

HANGZHOU HIKVISION DIGITAL
TECHNOLOGY CO., LTD.



2021 Quarter 1 Report
January to March 2021

April 17th 2021

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 2021 Q1 Financial Report (“2021 年第一季度报告全文”), and the published 2021 Q1 report in the Chinese version shall prevail. The complete published Chinese 2021 Q1 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

	2021 Q1	2020 Q1	YoY Change(%) between 2020 Q1 and 2021 Q1
Operating income (RMB)	13,988,385,531.58	9,428,902,974.38	48.36%
Net profits attributable to shareholders of the Company (RMB)	2,169,440,312.25	1,496,269,608.01	44.99%
Net profits attributable to shareholders of the Company excluding non-recurring gains and losses (RMB)	2,022,056,316.46	1,469,074,026.95	37.64%
Net cash flows from operating activities (RMB)	-2,018,107,114.23	-3,982,048,164.94	49.32%
Basic earnings per share (RMB/share)	0.235	0.163	44.17%
Diluted earnings per share (RMB/share)	0.233	0.163	42.94%
Weighted average Return on Equity (ROE)	3.95%	3.28%	0.67%
	On March 31 st 2021	On December 31 st 2020	Change(%) between December 31 st 2020 and March 31 st 2021
Total assets (RMB)	86,378,576,574.09	88,701,682,384.20	-2.62%
Net assets attributable to shareholders of the Company (RMB)	55,954,297,409.10	53,794,311,162.05	4.02%

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)	9,343,417,190
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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	0.232
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Items and Amounts of Non-recurring Gains and Losses

Applicable Inapplicable

Unit: RMB

Item	January 1 st 2021–March 31 st 2021
Profit or loss from disposal of non-current assets (including the write-off for the impairment provision of assets)	3,464,415.12
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.)	136,094,421.65
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.	51,180,033.58
Other non-operating income and expenditures except the items mentioned above	9,727,970.62
Less: Impact of income tax	22,186,726.25
Impact of the minority interests (after tax)	30,896,118.93
Total	147,383,995.79

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 current 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	234,089	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	10.30%	962,504,814	962,504,814	Pledged	202,100,000
Xinjiang Weixun Investment Management Limited Partnership	Domestic non-state-owned corporation	4.82%	450,795,176	0		
Shanghai Gaoyi Asset Management Partnership (Limited Partnership) - Gaoyi Adjacent Mountain 1 Yuanwang Fund	Other	2.30%	215,000,000	0		
Xinjiang Pukang Investment Limited Partnership	Domestic non-state-owned corporation	1.95%	182,510,174	0		
The 52nd Research Institute at China Electronics Technology Group Corporation	Domestic State-owned corporation	1.93%	180,775,044	0		
Hu Yangzhong	Domestic Individual	1.66%	155,246,477	136,639,858		
Hong Kong Securities Clearing Company Ltd.(HKSCC)	Overseas corporation	1.32%	123,501,524	0		
CITIC Securities Company Limited	Domestic State-owned corporation	1.15%	107,578,342	0		
Bank of China Co., Ltd. - Efunds Blue Chip Select Hybrid Securities Investment Fund	Other	0.96%	90,000,160	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
Xinjiang Weixun Investment Management Limited Partnership	450,795,176	RMB ordinary shares	450,795,176
Shanghai Gaoyi Asset Management Partnership (Limited Partnership) - Gaoyi Adjacent Mountain 1 Yuanwang Fund	215,000,000	RMB ordinary shares	215,000,000
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
Hong Kong Securities Clearing Company Ltd.(HKSCC)	123,501,524	RMB ordinary shares	123,501,524
CITIC Securities Company Limited	107,578,342	RMB ordinary shares	107,578,342
Bank of China Co., Ltd. - Efunds Blue Chip Select Hybrid Securities Investment Fund	90,000,160	RMB ordinary shares	90,000,160
Central Huijin Investment Ltd.	65,818,800	RMB ordinary shares	65,818,800
Guo Minfang	57,670,726	RMB ordinary shares	57,670,726
Explanation on associated relationship and concerted actions among above shareholders	<p>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, overseas 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.</p> <p>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>.</p>		

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 on March 31st 2021 (RMB)	Balance on December 31 st 2020 (RMB)	YoY change (%)	Note of Changes
Notes receivable	1,315,201,363.11	1,303,252,705.19	-22.09%	Decrease in note settlements
Receivables for financing	1,226,759,192.33	1,959,601,195.25		
Other receivables	776,738,302.85	519,143,350.82	49.62%	Increase in employee housing loans
Right-of-use assets	378,652,592.50	0.00	100.00%	According to the new lease standard, recognized the right-of-use assets
Payroll payable	1,463,896,374.55	2,877,786,430.71	-49.13%	2020 year-end bonus were issued this quarter
Lease liabilities	253,242,830.34	0.00	100.00%	According to the new lease standard, recognized the lease liability
Minority shareholders' equity	962,423,655.91	685,432,238.49	40.41%	Increased profits from innovative business subsidiaries

1.2 Explanation for variations in income statement items

Item	2021 Q1 (RMB)	2020 Q1 (RMB)	YoY Change (%)	Note of changes
Total operating income	13,988,385,531.58	9,428,902,974.38	48.36%	Increase in market demand and expansion of sales
Total operating costs	7,439,068,423.51	4,963,386,892.35	49.88%	Increase with sales revenue growth
Business taxes and surcharges	101,336,830.02	49,517,189.63	104.65%	Sales growth impact
Research and Development (R&D) expenses	1,687,820,001.28	1,218,291,551.09	38.54%	R&D investment continued to increase
Financial expenses	-102,974,119.07	-209,496,786.15	50.85%	Increase in foreign exchange losses

