

Hangzhou Hikvision Digital Technology Co., Ltd.

2025 Annual Report

HIKVISION

April 18, 2026

To Shareholders

Since its establishment, the management of Hikvision has been continuously introspecting: Are we doing the right thing? Are we on the right track? Are we keeping pace with the changing times, adhering to technological innovation, maintaining the entrepreneurial spirit, and prudently managing risks?

The domestic and international environment is undergoing significant changes and adjustments, and the Company's operational focus has gradually shifted from pursuing revenue growth to improving operational quality. After nearly a decade of expansion, the Company has completed its business layout in the AIoT field and has achieved initial results. In the next three to five years, the Company will further strengthen and solidify its existing AIoT business. In 2025, the Company formulated corresponding strategies for each product line and business, optimized internal operational mechanisms and resource allocation, and improved business performance; in 2026, the Company will further refine various business strategies, deepen institutional reforms, optimize resource allocation, and continuously improve operational quality through more stable business management, creating long-term value for shareholders.

Artificial intelligence has become the core driving force of a new round of technological revolution and industrial transformation. Large-scale AI models are promoting the Company's product technology innovation and operational quality improvement at an unprecedented speed and depth. Technological innovation has always been the driving force for Hikvision's development, and large-scale AI model technology is being deeply integrated into the Company's products.

Over the past 20 years, the Company has been continuously investing in intelligent technologies, keeping up with the development of intelligent technologies from pattern recognition, video content analysis (VCA), deep learning, knowledge graphs to large-scale models. In the past 5 years, the Company has gradually focused on multimodal IoT perception large model technologies, developing the Guanlan large-scale AI models products, and embracing large-scale AI models in product strategies. In 2025, in the security business and scenario-based digitalization business, the Company launched hundreds of large-scale AI model products, covering front-end products, back-end products,

and cloud center products across various or combined spectral bands including visible light, X-ray, millimeter-wave radar, and infrared. These products have already gained widespread recognition from numerous users. This year, the Company will further enrich its portfolio of large-scale AI model products and intensify marketing efforts to achieve excellent business performance.

The rapid development of large-scale AI model technology will have a profound impact on Company operations. Over the past 5 years, we have gone through a process of initial exploration and gradual introduction of AI technology in various process-driven operational activities such as R&D, supply chain, marketing, and service, effectively improving the Company's operational efficiency and capabilities. In 2025, the Company won the Fifth "China Quality Award" with its "Digital and Intelligent Quality" management model, and the "Mass Customization Smart Factory for IoT Sensing Products" the Company built was selected by the Ministry of Industry and Information Technology into the "2025 Leading Smart Factory Cultivation List."

Internationalization remains an important engine driving the Company's development and growth. In the face of numerous challenges, the Company's main business and eight innovative businesses continue to adhere to the path of internationalization and expand international operations. We will persist with a "one country, one strategy" approach, and overseas revenue continues to grow steadily. In a volatile international environment, the Company will be very cautious in responding to various risks and will make the "one country, one strategy" approach even more refined. The Company will continuously enhance product competitiveness in the global market, improve marketing and operational capabilities, and further improve performance.

In 2015, the Company established an internal innovative business co-investment system. The eight innovative business companies that were subsequently established have gradually overcome the most difficult entrepreneurial period. They have gradually taken root and grown in the domestic and international target markets they have identified and have achieved a certain scale, with profitability improving comprehensively. These businesses, together with the main business, are now fully embracing large-scale AI models.

The Company's management team understands that maintaining an entrepreneurial spirit in the long term and integrating it into various business and management activities has always been the greatest challenge. The year of 2026 marks the 25th anniversary of Hikvision's founding, and the

Company is committed to delivering excellent performance to all shareholders in return! We firmly believe it is still a great era today, and the management team continues to embrace this era with an entrepreneurial mindset.

Thank you all shareholders for your trust, commitment, and support to the Company over these years!

See far, go further!

Board of Directors of Hangzhou Hikvision Digital Technology Co., Ltd.

April, 2026

Section I Important Notes, Contents and Definitions

The Board of Directors, directors, and senior management guarantee that the information presented in this report is true, accurate and complete without false records, misleading statements or material omissions, and will undertake individual and joint legal liabilities.

Hu Yangzhong, the Company's legal representative, Jin Yan, the person in charge of the accounting work, and Zhan Junhua, the person in charge of accounting department (accounting supervisor) hereby declare and warrant that the financial statements in this annual report are true, accurate and complete.

All directors of the Company have attended the board meeting to review this report.

The annual profit distribution plan passed upon deliberation at the meeting of the Board of Directors is set out as follows: Based on the total share capital (excluding shares held in the Company's repurchase account) as of the record date for the implementation of the 2025 annual profit distribution plan, the Company proposed to distribute cash dividend of RMB7.50 (tax inclusive) per each 10 shares to all shareholders, bonus share and share distribution from capital reserve is nil. This annual profit distribution plan still needs to be submitted for approval by the shareholders' meeting.

Note:

This document is a translated version of the Chinese version 2025 Annual Report ("2025 年年度报告"), and the published announcements in the Chinese version shall prevail. The complete published Chinese 2025 Annual Report may be obtained at www.cninfo.com.cn.

