

Stock Exchange Code: 002415

Abbreviation of Securities: Hikvision

No: 2021-063

Hangzhou Hikvision Digital Technology Co., Ltd.**2021 3rd Quarter Report**

The Company and all members of the Board of Directors guarantee that the information disclosed is true, accurate and complete without false records, misleading statements or material omissions.

Important Content Notes:

1. 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.
2. 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 information in this report is authentic, accurate and complete.
3. Whether the 3rd quarter report has been audited

 Yes No

I. Key Financial Data

1. Key Accounting Data and Financial Indicators

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

Yes No

| | 2021 Q3 | YoY Change(%) between 2021 Q3 and 2020 Q3 | 2021 Q1~Q3 | YoY Change(%) between 2021 Q1~Q3 and 2020 Q1~Q3 |
|--|------------------------------------|---|--|---|
| Operating income (RMB) | 21,727,169,122.78 | 22.41% | 55,629,267,490.88 | 32.38% |
| Net profits attributable to shareholders of the Company (RMB) | 4,484,216,504.72 | 17.54% | 10,965,641,158.11 | 29.94% |
| Net profits attributable to shareholders of the Company excluding non-recurring gains and losses (RMB) | 4,472,421,937.46 | 25.06% | 10,693,898,565.44 | 33.01% |
| Net cash flows from operating activities (RMB) | — | — | 3,931,930,902.23 | -28.96% |
| Basic earnings per share (RMB/share) | 0.479 | 18.27% | 1.179 | 29.70% |
| Diluted earnings per share (RMB/share) | 0.479 | 18.27% | 1.178 | 29.59% |
| Weighted average Return on Equity (ROE) | 8.11% | -0.23% | 20.16% | 2.04% |
| | On September 30 th 2021 | On December 31 st 2020 | Change(%) between December 31 st 2020 and September 30 th 2021 | |
| Total assets (RMB) | 96,268,052,568.60 | 88,701,682,384.20 | 8.53% | |
| Owner's equity attributable to shareholders of the Company (RMB) | 57,531,112,764.10 | 53,794,311,162.05 | 6.95% | |

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) | 9,335,806,114 |
|--|---------------|

Fully diluted earnings per share calculated using the latest share capital:

| | |
|---|--------|
| Fully diluted earnings per share (RMB/share) calculated with the latest share capital | 1.1746 |
|---|--------|

2. Items and Amounts of Non-recurring Gains and Losses

Applicable Inapplicable

Unit: RMB

| Item | Amount occurred in the current reporting period (2021 Q3) | January 1 st 2021–September 30 th 2021 |
|---|---|--|
| Profit or loss from disposal of non-current assets (including the write-off for the impairment provision of assets) | 4,846,203.81 | 3,041,161.64 |
| Government subsidies included in the current profit and loss (except for government subsidies that are closely related to the Company's regular business operations, comply with national policies, and those that are continuously enjoyed in accordance with a certain standard fixed or quantitative basis) | 84,531,711.49 | 308,873,090.93 |
| Profits and losses attributed to change in fair value for held-for-trading financial assets and held-for-trading financial liabilities; and investment income from disposal of held-for-trading financial assets, held-for-trading financial liabilities, and available-for-sale financial assets, excluding the effective hedging business related to the regular business operation of the Company. | 3,972,241.82 | 49,910,473.28 |
| Other non-operating income and expenditures except the items mentioned above | -34,812,593.47 | -6,266,399.83 |
| Less: Impact of income tax | 15,675,808.43 | 28,165,315.45 |
| Impact of the minority interests (after tax) | 31,067,187.96 | 55,650,417.90 |
| Total | 11,794,567.26 | 271,742,592.67 |

Details of other profit and loss items that meet the definition of non-recurring profit and loss:

Applicable Inapplicable

The Company does not have other specific conditions of profit and loss items that meet the definition of non-recurring profit and loss.

Explanations on classifying any non-recurring gain/loss item mentioned in the <Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Non-recurring Gains and Losses> as recurring gain/loss item.

Applicable Inapplicable

The Company does not classify any non-recurring gain/loss item mentioned in the <Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Non-recurring Gains and Losses> as recurring gain/loss item.

