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PUBLIC ANNOUNCEMENT: No.2021-017

ZHEJIANG DAHUA TECHNOLOGY CO., LTD.

PRELIMINARY FINANCIAL DATA FOR THE YEAR OF 2020

Zhejiang Dahua Technology Co., Ltd. (hereinafter referred to as the "Company") and all members of the Board of Directors hereby guarantee that the contents of this announcement shall be true, accurate and complete without any false records, misleading statements or material omissions therefrom.

Important: The 2020 annual financial data provided in this announcement are only preliminary accounting data and have been audited by internal audit department of the Company, but have not been audited by the certified public accountants. There may be discrepancies between the financial data published in this announcement and the final data disclosed in annual report. Investors are advised to take note of the investment risks.

I. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS FOR FISCAL YEAR 2020

(in RMB, except per share data)

Item Name	The current reporting period	The corresponding period of last year	Increase/ Decrease
Total operating revenue	26,467,103,719.86	26,149,430,652.42	1.21%
Operating Profit	4,353,401,292.43	3,496,880,384.57	24.49%
Total Profit	4,345,220,122.52	3,498,563,157.51	24.20%
Net profits attributable to shareholders of the Company	4,001,295,639.01	3,188,144,692.55	25.51%
Basic earnings per share (RMB)	1.37	1.10	24.55%
Weighted average ROE	22.59%	22.74%	-0.15%
	At the end of the current reporting period	**At the beginning of the current reporting period**	**Increase/ Decrease**
Total assets	36,593,158,205.19	29,564,650,212.93	23.77%
Owners' equity attributable to shareholders of the Company	19,779,080,770.78	15,643,007,027.91	26.44%
Share Capital	2,995,579,590.00	3,003,713,230.00	-0.27%
Net asset per share attributable	6.60	5.21	26.68%

to shareholders of the Company			

Note 1：The above figures are at consolidated level of the Company.

Note 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 2,995,579,590 shares.

II. INFORMATION ABOUT OPERATING RESULTS AND FINANCIAL POSITION

1. Information about operating results

During the reporting period, the Company achieved operating revenue of RMB 26,467,103,719.86, representing an increase of 1.21% as compared to the corresponding period of last year. Operating Profit amounted to RMB 4,353,401,292.43, representing an increase of 24.49% as compared to the corresponding period of last year. The Company achieved total Profit of RMB 4,345,220,122.52, representing an increase of 24.20% as compared to the corresponding period of last year. Net profits attributable to shareholders of the Company amounted to RMB 4,001,295,639.01, representing an increase 25.51% as compared to the corresponding period of last year.

Main reasons for performance change:

(1) During the reporting period, facing the epidemic prevention and control requirements at home and the uncertain economic situation aboard, the Company focused on its main business and insisted on the development route with high quality and stable growth, aiming to support its steady business development. At the same time, the Company further strengthened the fine management, continued to optimize its cost structure, and increased its R&D investments, to promote the continuous growth of the Company's performance.

(2) During the reporting period, the Company suffered an exchange loss of RMB 358.10 million, mainly due to the appreciation of RMB against USD.

(3) According to the Company’s bad debt provision policy, during the reporting period, the Company’s credit impairment and asset impairment increased by RMB 175.1082 million from a year earlier.

(4) During the reporting period, the Company transferred 100% of the equity of its subsidiary, Zhejiang Huatu Microchip Technology Co., Ltd., causing a reduction of about RMB 961.796 million in the net profit attributable to shareholders of the listed company.

2. Information about financial position

During the reporting period, the Company’s total assets amounted to RMB 36.5931582 billion, a 23.77% increase on a year-on-year basis; its net assets amounted to RMB 19.7790808 billion, a 26.44% increase on a year-on-year basis.

III. EXPLANATION FOR DISCREPANCIES FROM PREVIOUS OPERATING RESULTS EXPECTATION

According to the regulations of Shenzhen Stock Exchange, the Company didn't disclose its expected operating results for 2020 before the disclosure of the Preliminary Earnings Estimate.

IV. DOCUMENTS AVAILABLE FOR INSPECTION

1. The comparative balance sheet and income statement that signed and sealed by the person in

charge of the Company, the responsible person in charge of accounting work, and the person in charge of accounting organization.

2. The internal audit report signed by the person in charge of the internal audit department.

Board of Directors

ZHEJIANG DAHUA TECHNOLOGY CO., LTD.

February 27th, 2021