Item	2021 Q1 (RMB)	2020 Q1 (RMB)	YoY Change (%)	Note of changes
Other income	464,549,234.50	301,718,659.20	53.97%	Increase in government subsidies
Investment Income	5,303,647.94	-2,717,395.11	295.17%	Increase in foreign exchange forward trading income
Gains from changes in fair value	34,574,820.33	-28,072,695.09	223.16%	Increase in gains from changes in fair value of other non-current financial assets
Credit impairment losses	-197,732,278.00	2,621,244.53	7643.45%	Increase in credit impairment loss reserves
Income tax expenses	475,617,677.61	317,562,607.29	49.77%	Increase in profits led to increase in accrued income tax expense
Profit or loss attributable to minority shareholders	265,189,109.84	57,130,939.00	364.18%	Increased profitability of innovative business subsidiaries

1.3 Explanation for variations in cash flow statement items

Item	2021 Q1 (RMB)	2020 Q1 (RMB)	YoY Change (%)	Note of changes
Net cash flows from operating activities	-2,018,107,114.23	-3,982,048,164.94	49.32%	Increase in sales collection
Net cash flows from investing activities	-559,863,626.77	-824,520,039.21	32.10%	Decrease in equity investment expenditures
Net cash flows from financing activities	-458,675,244.36	1,257,055,108.43	-136.49%	Net borrowing inflow decreased during the current reporting period

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

√ Applicable □ Inapplicable

On January 8th 2021, the 21st meeting of the fourth session of the board of directors of the Company considered and approved the *Proposal on the Spin-off of the Subsidiary, Hangzhou EZVIZ Network Co., Ltd. to be Listed on the SSE STAR (Sci-Tech Innovation Board) Market, by Hangzhou Hikvision Digital Technology Co., Ltd.* and other proposals related to the spin-off, approving the spin-off of the Company's subsidiary Hangzhou EZVIZ Network Co., Ltd. to be listed on the STAR Market of the Shanghai Stock Exchange. Upon completion of the spin-off, the Company's shareholding structure will not be changed, and the Company still has the controlling interest in EZVIZ Network.

On March 4th 2021, the Company received a notice from shareholder Gong Hongjia, informing the Company that between November 6th 2020 and March 3rd 2021, Mr. Gong Hongjia, through block transactions, reduced his holdings of the Company's shares by a total of 113,103,400 shares, representing 1.21% of the total share capital of the Company. After the reduction, Mr. Gong Hongjia holds 972,504,814 shares of the Company, representing 10.41% of the total share capital of the Company.

On April 18th 2019, the 10th meeting of the fourth session of the board of directors of the Company considered and approved the *Proposal on Entering into Entrusted Management Agreement with the Company's Controlling Shareholder and Related Party Transactions*. On April 19th 2019, Hangzhou EZVIZ Network Co., Ltd. ("EZVIZ Network"), a controlled subsidiary of the Company, entered into an Entrusted Management Agreement with CETHIK Group Co., Ltd. ("CETHIK"), the controlling shareholder of the Company, and the Company's wholly-owned subsidiary Hangzhou EZVIZ Technology Co., Ltd. ("EZVIZ Technology"). Pursuant to the Entrusted Management Agreement, CETHIK entrusts the actual operation and management power of EZVIZ Technology to EZVIZ Network, which shall assume the full responsibility of the production, operation, and management of EZVIZ Technology. EZVIZ Network shall be entitled to the distributable profits generated by EZVIZ Technology before and after the entrusted management. At the same time, EZVIZ Network shall pay CETHIK the capital occupation fee at a rate equal to the interest rate of the central bank for loans of over five years plus 1%, based on the paid-in capital of EZVIZ Technology.

During the current reporting period, based on the actual production, operation and business requirements of EZVIZ Network and to further optimize the business procedures of EZVIZ Network, upon friendly and thorough negotiation among the three parties to the agreement, EZVIZ Network entered into the *Termination Agreement of the Entrusted Management Agreement* with CETHIK and EZVIZ Technology on March 27th 2021. EZVIZ Network would no longer exercise the actual operation and management power of EZVIZ Technology, and was no longer responsible for the production, operation and management of EZVIZ Technology.

Overview of significant events	Disclosure Date	Temporary public disclosure website index
<i>Announcement on Entering into Entrusted Management Agreement with the Company's Controlling Shareholder and Related Party Transactions</i> (announcement No.: 2019-026)	April 20 th 2019	www.cninfo.com.cn
<i>Proposal on the Spin-off of the Subsidiary Hangzhou EZVIZ Network Co., Ltd. to Be Listed on the SSE STAR (Sci-Tech Innovation Board) Market</i>	January 9 th 2021	www.cninfo.com.cn
<i>Announcement on Reduction of More Than 1% of Shares by Shareholder</i> (announcement No.: 2021-018)	March 5 th 2021	www.cninfo.com.cn
<i>Announcement on Progress of Entering into the Termination Agreement of the Entrusted Management Agreement and Related Party Transactions</i> (announcement No.: 2021-025)	March 30 th 2021	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	351,670.38	October 21 st 2020	June 18 th 2021	351,670.38	142,730.18	-	-	333,855.82	5.87%	1,660.30
Total				351,670.38	--	--	351,670.38	142,730.18	--	-	333,855.82	5.87%	1,660.30
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 operational result from January 1st 2021 to June 30th 2021

