. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	36,015,579,775.66	27,024,807,952.59
Net increase in customer deposits and deposits from banks and other financial institutions		
Net increase in borrowings from central bank		
Net increase in placements from other financial institutions		
Cash receipts from premiums under direct insurance contracts		
Net cash receipts from reinsurance business		
Net increase in the insurance deposit and investment fund		
Net cash receipts from disposal of financial assets measured by fair value that changes in fair value would be recognized in the current period gains and losses		
Cash received from interests, fees and commissions		
Net increase in capital taking from other banks		
Net increase in capital from repurchase arrangements		
Refund of tax and levies	2,665,907,552.39	2,115,509,024.59
Other cash received relating to operating activities	765,226,775.70	311,501,723.20
Sub-total of cash inflows from operating activities	39,446,714,103.75	29,451,818,700.38
Cash payments for goods purchased and services received	24,879,653,623.03	21,162,642,985.71
Net increase in loans and advances to customers		
Net increase in balance with the central bank and due to banks and other financial institutions		
Cash payments for claims and policyholders' benefits under direct insurance contracts		
Cash paid for interests, fees and commissions		
Cash payment for insurance policy dividends		

Item	2018 Q1~Q3	2017 Q1~Q3
Cash paid to and on behalf of employees	5,182,379,464.21	3,498,922,254.19
Payments of various types of taxes	3,379,293,442.87	2,506,554,948.17
Other cash paid relating to operating activities	3,359,116,276.14	2,187,848,941.55
Sub-total of cash outflows from operating activities	36,800,442,806.25	29,355,969,129.62
Net Cash Flow from Operating Activities	2,646,271,297.50	95,849,570.76
II. Cash Flows from Investing Activities:		
Cash receipts from disposals and recovery of investments	4,390,000,000.00	5,173,000,000.00
Cash receipts from investment income	63,310,521.07	54,914,031.53
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	7,061,204.25	16,707,465.48
Net cash receipts from disposals of subsidiaries and other business units		
Other cash received relating to investing activities	21,501,640.52	3,146,041.25
Sub-total of cash inflows from investing activities	4,481,873,365.84	5,247,767,538.26
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	2,045,279,305.07	985,865,888.00
Cash paid to acquire investments	1,100,000,000.00	1,506,630,800.00
Net increase in pledged loans receivables		
Net cash payments for acquisitions of subsidiaries and other business units	31,900,000.00	98,000,000.00
Other cash paid relating to investing activities	8,327,789.17	0.00
Sub-total of cash outflows from investing activities	3,185,507,094.24	2,590,496,688.00
Net Cash Flow from Investment Activities	1,296,366,271.60	2,657,270,850.26
III. Cash flows from financing activities:		
Cash receipts from capital contributions	93,009,000.00	62,024,653.20
Including: cash received by subsidiaries from capital contributions from minority owners	93,009,000.00	62,024,653.20
Cash receipts from borrowings	6,848,374,132.18	5,437,295,986.43
Cash receipts from bond issue		
Other cash receipts relating to financing activities		1,492,209,115.48
Sub-total of cash inflows from financing activities	6,941,383,132.18	6,991,529,755.11
Cash repayments of amounts borrowed	4,796,975,777.05	4,559,910,249.53
Cash payments for distribution of dividends or profits or settlement of interest expenses	4,744,090,779.74	3,793,627,103.59
Including: payments for distribution of dividends		

Item	2018 Q1~Q3	2017 Q1~Q3
or profits to minority owners of subsidiaries		
Other cash payments relating to financing activities	6,555,746.33	1,630,518,738.29
Sub-total of cash outflows from financing activities	9,547,622,303.12	9,984,056,091.41
Net Cash Flow from Financing Activities	-2,606,239,170.94	-2,992,526,336.30
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	190,798,684.33	-337,914,494.84
V. Net Increase in Cash and Cash Equivalents	1,527,197,082.49	-577,320,410.12
Add: Opening balance of Cash and Cash Equivalents	16,029,185,269.17	13,522,337,697.28
VI. Closing Balance of Cash and Cash Equivalents	17,556,382,351.66	12,945,017,287.16

Legal Representative: Chen Zongnian Person in Charge of the Accounting work: Jin Yan

