

HANGZHOU HIKVISION DIGITAL
TECHNOLOGY CO., LTD.



2020 Quarter 3 Report
July to September 2020

October 24th 2020

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 of the Company 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 2020 Q3 Financial Report (“2020 年第三季度报告全文”), and the published 2020 Q3 report in the Chinese version shall prevail. The complete published Chinese 2020 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 or restatement of the previous accounting data

☐ Yes ☒ No

	At September 30 th 2020		At December 31 st 2019		Change(%) between December 31 st 2019 and September 30 th 2020
Total assets (RMB)	79,216,734,278.27		75,358,000,240.29		5.12%
Net assets attributable to shareholders of the Company (RMB)	47,800,785,407.20		44,904,033,876.83		6.45%
	2020 Q3	YoY Change(%) between 2020 Q3 and 2019 Q3	2020 Q1~Q3	YoY Change(%) between 2019 Q1~Q3 and 2020 Q1~Q3	
Operating income (RMB)	17,750,035,645.86	11.53%	42,021,194,889.62	5.48%	
Net profits attributable to shareholders of the Company (RMB)	3,814,978,645.77	0.12%	8,438,951,476.64	5.13%	
Net profits attributable to shareholders of the Company excluding non-recurring gains and losses (RMB)	3,576,189,605.69	-2.48%	8,039,687,983.37	3.21%	
Net cash flows from operating activities (RMB)	5,464,651,652.26	883.95%	5,534,617,992.83	4352.08%	
Basic earnings per share (RMB/share)	0.405	1.25%	0.909	5.70%	
Diluted earnings per share (RMB/share)	0.405	1.25%	0.909	5.70%	
Weighted average Return on Equity (ROE)	8.34%	-1.30%	18.12%	-2.32%	

The total share capital of the Company as of the previous trading day of the financial report disclosure:

The total share capital of the Company as of the previous trading day of the financial report disclosure (share)	9,345,010,696
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Fully diluted earnings per share calculated using the latest share capital:

Fully diluted earnings per share (RMB/share) calculated with the latest share capital	0.903
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Items and Amounts of Non-recurring Gains and Losses

☒ Applicable ☐ Inapplicable

Unit: RMB

Item	January 1 st 2020–September 30 th 2020
Profit or loss from disposal of non-current assets (including the write-off for the impairment provision of assets)	304,642.17
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 quantitative continuous application according to the state industrial policy.)	483,576,325.24
Profits and losses attributed to change in fair value for held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, and derivative financial liabilities; and investment income from disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other debt investments, excluding the effective hedging business related to the regular business operation of the Company.	37,532,757.35
Other non-operating income and expenditures except the items mentioned above	30,885,184.58
Less: Impact of income tax	123,079,331.88
Impact of the minority interests (after tax)	29,956,084.19
Total	399,263,493.27

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

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

1. 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	242,350	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.	Domestic State-owned corporation	38.88%	3,632,897,256	0	Pledged	50,000,000
Gong Hongjia	Overseas individual	12.43%	1,161,608,214	941,292,525	Pledged	444,540,000
Hong Kong Securities Clearing Company Ltd.(HKSCC)	Overseas corporation	5.97%	558,304,047	0	-	
Xinjiang Weixun Investment Management Limited Partnership	Domestic non-state-owned corporation	4.82%	450,795,176	0	Pledged	93,148,998
Perseverance Asset Management L.L.P. — Perseverance LinShan No.1 YuanWang Fund	Funds, financial products, etc.	2.47%	231,000,026	0		
Xinjiang Pukang Investment Limited Partnership	Domestic non-state-owned corporation	1.95%	182,510,174	0	Pledged	127,700,000
Hu Yangzhong	Domestic Individual	1.95%	182,186,477	136,639,858	Pledged	8,150,000
The 52nd Research Institute at China Electronics Technology Group Corporation	Domestic State-owned corporation	1.93%	180,775,044	0	-	
CITIC Securities Company Limited	Domestic State-owned corporation	1.21%	113,094,618	0	-	
Central Huijin Investment Ltd.	Domestic State-owned corporation	0.70%	65,818,800	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.	3,632,897,256	RMB ordinary shares	3,632,897,256
Hong Kong Securities Clearing Company Ltd.(HKSCC)	558,304,047	RMB ordinary shares	558,304,047
Xinjiang Weixun Investment Management Limited Partnership	450,795,176	RMB ordinary shares	450,795,176
Perseverance Asset Management L.L.P. — Perseverance LinShan No.1 YuanWang Fund	231,000,026	RMB ordinary shares	231,000,026
Gong Hongjia	220,315,689	RMB ordinary shares	220,315,689
Xinjiang Pukang Investment Limited Partnership	182,510,174	RMB ordinary shares	182,510,174
The 52nd Research Institute at China Electronics Technology Group Co. Ltd.	180,775,044	RMB ordinary shares	180,775,044
CITIC Securities Company Limited	113,094,618	RMB ordinary shares	113,094,618
Central Huijin Investment Ltd.	65,818,800	RMB ordinary shares	65,818,800
Hu Yangzhong	45,546,619	RMB ordinary shares	45,546,619
Explanation on associated relationship and concerted actions among above shareholders	China Electronics Technology HIK Group Co., Ltd. and The 52nd Research Institute at China Electronics Technology Group 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 2020 (RMB)	Balance at December 31 st 2019 (RMB)	YoY change (%)	Note of Changes
Contract assets	126,490,278.41	0.00	100.00%	According to the new revenue standard, part of the completed and unsettled assets and accounts receivable are reclassified to contract assets.
Other non-current assets	542,886,697.82	865,586,676.92	-37.28%	Decrease in unsettled assets that have been completed for more than one year according to the construction progress of the projects
Non-current assets due within one year	1,036,003,483.96	528,469,701.75	96.04%	Increase in long-term receivables confirmed by installment sales of goods
Long-term receivables	1,975,160,938.45	1,382,536,761.22	42.86%	
Long-term equity investment	521,779,447.88	252,165,321.49	106.92%	Increase in external equity investments
Other non-current financial assets	458,565,043.51	312,398,267.44	46.79%	Increase in external equity investments
Construction in progress	1,248,463,158.58	631,555,479.06	97.68%	Mainly due to increased investment in the second phase of the Chengdu Technology Base, Hangzhou Innovation Industrial Base and Chongqing Technology Base
Short-term borrowings	4,339,565,033.35	2,640,082,485.15	64.37%	Increased demand for short-term working capital
Notes payable	610,407,561.05	1,239,584,016.70	-50.76%	Increase in purchase payment due
Taxes payable	1,798,414,632.65	991,342,805.91	81.41%	Increase in unpaid corporate income tax
Other payables	2,227,367,991.23	1,568,744,599.94	41.98%	Increase in accrued expenses and unpaid dividends payable
Non-current liabilities due within one year	207,812,149.40	86,123,154.06	141.30%	Increase in long-term loans due within one year