Applicable Inapplicable

7. Major contracts for daily operations

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

Time of reception	Location of reception	Method of reception	Type of reception object	Reception object	The main content of the discussion and the information provided	Index of basic situation of the research
December 22 nd 2020 to January 11 th 2021	Headquarters meeting room of the Company	Site Research and telephone communication	Institutional investors	106 investors including China Asset Management-Zhang Fan, etc.	The Company's operating conditions and future prospects	CNINE, <i>Investor Relations Activity Record: From December 22nd 2020 to January 11th 2021</i>
January 12 th 2021 to January 29 th 2021	Headquarters meeting room of the Company	Site Research and telephone communication	Institutional investors	138 investors including Huachuang Securities-Meng Can, etc.	The Company's operating conditions and future prospects	CNINE, <i>Investor Relations Activity Record: From January 12th 2021 to January 29th 2021</i>
February 1 st 2021 to March 2 nd 2021	Headquarters meeting room of the Company	Site Research and telephone communication	Institutional investors	56 investors including Haitong self-operated - Wang Jing, etc.	The Company's operating conditions and future prospects	CNINE, <i>Investor Relations Activity Record: From February 1st 2021 to March 2nd 2021</i>
March 3 rd 2021 to March 17 th 2021	Headquarters meeting room of the Company	Site Research and telephone communication	Institutional investors	145 investors including Orient Securities-Kuai Jian, etc.	The Company's operating conditions and future prospects	CNINE, <i>Investor Relations Activity Record: From March 3rd 2021 to March 17th 2021</i>

Section IV Financial Reports

4.1 Financial Reports

1. Consolidated Balance Sheet

Unit: RMB

Item	March 31 st 2021	December 31 st 2020
Current Assets:		
Cash and bank balances	32,111,011,899.49	35,459,729,108.27
Held-for-trading financial assets	28,966,015.66	22,679,846.77
Notes receivable	1,315,201,363.11	1,303,252,705.19
Accounts receivable	20,973,667,434.48	21,979,380,716.86
Receivables for financing	1,226,759,192.33	1,959,601,195.25
Prepayments	358,132,475.17	296,334,689.86
Other receivables	776,738,302.85	519,143,350.82
Inventories	13,296,205,149.20	11,477,906,040.70
Contract assets	196,024,031.95	245,754,510.98
Non-current assets due within one year	1,152,521,256.39	1,001,208,813.83
Other current assets	638,134,044.36	497,914,506.64
Total Current Assets	72,073,361,164.99	74,762,905,485.17
Non-current Assets:		
Long-term receivables	1,898,992,941.58	2,105,570,004.53
Long-term equity investment	852,725,144.92	864,026,710.23
Other non-current financial assets	514,899,633.97	491,939,067.27
Fixed assets	5,873,594,023.63	5,876,007,536.60
Construction in progress	1,715,245,946.60	1,425,235,193.72
Right-of-use assets	378,652,592.50	
Intangible assets	1,245,928,073.34	1,251,317,923.69
Goodwill	274,461,013.86	274,203,665.20
Long-term deferred expenses	105,494,101.65	108,584,686.85
Deferred tax assets	814,553,795.53	820,380,954.86
Other non-current assets	630,668,141.52	721,511,156.08
Total Non-current Assets	14,305,215,409.10	13,938,776,899.03
Total Assets	86,378,576,574.09	88,701,682,384.20
Current Liabilities:		
Short-term borrowings	3,654,845,187.46	3,999,246,634.59
Held-for-trading financial liabilities	2,068,250.71	7,405,771.15
Notes payable	1,249,039,557.65	1,036,920,229.85
Accounts payable	9,819,229,848.36	13,593,884,790.19
Contract Liabilities	2,036,442,723.36	2,161,166,671.26

Item	March 31 st 2021	December 31 st 2020
Payroll payable	1,463,896,374.55	2,877,786,430.71
Taxes payable	2,102,853,694.16	1,770,057,908.62
Other payables	1,638,905,084.46	1,525,053,355.95
Including : Interests payable		
Dividends payable	99,978,972.64	205,898,523.84
Non-current liabilities due within one year	3,487,487,119.31	3,507,680,339.78
Other current liabilities	815,971,604.11	745,711,579.57
Total Current Liabilities	26,270,739,444.13	31,224,913,711.67
Non-current Liabilities:		
Long-term borrowings	1,938,063,534.97	1,961,167,761.30
Lease liabilities	253,242,830.34	
Long-term payables	8,361,807.34	39,595,459.35
Provisions	132,330,294.91	151,443,871.02
Deferred income	170,939,305.96	190,878,987.69
Deferred tax liabilities	93,050,570.22	92,979,823.89
Other non-current liabilities	595,127,721.21	560,959,368.74
Total non-current liabilities	3,191,116,064.95	2,997,025,271.99
Total liabilities	29,461,855,509.08	34,221,938,983.66
Owners' Equity		
Share capital	9,343,417,190.00	9,343,417,190.00
Capital reserves	5,240,457,954.06	5,178,777,462.09
Less: Treasury shares	1,190,255,442.42	1,121,918,737.47
Other comprehensive income	(87,791,779.16)	(84,993,926.94)
Surplus reserves	4,672,505,348.00	4,672,505,348.00
Retained earnings	37,975,964,138.62	35,806,523,826.37
Total owners' equity attributable to owner of the Company	55,954,297,409.10	53,794,311,162.05
Minority equity	962,423,655.91	685,432,238.49
Total owners' equity	56,916,721,065.01	54,479,743,400.54
Total liabilities and owners' equity	86,378,576,574.09	88,701,682,384.20