3. Information and explanation about variations in key accounting data and financial indicators

Applicable Inapplicable

3.1 Explanation for variations in balance sheet items

| Item | Balance on September 30 th 2021 (RMB) | Balance on December 31 st 2020 (RMB) | YoY change (%) | Note of Changes |
|---------------------------|--|---|----------------------|--|
| Receivables for financing | 1,290,351,491.78 | 1,959,601,195.25 | -34.15% | Decrease in note settlement |
| Prepayments | 643,627,193.21 | 296,334,689.86 | 117.20% | Expansion of production and sales scale leading to increase in procurement and stocking-up |
| Inventories | 19,053,058,705.00 | 11,477,906,040.70 | 66.00% | |
| Other current assets | 1,146,354,009.21 | 497,914,506.64 | 130.23% | Increase in deductible VAT input |
| Construction in progress | 2,146,413,104.92 | 1,425,235,193.72 | 50.60% | Increase in construction investments on Science and Technology Parks in various locations |
| Right-of-use assets | 443,444,783.37 | - | 100.00% | Impact of the implementation of the new lease standard in 2021 |
| Goodwill | 380,499,743.04 | 274,203,665.20 | 38.77% | Changes in the scope of consolidated statements |
| Other non-current assets | 980,502,480.84 | 721,511,156.08 | 35.90% | Increase in prepayment for land purchase for production base construction |
| Notes payable | 640,159,568.25 | 1,036,920,229.85 | -38.26% | Decrease in note settlement |
| Payroll payable | 3,815,796,800.58 | 2,877,786,430.71 | 32.59% | Increase in staff, compensation and benefits |
| Other payables | 2,589,988,357.74 | 1,525,053,355.95 | 69.83% | Increase in endorsed unexpired notes and unpaid dividends payable |
| Long-term payables | 9,260,090.93 | 39,595,459.35 | -76.61% | Impact of the implementation of the new lease standard in 2021 |
| Lease liabilities | 208,347,700.38 | - | 100.00% | |
| Deferred income | 273,891,749.60 | 190,878,987.69 | 43.49% | Increase in government subsidies related to assets |
| Minority equity | 1,515,431,627.92 | 685,432,238.49 | 121.09% | Increase in profits of holding subsidiaries |

3.2 Explanation for variations in income statement items

| Items | 2021 Q1 ~ 2021 Q3 (RMB) | 2020 Q1 ~ 2020 Q3 (RMB) | YoY Change (%) | Note of changes |
|--|----------------------------|----------------------------|----------------------|--|
| Total operating income | 55,629,267,490.88 | 42,021,194,889.62 | 32.38% | Increase in market demand and expansion of sales |
| Total operating costs | 29,854,226,905.32 | 21,970,833,611.78 | 35.88% | Increase with sales revenue growth |
| Business taxes and surcharges | 429,088,237.90 | 284,043,463.58 | 51.06% | Sales growth impact |
| Financial expenses | -218,286,014.68 | 154,708,009.70 | -241.10% | Increase in foreign exchange gains and interest income |
| Investment Income | 219,922,536.36 | 124,741,116.75 | 76.30% | Increase in investment income from foreign exchange hedging business |
| Gains/losses from changes in fair value | -46,332,817.33 | 40,458,673.51 | -214.52% | Decrease in gains from changes in fair value of other non-current financial assets |
| Credit impairment losses | -440,543,687.06 | -209,108,587.37 | -110.68% | Increase in provision for bad debts |
| Non-operating expenses | 72,515,784.28 | 12,888,908.91 | 462.62% | 50 million RMB donation to Henan disaster |
| Profit or loss attributable to minority shareholders | 531,243,785.60 | 138,246,240.73 | 284.27% | Increase in profits of holding subsidiaries |

3.3 Explanation for variations in cash flow statement items

| Item | 2021 Q1 ~ 2021 Q3 (RMB) | 2020 Q1 ~ 2020 Q3 (RMB) | YoY Change (%) | Note of changes |
|--|----------------------------|----------------------------|-------------------|--|
| Net cash flows from financing activities | -8,033,456,844.34 | -3,556,440,059.57 | -125.88% | Net borrowing inflow decreased during the current reporting period |