Please read the full annual report and pay particular attention to the following risk factors:

- 1) **Global Economic Downturn Risks:** Growth momentum in major global economies continues to diverge, with macroeconomic uncertainty intensifying due to inflation volatility and monetary policy adjustments, and regional economic imbalances becoming more pronounced. The Company relies on its global business layout to diversify single-market risks and flexibly adapt its strategies to local demand, but if the global economy enters a prolonged recession, its overall business will still be significantly affected.
- 2) **Geopolitical Environment Risks:** Global geopolitical competition is intensifying, regional conflicts remain unresolved, and unilateralism and trade protectionism are on the rise, significantly increasing compliance barriers and uncertainties for cross-border operations. The Company continuously optimizes its global resource allocation and strengthens localized risk management systems, but if the geopolitical situation suddenly deteriorates, its operations in the relevant countries and regions will still face adverse impacts.
- 3) **Domestic Economic Transformation Risks:** The domestic economy is in a critical phase of structural transformation and momentum conversion, with continued adjustments in demand in certain traditional sectors, market expectations still requiring time to recover, and changing external trade environments continuously challenging the Company's exports. The Company empowers digital transformation across various industries with AIoT technology, but if the transition process falls short of expectations, market demand fluctuations will bring adverse effects to its business operations.
- 4) **Technological Obsolescence Risks:** The iteration speed of cutting-edge technologies such as artificial intelligence, IoT, big data, and cloud computing continues to accelerate, with the depth and breadth of technology integration into real-world scenarios continuously achieving new breakthroughs. The Company has long focused on core technology fields, leveraging massive commercial practices to rapidly implement and iterate technologies, but if it fails to accurately grasp the direction of technological evolution, it will face the risk of declining market competitiveness.
- 5) **Internal Management Risks:** The Company's business scale continues to expand, and new products, new businesses, and global layouts are continuously deepening, leading to continuously increasing management complexity and cross-regional, cross-business coordination difficulties. The Company continuously optimizes its management systems and processes, emphasizing core talent development, but if its management capabilities cannot match the pace of business expansion, it will bring adverse effects on the Company's operational efficiency and development quality.

- 6) **Supply Chain Risks:** The global supply chain regionalization restructuring process is accelerating, and geopolitical competition tools such as technology restrictions and trade limitations continue to impact the stability of the global supply system. The Company continuously improves its diversified supply network and optimizes inventory control and supply chain resilience, but if core supply links experience widespread disruptions, it will still negatively affect the stability of the Company's production and operations.
- 7) **Cybersecurity Risks:** The deepening expansion of AIoT scenarios brings increasingly complex and covert cyber attack methods, and targeted security threats against IoT devices and systems continue to escalate. The Company has always prioritized the construction of a full-chain cybersecurity system and continuously iterates the security protection capabilities of its products and systems, but it still cannot completely eliminate potential security risks such as malicious attacks and data breaches.
- 8) **Product Quality and Safety Risks:** AIoT products have extensive application scenarios and cover key areas such as people's livelihood and public safety, with strict requirements for product quality and safety standards. The Company has always placed high importance on product safety and quality management, establishing a full-process quality control system. However, if there are any omissions in quality and safety management, it may lead to product quality issues or even major recall events, which could adversely affect the Company's business performance.
- 9) **Legal and Compliance Risks:** Global multilateral trade rules face ongoing challenges, and regulatory policies in areas such as data security, export controls, and market access are becoming increasingly strict in various countries, continuously increasing the complexity of compliance requirements for cross-border operations. The Company has established a full-process compliance management system covering global operations, but if its compliance capabilities cannot adapt to changing regulatory conditions, it will bring adverse effects to its business operations.
- 10) **Financial Risks Caused by Declining Customer Payment Ability:** Macroeconomic fluctuations transmit effects on the operating conditions and liquidity of upstream and downstream companies in the industry chain, and the uncertainty of customer payment ability and payment cycles remains. The Company always maintains a prudent operating approach, has established a full-process payment control mechanism, and maintains sufficient cash reserves, but if market liquidity continues to tighten, it may still face risks of slowed payments and increased bad debts.

- 11) **Exchange Rate Volatility Risks:** The Company's overseas business spans multiple countries and regions globally, and its procurement, sales, financing, and other operations involve multi-currency settlement exposures. The Company uses compliant financial instruments to reasonably hedge against exchange rate fluctuation risks, but if the global foreign exchange market experiences unexpected sharp fluctuations, it will still impact the Company's financial performance and operating results.
- 12) **Intellectual Property Risks:** The Company consistently maintains high-intensity R&D investment and has accumulated a large number of core technological achievements in the fields related to AIoT. The Company has established a systematic intellectual property protection and management mechanism. However, with the increasing global emphasis on intellectual property protection and intensified industry competition, the Company still faces potential risks of intellectual property disputes or infringement of its core technological achievements.

The above-mentioned alerts do not include all the potential risks for the Company. Investors are advised to invest with caution.

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Definitions

Term	Definition
Reporting Period	From January 1, 2025 to December 31, 2025
<i>Articles of Associations</i>	<i>Articles of Associations for Hangzhou Hikvision Digital Technology Co., Ltd</i>
Hikvision, the Company, our Company, the Group	Hangzhou Hikvision Digital Technology Co., Ltd.
CETC	China Electronics Technology Group Corporation, the actual controller of the Company
CETHIK	CETHIK Group Co., Ltd., the controlling shareholder of the Company
EZVIZ, EZVIZ Network	Hangzhou EZVIZ Network Co., Ltd.(According to the context, also refers to the corresponding business)
HikRobot	Hangzhou Hikrobot Co., Ltd. (According to the context, also refers to the corresponding business)
Sensortech, HikAuto	Shijiazhuang Sensor-Tech Intelligence Technology Co., Ltd. (According to the context, also refers to the corresponding business)
HikMicro, Micro Sensing, Thermal Imaging	Hangzhou Hikmicro Sensing Technology Co., Ltd. (According to the context, also refers to the corresponding business)
HikSemi	Wuhan Hikstorage Technology Co., Ltd. (According to the context, also refers to the corresponding business)
HikImaging	Hangzhou Hikimaging Technology Co., Ltd. (According to the context, also refers to the corresponding business)
HikFire	Hangzhou Hikfire Technology Co., Ltd. (According to the context, also refers to the corresponding business)
HikRayin, Hik Security Check	Hangzhou Rayin Technology Co., Ltd. (According to the context, also refers to the corresponding business)
Innovative Business	<p>A long investment cycle, business prospects uncertain, has the high risk and uncertainty, in need for direct or indirect investment in exploration, in order for the Company to timely enter into new areas of business. Initially disclosed in <i>Announcement about Management Measures for Core Staff Investment in Innovative Business</i> (www.cninfo.com.cn).</p> <p>In this report, innovative business also refers to EZVIZ, HikRobot, HikAuto, HikMicro, HikSemi, HikImaging, HikFire, HikRayin and their related business or products.</p>