Other current liabilities	1,817,675,879.67	913,534,538.26	98.97%	The Company issued 1 billion RMB of short-term commercial paper during the current reporting period
Deferred income tax liabilities	95,017,852.70	51,088,103.96	85.99%	Increased taxable temporary differences such as accelerated depreciation
Other comprehensive income	-88,048,825.29	-53,541,146.99	-64.45%	Exchange rate fluctuations caused a decrease in the conversion differences of foreign currency statements

1.2 Explanation for variations in income statement items

Item	2020 Q1~Q3 (RMB)	2019 Q1~Q3 (RMB)	YoY Change (%)	Note of changes
Financial expense	154,708,009.70	-626,571,624.15	124.69%	Increase in foreign exchange losses subject to exchange rate fluctuations.
Investment Income	124,741,116.75	29,551,998.27	322.11%	Increase in investment dividends
Gains from changes in fair value	40,458,673.51	11,214,933.39	260.76%	Increase in gains from changes in fair value of other non-current financial assets
Asset impairment loss	-260,366,239.98	-149,483,833.80	74.18%	Increase in provision for impairment of inventory

1.3 Explanation for variations in cash flow statement items

Item	2020 Q1~Q3 (RMB)	2019 Q1~Q3 (RMB)	YoY Change (%)	Note of changes
Net cash flows from operating activities	5,534,617,992.83	124,315,235.40	4352.08%	Mainly the increase in sales collection for the current reporting period
Net cash flows from investing activities	-1,803,764,753.48	-1,257,968,335.26	-43.39%	Increase in external equity investment and long-term asset purchase and construction expenditures

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

√ Applicable □ Inapplicable

On July 24th 2020, the 18th meeting of the fourth board of directors of the Company reviewed and approved the *Proposal on Transfer of Part of Assets to the Company's Holding Subsidiary of Innovative Business*", agreeing to the Company to transfer the

asset group of the thermal imaging division of Hikvision at a consideration of RMB 801.14 million (excluding tax) to Hangzhou Hikmicro Sensing Technology Co., Ltd., a holding subsidiary of innovative business. The above transfer was completed in July 2020.

On May 23th 2020, the Company disclosed the *Announcement on the pre-disclosure of Shareholding Reduction* (No. 2020-034): The shareholder, Gong Hongjia, who holds 1,255,056,700 shares of the Company (accounting for 13.43% of the Company's total share capital) plans to reduce his holdings of the Company's shares, not exceeding 2% of the Company's total share capital, within six months after 15 trading days from the date of the announcement. On September 3rd 2020, the Company received the *Gong Hongjia's Notification Letter on the Completion of the Implementation of the Share Reduction Plan* issued by shareholder Gong Hongjia. Gong Hongjia reduced his holdings of the Company's shares by a total of 93,448,486 shares (accounting for 1.00% of the current Company's total share capital) through bidding transactions. The implementation of the reduction plan is completed, and the remaining shares of the reduction plan will no longer be reduced through bidding transactions. For details, please refer to the *Announcement on Share Reduction by Shareholders* (No. 2020-050) disclosed by the Company on September 4th 2020.

Overview of significant events	Disclosure Date	Temporary public disclosure website index
<i>Proposal on Transfer of Part of Assets to the Company's Holding Subsidiary of Innovative Business</i>	July 25 th 2020	www.cninfo.com.cn
<i>Announcement on Share Reduction by Shareholders</i>	September 4 th 2020	www.cninfo.com.cn

Implementation progress of share repurchase

☐ Applicable ☒ Inapplicable

Progress in the implementation of the reduction of repurchased shares by means of centralized bidding

☐ Applicable ☒ Inapplicable

3. Unfulfilled and overdue 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

No such case during the reporting period.

4. Financial asset investment

1. Securities investment

☐ Applicable ☒ Inapplicable

2. Details in derivatives investment

√Applicable □Inapplicable

Unit: 0,000 RMB

Name of derivative investment operator	Relationship	Whether related transaction exists	Types of derivatives investment	Initial investment amount of derivatives investment	Start Date	Expiration date	Initial investment amount	Purchase amount during the current reporting period	Amount sold during the current reporting period	Amount of impairment provision (if any)	Closing investment amount	The proportion of the closing investment amount to the Company's net assets at the end of the reporting period	Actual profit and loss amount during the reporting period
Commercial bank	No	No	Foreign exchange contract	98,489.32	December 5 th 2019	November 3 rd 2020	98,489.32	151,174.96	-	-	20,152.37	0.42%	-314.59
Total				98,489.32	--	--	98,489.32	151,174.96	-	-	20,152.37	0.42%	-314.59
Source of funds for derivatives investments					Own capital								
Litigation involved (if applicable)					Not applicable								
Disclosure date of the board of directors announcement for the approval of derivatives investment (if any)					April 20 th 2019 / December 25 th 2019								
Disclosure date of the announcement of the shareholders meeting for the approval of derivatives investment (if any)					May 16 th 2020								
Risk analysis and control measures for derivatives holdings during the reporting period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)					For specific information on risk analysis and control measures, please refer to the <i>Announcement on Conducting Foreign Exchange Hedging Transactions in 2019</i> (Announcement No. 2019-021) disclosed by the Company on April 20 th 2019 and <i>Announcement on the Implementation of Foreign Exchange Hedging Transactions in 2020</i> (Announcement No. 2019-065) disclosed on December 25 th 2019.								
Changes in market prices or product fair values of invested derivatives during the reporting period. The analysis of the fair value of derivatives should disclose the specific methods used and related assumptions and parameter settings					The Company's accounting for the fair value of derivatives is mainly for the unexpired contracts of forward foreign exchange settlement and sale transactions signed by the Company and banks during the reporting period. Based on the difference between the quotation of the unexpired forward foreign exchange settlement and sale contract at the end of the period and the forward foreign exchange price, the held-for-trading financial assets or held-for-trading financial liabilities are recognized.								

Explanation of whether the Company's derivatives accounting policies and specific accounting principles have changed significantly during the reporting period compared with the previous reporting period	Not applicable
Independent directors' specific opinions on the Company's derivatives investment and risk control	Not applicable

5. Progress of investment projects with raised funds

☐Applicable ☒Inapplicable

6. Guidance on the Company's 2020 full year operational results.

☐Applicable ☒Inapplicable

7. Major contracts for daily operations

☐Applicable ☒Inapplicable

Significant differences between the progress of a major contract and the contract agreement and affect more than 30% of the contract amount.

☐Applicable ☒Inapplicable

8. Entrusted financial management

☐Applicable ☒Inapplicable

No such case during the current reporting period.

9. Illegal provision of guarantees for external parties

☐Applicable ☒Inapplicable

No such case in the reporting period.

10. 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.