II. Shareholder Information

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 | 265,403 | Total number of preferred shareholders (if any) whose voting rights have been recovered at the end of the reporting period (if any) | 0 | | | |
|---|---|---|------------------------------|--|---------------------------|-------------|
| Particulars about top 10 shareholders | | | | | | |
| Name of shareholder | Nature of shareholder | Total shares held at the period-end | Share-holding percentage (%) | The number of common shares held with trading restrictions | Pledged, marked or frozen | |
| | | | | | Status | Amount |
| China Electronics Technology HIK Group Co., Ltd. | Domestic State-owned corporation | 3,632,897,256 | 38.91% | - | Pledged | 50,000,000 |
| Gong Hongjia | Overseas individual | 962,504,814 | 10.31% | - | Pledged | 108,100,000 |
| Xinjiang Weixun Investment Management Limited Partnership | General domestic corporation | 450,795,176 | 4.83% | - | Pledged | 17,810,000 |
| Shanghai Gaoyi Asset Management Partnership (Limited Partnership) - Gaoyi Adjacent Mountain 1 Yuanwang Fund | Funds, wealth management products, etc. | 215,000,000 | 2.30% | - | - | - |
| Xinjiang Pukang Investment Limited Partnership | General domestic corporation | 182,510,174 | 1.95% | - | Pledged | 75,880,000 |
| The 52nd Research Institute at China Electronics Technology Group Corporation | Domestic State-owned corporation | 180,775,044 | 1.94% | - | - | - |
| Hu Yangzhong | Domestic Individual | 155,246,477 | 1.66% | 136,639,858 | - | - |
| Bank of China Co., Ltd. - Efunds Blue Chip Select Hybrid Securities Investment Fund | Funds, wealth management products, etc. | 124,000,000 | 1.33% | - | - | - |
| Shenwan Hongyuan Securities Company Limited | Domestic State-owned corporation | 90,640,562 | 0.97% | - | - | - |
| Hong Kong Securities Clearing Company Ltd.(HKSCC) | Overseas corporation | 76,827,419 | 0.82% | - | - | - |

| 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 |
| Gong Hongjia | 962,504,814 | RMB ordinary shares | 962,504,814 |
| 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 |
| Bank of China Co., Ltd. - Efunds Blue Chip Select Hybrid Securities Investment Fund | 124,000,000 | RMB ordinary shares | 124,000,000 |
| Shenwan Hongyuan Securities Company Limited | 90,640,562 | RMB ordinary shares | 90,640,562 |
| Hong Kong Securities Clearing Company Ltd.(HKSCC) | 76,827,419 | RMB ordinary shares | 76,827,419 |
| Central Huijin Investment Ltd. | 65,818,800 | RMB ordinary shares | 65,818,800 |
| 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> | | |

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

Applicable Inapplicable

III. Significant Events

√Applicable □Inapplicable

On January 8th 2021, the *Proposal on the Spin-off of the Subsidiary Hangzhou EZVIZ Network Co., Ltd. to be Listed on the Science and Technology Innovation Board (SSE STAR)* and other related proposals were deliberated and adopted by the 21st Meeting of the fourth session of the Board of Directors and the 18th Meeting of the fourth session of the Board of Supervisors of the Company. On June 23rd 2021, the *Proposal on the Overall Restructuring of the Company's Holding Subsidiary Hangzhou EZVIZ Network Co., Ltd. as Limited Liability Company by Shares* was deliberated and adopted by the 3rd Meeting of the Strategy Committee in 2021 of the fifth session of the Board of Directors of the Company. On June 24th 2021, EZVIZ Network as a whole was restructured and changed to a limited liability company by shares. On July 2nd 2021, Zhejiang Securities Regulatory Bureau of China Securities Regulatory Commission accepted the application filed by EZVIZ Network for initial public offering of A-shares and pre-listing counseling for listing on the Science and Technology Innovation Board. On August 10th 2021, the fourth meeting of the fifth board of directors of the Company and the fourth meeting of the fifth board of supervisors reviewed and approved the *Proposal (Revised Draft) on the Spin-off of the Subsidiary Hangzhou EZVIZ Network Co., Ltd. to be listed on the Science and Technology Innovation Board (SSE STAR)* and other related proposals. On September 27th 2021, the Company's 2021 second extraordinary general meeting of shareholders reviewed and approved the *Proposal (Revised Draft) on the Spin-off of the Subsidiary Hangzhou EZVIZ Network Co., Ltd. to be listed on the Science and Technology Innovation Board (SSE STAR)* and other related proposals.