Section II Corporate Profile & Key Financial Data

I. Corporate Information

Stock abbreviation	HIKVISION	Stock code	002415
Stock exchange where the shares of the Company are listed	Shenzhen Stock Exchange		
Name of the Company in Chinese	杭州海康威视数字技术股份有限公司		
Abbr. of the Company name in Chinese	海康威视		
Name of the Company in English (if any)	HANGZHOU HIKVISION DIGITAL TECHNOLOGY CO., LTD		
Abbr. of the Company name in English (if any)	HIKVISION		
Legal representative	Hu Yangzhong		
Registered address	No. 555 Qianmo Road, Binjiang District, Hangzhou, Zhejiang Province		
Postal code of Registered address	310051		
Changes in the Company's registered address	The Company was listed on the Shenzhen Stock Exchange on May 28 th 2010. The original registered address was No. 36 Macheng Road, Xihu District, Hangzhou, Zhejiang Province. In 2016, the Company's registered address was changed to No. 555 Qianmo Road, Binjiang District, Hangzhou, Zhejiang Province.		
Business address	No. 518 Wulianwang Street, Binjiang District, Hangzhou		
Postal code of Business address	310051		
Company website	www.hikvision.com		
E-mail	market@hikvision.com; ir@hikvision.com		

II. Contacts and Contact Information

	Board Secretary	Securities Affairs Representative
Name	Feng Wei	Cai Chao
Address	No. 518 Wulianwang Street, Binjiang District, Hangzhou	No. 518 Wulianwang Street, Binjiang District, Hangzhou
Tel.	0571-88075998 ; 0571-89710492	0571-88075998 ; 0571-89710492
Fax	0571-89986895	0571-89986895
E-mail	hikvision@hikvision.com	hikvision@hikvision.com

III. Information Disclosure and Place of the Report

The securities exchange website for the disclosure of the Annual Report	www.szse.cn
Media and website for the disclosure of the Annual Report	<i>Securities Times, China Securities Journal, Shanghai securities Journal, www.cninfo.com.cn</i>
Place where the Annual Report is available for inspection	Office of the Board of Directors of the Company

IV. Company Registration and Alteration

Unified Social Credit Identifier	91330000733796106P
Changes in principle business activities since the Company was listed (if any)	Principle business remains unchanged
Changes of controlling shareholders of the Company (if any)	No change during the reporting period

V. Other Relevant Information

Accounting firm engaged by the Company

Name of the accounting firm	Deloitte Touche Tohmatsu Certified Public Accountants LLP
Business address of the accounting firm	30F Bund Center 222 Yan An Road East Shanghai
Name of accountants for writing signature	Chen Yan, Liu Ying

Sponsor institution engaged by the Company to continuously perform its supervisory function during the Reporting Period

Applicable Inapplicable

Financial advisor engaged by the Company to perform the duties of continuous supervision during the reporting period

Applicable Inapplicable

VI. Key Accounting Data and Financial Indicators

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

Yes No

Unit: RMB

	2025	2024	YoY Change (%)	2023
Revenue (RMB)	92,507,796,069.94	92,495,525,118.30	0.01%	89,341,177,610.40
Net profit attributable to shareholders of the Company (RMB)	14,195,371,894.42	11,977,327,023.54	18.52%	14,107,726,276.26
Net profit attributable to shareholders of the Company excluding non-recurring gains and losses (RMB)	13,703,158,053.20	11,814,861,641.16	15.98%	13,665,962,325.65
Net cash flows from operating	25,339,411,083.10	13,264,092,022.73	91.04%	16,622,209,721.05
Basic earnings per share (RMB/share)	1.546	1.297	19.20%	1.520

	2025	2024	YoY Change (%)	2023
Diluted earnings per share (RMB/share)	1.546	1.297	19.20%	1.520
Weighted average ROE	17.30%	15.34%	1.96%	19.64%
	At December 31, 2025	At December 31, 2024	YoY Change (%)	At December 31, 2023
Total assets (RMB)	138,049,655,334.62	132,016,200,156.14	4.57%	138,858,122,879.55
Net assets attributable to shareholders of the Company (RMB)	83,348,185,885.62	80,668,661,062.88	3.32%	76,354,265,540.14

The Company's net profit before and after deducting non-recurring gains and losses in the last three fiscal years is negative, and the audit report of the most recent year shows that there is uncertainty about the Company's ability to continue operations

Yes No

The lowest among the Company's total profit, net profit, and net profit after deducting non-recurring items, as audited during the reporting period, is negative

Yes No

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

The total share capital of the Company as of the previous trading day of the annual report disclosure (share)	9,164,871,550
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Fully diluted earnings per share calculated with the latest share capital

Fully diluted earnings per share (RMB/share) calculated with the latest share capital	1.549
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VII. Differences in Accounting Data between Domestic and Overseas Accounting Standards

1. Difference in the Financial Report of Net Profits and Net Assets According to the Disclosure of International Financial Reporting Standards and China Accounting Standards

Applicable Inapplicable

There is no difference in the financial report of net profits and net assets according to the disclosure of International Financial Reporting Standards (IFRS) and China Accounting Standards in the reporting period.

2. Difference in the Financial Report of Net Profits and Net Assets According to the Disclosure of Overseas Accounting Standards and China Accounting Standards

Applicable Inapplicable

There is no difference in the financial report of net profits and net assets according to the disclosure of Overseas Accounting Standards and China Accounting Standards in the reporting period.