11. Schedule for the reception activities including research, communication and interviews during the reporting period

☒ Applicable ☐ Inapplicable

11.1 Reception of research activities during 2020 Q3

Time of reception	Location	Method of reception	Type of reception object	Index of basic situation of the research activities
July 25 th 2020	Corporate Headquarter conference room	Performance Result Conference Call	Institutional investors; Individuals	CNINF, <i>Investor Relations Activity Record: July 25TH 2020</i>
From July 27 th 2020 to August 10 th 2020	Corporate Headquarter conference room	On-site Research and telephone communication	Institutional investors	CNINF, <i>Investor Relations Activity Record: From July 27th 2020 to August 10th 2020</i>
From August 11 th 2020 to August 21 st 2020	Corporate Headquarter conference room	On-site Research and telephone communication	Institutional investors	CNINF, <i>Investor Relations Activity Record: From August 11th 2020 to August 21st 2020</i>
From August 24 th 2020 to September 4 th 2020	Corporate Headquarter conference room	On-site Research and telephone communication	Institutional investors	CNINF, <i>Investor Relations Activity Record: From August 24th 2020 to September 4th 2020</i>
From September 7 th 2020 to September 25 th 2020	Corporate Headquarter conference room	On-site Research and telephone communication	Institutional investors	CNINF, <i>Investor Relations Activity Record: From September 7th 2020 to September 25th 2020</i>

11.2 Participation of conferences for investor relationship activities during 2020 Q3

Time of conference	Location	Conference Name	Type of reception object	Method of reception
July 2020	Virtual Conference	Europe Virtual NDR-via CICC	All kinds of investors	One-on-One, One-on-multi, small group Meetings, and etc.
August 2020	Virtual Conference	Hongkong Virtual NDR-via Bernstein	All kinds of investors	One-on-One, One-on-multi, small group Meetings, and etc.
August 2020	Virtual Conference	Hongkong Virtual NDR-via Jefferies	All kinds of investors	One-on-One, One-on-multi, small group Meetings, and etc.
August 2020	Virtual Conference	U.S.A Virtual NDR- via Jefferies	All kinds of investors	One-on-One, One-on-multi, small group Meetings, and etc.
August 2020	Shanghai	NDR-via Guangfa Securities	All kinds of investors	One-on-One, One-on-multi, small group Meetings, and etc.
August 2020	Shenzhen, Guangzhou	NDR-via Shenwan Hongyuan Securities	All kinds of investors	One-on-One, One-on-multi, small group Meetings, and etc.
August 2020	Virtual Conference	Europe and U.S.A. NDR-via Bernstein	All kinds of investors	One-on-One, One-on-multi, small group Meetings, and etc.
August 2020	Beijing	NDR-via CITIC Securities	All kinds of investors	One-on-One, One-on-multi, small group Meetings, and etc.
August 2020	Virtual Conference	Nomura Virtual China Investor Forum 2020	All kinds of investors	One-on-One, One-on-multi, small group Meetings, and etc.
August 2020	Virtual Conference	UBS 2020 China A-Share Virtual Conference	All kinds of investors	One-on-One, One-on-multi, small group Meetings, and etc.
August 2020	Virtual Conference	Goldman Sachs China A-Share Conference	All kinds of investors	One-on-One, One-on-multi, small group Meetings, and etc.
September 2020	Virtual Conference	Huachuang Securities 2020 Autumn Conference	All kinds of investors	One-on-One, One-on-multi, small group Meetings, and etc.
September 2020	Virtual Conference	Morgan Stanley Virtual Asia TMT Conference	All kinds of investors	One-on-One, One-on-multi, small group Meetings, and etc.
September 2020	Virtual Conference	21st Credit Suisse Asian Technology Conference (virtual event)	All kinds of investors	One-on-One, One-on-multi, small group Meetings, and etc.
September 2020	Virtual Conference	The 27 th CITIC Securities-CLSA Flagship Investor Forum	All kinds of investors	One-on-One, One-on-multi, small group Meetings, and etc.
September 2020	Virtual Conference	Jefferies Inaugural Jefferies Asia Forum	All kinds of investors	One-on-One, One-on-multi, small group Meetings, and etc.
September 2020	Virtual Conference	Bernstein 17th Annual Pan European Strategic Decisions Conference	All kinds of investors	One-on-One, One-on-multi, small group Meetings, and etc.

11.3 Investor relations activity statistics during 2020 Q3

Number of daily research received (On-site and telephone conference, times)	89
Number of institutional investors received (ppl)	1,094
Number of individual investors received (ppl)	17
Number of investor relations conference participated	17

Section IV Financial Reports

4.1 Financial Reports

1. Consolidated Balance Sheet

September 30th 2020

Unit: RMB

Item	September 30 th 2020	December 31 st 2019
Current Assets:		
Cash and bank balances	26,724,024,164.26	27,071,948,919.78
Held-for-trading financial assets	3,699,122.53	181.76
Notes receivable	1,011,138,678.03	973,236,789.02
Accounts receivable	23,081,153,716.66	21,307,927,200.28
Receivables for financing	1,401,626,436.20	1,257,385,053.02
Prepayments	353,652,040.44	309,685,733.32
Other receivables	487,082,928.46	555,246,545.48
Inventories	11,152,999,292.02	11,267,986,843.11
Contract assets	126,490,278.41	-
Non-current assets due within one year	1,036,003,483.96	528,469,701.75
Other current assets	709,905,750.73	754,456,821.72
Total Current Assets	66,087,775,891.70	64,026,343,789.24
Non-current Assets:		
Long-term receivables	1,975,160,938.45	1,382,536,761.22
Long-term equity investment	521,779,447.88	252,165,321.49
Other non-current financial assets	458,565,043.51	312,398,267.44
Fixed assets	5,949,833,303.19	5,791,218,720.87
Construction in progress	1,248,463,158.58	631,555,479.06
Intangible assets	1,180,714,269.67	1,046,122,507.64
Goodwill	270,239,159.35	273,611,961.96
Long-term deferred expenses	95,363,789.29	87,611,490.75
Deferred tax assets	885,952,578.83	688,849,263.70
Other non-current assets	542,886,697.82	865,586,676.92
Total Non-current Assets	13,128,958,386.57	11,331,656,451.05
Total Assets	79,216,734,278.27	75,358,000,240.29
Current Liabilities:		
Short-term borrowings	4,339,565,033.35	2,640,082,485.15
Held-for-trading financial liabilities	7,004.35	652,428.18
Notes payable	610,407,561.05	1,239,584,016.70
Accounts payable	9,818,653,069.71	12,700,075,307.70
Contract Liabilities	1,352,215,377.01	-