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	March 31 st 2021	December 31 st 2020
Current Assets:		
Cash and bank balances	25,679,145,255.63	23,476,606,330.08
Notes receivable	114,004,717.43	107,411,912.35
Accounts receivable	23,983,472,376.09	24,193,392,179.36
Receivables for financing	22,284,836.68	12,216,215.65
Prepayments	82,699,584.12	62,946,087.75
Other receivables	2,224,723,264.00	726,703,133.65
Including: Interests receivable		
Dividends receivable	22,910,404.14	22,910,404.14
Inventories	285,948,942.40	204,216,250.73
Contract assets	4,167,307.23	3,311,250.08
Non-current assets due within one year	73,600,189.74	71,208,685.76
Other current assets	24,535,425.21	10,110,869.86
Total Current Assets	52,494,581,898.53	48,868,122,915.27
Non-current Assets:		
Long-term receivables	35,801,090.54	47,762,348.01
Long-term equity investment	6,803,099,956.82	6,727,373,453.97
Other non-current financial assets	512,015,413.97	489,054,847.27
Fixed assets	2,763,703,825.04	2,762,700,997.83
Construction in progress	381,675,184.52	388,903,828.81
Right-of-use assets	76,018,434.74	
Intangible assets	159,917,787.84	158,917,438.86
Long-term deferred expenses	40,463,535.71	43,264,691.73
Deferred tax assets	110,066,596.99	110,066,596.99
Other non-current assets	6,189,019.63	2,740,576.47
Total Non-current Assets	10,888,950,845.80	10,730,784,779.94
Total Assets	63,383,532,744.33	59,598,907,695.21
Current Liabilities:		
Short-term borrowings	1,030,909,486.11	1,431,233,375.00
Accounts payable	509,194,119.62	540,664,512.60
Contract liabilities	261,904,524.56	240,629,015.92

Item	March 31 st 2021	December 31 st 2020
Payroll payable	620,881,187.83	1,618,357,135.99
Taxes payable	1,828,628,827.81	1,539,095,196.97
Other payables	3,074,411,695.11	659,214,959.62
Including : Interests payable		
Dividends payable	99,978,972.64	205,898,523.84
Non-current liabilities due within one year	3,118,653,409.82	3,219,794,958.37
Other current liabilities	656,728,340.61	589,167,743.26
Total Current Liabilities	11,101,311,591.47	9,838,156,897.73
Non-current Liabilities:		
Lease liabilities	42,048,898.62	
Provisions	85,230,299.84	85,230,299.84
Deferred Income	95,908,461.07	122,455,935.44
Other non-current liabilities	595,127,721.21	560,959,368.74
Total non-current liabilities	818,315,380.74	768,645,604.02
Total liabilities	11,919,626,972.21	10,606,802,501.75
Owners' Equity		
Share capital	9,343,417,190.00	9,343,417,190.00
Capital reserves	4,823,976,370.94	4,770,210,334.16
Less: Treasury shares	1,190,255,442.42	1,121,918,737.47
Surplus reserves	4,672,505,348.00	4,672,505,348.00
Retained earnings	33,814,262,305.60	31,327,891,058.77
Total owners' equity	51,463,905,772.12	48,992,105,193.46
Total liabilities and owners' equity	63,383,532,744.33	59,598,907,695.21

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	2021 Q1	2020 Q1
I. Total operating income	13,988,385,531.58	9,428,902,974.38
Including: operating costs	13,988,385,531.58	9,428,902,974.38
II. Total operating costs	11,316,658,363.91	7,747,072,149.74
Including: operating costs	7,439,068,423.51	4,963,386,892.35
Business taxes and surcharges	101,336,830.02	49,517,189.63
Selling expenses	1,786,834,444.08	1,375,631,338.26
Administrative expenses	404,572,784.09	349,741,964.56
Research and Development (R&D) expenses	1,687,820,001.28	1,218,291,551.09
Financial expenses	(102,974,119.07)	(209,496,786.15)
Including: Interest expenses	52,121,944.86	48,701,459.47
Interest income	183,538,676.95	153,642,155.64
Add: Other Income	464,549,234.50	301,718,659.20
Investment income (loss“-“)	5,303,647.94	(2,717,395.11)
Including: Investment gains (losses) in associated enterprise and joint-venture enterprise	(11,301,565.31)	(9,935,360.93)
Gains (loss “-“) from changes in fair values	34,574,820.33	(28,072,695.09)
Credit impairment losses (“-“)	(197,732,278.00)	2,621,244.53
Impairment losses (“-“) of assets	(81,411,914.50)	(103,828,115.83)
Asset disposal income (loss“-“)	3,464,415.12	1,353.60
III. Operating profit (loss“-“)	2,900,475,093.06	1,851,553,875.94
Add: Non-operating income	15,425,698.32	24,229,257.85
Less: Non-operating expenses	5,653,691.68	4,819,979.49
IV. Total profit (loss“-“)	2,910,247,099.70	1,870,963,154.30
Less: Income tax expenses	475,617,677.61	317,562,607.29
V. Net profit (loss“-“)	2,434,629,422.09	1,553,400,547.01
5.1 Classification by operation continuity		
(a) Net profit (loss) on continuous operation	2,434,629,422.09	1,553,400,547.01
(b) Net profit (loss) on terminated operation		
5.2 Classification by attribution of ownership		
(a) Net profit attributable to owners of parent company	2,169,440,312.25	1,496,269,608.01
(b) Profit or loss attributable to minority shareholders	265,189,109.84	57,130,939.00
VI. Other comprehensive income, net of income tax	(2,726,280.29)	(37,242,955.93)