On July 16th 2021, the Company received a notice from the Hangzhou Haikang Intelligent Industrial Equity Investment Fund Partnership (L.P.) (hereinafter referred to as "Haikang Intelligent Fund") that the Company participated in the establishment. After the unanimous decision of all partners, the limited partners CETHIK Group Co., Ltd. (hereinafter referred to as "CETHIK") transferred its RMB one million equity share of Haikang Intelligent Fund to CETHIK (Hangzhou) Equity Investment Management Co., Ltd. (hereinafter referred to as "CETHIK Equity Investment"). After the completion of the transfer, CETHIK Equity Investment will become the general partner of Haikang Intelligent Fund, holding 0.10% of the equity of Haikang Intelligent Fund; the original general partner CETC Fund Management Co., Ltd. will withdraw from Haikang Intelligent Fund; the total capital contribution subscribed by Haikang Intelligent Fund has become RMB one billion. All partners re-signed the *Hangzhou Haikang Intelligent Industry Equity Investment Fund Partnership (Limited Partnership) Partnership Agreement* and the

Supplementary Agreement on July 16th 2021. Haikang Intelligent Fund completed the industrial and commercial change registration on July 16th 2021, completed the private equity investment fund change filing procedures on August 10th 2021, and obtained the *Private Investment Fund Filing Certificate*.

On July 23rd 2021, the third meeting of the fifth board of directors of the Company deliberated and approved the *Proposal on External Donations to Support Emergency Rescue and Disaster Relief*, agreeing to donate RMB 50 million to the Zhengzhou Red Cross, and authorizing the Company's management team to organize the implementation of donations according to the actual situation. The above donation was completed on July 23rd 2021.

On August 10th 2021, the fourth meeting of the Company's fifth board of directors reviewed and approved the *Proposal on the Investment and Construction of the EZVIZ Intelligent Manufacturing (Chongqing) Base Project by the Holding Subsidiary*, and agreed that Hangzhou EZVIZ Network Co., Ltd. (hereinafter referred to as "EZVIZ Network"), an innovative business and holding subsidiary of the Company, will invest RMB 1.85 billion with self-raised funds to build the EZVIZ Intelligent Manufacturing (Chongqing) Base Project (hereinafter referred to as the "EZVIZ Chongqing Project"). Chongqing EZVIZ Electronics Co., Ltd. (hereinafter referred to as "Chongqing EZVIZ Electronics"), a wholly-owned subsidiary of EZVIZ Networks, is the undertaking company of the above project. On August 23rd 2021, the fourth meeting of the strategy committee of the fifth board of directors of the Company in 2021 deliberated and approved the *Proposal on New Investment in the EZVIZ Intelligent Manufacturing (Chongqing) Base Project by the Company's Holding Subsidiary*, and agreed EZVIZ Network to invest RMB 194 million on new process equipment for EZVIZ Chongqing Base Project. On September 17th 2021, Chongqing EZVIZ Electronics won the right to use the state-owned construction land of the project site for RMB 193.98 million. On September 24th 2021, Chongqing EZVIZ Electronics and Chongqing Dadukou District Planning and Natural Resources Bureau signed the *Grant Contract of the State-owned Construction Land Use Right*.

Related inquiries on important information disclosure website:

| Title of the temporary public announcement | Disclosure Date | Disclosure website of the temporary public announcement |
|---|------------------------------|---|
| <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 the Change of Partners of Industrial Investment Funds that the Company Participated in the Establishment (Announcement No. 2021-043)</i> | July 19 th 2021 | www.cninfo.com.cn |
| <i>Announcement on External Donations to Support Emergency</i> | July 24 th 2021 | www.cninfo.com.cn |