Item	September 30 th 2020	December 31 st 2019
Receipts in advance		1,020,989,460.61
Payroll payable	2,235,616,280.86	2,359,674,640.12
Taxes payable	1,798,414,632.65	991,342,805.91
Other payables	2,227,367,991.23	1,568,744,599.94
Including : Interests payable		
Dividends payable	205,898,523.84	108,129,385.24
Non-current liabilities due within one year	207,812,149.40	86,123,154.06
Other current liabilities	1,817,675,879.67	913,534,538.26
Total Current Liabilities	24,407,734,979.28	23,520,803,436.63
Non-current Liabilities:		
Long-term borrowings	4,797,581,206.34	4,604,168,571.43
Long-term payables	49,212,312.82	50,181,416.72
Provisions	85,303,772.07	90,570,669.01
Deferred income	192,809,629.77	333,589,831.30
Deferred tax liabilities	95,017,852.70	51,088,103.96
Other non-current liabilities	1,234,739,326.10	1,234,739,326.10
Total non-current liabilities	6,454,664,099.80	6,364,337,918.52
Total liabilities	30,862,399,079.08	29,885,141,355.15
Owners' Equity		
Share capital	9,345,010,696.00	9,345,010,696.00
Capital reserves	5,058,308,870.67	4,126,943,698.96
Less: Treasury shares	2,046,939,271.56	2,148,273,864.36
Other comprehensive income	(88,048,825.29)	(53,541,146.99)
Surplus reserves	4,672,505,348.00	4,672,505,348.00
Retained earnings	30,859,948,589.38	28,961,389,145.22
Total owners' equity attributable to owner of the Company	47,800,785,407.20	44,904,033,876.83
Minority equity	553,549,791.99	568,825,008.31
Total owners' equity	48,354,335,199.19	45,472,858,885.14
Total liabilities and owners' equity	79,216,734,278.27	75,358,000,240.29

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	September 30 th 2020	December 31 st 2019
Current Assets:		
Cash and bank balances	18,431,399,544.71	16,851,590,525.05
Notes receivable	122,418,086.27	149,703,073.98
Accounts receivable	29,999,914,461.83	25,107,965,925.08
Receivables for financing	97,128,786.70	84,839,695.67
Prepayments	177,688,053.30	160,688,588.99
Other receivables	1,525,238,871.47	921,275,388.15
Including: Interests receivable		
Dividends receivable	-	2,550,000.00
Inventories	221,715,239.78	171,243,815.97
Contract assets	5,484,332.44	-
Non-current assets due within one year	94,087,854.60	4,513,795.81
Other current assets	21,460,416.80	23,117,398.50
Total Current Assets	50,696,535,647.90	43,474,938,207.20
Non-current Assets:		
Long-term receivables	68,593,256.43	681,568.43
Long-term equity investment	6,044,491,821.20	5,074,018,030.44
Other non-current financial assets	455,670,823.51	309,504,047.44
Fixed assets	2,806,275,072.45	2,831,295,145.61
Construction in progress	344,069,153.59	153,416,054.28
Intangible assets	165,825,318.15	188,362,883.75
Long-term deferred expenses	44,329,900.69	34,199,446.06
Deferred tax assets	176,930,540.34	126,357,792.34
Other non-current assets	18,749,006.23	21,619,464.07
Total Non-current Assets	10,124,934,892.59	8,739,454,432.42
Total Assets	60,821,470,540.49	52,214,392,639.62
Current Liabilities:		
Short-term borrowings	3,482,751,236.09	2,001,781,388.89
Accounts payable	449,065,134.95	450,983,270.08
Contract liabilities	318,991,129.74	-
Receipts in advance		227,242,328.23

Item	September 30 th 2020	December 31 st 2019
Payroll payable	1,424,975,531.91	1,564,304,003.49
Taxes payable	1,519,649,694.85	796,890,945.83
Other payables	2,258,051,626.19	533,325,191.05
Including : Interests payable		
Dividends payable	205,898,523.84	105,679,385.24
Non-current liabilities due within one year	4,445,607.82	9,539,251.98
Other current liabilities	1,817,675,879.77	913,534,538.26
Total Current Liabilities	11,275,605,841.32	6,497,600,917.81
Non-current Liabilities:		
Long-term borrowings	3,197,640,000.00	3,126,200,000.00
Provisions	51,992,619.07	62,863,096.83
Deferred Income	123,060,667.94	162,018,728.45
Other non-current liabilities	1,234,739,326.10	1,234,739,326.10
Total non-current liabilities	4,607,432,613.11	4,585,821,151.38
Total liabilities	15,883,038,454.43	11,083,422,069.19
Owners' Equity		
Share capital	9,345,010,696.00	9,345,010,696.00
Capital reserves	4,665,997,632.43	4,064,833,739.52
Less: Treasury shares	2,046,939,271.56	2,148,273,864.36
Surplus reserves	4,672,505,348.00	4,672,505,348.00
Retained earnings	28,301,857,681.19	25,196,894,651.27
Total owners' equity	44,938,432,086.06	41,130,970,570.43
Total liabilities and owners' equity	60,821,470,540.49	52,214,392,639.62

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	2020 Q3	2019 Q3
I. Total operating income	17,750,035,645.86	15,915,642,804.35
II. Total operating costs	14,236,690,054.68	11,986,336,953.81
Including: Total operating costs	9,777,113,666.40	8,496,804,444.94
Business taxes and surcharges	115,971,298.33	96,963,076.85
Selling expenses	1,813,548,049.93	1,940,139,966.75
Administrative expenses	470,051,489.24	446,580,701.06
Research and Development (R&D) expenses	1,677,325,334.35	1,502,476,961.10
Financial expenses	382,680,216.43	(496,628,196.89)
Including: Interest expenses	54,235,983.98	74,410,747.56
Interest income	157,417,761.75	161,426,059.65
Add: Other Income	695,122,842.24	580,970,230.04
Investment income (loss)	(25,478,592.81)	8,327,642.30
Including: Investment gains (losses) in associated enterprise and joint-venture enterprise	(13,390,249.40)	5,825,385.04
Gains from changes in fair values	60,895,110.47	9,348,538.93
Credit impairment losses (“-“)	(56,336,117.60)	(144,256,060.56)
Impairment losses (“-“ of assets	(94,972,081.65)	(69,340,091.15)
Asset disposal income	283,087.18	389,512.37
III. Operating profit	4,092,859,839.01	4,314,745,622.47
Add: Non-operating income	19,780,669.56	20,153,328.90
Less: Non-operating expenses	5,510,143.35	3,644,173.04
IV. Total profit	4,107,130,365.22	4,331,254,778.33
Less: Income tax expenses	196,804,188.85	460,924,198.11
V. Net profit	3,910,326,176.37	3,870,330,580.22
5.1 Classification by operation continuity		
(a) Net profit on continuous operation	3,910,326,176.37	3,870,330,580.22
5.2 Classification by attribution of ownership		
(a) Profit or loss attributable to minority shareholders	95,347,530.60	59,751,625.33
(b) Net profit attributable to owners of parent company	3,814,978,645.77	3,810,578,954.89
VI. Other comprehensive income, net of income tax	(9,595,165.08)	(5,267,606.68)
Other comprehensive income attributable to owners of the Company, net of tax	(10,024,762.83)	(5,162,206.61)
(I) Items that will not be reclassified subsequently to profit or loss		