Item	2021 Q1	2020 Q1
Other comprehensive income attributable to owners of the Company, net of tax	(2,797,852.20)	(34,437,334.57)
(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	(2,797,852.20)	(34,437,334.57)
1. Other comprehensive income that can be converted to profit or loss under the equity method		
2.Changes in the fair value of other debt investments		
3.Amount of financial assets reclassified and included in other comprehensive income		
4. Other debt investment credit impairment reserves		
5. Cash flow hedge reserve		
6.Exchange differences arising on conversion of financial statements denominated in foreign currencies	(2,797,852.20)	(34,437,334.57)
7.others		
Other comprehensive income attributable to minority interests, net of tax	71,571.91	(2,805,621.36)
VII. Total comprehensive income	2,431,903,141.80	1,516,157,591.08
Total comprehensive income attributable to owners of the parent company	2,166,642,460.05	1,461,832,273.44
Total comprehensive income attributable to minority shareholders	265,260,681.75	54,325,317.64
VIII. Earnings per share		
(I) Basic earnings per share	0.235	0.163
(II) Diluted earnings per share	0.233	0.163

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	2021 Q1	2020 Q1
I. Total operating income	5,525,726,049.24	3,888,284,807.12
Less: Total operating Cost	1,203,075,535.63	1,214,991,297.16
Business taxes and surcharges	56,815,962.05	36,706,687.00
Selling expenses	673,606,665.39	511,328,876.11
Administrative expenses	131,045,785.41	145,493,911.77
Research and Development (R&D) expenses	1,049,402,945.94	830,544,229.73
Financial expenses	(201,426,530.85)	(143,585,206.84)
Including : Interest expenses	1,151,813.31	8,098,667.88
Interest income	125,405,534.02	113,932,437.22
Add: Other income	313,529,482.40	255,891,866.72

Item	2021 Q1	2020 Q1
Investment income	28,349,522.34	(6,057,956.31)
Including: Investment gain (loss) in associated enterprise and joint-venture enterprise	(9,009,792.99)	(6,057,956.31)
Gains (loss “-“) from changes in fair values	22,960,566.70	(30,856,367.84)
Credit impairment losses (“-“)	(58,852,300.79)	19,945,798.13
Impairment losses (“-“) of assets	607,190.96	1,062,741.98
Asset disposal income (loss“-“)	3,462,440.34	137.59
II. Operating profit (loss “-“)	2,923,262,587.62	1,532,791,232.46
Add: Non-operating income	2,274,141.76	1,636,767.26
Less: Non-operating expenses	328,615.42	812,202.21
III. Total profit (loss “-“)	2,925,208,113.96	1,533,615,797.51
Less: Income tax expenses	438,836,867.13	153,380,596.34
IV. Net profit (loss “-“)	2,486,371,246.83	1,380,235,201.17
(a) Net profit (loss “-“) on continuous operation	2,486,371,246.83	1,380,235,201.17
(b) Net profit (loss “-“) on terminated operation		
V. Other comprehensive income, net of income tax		
VI. Total comprehensive income	2,486,371,246.83	1,380,235,201.17

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

Person in Charge of Accounting Institution: Zhan Junhua

5. Consolidated Cash Flow Statement

Unit: RMB

Item	2021 Q1	2020 Q1
I. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	16,428,465,685.12	12,364,575,383.68
Receipts of tax refunds	991,809,469.82	701,767,590.55
Other cash receipts relating to operating activities	588,410,871.02	253,999,575.53
Sub-total of cash inflows from operating activities	18,008,686,025.96	13,320,342,549.76
Cash payments for goods purchased and services received	13,971,786,080.20	11,970,068,113.92
Cash paid to and on behalf of employees	4,336,320,740.87	3,665,925,547.95
Payments of various types of taxes	938,996,033.15	1,179,545,852.70
Other cash payments relating to operating activities	779,690,285.97	486,851,200.13
Sub-total of cash outflows from operating activities	20,026,793,140.19	17,302,390,714.70

Item	2021 Q1	2020 Q1
Net Cash flows from Operating Activities	(2,018,107,114.23)	(3,982,048,164.94)
II. Cash flows from Investing Activities:		
Cash receipts from recovery of investments	1,426,348,673.18	2,800,000.00
Cash receipts from investment income		7,216,471.65
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	5,980,574.19	3,661,297.33
Other cash receipts relating to investing activities	18,179,686.32	19,764,416.70
Sub-total of cash inflows from investing activities	1,450,508,933.69	33,442,185.68
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	600,635,383.06	545,872,224.89
Cash paid to acquire investments	1,409,737,177.40	
Net cash paid to acquire subsidiaries and other business units		312,090,000.00
Sub-total of cash outflows from investing activities	2,010,372,560.46	857,962,224.89
Net cash flows from Investing Activities	(559,863,626.77)	(824,520,039.21)
III. Cash flows from financing activities:		
Cash receipts from capital contributions	5,500,000.00	4,500,000.00
Including: cash receipts from capital contributions from minority owners of subsidiaries	5,500,000.00	
Cash receipts from borrowings	438,000,000.00	1,825,210,239.36
Sub-total of cash inflows from financing activities	443,500,000.00	1,829,710,239.36
Cash repayments of borrowings	807,825,160.67	518,982,508.77
Cash payments for distribution of dividends or profits or settlement of interest expenses	64,425,606.92	53,672,622.16
Other cash payments relating to financing activities	29,924,476.77	
Sub-total of cash outflows from financing activities	902,175,244.36	572,655,130.93
Net cash flows from Financing Activities	(458,675,244.36)	1,257,055,108.43
IV. Effect of foreign exchange rate changes on Cash and Cash Equivalents	(37,562,227.05)	14,803,212.07
V. Net decrease in Cash and Cash Equivalents	(3,074,208,212.41)	(3,534,709,883.65)
Add: Opening balance of Cash and Cash Equivalents	35,024,837,878.31	26,515,668,008.40
VI. Closing Balance of Cash and Cash Equivalents	31,950,629,665.90	22,980,958,124.75