3. Explanation of the Differences in Accounting Data under Domestic and Overseas Accounting Standards

Applicable Inapplicable

VIII. Key Quarterly Financial Indicators

Unit: RMB

	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Revenue (RMB)	18,531,863,690.67	23,286,176,397.77	23,939,742,368.57	26,750,013,612.93
Net profit attributable to shareholders of the Company	2,038,683,389.01	3,618,666,409.67	3,661,774,929.80	4,876,247,165.94
Net profit attributable to shareholders of the Company excluding non-recurring gains and losses	1,926,435,015.10	3,562,565,313.27	3,481,971,466.50	4,732,186,258.33
Net cash flows from operating activities	-1,737,373,005.70	7,080,392,643.59	8,354,008,871.16	11,642,382,574.05

Whether there is significant difference between the above individual or aggregate financial indicators and that of what disclosed in the quarterly report, half-year report

Yes No

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

Applicable Inapplicable

Unit: RMB

Item	2025	2024	2023
Profits or losses from disposal of non-current assets (including the write-off for the impairment provision of assets)	26,802,422.78	-14,862,769.68	-10,507,192.80
The government subsidies included in the current profits and losses (excluding the government subsidy that are closely related to the Company's normal business operations, in line with national policies and regulations, enjoyed in accordance with the determined standards, and have a continuous impact on the Company's profit and loss)	637,997,244.06	566,828,064.11	518,953,527.79
Apart from the effective hedging activities related to the Company's normal business operations, the fair value changes in financial assets and financial liabilities held by non-financial enterprises, as well as the gains or losses from the disposal of these financial assets and liabilities.	-70,025,776.15	41,760,525.08	-67,516,075.30
The current period net profit or loss of the subsidiary from the beginning of the period to the date of merger under common control	-	-295,677.15	218,576.25
Gains and losses from debt restructuring	28,305,484.54	101,109,433.26	-

Item	2025	2024	2023
Share-based payment expenses recognized in one-time due to the cancellation or modification of the equity incentive plan	-	-471,167,293.91	-
Investment income generated from the disposal of long-term equity investments	9,933,580.31	-	-
Gains and losses from a business combination achieved in stages not under common control	-	-	116,433,610.45
Other non-operating income and expenditures except the items mentioned above	56,727,224.59	53,766,054.09	69,942,462.96
Other profit or loss items that meet the definition of non-recurring profit or loss	-	-	1,106,664.51
Less: Impact of income tax	88,819,017.89	20,093,234.14	64,745,616.43
Impact of the minority interests (after tax)	108,707,321.02	94,579,719.28	122,122,006.82
Total	492,213,841.22	162,465,382.38	441,763,950.61

Details of other gain/loss items that meet the definition of non-recurring gains and losses:

Applicable Inapplicable

The Company did not have other gain/ loss items that meet the definition of non-recurring gains and losses.

Explain the reasons if the Company classifies 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 a recurrent gain/loss item

Applicable Inapplicable

The Company did not classify an item as a non-recurring gain/loss according to the <Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Non-recurring Gains and Losses> into a recurrent gain/loss item.

Section III Management Discussion and Analysis

I. The Industry Situation and Main Business of the Company during the Reporting Period

1. Business Overview

The digital construction of the physical world is the foundation and key step toward general artificial intelligence. Hikvision, positioning itself with AIoT as its strategic focus, has been deeply engaged in the industry for over two decades, building and continuously improving three core technologies: IoT perception, artificial intelligence, and big data, to connect the physical world with the digital world and promote the efficient release of IoT data value.

For more than two decades, Hikvision has been deeply involved in and driven the intelligent upgrading process of AIoT industry, continuously iterating the intelligent capabilities of its products, exploring technology implementation paths that meet customer needs, and witnessing and leading the iterative development of intelligent analysis and artificial intelligence algorithms in the industry. As early as 2006, the Company established an intelligent algorithm team, and in 2023, it launched the "Hikvision Guanlan large-scales models," which received the industry's first Level 5 rating in model development in the China Academy of Information and Communications Technology's "Trusted AI Large Model Capability Evaluation."

Hikvision has not only fully integrated artificial intelligence large model algorithms into the complete chain of technology, product, and solution upgrades, but also deeply empowered its own R&D, operations, and manufacturing processes with large model capabilities, achieving continuous refinement of core competencies.

1) Centered on the Guanlan Large-scale AI Models system, achieve a comprehensive upgrade of technical capabilities

At the perception algorithm level, Guanlan IoT Perception Large-Scale AI Model has comprehensively covered multi-dimensional perception products, achieving a leapfrog improvement in perception accuracy and significantly optimizing the target detection and accuracy rates in complex environments. In 2025, the application of the perception large-scale model continues to expand, with continuously refined performance. Among them, the audio large-scale model helps increase the abnormal part interception rate in equipment quality inspection scenarios by 70%, and the X-ray large model reduces the missed reporting rate of prohibited items in security checks by 70%.

At the multimodal application level, the Company has launched the Acuseek¹ series of storage and computing products, which rely on large language models to enable natural language retrieval of billions of video data within seconds. At the same time, the Company continues to enhance visual fine-grained perception capabilities and deepens the understanding of video content. In the scenario of water conservancy and river-lake management, it relies on precise multimodal text-image Q&A capabilities to quickly identify floating objects on the river surface and accurately recognize events such as illegal swimming and illegal fishing, helping ecological protection and ensuring water area safety.

At the underlying technical level, the Guanlan coding technology, iteratively optimized with the capabilities of large-scale models, realizes accurate target differentiation and differential compression through ROI² segmentation technology, comprehensively optimizes video compression effects, effectively saves storage space and energy consumption, and significantly improves the efficiency of video storage and retrieval.

2) Deepen vertical scenario industry algorithm accumulation and continuously improve the practicality and adaptability of solutions

Technological and product iterations support the continuous accumulation of algorithms for various scenarios. Based on the Guanlan Large-scale AI Models foundation, the Company has taken root in nearly 100 vertical industries and hundreds of detailed scenarios, developing a series of vertical large model algorithms for production safety, public security, natural disasters, and industrial applications. These have already achieved large-scale implementation in scenarios such as production safety, urban management, water resources, rivers and lakes, and industrial manufacturing.

With the rapid development of agent technology, the Company is scaling the application of agent technology to continuously enhance the system's capability of automated analysis and handling based on alarm events. Through a collaborative model of data collection on the hardware side and autonomous analysis and handling by the "Xiaohai Intelligent Assistant" on the software side, the relevant solutions have been implemented in multiple fields such as safe production, public security prevention and control, integrated traffic management, and urban emergency command, promoting the industry's solutions to complete a paradigm upgrade from traditional post-event evidence collection to real-time scheduling during events and proactive early warning before events.