Item	2020 Q3	2019 Q3
(II) Other comprehensive income to be reclassified to profit or loss in subsequent periods	(10,024,762.83)	(5,162,206.61)
Exchange differences arising on conversion of financial statements denominated in foreign currencies	(10,024,762.83)	(6,527,620.17)
Gains and losses from changes in fair value of other current assets		1,365,413.56
Other comprehensive income attributable to minority interests, net of tax	429,597.75	(105,400.07)
VII. Total comprehensive income	3,900,731,011.29	3,865,062,973.54
Total comprehensive income attributable to owners of the parent company	3,804,953,882.94	3,805,416,748.28
Total comprehensive income attributable to minority shareholders	95,777,128.35	59,646,225.26
VIII. Earnings per share		
(I) Basic earnings per share	0.405	0.400
(II) Diluted earnings per share	0.405	0.400

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	2020 Q3	2019 Q3
I. Total operating income	7,511,924,308.00	6,920,272,660.94
Less: Total operating Cost	1,956,223,390.19	2,180,260,453.52
Business taxes and surcharges	84,476,812.68	67,760,722.14
Selling expenses	628,836,225.71	852,081,852.19
Administrative expenses	202,054,745.57	184,623,515.65
Research and Development (R&D) expenses	1,067,748,117.12	1,095,442,523.12
Financial expenses	(37,892,562.70)	(361,435,536.59)
Including : Interest expenses	8,885,004.93	6,808,200.57
Interest income	110,979,371.45	124,514,655.05
Add: Other income	553,775,426.53	434,811,042.75
Investment income	793,888,185.71	2,102,615.50
Including: Investment gain (loss) in associated enterprise and joint-venture enterprise	(8,930,255.92)	2,102,615.50
Gains from changes in fair values	49,112,093.33	10,635,547.81
Credit impairment losses (“-“)	(11,379,036.94)	(30,515,452.66)
Impairment losses (“-“) of assets	500,808.24	1,753,720.58
Asset disposal income	7,882.27	10,098.01
II. Operating profit	4,996,382,938.57	3,320,336,702.90
Add: Non-operating income	3,145,560.28	4,577,655.07

Item	2020 Q3	2019 Q3
Less: Non-operating expenses	2,846,523.76	1,684,190.05
III. Total profit	4,996,681,975.09	3,323,230,167.92
Less: Income tax expenses	293,424,076.90	151,477,969.94
IV. Net profit	4,703,257,898.19	3,171,752,197.98
(a) Net profit on continuous operation	4,703,257,898.19	3,171,752,197.98
V. Other comprehensive income, net of income tax		(1,937,862.58)
(I) Items that will not be reclassified subsequently to profit or loss		
(II) Other comprehensive income to be reclassified to profit or loss in subsequent periods		(1,937,862.58)
Gains and losses from changes in fair value of other current assets		(1,937,862.58)
VI. Total comprehensive income	4,703,257,898.19	3,169,814,335.40

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 2020 to September 30th 2020

Unit: RMB

Item	2020 Q1-Q3	2019 Q1-Q3
I. Total operating income	42,021,194,889.62	39,838,916,228.85
II. Total operating costs	33,719,184,646.63	31,313,618,168.78
Including: Total operating costs	21,970,833,611.78	21,337,310,778.62
Business taxes and surcharges	284,043,463.58	264,510,982.77
Selling expenses	5,233,839,568.35	5,153,400,075.91
Administrative expenses	1,335,010,979.18	1,177,690,944.82
Research and Development (R&D) expenses	4,740,749,014.04	4,007,277,010.81
Financial expenses	154,708,009.70	(626,571,624.15)
Including: Interest expenses	148,373,068.03	167,413,125.18
Interest income	464,390,827.93	454,438,589.00
Add: Other Income	1,689,901,236.39	1,303,536,451.58
Investment income	124,741,116.75	29,551,998.27
Including: Investment gains (losses) in associated enterprise and joint-venture enterprise	(22,332,967.09)	1,610,229.42
Gains from changes in fair values	40,458,673.51	11,214,933.39
Credit impairment losses (“-“)	(209,108,587.37)	(278,782,493.13)
Impairment losses (“-“)	(260,366,239.98)	(149,483,833.80)
Asset disposal income	304,642.17	1,199,556.27

Item	2020 Q1-Q3	2019 Q1-Q3
III. Operating profit	9,687,941,084.46	9,442,534,672.65
Add: Non-operating income	51,501,876.64	58,460,407.50
Less: Non-operating expenses	12,888,908.91	12,058,354.95
IV. Total profit	9,726,554,052.19	9,488,936,725.20
Less: Income tax expenses	1,149,356,334.82	1,394,844,854.79
V. Net profit	8,577,197,717.37	8,094,091,870.41
5.1 Classification by operation continuity		
(a) Net profit on continuous operation	8,577,197,717.37	8,094,091,870.41
5.2 Classification by attribution of ownership		
(a) Profit or loss attributable to minority shareholders	138,246,240.73	66,757,705.28
(b) Net profit attributable to owners of parent company	8,438,951,476.64	8,027,334,165.13
VI. Other comprehensive income, net of income tax	(36,391,343.45)	224,061.25
Other comprehensive income attributable to owners of the parent company, net of tax	(34,507,678.30)	(239,399.77)
(I) Items that will not be reclassified subsequently to profit or loss		
(II) Other comprehensive income to be reclassified to profit or loss in subsequent periods	(34,507,678.30)	(239,399.77)
1.Exchange differences arising on conversion of financial statements denominated in foreign currencies	(34,507,678.30)	(15,729,788.42)
2.Gains and losses from changes in fair value of other current assets		15,490,388.65
Other comprehensive income attributable to minority interests, net of tax	(1,883,665.15)	463,461.02
VII. Total comprehensive income	8,540,806,373.92	8,094,315,931.66
Total comprehensive income attributable to owners of the parent company	8,404,443,798.34	8,027,094,765.36
Total comprehensive income attributable to minority shareholders	136,362,575.58	67,221,166.30
VIII. Earnings per share		
(I) Basic earnings per share	0.909	0.860
(II) Diluted earnings per share	0.909	0.860

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 2020 to September 30th 2020

Unit: RMB

Item	2020 Q1-Q3	2019 Q1-Q3
I. Total operating income	19,096,192,393.23	17,354,516,639.53
Less: Total operating Cost	4,878,230,387.67	5,260,041,102.44
Business taxes and surcharges	212,000,163.18	179,363,153.88