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

Person in Charge of Accounting Institution: Zhan Junhua

6. Cash Flow Statement of the Parent Company

Unit: RMB

Item	2021 Q1	2020 Q1
I. Cash flows from Operating Activities::		
Cash receipts from the sale of goods and the rendering of services	6,216,217,986.06	3,440,793,769.61
Receipts of tax refunds	259,141,181.69	233,879,202.17
Other cash receipts relating to operating activities	2,714,150,577.01	196,263,149.03
Sub-total of cash inflows from operating activities	9,189,509,744.76	3,870,936,120.81
Cash payments for goods acquired and services received	1,525,602,508.68	1,457,795,777.54
Cash payments to and on behalf of employees	2,325,677,915.54	2,125,981,304.27
Payments of various types of taxes	630,778,577.74	860,524,128.27
Other cash payments relating to operating activities	1,746,345,958.85	3,788,161,986.18
Sub-total of cash outflows from operating activities	6,228,404,960.81	8,232,463,196.26
Net Cash flows from Operating Activities	2,961,104,783.95	(4,361,527,075.45)
II. Cash flows from Investing Activities:		
Cash receipts from recovery of investments	33,859,315.33	2,800,000.00
Cash receipts from investment income	3,500,000.00	
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	5,803,938.63	1,190,957.34
Other cash receipts relating to investing activities		2,543,566,042.49
Sub-total of cash inflows from investing activities	43,163,253.96	2,547,556,999.83
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	127,412,549.60	147,896,373.36
Cash payments to acquire investments	70,000,000.00	
Net cash paid to acquire subsidiaries and other business units		623,491,250.00
Sub-total of cash outflows from investing activities	197,412,549.60	771,387,623.36
Net Cash flows from Investing Activities	(154,249,295.64)	1,776,169,376.47
III. Cash flows from Financing Activities		
Cash receipts from capital contributions		4,714,600.00
Cash receipts from borrowings		1,214,164,938.24
Sub-total of cash inflows from financing activities		1,218,879,538.24

Item	2021 Q1	2020 Q1
Cash repayments of borrowings	400,000,000.00	8,863,858.01
Cash payments for distribution of dividends or profits or settlement of interest expenses	7,542,458.71	13,231,510.58
Other cash payments relating to financing activities	7,820,293.00	
Sub-total of cash outflows from financing activities	415,362,751.71	22,095,368.59
Net Cash flows from Financing Activities	(415,362,751.71)	1,196,784,169.65
IV. Effect of foreign exchange rate changes on Cash and Cash Equivalents	4,495,623.40	85,110,683.25
V. Net increase(decrease) in cash and cash equivalents	2,395,988,360.00	(1,303,462,846.08)
Add: Beginning balance of cash and cash equivalents	23,264,693,578.70	16,656,028,410.72
VI. Closing Balance of Cash and Cash Equivalents	25,660,681,938.70	15,352,565,564.64

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) Initial Implementation of the new lease standard since the fiscal year of 2021, corresponding adjustments to the relevant items in the financial statements at the beginning of the year

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

Applicable Inapplicable

(1.1) Consolidated Balance Sheet

Unit: RMB

Item	December 31 st 2020	January 1 st 2021	Adjustments
Current Assets:			
Cash and bank balances	35,459,729,108.27	35,459,729,108.27	0.00
Held-for-trading financial assets	22,679,846.77	22,679,846.77	0.00
Notes receivable	1,303,252,705.19	1,303,252,705.19	0.00
Accounts receivable	21,979,380,716.86	21,979,380,716.86	0.00
Receivables for financing	1,959,601,195.25	1,959,601,195.25	0.00
Prepayments	296,334,689.86	293,382,571.11	-2,952,118.75
Other receivables	519,143,350.82	519,026,062.82	-117,288.00
Inventories	11,477,906,040.70	11,477,906,040.70	0.00
Contract assets	245,754,510.98	245,754,510.98	0.00
Non-current assets due within one year	1,001,208,813.83	1,001,208,813.83	0.00
Other current assets	497,914,506.64	497,437,052.76	-477,453.88
Total Current Assets	74,762,905,485.17	74,759,358,624.54	-3,546,860.63
Non-current Assets:			