| Title of the temporary public announcement | Disclosure Date | Disclosure website of the temporary public announcement |
|--|---------------------------------|---|
| <i>Rescue and Disaster Relief</i> (Announcement No. 2021-047) | | |
| <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 (Revised Draft)</i> | August 11 th 2021 | www.cninfo.com.cn |
| <i>Announcement on the Completion of the Filing of Changes to the Industrial Investment Funds that the Company Involved in the Establishment</i> (Announcement No. 2021-054) | August 11 th 2021 | www.cninfo.com.cn |
| <i>Announcement on the Investment and Construction of EZVIZ Intelligent Manufacturing (Chongqing) Base Project by the Company's Holding Subsidiary</i> (Announcement No. 2021-052) | August 11 th 2021 | www.cninfo.com.cn |
| <i>Progress Announcement Regarding to the Investment and Construction of the EZVIZ Intelligent Manufacturing (Chongqing) Base Project by the Company's Holding Subsidiary</i> (Announcement No.: 2021-057) | September 25 th 2021 | www.cninfo.com.cn |
| <i>Announcement on Resolutions of the Second Extraordinary General Meeting of Shareholders in 2021</i> (Announcement No. 2021-058) | September 28 th 2021 | www.cninfo.com.cn |

IV. Quarterly Financial Reports

1. Financial Statements

1.1 Consolidated Balance Sheet

Unit: RMB

| Item | September 30 th 2021 | December 31 st 2020 |
|--|---------------------------------|--------------------------------|
| Current Assets: | | |
| Cash and bank balances | 28,617,217,549.23 | 35,459,729,108.27 |
| Held-for-trading financial assets | 6,944,488.57 | 22,679,846.77 |
| Notes receivable | 1,215,757,560.41 | 1,303,252,705.19 |
| Accounts receivable | 26,163,648,777.96 | 21,979,380,716.86 |
| Receivables for financing | 1,290,351,491.78 | 1,959,601,195.25 |
| Prepayments | 643,627,193.21 | 296,334,689.86 |
| Other receivables | 466,541,993.02 | 519,143,350.82 |
| Inventories | 19,053,058,705.00 | 11,477,906,040.70 |
| Contract assets | 282,869,179.03 | 245,754,510.98 |
| Non-current assets due within one year | 1,288,034,666.89 | 1,001,208,813.83 |
| Other current assets | 1,146,354,009.21 | 497,914,506.64 |
| Total Current Assets | 80,174,405,614.31 | 74,762,905,485.17 |
| Non-current Assets: | | |
| Long-term receivables | 2,249,306,702.58 | 2,105,570,004.53 |
| Long-term equity investment | 856,162,709.05 | 864,026,710.23 |
| Other non-current financial assets | 456,728,888.16 | 491,939,067.27 |
| Fixed assets | 6,374,406,179.41 | 5,876,007,536.60 |
| Construction in progress | 2,146,413,104.92 | 1,425,235,193.72 |
| Right-of-use assets | 443,444,783.37 | |
| Intangible assets | 1,217,889,923.50 | 1,251,317,923.69 |
| Goodwill | 380,499,743.04 | 274,203,665.20 |
| Long-term deferred expenses | 98,316,714.21 | 108,584,686.85 |
| Deferred tax assets | 889,975,725.21 | 820,380,954.86 |
| Other non-current assets | 980,502,480.84 | 721,511,156.08 |
| Total Non-current Assets | 16,093,646,954.29 | 13,938,776,899.03 |
| Total Assets | 96,268,052,568.60 | 88,701,682,384.20 |
| Current Liabilities: | | |
| Short-term borrowings | 3,351,562,436.69 | 3,999,246,634.59 |
| Held-for-trading financial liabilities | 2,809,255.34 | 7,405,771.15 |
| Notes payable | 640,159,568.25 | 1,036,920,229.85 |
| Accounts payable | 14,239,686,714.74 | 13,593,884,790.19 |