3) Focus on high cost-effectiveness and practicality to build a lightweight deployment system adaptable to

¹ Products with text-based search function

² ROI: Region of Interest

all scenarios

The successful commercialization of large model algorithms requires not only strong technological upgrades, but also high cost-performance deployment methods.

At the model optimization level, the Company reduces the memory consumption of large models by 50% through core technological breakthroughs such as model architecture optimization and model compression, establishes a high cost-performance application deployment model, and effectively lowers the industry application threshold for large model technology.

At the deployment plan level, the Company adopts a system architecture integrating cloud-edge-end fusion, front-end and back-end collaboration, and large and small model integration. By enabling efficient interaction between front-end sensing devices and back-end computing systems, it achieves the efficient and low-cost implementation of large model systems. Specifically, through the collaboration between the owl camera³ and the back-end system, the accuracy of violation identification in special operation scenarios has been improved to 95%, achieving a balance between technical effectiveness and implementation costs.

4) Take AI large model technology as the core approach and comprehensively promote the Company's internal digital transformation

Hikvision takes itself as a field and continuously optimizes its management methods using AI large model technology, constantly forging endogenous resilience for high-quality growth.

During the R&D process, the Company leverages large model technology to achieve automatic code generation and automated test case construction, significantly improving R&D iteration efficiency and providing support for rapid technology implementation.

At the marketing and service stage, the Company leverages AIGC⁴ technology to achieve automated generation of marketing content, continuously improves the intelligent customer service robot, effectively enhances the quality and efficiency of customer service responses, and optimizes the customer service experience.

In the production and manufacturing process, the Company deeply integrates large model technology into digital intelligent quality management and standardized SOP⁵ control. Combined with industrial large-scale models,

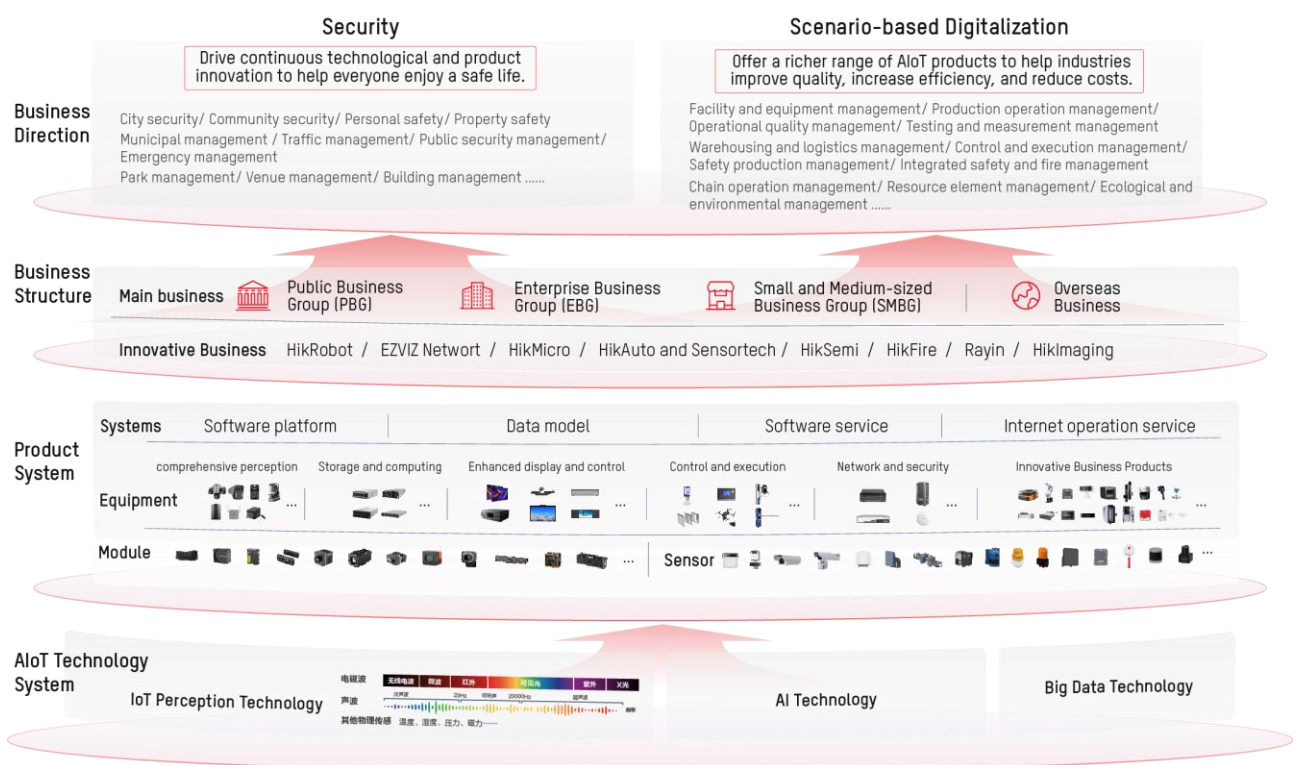
³ Owls Camera: A short name for Active Visual Task Supervision ColorVu PTZ Camera. After a panoramic lens detects a target, it links to a PTZ camera to zoom in and observe details, stably track the target, and identify and capture images of suspected violations. The backend system then analyzes and reviews the captured images, effectively filtering out false alarms.

⁴ AIGC: AI-generated content

⁵ SOP: Standard Operating Procedure

it continuously optimizes production and manufacturing capabilities, improves the flexible manufacturing system for large-scale, small-batch, and multi-batch production, and achieves improved quality and efficiency throughout the entire production process.

Hikvision continuously iterates on three core technologies: IoT perception, artificial intelligence, and big data, providing over 30,000 AIoT products, building an AIoT technical system and product matrix covering all scenarios, promoting the deep integration of the physical and digital worlds, and helping the entire society's digital transformation.