Item	2020 Q1-Q3	2019 Q1-Q3
Selling expenses	2,007,406,390.91	2,352,469,006.14
Administrative expenses	584,100,618.17	531,467,438.33
Research and Development (R&D) expenses	3,258,134,217.35	2,875,427,888.71
Financial expenses	(238,495,703.61)	(436,020,048.92)
Including : Interest expenses	22,674,749.11	49,350,390.76
Interest income	326,480,965.28	392,680,476.99
Add: Other income	1,351,019,789.13	1,070,578,767.20
Investment income	986,594,188.91	19,153,543.65
Including: Investment loss in associated enterprise and joint-venture enterprise	(12,559,206.81)	(772,376.22)
Gains from changes in fair values	36,094,761.07	12,788,786.31
Credit impairment losses (“-“)	(26,484,698.83)	622,905,019.26
Impairment losses (“-“)	1,595,892.90	51,323,003.42
Asset disposal income	10,746.11	191,846.66
II. Operating profit	10,743,646,998.85	8,368,709,065.45
Add: Non-operating income	11,895,468.93	12,793,513.71
Less: Non-operating expenses	4,114,046.66	6,921,272.37
III. Total profit	10,751,428,421.12	8,374,581,306.79
Less: Income tax expenses	1,106,073,358.20	997,044,554.62
IV. Net profit	9,645,355,062.92	7,377,536,752.17
(a) Net profit on continuous operation	9,645,355,062.92	7,377,536,752.17
V. Other comprehensive income, net of income tax		(774,633.17)
(I) Items that will not be reclassified subsequently to profit or loss		
(II) Other comprehensive income to be reclassified to profit or loss in subsequent periods		(774,633.17)
1. Gains and losses from changes in fair value of other current assets		(774,633.17)
VI. Total comprehensive income	9,645,355,062.92	7,376,762,119.00

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 2020 to September 30th 2020

Unit: RMB

Item	2020 Q1-Q3	2019 Q1-Q3
I. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	44,732,201,357.96	39,797,920,691.39
Receipts of tax refunds	2,519,486,353.29	2,205,856,683.57
Other cash receipts relating to operating activities	1,120,966,888.55	1,108,671,779.38
Sub-total of cash inflows from operating activities	48,372,654,599.80	43,112,449,154.34
Cash payments for goods purchased and services received	28,365,300,528.80	29,259,780,105.41
Cash paid to and on behalf of employees	7,786,708,739.25	6,690,990,896.32
Payments of various types of taxes	3,516,698,560.06	3,748,604,004.24
Other cash payments relating to operating activities	3,169,328,778.86	3,288,758,912.97
Sub-total of cash outflows from operating activities	42,838,036,606.97	42,988,133,918.94
Net Cash flows from Operating Activities	5,534,617,992.83	124,315,235.40
II. Cash flows from Investing Activities:		
Cash receipts from recovery of investments	1,436,901,231.06	
Cash receipts from investment income	151,548,143.79	10,579,222.38
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	21,360,710.88	56,062,267.50
Other cash receipts relating to investing activities	24,102,324.29	18,166,664.71
Sub-total of cash inflows from investing activities	1,633,912,410.02	84,808,154.59
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	1,605,697,549.12	1,274,540,687.78
Cash paid to acquire investments	1,831,979,614.38	2,884,220.00
Net cash paid to acquire subsidiaries and other business units		65,351,582.07
Sub-total of cash outflows from investing activities	3,437,677,163.50	1,342,776,489.85
Net cash flows from Investing Activities	(1,803,764,753.48)	(1,257,968,335.26)
III. Cash flows from financing activities:		
Cash receipts from capital contributions	159,764,987.03	113,220,262.15
Including: cash receipts from capital contributions from minority owners of subsidiaries	159,764,987.03	113,220,262.15
Cash receipts from borrowings	3,681,920,917.95	7,150,799,943.42
Cash receipts from issuance of bonds	999,500,000.00	
Sub-total of cash inflows from financing activities	4,841,185,904.98	7,264,020,205.57
Cash repayments of borrowings	1,734,060,296.82	2,826,949,887.78
Cash repayments of bonds		3,079,240,000.00

Cash payments for distribution of dividends or profits or settlement of interest expenses	6,599,275,667.73	5,808,192,337.22
Other cash payments relating to financing activities	64,290,000.00	26,897,116.20
Sub-total of cash outflows from financing activities	8,397,625,964.55	11,741,279,341.20
Net cash flows from Financing Activities	(3,556,440,059.57)	(4,477,259,135.63)
IV. Effect of foreign exchange rate changes on Cash and Cash Equivalents	(418,677,132.16)	314,124,262.83
V. Net Increase in Cash and Cash Equivalents	(244,263,952.38)	(5,296,787,972.66)
Add: Opening balance of Cash and Cash Equivalents	26,515,668,008.40	26,031,011,733.89
VI. Closing Balance of Cash and Cash Equivalents	26,271,404,056.02	20,734,223,761.23

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 2020 to September 30th 2020

Unit: RMB

Item	2020 Q1-Q3	2019 Q1-Q3
I. Cash flows from Operating Activities::		
Cash receipts from the sale of goods and the rendering of services	16,415,929,623.98	12,029,215,025.03
Receipts of tax refunds	1,151,059,755.24	934,577,449.38
Other cash receipts relating to operating activities	601,515,335.11	596,615,907.62
Sub-total of cash inflows from operating activities	18,168,504,714.33	13,560,408,382.03
Cash payments for goods acquired and services received	5,642,609,260.24	6,141,625,941.11
Cash payments to and on behalf of employees	4,067,488,635.30	3,826,354,338.41
Payments of various types of taxes	2,309,740,849.52	2,274,516,905.16
Other cash payments relating to operating activities	1,077,193,118.06	1,374,026,139.24
Sub-total of cash outflows from operating activities	13,097,031,863.12	13,616,523,323.92
Net Cash flows from Operating Activities	5,071,472,851.21	(56,114,941.89)
II. Cash flows from Investing Activities:		
Cash receipts from recovery of investments	2,800,000.00	
Cash receipts from investment income	153,552,279.56	2,568,699.00
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	5,422,277.99	3,976,093.24
Other cash receipts relating to investing activities	1,655,981,987.34	3,066,451,513.72
Sub-total of cash inflows from investing activities	1,817,756,544.89	3,072,996,305.96
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	360,168,318.03	264,771,882.74