| Item | September 30 th 2021 | December 31 st 2020 |
|--|---------------------------------|--------------------------------|
| Contract Liabilities | 2,611,871,266.68 | 2,161,166,671.26 |
| Payroll payable | 3,815,796,800.58 | 2,877,786,430.71 |
| Taxes payable | 2,216,512,568.99 | 1,770,057,908.62 |
| Other payables | 2,589,988,357.74 | 1,525,053,355.95 |
| Non-current liabilities due within one year | 3,619,948,261.12 | 3,507,680,339.78 |
| Other current liabilities | 761,735,804.63 | 745,711,579.57 |
| Total Current Liabilities | 33,850,071,034.76 | 31,224,913,711.67 |
| Non-current Liabilities: | | |
| Long-term borrowings | 2,128,684,836.74 | 1,961,167,761.30 |
| Lease liabilities | 208,347,700.38 | |
| Long-term payables | 9,260,090.93 | 39,595,459.35 |
| Provisions | 156,164,932.93 | 151,443,871.02 |
| Deferred income | 273,891,749.60 | 190,878,987.69 |
| Deferred tax liabilities | 83,493,469.72 | 92,979,823.89 |
| Other non-current liabilities | 511,594,361.52 | 560,959,368.74 |
| Total non-current liabilities | 3,371,437,141.82 | 2,997,025,271.99 |
| Total liabilities | 37,221,508,176.58 | 34,221,938,983.66 |
| Owners' Equity | | |
| Share capital | 9,335,806,114.00 | 9,343,417,190.00 |
| Capital reserves | 5,336,556,456.26 | 5,178,777,462.09 |
| Less: Treasury shares | 1,023,188,723.04 | 1,121,918,737.47 |
| Other comprehensive income | (104,674,008.70) | (84,993,926.94) |
| Surplus reserves | 4,672,505,348.00 | 4,672,505,348.00 |
| Retained earnings | 39,314,107,577.58 | 35,806,523,826.37 |
| Total owners' equity attributable to owner of the Company | 57,531,112,764.10 | 53,794,311,162.05 |
| Minority equity | 1,515,431,627.92 | 685,432,238.49 |
| Total owners' equity | 59,046,544,392.02 | 54,479,743,400.54 |
| Total liabilities and owners' equity | 96,268,052,568.60 | 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

1.2 Consolidated Income Statement from the beginning of the year to the end of the reporting period

Unit: RMB

| Item | 2021 Q1~Q3 | 2020 Q1~Q3 |
|--|--------------------------|--------------------------|
| I. Total operating income | 55,629,267,490.88 | 42,021,194,889.62 |
| II. Total operating costs | 44,117,391,608.90 | 33,719,184,646.63 |
| Including: operating costs | 29,854,226,905.32 | 21,970,833,611.78 |
| Business taxes and surcharges | 429,088,237.90 | 284,043,463.58 |
| Selling expenses | 6,457,804,368.11 | 5,233,839,568.35 |
| Administrative expenses | 1,531,518,894.32 | 1,335,010,979.18 |
| Research and Development (R&D) expenses | 6,063,039,217.93 | 4,740,749,014.04 |
| Financial expenses | (218,286,014.68) | 154,708,009.70 |
| Including: Interest expenses | 161,277,514.63 | 148,373,068.03 |
| Interest income | 636,331,864.30 | 464,390,827.93 |
| Add: Other Income | 1,766,628,497.10 | 1,689,901,236.39 |
| Investment income (loss“-“) | 219,922,536.36 | 124,741,116.75 |
| Including: Investment gains (losses) in associated enterprise and joint-venture enterprise | 8,034,443.78 | (22,332,967.09) |
| Gains (loss“-“) from changes in fair values | (46,332,817.33) | 40,458,673.51 |
| Credit impairment losses (“-“) | (440,543,687.06) | (209,108,587.37) |
| Impairment losses (“-“) of assets | (296,003,739.00) | (260,366,239.98) |
| Asset disposal income (loss“-“) | 11,281,396.84 | 304,642.17 |
| III. Operating profit (loss“-“) | 12,726,828,068.89 | 9,687,941,084.46 |
| Add: Non-operating income | 58,333,999.53 | 51,501,876.64 |
| Less: Non-operating expenses | 72,515,784.28 | 12,888,908.91 |
| IV. Total profit (loss“-“) | 12,712,646,284.14 | 9,726,554,052.19 |
| Less: Income tax expenses | 1,215,761,340.43 | 1,149,356,334.82 |
| V. Net profit (loss“-“) | 11,496,884,943.71 | 8,577,197,717.37 |
| 5.1 Classification by operation continuity | | |
| (a) Net profit (loss) on continuous operation | 11,496,884,943.71 | 8,577,197,717.37 |
| (b) Net profit (loss) on terminated operation | - | - |
| 5.2 Classification by attribution of ownership | | |
| (a) Net profit attributable to owners of parent company | 10,965,641,158.11 | 8,438,951,476.64 |
| (b) Profit or loss attributable to minority shareholders | 531,243,785.60 | 138,246,240.73 |