Person in Charge of Accounting Institution: Zhan Junhua

8. Cash Flow Statement of the Parent Company from January 1st 2018 to September 30th 2018

Unit: RMB

Item	2018 Q1~Q3	2017 Q1~Q3
I. Cash Flows from Operating Activities::		
Cash receipts from the sale of goods and the rendering of services	14,907,717,914.68	9,384,051,521.72
Refund of tax and levies	1,230,024,234.53	997,732,905.65
Other cash receipts relating to operating activities	432,099,258.49	229,260,124.67
Sub-total of cash inflows from operating activities	16,569,841,407.70	10,611,044,552.04
Cash payments for goods acquired and services received	5,186,391,543.22	3,469,498,225.96
Cash payments to and on behalf of employees	2,728,678,859.56	1,925,850,223.65
Payments of all types of taxes	2,515,330,361.54	2,202,877,884.71
Other cash payments relating to operating activities	1,862,352,721.51	1,323,221,056.02
Sub-total of cash outflows from operating activities	12,292,753,485.83	8,921,447,390.34
Net Cash Flow from Operating Activities	4,277,087,921.87	1,689,597,161.70
II. Cash Flows from Investing Activities:		
Cash receipts from disposals and recovery of investments	4,350,000,000.00	5,170,000,000.00
Cash receipts from investment income	97,039,236.04	41,937,763.80
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	9,584,879.25	7,676,944.32
Net cash receipts from disposals of subsidiaries and other business units	5,971.53	70,271.21

Item	2018 Q1~Q3	2017 Q1~Q3
Other cash receipts relating to investing activities	920,896,354.89	852,552,973.35
Sub-total of cash inflows from investing activities	5,377,526,441.71	6,072,237,952.68
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	434,905,794.49	417,737,223.06
Cash payments to acquire investments	1,100,000,000.00	1,504,235,113.00
Net cash payments for acquisitions of subsidiaries and other business units	765,183,014.00	1,077,486,527.00
Other cash payments relating to investing activities	775,777,777.23	1,038,113,091.31
Sub-total of cash outflows from investing activities	3,075,866,585.72	4,037,571,954.37
Net Cash Flow from Investment Activities	2,301,659,855.99	2,034,665,998.31
III. Cash Flows from Financing Activities		
Cash receipts from capital contributions		
Cash receipts from borrowings	900,000,000.00	300,000,000.00
Cash receipts from issue of bonds		
Other cash receipts relating to financing activities		41,000.00
Sub-total of cash inflows from financing activities	900,000,000.00	300,041,000.00
Cash repayments of amounts borrowed	900,000,000.00	300,000,000.00
Cash payments for distribution of dividends or profits or settlement of interest expenses	4,668,001,510.29	3,715,492,679.55
Other cash payments relating to financing activities	6,555,746.33	15,151,512.29
Sub-total of cash outflows from financing activities	5,574,557,256.62	4,030,644,191.84
Net Cash Flow from Financing Activities	-4,674,557,256.62	-3,730,603,191.84
IV. Effect of foreign exchange rate changes on cash and cash equivalents	100,499,959.08	-71,328,208.84
V. Net increase in cash and cash equivalents	2,004,690,480.32	-77,668,240.67
Add: Beginning balance of cash and cash equivalents	12,304,082,533.11	10,245,969,003.13
VI. Closing Balance of Cash and Cash Equivalents	14,308,773,013.43	10,168,300,762.46

Legal Representative: Chen Zongnian Person in Charge of the Accounting work: Jin Yan

Person in Charge of Accounting Institution: Zhan Junhua

4.2 Audit Report

Whether audit has been performed on this 2018 3rd Quarter Report

☐ Yes ☒ No

The Company's 2018 3rd Quarter report has not been audited

HANGZHOU HIKVISION DIGITAL TECHNOLOGY CO., LTD.

Chairman: Chen Zongnian

October 20th 2018

Note: This document is a translated version of the Chinese version 2018 Q3 Financial Report (“2018 年第三季度报告全文”), and the published Q3 report in the Chinese version shall prevail. The complete published Chinese 2018 Q3 Financial Report may be obtained at <http://www.cninfo.com.cn>.