Item	December 31 st 2020	January 1 st 2021	Adjustments
Long-term receivables	2,105,570,004.53	2,105,570,004.53	0.00
Long-term equity investment	864,026,710.23	864,026,710.23	0.00
Other non-current financial assets	491,939,067.27	491,939,067.27	0.00
Fixed assets	5,876,007,536.60	5,830,677,198.85	-45,330,337.75
Construction in progress	1,425,235,193.72	1,425,235,193.72	0.00
Right-of-use assets		392,720,632.07	392,720,632.07
Intangible assets	1,251,317,923.69	1,251,317,923.69	0.00
Goodwill	274,203,665.20	274,203,665.20	0.00
Long-term deferred expenses	108,584,686.85	108,584,686.85	0.00
Deferred tax assets	820,380,954.86	820,380,954.86	0.00
Other non-current assets	721,511,156.08	721,511,156.08	0.00
Total Non-current Assets	13,938,776,899.03	14,286,167,193.35	347,390,294.32
Total Assets	88,701,682,384.20	89,045,525,817.89	343,843,433.69
Current Liabilities:			
Short-term borrowings	3,999,246,634.59	3,999,246,634.59	0.00
Held-for-trading financial liabilities	7,405,771.15	7,405,771.15	0.00
Notes payable	1,036,920,229.85	1,036,920,229.85	0.00
Accounts payable	13,593,884,790.19	13,593,884,790.19	0.00
Contract liabilities	2,161,166,671.26	2,161,166,671.26	0.00
Payroll payable	2,877,786,430.71	2,877,786,430.71	0.00
Taxes payable	1,770,057,908.62	1,770,057,908.62	0.00
Other payables	1,525,053,355.95	1,525,053,355.95	0.00
Including : Interests payable			
Dividends payable	205,898,523.84	205,898,523.84	0.00
Non-current liabilities due within one year	3,507,680,339.78	3,644,521,493.05	136,841,153.27
Other current liabilities	745,711,579.57	745,711,579.57	0.00
Total Current Liabilities	31,224,913,711.67	31,361,754,864.94	136,841,153.27
Non-current Liabilities:			
Long-term borrowings	1,961,167,761.30	1,961,167,761.30	0.00
Lease liabilities		229,593,779.26	229,593,779.26
Long-term payables	39,595,459.35	17,003,960.51	-22,591,498.84
Provisions	151,443,871.02	151,443,871.02	0.00
Deferred income	190,878,987.69	190,878,987.69	0.00
Deferred tax liabilities	92,979,823.89	92,979,823.89	0.00
Other non-current liabilities	560,959,368.74	560,959,368.74	0.00

Item	December 31 st 2020	January 1 st 2021	Adjustments
Total non-current liabilities	2,997,025,271.99	3,204,027,552.41	207,002,280.42
Total liabilities	34,221,938,983.66	34,565,782,417.35	343,843,433.69
Owners' Equity			
Share capital	9,343,417,190.00	9,343,417,190.00	0.00
Capital reserves	5,178,777,462.09	5,178,777,462.09	0.00
Less: Treasury shares	1,121,918,737.47	1,121,918,737.47	0.00
Other comprehensive income	-84,993,926.94	-84,993,926.94	0.00
Surplus reserves	4,672,505,348.00	4,672,505,348.00	0.00
Retained earnings	35,806,523,826.37	35,806,523,826.37	0.00
Total owners' equity attributable to owner of the Company	53,794,311,162.05	53,794,311,162.05	0.00
Minority equity	685,432,238.49	685,432,238.49	0.00
Total owners' equity	54,479,743,400.54	54,479,743,400.54	0.00
Total liabilities and owners' equity	88,701,682,384.20	89,045,525,817.89	343,843,433.69

(1.2) Balance Sheet of the Parent Company

Unit: RMB

Item	December 31 st 2020	January 1 st 2021	Adjustments
Current Assets:			
Cash and bank balances	23,476,606,330.08	23,476,606,330.08	0.00
Notes receivable	107,411,912.35	107,411,912.35	0.00
Accounts receivable	24,193,392,179.36	24,193,392,179.36	0.00
Receivables for financing	12,216,215.65	12,216,215.65	0.00
Prepayments	62,946,087.75	62,946,087.75	0.00
Other receivables	726,703,133.65	726,703,133.65	0.00
Inventories	204,216,250.73	204,216,250.73	0.00
Contract assets	3,311,250.08	3,311,250.08	0.00
Non-current assets due within one year	71,208,685.76	71,208,685.76	0.00
Other current assets	10,110,869.86	10,110,869.86	0.00
Total Current Assets	48,868,122,915.27	48,868,122,915.27	0.00
Non-current Assets:			
Long-term receivables	47,762,348.01	47,762,348.01	0.00
Long-term equity investment	6,727,373,453.97	6,727,373,453.97	0.00
Other non-current financial assets	489,054,847.27	489,054,847.27	0.00
Fixed assets	2,762,700,997.83	2,762,700,997.83	0.00
Construction in progress	388,903,828.81	388,903,828.81	0.00
Right-of-use assets		66,446,154.01	66,446,154.01

Item	December 31 st 2020	January 1 st 2021	Adjustments
Intangible assets	158,917,438.86	158,917,438.86	0.00
Long-term deferred expenses	43,264,691.73	43,264,691.73	0.00
Deferred tax assets	110,066,596.99	110,066,596.99	0.00
Other non-current assets	2,740,576.47	2,740,576.47	0.00
Total Non-current Assets	10,730,784,779.94	10,797,230,933.95	66,446,154.01
Total Assets	59,598,907,695.21	59,665,353,849.22	66,446,154.01
Current Liabilities:			
Short-term borrowings	1,431,233,375.00	1,431,233,375.00	0.00
Accounts payable	540,664,512.60	540,664,512.60	0.00
Contract liabilities	240,629,015.92	240,629,015.92	0.00
Payroll payable	1,618,357,135.99	1,618,357,135.99	0.00
Taxes payable	1,539,095,196.97	1,539,095,196.97	0.00
Other payables	659,214,959.62	659,214,959.62	0.00
Including : Interests payable			
Dividends payable	205,898,523.84	205,898,523.84	0.00
Non-current liabilities due within one year	3,219,794,958.37	3,249,794,123.42	29,999,165.05
Other current liabilities	589,167,743.26	589,167,743.26	0.00
Total Current Liabilities	9,838,156,897.73	9,868,156,062.78	29,999,165.05
Non-current Liabilities:			
Lease liabilities		36,446,988.96	36,446,988.96
Provisions	85,230,299.84	85,230,299.84	0.00
Deferred income	122,455,935.44	122,455,935.44	0.00
Other non-current liabilities	560,959,368.74	560,959,368.74	0.00
Total non-current liabilities	768,645,604.02	805,092,592.98	36,446,988.96
Total liabilities	10,606,802,501.75	10,673,248,655.76	66,446,154.01
Owners' Equity			
Share capital	9,343,417,190.00	9,343,417,190.00	
Capital reserves	4,770,210,334.16	4,770,210,334.16	0.00
Less: Treasury shares	1,121,918,737.47	1,121,918,737.47	0.00
Surplus reserves	4,672,505,348.00	4,672,505,348.00	0.00
Retained earnings	31,327,891,058.77	31,327,891,058.77	0.00
Total owners' equity	48,992,105,193.46	48,992,105,193.46	0.00
Total liabilities and owners' equity	59,598,907,695.21	59,665,353,849.22	66,446,154.01