Cash payments to acquire investments	922,603,054.15	
Net cash paid to acquire subsidiaries and other business units		414,400,000.00
Other cash payments relating to investing activities		982,391,211.78
Sub-total of cash outflows from investing activities	1,282,771,372.18	1,661,563,094.52
Net Cash flows from Investing Activities	534,985,172.71	1,411,433,211.44
III. Cash flows from Financing Activities		
Cash receipts from borrowings	2,480,000,000.00	3,679,240,000.00
Cash receipts from issuance of bonds	999,500,000.00	
Sub-total of cash inflows from financing activities	3,479,500,000.00	3,679,240,000.00
Cash repayments of borrowings	1,000,000,000.00	
Cash repayments of bonds		3,079,240,000.00
Cash payments for distribution of dividends or profits or settlement of interest expenses	6,468,742,388.72	5,669,311,652.85
Other cash payments relating to financing activities		26,897,116.20
Sub-total of cash outflows from financing activities	7,468,742,388.72	8,775,448,769.05
Net Cash flows from Financing Activities	(3,989,242,388.72)	(5,096,208,769.05)
IV. Effect of foreign exchange rate changes on Cash and Cash Equivalents	(36,671,500.59)	140,012,598.62
V. Net increase in cash and cash equivalents	1,580,544,134.61	(3,600,877,900.88)
Add: Beginning balance of cash and cash equivalents	16,656,028,410.72	18,998,934,287.59
VI. Closing Balance of Cash and Cash Equivalents	18,236,572,545.33	15,398,056,386.71

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

Person in Charge of Accounting Institution: Zhan Junhua

4.2 Notes on financial statement adjustment

(1) Implementation of the new revenue standard for the first time since 2020, adjustments to the implementation of relevant items in the financial statements at the beginning of the year

√Applicable □Inapplicable

Whether to adjust the balance sheet account at the beginning of the year

√Applicable □Inapplicable

Consolidated Balance Sheet

Unit: RMB

Item	December 31 st 2019	January 1 st 2020	Adjustments
Current Assets:			
Cash and bank balances	27,071,948,919.78	27,071,948,919.78	0.00
Held-for-trading financial assets	181.76	181.76	0.00

Item	December 31 st 2019	January 1 st 2020	Adjustments
Notes receivable	973,236,789.02	973,236,789.02	0.00
Accounts receivable	21,307,927,200.28	21,272,964,582.56	-34,962,617.72
Receivables for financing	1,257,385,053.02	1,257,385,053.02	0.00
Prepayments	309,685,733.32	309,685,733.32	0.00
Other receivables	555,246,545.48	555,246,545.48	0.00
Inventories	11,267,986,843.11	10,756,027,592.41	-511,959,250.70
Contract assets		546,921,868.42	546,921,868.42
Non-current assets due within one year	528,469,701.75	528,469,701.75	0.00
Other current assets	754,456,821.72	754,456,821.72	0.00
Total Current Assets	64,026,343,789.24	64,026,343,789.24	0.00
Non-current Assets:			
Long-term receivables	1,382,536,761.22	1,382,536,761.22	0.00
Long-term equity investment	252,165,321.49	252,165,321.49	0.00
Other non-current financial assets	312,398,267.44	312,398,267.44	0.00
Fixed assets	5,791,218,720.87	5,791,218,720.87	0.00
Construction in progress	631,555,479.06	631,555,479.06	0.00
Intangible assets	1,046,122,507.64	1,046,122,507.64	0.00
Goodwill	273,611,961.96	273,611,961.96	0.00
Long-term deferred expenses	87,611,490.75	87,611,490.75	0.00
Deferred tax assets	688,849,263.70	688,849,263.70	0.00
Other non-current assets	865,586,676.92	865,586,676.92	0.00
Total Non-current Assets	11,331,656,451.05	11,331,656,451.05	0.00
Total Assets	75,358,000,240.29	75,358,000,240.29	0.00
Current Liabilities:			
Short-term borrowings	2,640,082,485.15	2,640,082,485.15	0.00
Held-for-trading financial liabilities	652,428.18	652,428.18	0.00
Notes payable	1,239,584,016.70	1,239,584,016.70	0.00
Accounts payable	12,700,075,307.70	12,700,075,307.70	0.00
Receipts in advance	1,020,989,460.61		-1,020,989,460.61
Contract liabilities		1,128,239,007.61	1,128,239,007.61
Payroll payable	2,359,674,640.12	2,359,674,640.12	0.00
Taxes payable	991,342,805.91	991,342,805.91	0.00
Other payables	1,568,744,599.94	1,568,744,599.94	0.00
Including : Interests payable			
Dividends payable	108,129,385.24	108,129,385.24	0.00
Non-current liabilities due within	86,123,154.06	86,123,154.06	0.00

Item	December 31 st 2019	January 1 st 2020	Adjustments
one year			
Other current liabilities	913,534,538.26	913,534,538.26	0.00
Total Current Liabilities	23,520,803,436.63	23,628,052,983.63	107,249,547.00
Non-current Liabilities:			
Long-term borrowings	4,604,168,571.43	4,604,168,571.43	0.00
Long-term payables	50,181,416.72	50,181,416.72	0.00
Provisions	90,570,669.01	90,570,669.01	0.00
Deferred income	333,589,831.30	226,340,284.30	-107,249,547.00
Deferred tax liabilities	51,088,103.96	51,088,103.96	0.00
Other non-current liabilities	1,234,739,326.10	1,234,739,326.10	0.00
Total non-current liabilities	6,364,337,918.52	6,257,088,371.52	-107,249,547.00
Total liabilities	29,885,141,355.15	29,885,141,355.15	0.00
Owners' Equity			
Share capital	9,345,010,696.00	9,345,010,696.00	0.00
Capital reserves	4,126,943,698.96	4,126,943,698.96	0.00
Less: Treasury shares	2,148,273,864.36	2,148,273,864.36	0.00
Other comprehensive income	-53,541,146.99	-53,541,146.99	0.00
Surplus reserves	4,672,505,348.00	4,672,505,348.00	0.00
Retained earnings	28,961,389,145.22	28,961,389,145.22	0.00
Total owners' equity attributable to owner of the Company	44,904,033,876.83	44,904,033,876.83	0.00
Minority equity	568,825,008.31	568,825,008.31	0.00
Total owners' equity	45,472,858,885.14	45,472,858,885.14	0.00
Total liabilities and owners' equity	75,358,000,240.29	75,358,000,240.29	0.00

Balance Sheet of the Parent Company

Unit: RMB

Item	December 31 st 2019	January 1 st 2020	Adjustments
Current Assets:			
Cash and bank balances	16,851,590,525.05	16,851,590,525.05	0.00
Notes receivable	149,703,073.98	149,703,073.98	0.00
Accounts receivable	25,107,965,925.08	25,107,965,925.08	0.00
Receivables for financing	84,839,695.67	84,839,695.67	0.00
Prepayments	160,688,588.99	160,688,588.99	0.00
Other receivables	921,275,388.15	921,275,388.15	0.00
Including: Interests receivable			