With dual domestic and overseas marketing systems, an organizational structure featuring the main business and eight innovative businesses working together, mature flexible production capabilities, and a stable supply chain system, the Company deeply serves its two core business areas of security and scenario-based digitalization, continuously helping to improve the accuracy and efficiency of social governance, enhance the quality and effectiveness of enterprise operations, and promote intelligent, healthy, and peaceful living for the people, constantly leading the new future of the AIoT industry.

2. Product System

Hikvision continues to enrich and strengthen its IoT perception technology reserves. For more than two decades, it has been deeply engaged in intelligent algorithms, constantly promoting the intelligent upgrading of the industry. After launching the Guanlan Large-scale AI Models in 2023, the Company further focused on refining perception intelligence for business scenarios, creating vertical high-cost-performance models, and strengthening the software and hardware product system of cloud-edge-end collaboration.

Based on various scenario-based business needs, the Company tirelessly seeks innovative technical solutions and creates efficient and practical product forms, establishing a rich and comprehensive AIoT software and hardware product system, exploring feasible paths for the digital transformation of society.

2.1 Comprehensive Perception: Enriching the Multidimensional Perception Product System, Improving the Foundation of AIoT data.

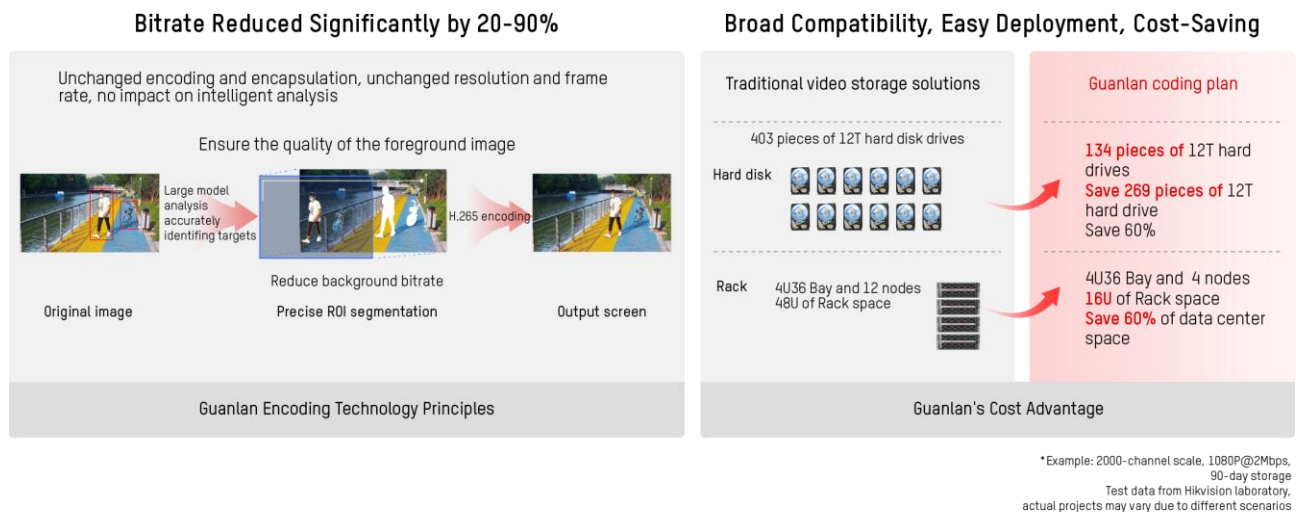
Hikvision started with video perception technology and has continuously expanded and enriched its capabilities in multi-dimensional IoT perception. After more than two decades of accumulation and refinement, Hikvision has built a multi-dimensional perception system covering electromagnetic waves and mechanical waves, integrating physical sensing technologies such as temperature, humidity, pressure, and magnetism. The extensive perception capabilities and the fusion application of multi-dimensional perception have established Hikvision's IoT perception technology platform, supporting more innovative applications in the fields of security and scenario-based digitalization.

2.1.1 Front-end camera products

Hikvision has been deeply engaged in the AIoT field. Relying on core capabilities such as high-quality imaging in all environments, Guanlan encoding technology, and large models on the device side, it has built a stable visual foundation. This effectively reduces video storage costs and expands the camera's application capabilities in target recognition, scene understanding, and auxiliary decision-making, continuously providing strong support for the digital construction of industries such as production management, public security, and resource protection.

2) Innovation in Guanlan encoding for storage efficiency

HiKvision's self-developed Guanlan encoding technology uses ROI (Region of Interest) segmentation technology to accurately distinguish targets and perform differential compression processing. While efficiently compressing the background, it ensures that the image quality of key areas is not affected, thereby significantly reducing storage space usage and markedly lowering storage costs for large-scale video systems.



