

**ZHEJIANG DAHUA TECHNOLOGY CO., LTD.****PRELIMINARY FINANCIAL DATA  
FOR THE FIRST HALF OF 2020**

The Company and all members of the Board of Directors hereby guarantee that the information disclosed herein is authentic, accurate and complete and free of any false records, misleading statements or material omissions.

**Special prompt:**

The semi-annual financial data of 2020 contained in this Report is only preliminary accounting data, which has been audited by the internal audit department of the Company, but hasn't been audited by the accounting firm yet, and may be different from the final data disclosed in the semi-annual report. Therefore, please pay attention to the investment risks.

**I. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS FOR THE FIRST HALF YEAR OF 2020**

(in RMB, except per share data, unaudited)

Item Name	The current reporting period	The corresponding period of last year	Increase/Decrease
Total operating revenue	9,838,328,853.62	10,806,566,370.89	-8.96%
Operating Profit	1,546,202,720.04	1,360,678,823.45	13.63%
Total Profit	1,540,292,314.38	1,367,835,559.96	12.61%
Net profits attributable to shareholders of the Company	1,369,799,013.73	1,238,880,948.74	10.57%
Basic earnings per share (RMB)	0.47	0.42	11.90%
Weighted average ROE	8.36%	9.40%	-1.04%
	<b>At the end of the current reporting period</b>	<b>At the beginning of the current reporting period</b>	<b>Increase/Decrease</b>

Total assets	29,537,703,391.80	29,564,650,212.93	-0.09%
Owners' equity attributable to shareholders of the Company	16,995,467,121.85	15,643,007,027.91	8.65%
Share Capital	3,001,465,530.00	3,003,713,230.00	-0.07%
Net asset per share attributable to shareholders of the Company	5.66	5.21	8.64%

Note: (1) The above data shall be filled with the data set out in the Company's consolidated statements;

(2) During the reporting period, the Company carried out corresponding accounting treatments for the buy-back and cancellation of part of the restricted stocks, changing the Company's total share capital from 3,003,713,230 shares to 3,001,465,530 shares.

## II. INFORMATION ABOUT OPERATING RESULTS AND FINANCIAL POSITION

During the reporting period, the Company has achieved a total operating income of RMB 9,838,328,853.62, representing a decrease of 8.96% on a year-on-year basis; an operating profit of RMB 1,546,202,720.04, representing an increase of 13.63% on a year-on-year basis; a total profit of RMB 1,540,292,314.38, representing an increase of 12.61% on a year-on-year basis; and a net profit attributable to the shareholders of the listed company of RMB 1,369,799,013.73, representing an increase of 10.57% on a year-on-year basis. The outbreak of the COVID-19 pandemic all over the world in the first half of 2020 imposed certain effect on the development of the Company's business, and the implementation and acceptance of several projects have been delayed. The Company actively responded to the challenges brought by the changes in the external environment, continuously strengthened the accuracy and effectiveness of investment, optimized the cost structure and at the same time, increased research and development investment and launched new products to meet the market demands, thus further improving the level of refined management and promoting the continuous growth of the company's performance.

## III. EXPLANATION FOR DISCREPANCIES FROM PREVIOUS OPERATING RESULTS EXPECTATION

The Company did not make an anticipation to the performance of the first half of 2020 prior to the disclosure of this Performance Report.

#### **IV. DOCUMENTS AVAILABLE FOR INSPECTION**

1. Comparative balance sheet and profit statement signed and sealed by the incumbent legal representative, the chief accountant and the person in charge of accounting institution (Accounting Officer) of the Company.
2. Internal audit report signed by the responsible person of the internal audit department.

It is hereby notified the above.

Board of Directors of Zhejiang Dahua Technology Co., Ltd.

July 29, 2020