Item	December 31 st 2019	January 1 st 2020	Adjustments
Dividends receivable	2,550,000.00	2,550,000.00	0.00
Inventories	171,243,815.97	160,419,083.27	-10,824,732.70
Contract assets		10,824,732.70	10,824,732.70
Non-current assets due within one year	4,513,795.81	4,513,795.81	0.00
Other current assets	23,117,398.50	23,117,398.50	0.00
Total Current Assets	43,474,938,207.20	43,474,938,207.20	0.00
Non-current Assets:			
Long-term receivables	681,568.43	681,568.43	0.00
Long-term equity investment	5,074,018,030.44	5,074,018,030.44	0.00
Other non-current financial assets	309,504,047.44	309,504,047.44	0.00
Fixed assets	2,831,295,145.61	2,831,295,145.61	0.00
Construction in progress	153,416,054.28	153,416,054.28	0.00
Intangible assets	188,362,883.75	188,362,883.75	0.00
Long-term deferred expenses	34,199,446.06	34,199,446.06	0.00
Deferred tax assets	126,357,792.34	126,357,792.34	0.00
Other non-current assets	21,619,464.07	21,619,464.07	0.00
Total Non-current Assets	8,739,454,432.42	8,739,454,432.42	0.00
Total Assets	52,214,392,639.62	52,214,392,639.62	0.00
Current Liabilities:			
Short-term borrowings	2,001,781,388.89	2,001,781,388.89	0.00
Accounts payable	450,983,270.08	450,983,270.08	0.00
Receipts in advance	227,242,328.23		-227,242,328.23
Contract liabilities		227,242,328.23	227,242,328.23
Payroll payable	1,564,304,003.49	1,564,304,003.49	0.00
Taxes payable	796,890,945.83	796,890,945.83	0.00
Other payables	533,325,191.05	533,325,191.05	0.00
Including : Interests payable			
Dividends payable	105,679,385.24	105,679,385.24	0.00
Non-current liabilities due within one year	9,539,251.98	9,539,251.98	0.00
Other current liabilities	913,534,538.26	913,534,538.26	0.00
Total Current Liabilities	6,497,600,917.81	6,497,600,917.81	0.00
Non-current Liabilities:			
Long-term borrowings	3,126,200,000.00	3,126,200,000.00	0.00
Provisions	62,863,096.83	62,863,096.83	0.00
Deferred income	162,018,728.45	162,018,728.45	0.00
Other non-current liabilities	1,234,739,326.10	1,234,739,326.10	0.00

Item	December 31 st 2019	January 1 st 2020	Adjustments
Total non-current liabilities	4,585,821,151.38	4,585,821,151.38	0.00
Total liabilities	11,083,422,069.19	11,083,422,069.19	0.00
Owners' Equity			
Share capital	9,345,010,696.00	9,345,010,696.00	0.00
Capital reserves	4,064,833,739.52	4,064,833,739.52	0.00
Less: Treasury shares	2,148,273,864.36	2,148,273,864.36	0.00
Surplus reserves	4,672,505,348.00	4,672,505,348.00	0.00
Retained earnings	25,196,894,651.27	25,196,894,651.27	0.00
Total owners' equity	41,130,970,570.43	41,130,970,570.43	0.00
Total liabilities and owners' equity	52,214,392,639.62	52,214,392,639.62	0.00

(2) Description of retrospective adjustment to prior comparative data for the implementation of the new revenue standard since 2020.

√Applicable □Inapplicable

Consolidated Balance Sheet

Unit: RMB

	Book value presented according to former revenue standards on December 31 st 2019	Reclassification	Book value presented according to the New Revenue Standard on January 1 st 2020
Accounts receivable (Note 1)	21,307,927,200.28	-34,962,617.72	21,272,964,582.56
Inventories (Note 1)	11,267,986,843.11	-511,959,250.70	10,756,027,592.41
Contract assets (Note 1)		546,921,868.42	546,921,868.42
Other non-current assets- Completed but unsettled assets formed by construction contracts (Note 1)	751,457,739.44	-751,457,739.44	
Other non-current assets-contract assets (Note 1)		751,457,739.44	751,457,739.44
Receipts in advance (Note 2)	1,020,989,460.61	-1,020,989,460.61	
Contract liabilities (Note 2)		1,128,239,007.61	1,128,239,007.61
Deferred income (Note 2)	333,589,831.30	-107,249,547.00	226,340,284.30

Note1: The construction contracts undertaken by the Group were performance obligations to be fulfilled over a period of time, and the Group recognized revenue based on the progress of fulfillment of the contract. The amount of revenue recognized by the Group based on the progress of fulfillment of the project in excess of the processed settlement amounts for contracts in progress is reclassified as contract assets. Accordingly, as at January 1st 2020, the Group's completed but unsettled assets of RMB 1,263,416,990.14 and accounts receivable of RMB 34,962,617.72 formed by construction contracts previously presented under inventory and other non-current assets were reclassified as contract assets, of which the amounts expected to be to be collected in more than one year were presented under other non-current assets.

Note 2: Receipts in advance received by the Group for sales of goods and services rendered were reclassified as contract liabilities as at January 1st 2020. The Group's obligations to provide services to customers in consideration for the provision of cloud storage and other services were reclassified to contract liabilities as at January 1st 2020.

Balance Sheet of the Parent Company

Unit: RMB

	Book value presented according to former revenue standards on December 31 st 2019	Reclassification	Book value presented according to the New Revenue Standards on January 1 st 2020
Inventories (Note 1)	171,243,815.97	-10,824,732.70	160,419,083.27
Contract assets (Note 1)		10,824,732.70	10,824,732.70
Receipts in advance (Note 2)	227,242,328.23	-227,242,328.23	
Contract liabilities (Note 2)		227,242,328.23	227,242,328.23

Note1: The construction contracts undertaken by the Company were performance obligations to be fulfilled over a period of time, and the Company recognized revenue based on the progress of fulfillment of the contract. The amount of revenue recognized by the Company based on the progress of fulfillment of the project in excess of the processed settlement amounts for contracts in progress is reclassified as contract assets. Accordingly, as at January 1st 2020, the Company's completed but unsettled assets of RMB 10,824,732.70 from construction contracts previously presented under inventory were reclassified as contract assets.

Note 2: Receipts in advance received by the Company for the sales of goods and services rendered were reclassified to contract liabilities as at January 1st 2020.

4.3 Audit Report

Whether audit has been performed on this 2020 3rd Quarter Report

☐ Yes ☒ No

The Company's 2020 3rd Quarter report has not been audited

HANGZHOU HIKVISION DIGITAL TECHNOLOGY CO., LTD.

Chairman: Chen Zongnian

October 24th 2020

Note: This document is a translated version of the Chinese version 2020 Q3 Financial Report (“2020 年第三季度报告全文”), and the published 2020 Q3 report in the Chinese version shall prevail. The complete published Chinese 2020 Q3 Financial Report may be obtained at <http://www.cninfo.com.cn>.