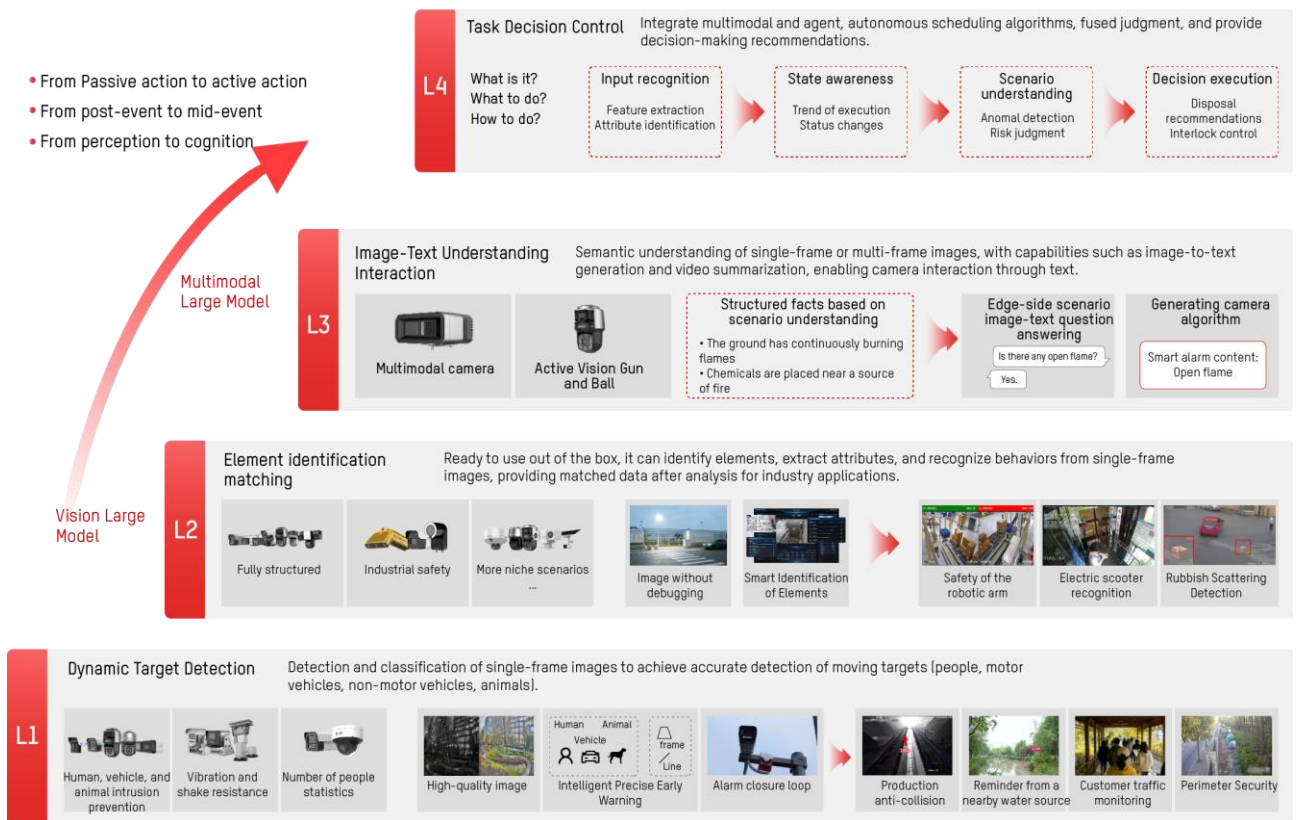
3) Embrace of large models for precise intelligence

Based on the Guanlan vision large-scale model system, Hikvision has established a tiered edge-side large model product architecture from L1 to L4, with front-end cameras as the core, building a hierarchical capability system from target detection and feature recognition to image-text understanding interaction and task decision control, providing richer data support and decision assistance for industry applications.

- **L1 Dynamic Target Detection:** L1 products focus on the detection and classification of dynamic targets, enabling efficient identification of targets such as personnel, motor vehicles, non-motor vehicles, and animals, achieving early warning of high-risk behaviors in scenarios such as park operations and industrial safety production, and providing basic capability support for various security monitoring scenarios.
- **L2 Element Recognition and Matching:** L2 products can achieve image element recognition, attribute extraction, and behavior analysis capabilities, enabling multi-dimensional analysis of personnel, equipment, and environmental elements in scenes. This technology has been widely applied in scenarios such as industrial production, elevator supervision, power transmission and transformation inspection, and traffic management, providing a data foundation for the industry's refined operations.
- **L3 Visual-Text Understanding Interaction:** L3 products integrate vision and multimodal capabilities,

enabling image semantic understanding, video summary generation, and supporting the generation of intelligent camera algorithms through text-based Q&A. For example, in scenarios such as safe production management, L3 products can achieve risk operation identification, violation screening, and early warning, providing auxiliary decision-making support for on-site management.

- **L4 Task Decision and Control:** L4 products can achieve full-dimensional understanding of "what the target is, where it is, and what it is doing" within a scenario, and provide targeted task decision-making and control recommendations based on specific customer needs, completing the technological breakthrough from "assistant decision-making" to "autonomous decision-making", thereby maximizing the value of large model technology in industrial applications.



4) Cultivation of scenarios for expanded value

Hikvision relies on the deep integration of multidimensional perception technology and industry application requirements to build scenario-based digital solutions covering multiple fields such as production, life, and social governance. Currently, this solution has been widely applied in areas such as production and manufacturing, education and teaching, food safety, and transportation, and is gradually expanding into resource protection

scenarios such as water, electricity, oil, and minerals.



Taking water resource management as an example, Hikvision builds a three-dimensional perception system for water resources covering the shore, water surface, and underwater areas by deploying various intelligent cameras. It can realize functions such as water quality management, pipeline liquid level monitoring, and three-dimensional underwater imaging, providing strong support for the refined management of the water environment.

Water Resource Conservation and Management

Intelligent Water Quality Management

Floc is a flocculent precipitate formed after coagulation in water. The camera can identify and count the floc conditions during the water purification process to monitor water quality.

- White light fill light, high-definition imaging
- Dual-sided wipers with self-cleaning function
- Waterproof and corrosion resistant, strong adaptability

Underground Pipeline Network Protection

Monitor underground chamber liquid level changes, promptly detect drainage anomalies and urban flooding risks, and support intelligent operation and maintenance of urban drainage systems.

- Abnormal liquid level alarm
±1 mm visual inspection and capture
- 3 Years of stable and durable performance
Low power consumption, large battery, strong signal

Underwater 3D Perception

Long-term stable imaging in underwater environments, stereoscopic vision for fish identification and body length measurement, aiding aquatic ecosystem monitoring and underwater asset management.

- Underwater specialized imaging stereoscopic vision
- Dual-sided wiper suppress adhesion
- Pressure and corrosion resistant, suitable for seawater/freshwater

The Company continues to focus on innovation in fundamental technologies, promoting the deep integration of large model technology with industrial applications, and empowering the high-quality development of AIoT across various industries with more advanced product technology capabilities and more comprehensive scenario-based digital solutions.

2.1.2 Intelligent transportation products

1) Intelligent traffic enforcement camera system

Hikvision continues to focus on the intelligent transportation market. In 2025, the Company will further iterate and upgrade the transportation industry-specific large model based on the Guanlan Large-Scale AI Models, significantly improving the accuracy of detecting multiple violations such as not wearing seat belts, using mobile phones while driving, and carrying passengers in the cargo area, as well as vehicle feature recognition. It will also further expand detection applications for large truck management and unsafe driving behaviors of non-motorized vehicles.