(2) Description of retrospective adjustment to prior comparative data for the initial implementation of the new lease standard since the fiscal year of 2021.

Applicable Inapplicable

The Group has adopted the *Accounting Standard for Business Enterprises No. 21 – Leases* amended by the Ministry of Finance in 2018 (the “New Lease Standard”, and the standard for leases before amendment, the “Original Lease Standard”) with effect from 1 January 2021 (“Date of Initial Application”). The New Lease Standard for Leases improves the definition of leases, adds contents including the identification, separation and portfolio of leases; abolishes the classification of operating leases and financial leases for lessees, and requires recognition of right-of-use assets and lease liabilities for all leases (except for short-term leases and leases of low value assets) upon lease commencement, as well as recognition of depreciation and interest expenses respectively; improves the subsequent measurement of leases for lessees, adds accounting treatment methods in the event of option reassessment and lease adjustment, and adds relevant disclosure requirements. In addition, it enriches the disclosure contents for lessors. For contracts that existed before the Date of Initial Application, the Group opted not to reassess whether a contract is, or contains, a lease at the date of initial application. As lessee, the Group adjusted the retained earnings at the beginning of the fiscal year of first-time adoption and the amounts of other related items in the financial statements based on the cumulative amounts affected by first-time adoption of the New Lease Standard, and did not adjust the information for comparative periods.

The effects of adoption of the New Lease Standard on balance sheet items on January 1st 2021 are set out as follows:

Consolidated Balance Sheet

Unit: RMB

Item	Under Original Lease Standard	Reclassification (Note)	Under New Lease Standard
Current Assets:			
Prepayments	296,334,689.86	-2,952,118.75	293,382,571.11
Other receivables	519,143,350.82	-117,288.00	519,026,062.82
Other current assets	497,914,506.64	-477,453.88	497,437,052.76
Non-current assets:			
Fixed assets	5,876,007,536.60	-45,330,337.75	5,830,677,198.85
Right-of-use assets		392,720,632.07	392,720,632.07
Current Liabilities:			
Non-current liabilities due within one year	3,507,680,339.78	136,841,153.27	3,644,521,493.05
Non-current Liabilities:			
Long-term payables	39,595,459.35	-22,591,498.84	17,003,960.51
Lease liabilities		229,593,779.26	229,593,779.26

Note: The Group measures the right-of-use assets and lease liabilities respectively for the financial leases before the Date of Initial Application in accordance with the original book value of the assets held under financial leases and the payables for financial leases. For operating leases before the Date of Initial Application, the Group measures the lease liabilities at the present value discounted by the incremental borrowing rate on the Date of Initial Application based on the remaining lease payments, and the prepaid rent is adjusted to measure the right-of-use assets according to an amount equal to the lease liabilities of each lease. The lease liabilities (including the liabilities due within one year) and the right-of-use assets recognized by the Group on January 1st 2021 amounted to RMB 385,056,810.50 and RMB 392,720,632.07, respectively. For operating leases before the date of first-time adoption, the Group measures the lease liabilities at the present value discounted by the incremental borrowing rate on the Date of Initial Application which ranges between 1.14% and 9.50%.

Balance Sheet of the Parent Company

Unit: RMB

Item	Under Original Lease Standard	Reclassification (Note)	Under New Lease Standard
Non-current assets:			
Right-of-use assets		66,446,154.01	66,446,154.01
Current Liabilities:			
Non-current liabilities due within one year	3,219,794,958.37	29,999,165.05	3,249,794,123.42
Non-current Liabilities:			
Lease liabilities		36,446,988.96	36,446,988.96

Note: For operating leases before the Date of Initial Application, the Company measures the lease liabilities at the present value discounted by the incremental borrowing rate on the Date of Initial Application based on the remaining lease payments, and the right-of-use assets are measured according to an amount equal to the lease liabilities of each lease. The lease liabilities (including the liabilities due within one year) and the right-of-use assets recognized by the Company on January 1st 2021 amounted to RMB 66,446,154.01 and RMB 66,446,154.01, respectively. For operating leases before the Date of Initial Application, the Company measures the lease liabilities at the present value discounted by the incremental borrowing rate on the Date of Initial Application, which is 2.84%.

4.3 Audit Report

Whether audit has been performed on this 2021 1st Quarter Report

Yes No

The Company's 2021 1st Quarter report has not been audited

HANGZHOU HIKVISION DIGITAL TECHNOLOGY CO., LTD.

Chairman: Chen Zongnian

April 17th 2021