| Item | 2021 Q1~Q3 | 2020 Q1~Q3 |
|--|--------------------------|-------------------------|
| VI. Other comprehensive income, net of income tax | (20,947,319.59) | (36,391,343.45) |
| Other comprehensive income attributable to owners of the Company, net of tax | (19,680,081.77) | (34,507,678.30) |
| (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 | (19,680,081.77) | (34,507,678.30) |
| 1.Exchange differences arising on conversion of financial statements denominated in foreign currencies | (19,680,081.77) | (34,507,678.30) |
| Other comprehensive income attributable to minority interests, net of tax | (1,267,237.82) | (1,883,665.15) |
| VII. Total comprehensive income | 11,475,937,624.12 | 8,540,806,373.92 |
| Total comprehensive income attributable to owners of the parent company | 10,945,961,076.34 | 8,404,443,798.34 |
| Total comprehensive income attributable to minority shareholders | 529,976,547.78 | 136,362,575.58 |
| VIII. Earnings per share | | |
| (I) Basic earnings per share | 1.179 | 0.909 |
| (II) Diluted earnings per share | 1.178 | 0.909 |

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

Person in Charge of Accounting Institution: Zhan Junhua

1.3 Consolidated Cash Flow Statement from the beginning of the year to the end of the reporting period

Unit: RMB

| Item | 2021 Q1~Q3 | 2020 Q1~Q3 |
|---|--------------------------|--------------------------|
| I. Cash flows from operating activities: | | |
| Cash received from sale of goods or rendering of services | 57,804,183,013.33 | 44,732,201,357.96 |
| Receipts of tax refunds | 3,223,557,982.86 | 2,519,486,353.29 |
| Other cash receipts relating to operating activities | 1,506,042,792.76 | 1,120,966,888.55 |
| Sub-total of cash inflows from operating activities | 62,533,783,788.95 | 48,372,654,599.80 |
| Cash payments for goods purchased and services received | 40,981,820,273.00 | 28,365,300,528.80 |
| Cash paid to and on behalf of employees | 9,760,464,456.89 | 7,786,708,739.25 |
| Payments of various types of taxes | 3,798,000,076.89 | 3,516,698,560.06 |
| Other cash payments relating to operating activities | 4,061,568,079.94 | 3,169,328,778.86 |
| Sub-total of cash outflows from operating activities | 58,601,852,886.72 | 42,838,036,606.97 |
| Net Cash flows from Operating Activities | 3,931,930,902.23 | 5,534,617,992.83 |
| II. Cash flows from Investing Activities: | | |
| Cash receipts from recovery of investments | 5,586,296,231.17 | 1,436,901,231.06 |

| Item | 2021 Q1~Q3 | 2020 Q1~Q3 |
|--|---------------------------|---------------------------|
| Cash receipts from investment income | 116,643,801.97 | 151,548,143.79 |
| Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets | 15,477,468.87 | 21,360,710.88 |
| Other cash receipts relating to investing activities | 16,436,232.19 | 24,102,324.29 |
| Sub-total of cash inflows from investing activities | 5,734,853,734.20 | 1,633,912,410.02 |
| Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets | 2,125,979,715.74 | 1,605,697,549.12 |
| Cash paid to acquire investments | 5,610,904,398.89 | 1,831,979,614.38 |
| Net cash paid to acquire subsidiaries and other business units | 293,105,351.50 | - |
| Net cash paid for disposal of subsidiaries and other business units | 7,355,969.42 | - |
| Sub-total of cash outflows from investing activities | 8,037,345,435.55 | 3,437,677,163.50 |
| Net cash flows from Investing Activities | (2,302,491,701.35) | (1,803,764,753.48) |
| III. Cash flows from financing activities: | | |
| Cash receipts from capital contributions | 6,839,900.00 | 159,764,987.03 |
| Including: cash receipts from capital contributions from minority owners of subsidiaries | 6,839,900.00 | 159,764,987.03 |
| Cash receipts from borrowings | 3,856,596,155.84 | 3,681,920,917.95 |
| Cash receipts from bonds | - | 999,500,000.00 |
| Sub-total of cash inflows from financing activities | 3,863,436,055.84 | 4,841,185,904.98 |
| Cash repayments of borrowings | 4,518,670,167.89 | 1,734,060,296.82 |
| Cash payments for distribution of dividends or profits or settlement of interest expenses | 7,118,986,368.12 | 6,599,275,667.73 |
| Other cash payments relating to financing activities | 259,236,364.17 | 64,290,000.00 |
| Sub-total of cash outflows from financing activities | 11,896,892,900.18 | 8,397,625,964.55 |
| Net cash flows from Financing Activities | (8,033,456,844.34) | (3,556,440,059.57) |
| IV. Effect of foreign exchange rate changes on Cash and Cash Equivalents | (95,920,442.11) | (418,677,132.16) |
| V. Net increase in Cash and Cash Equivalents | (6,499,938,085.57) | (244,263,952.38) |
| 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 | 28,524,899,792.74 | 26,271,404,056.02 |

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

Person in Charge of Accounting Institution: Zhan Junhua

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

Applicable Inapplicable

Whether to adjust the balance sheet account at the beginning of the year Yes No

(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 | 293,382,571.09 | -2,952,118.77 |
| 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 | 497,437,052.79 | -477,453.85 |
| Total Current Assets | 74,762,905,485.17 | 74,759,358,624.55 | -3,546,860.62 |
| Non-current Assets: | | | |
| 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 | | 392,997,553.30 | 392,997,553.30 |
| 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 | 14,286,444,114.58 | 347,667,215.55 |
| Total Assets | 88,701,682,384.20 | 89,045,802,739.13 | 344,120,354.93 |
| 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 |

| Item | December 31 st 2020 | January 1 st 2021 | Adjustments |
|--|--------------------------------|------------------------------|-----------------------|
| 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 | 3,644,798,414.28 | 137,118,074.50 |
| Other current liabilities | 745,711,579.57 | 745,711,579.57 | 0.00 |
| Total Current Liabilities | 31,224,913,711.67 | 31,362,031,786.17 | 137,118,074.50 |
| Non-current Liabilities: | | | |
| Long-term borrowings | 1,961,167,761.30 | 1,961,167,761.30 | 0.00 |
| Lease liabilities | | 230,055,273.70 | 230,055,273.70 |
| Long-term payables | 39,595,459.35 | 16,542,466.08 | -23,052,993.27 |
| 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 |
| Total non-current liabilities | 2,997,025,271.99 | 3,204,027,552.42 | 207,002,280.43 |
| Total liabilities | 34,221,938,983.66 | 34,566,059,338.59 | 344,120,354.93 |
| 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 | 89,045,802,739.13 | 344,120,354.93 |

(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 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 | (2,952,118.77) | 293,382,571.09 |
| Other receivables | 519,143,350.82 | (117,288.00) | 519,026,062.82 |
| Other current assets | 497,914,506.64 | (477,453.85) | 497,437,052.79 |
| Non-current assets: | | | |
| Fixed assets | 5,876,007,536.60 | (45,330,337.75) | 5,830,677,198.85 |
| Right-of-use assets | | 392,997,553.30 | 392,997,553.30 |
| Current Liabilities: | | | |
| Non-current liabilities due within one year | 3,507,680,339.78 | 137,118,074.50 | 3,644,798,414.28 |
| Non-current Liabilities: | | | |
| Long-term payables | 39,595,459.35 | (23,052,993.27) | 16,542,466.08 |
| Lease liabilities | | 230,055,273.70 | 230,055,273.70 |

Note: For financial leases before the date of initial application, the Company measures the right-of-use assets and lease liabilities respectively 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 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 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 Company on January 1st 2021 amounted to RMB 386,475,961.59 and RMB 392,997,553.30, 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 ranges between 1.14% and 9.50%.

3. Audit Report

Whether audit has been performed on this 2021 3rd Quarter Report

Yes No

The Company's 2021 3rd Quarter report has not been audited

HANGZHOU HIKVISION DIGITAL TECHNOLOGY CO., LTD.

Board of Directors

October 23rd 2021

Note:

This document is a translated version of the Chinese version 2021 3rd Quarter Report (“2021 年第三季度报告”), and the published announcements in the Chinese version shall prevail. The complete published Chinese 2021 3rd Quarter Report may be obtained at www.cninfo.com.cn.