The Company has launched a series of traffic camera products with 12 million resolution. Compared to the previous generation, the products have a significantly improved vertical field of view. Combined with the new generation of AIISP image algorithms, they can achieve better image quality and stronger high-beam suppression effects while meeting the new light standard. At the same time, the environmentally friendly 12 million series products have achieved better results in reducing light pollution.

These technological upgrades effectively promote the intelligent traffic management business from single evidence collection to full-element precise perception, making the Company's products core infrastructure in the field of intelligent traffic management at home and abroad.

Intelligent Traffic Snapshot System: Enhance the identification of motor vehicle/non-motor vehicle violations, improve vehicle feature detection rate and accuracy

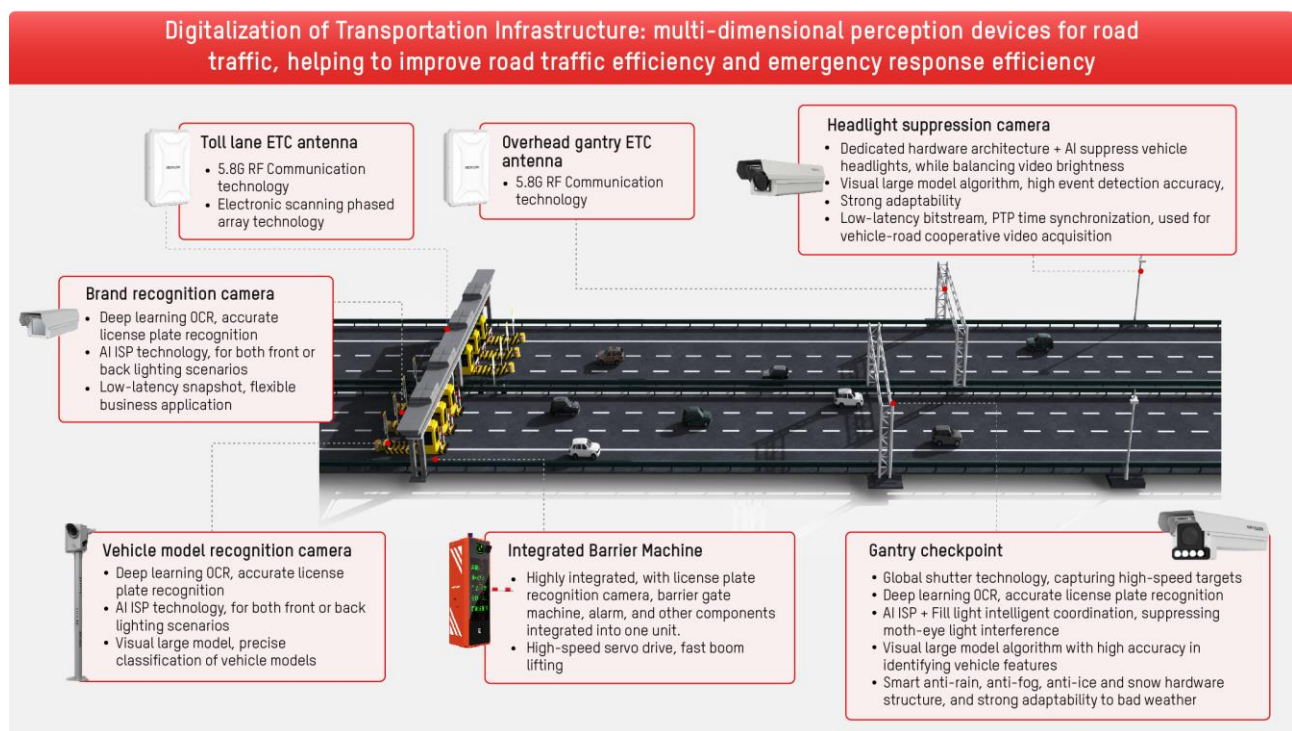
Seat belt fastened or not	Large model: fastened Small model: not Clothes has similar color to seatbelt Arms blocking the seatbelt Collar/hat obstruction	Large model: not Small model: fastened Windshield wiper looks like seatbelt	Vehicle Feature Recognition	Large model: minibus Small model: cars 	Large model: truck Small model: SUV 	Large model: non-hazardous materials Small model: hazardous materials
	Making phone call or not Large model: not Small model: call Only raise hand Similar gesture (like eating ice cream) Similar gesture (like touching ear)	Large model: call Small model: not Use shoulder to clamp phone by the car window		Large model: Minibus Small model: Minivan 	Large model: minitruck Small model: minibus 	Large Model: gray Small Model: white
	Using mobile phone or not Large model: use Small model: not The color of mobile is similar to cloth Phone blocked by steering wheel Only touch the phone Similar gesture (like eating ice cream) A phone stand is here, but not look at the phone	Large model: not Small model: use 		Large model: Not Small model: Install canopy 	Large model: manned Small model: unmanned 	Large model: no helmet Small Model: Wearing
	Carrying people in truck bed or not Large model: carry Small model: not Too dark Cluttered storage	Large model: not Small model: carry 		Targeting Large model: not Small model: cross the line Perspective Occlusion	Non-motor vehicle feature recognition Large model: Raincoat misjudgment Small model: The head is severely occluded Rear passenger backlight Misjudgment of hats and sunglasses Heads overlap Raincoat misjudgment The head is severely occluded Rear passenger backlight Misjudgment of hats and sunglasses Heads overlap	

2) Business of transportation infrastructure digitalization

This business focuses on highway and expressway scenarios, covering key products such as license plate recognition at toll lanes, gantry checkpoints, vehicle type recognition cameras, integrated barrier machines, ETC antennas, and traffic event detection servers, dedicated to improving toll efficiency and ensuring traffic safety.

The Company continuously optimizes the product hardware structure design, significantly enhancing adaptability in complex scenarios such as adverse weather conditions; in terms of algorithms, relying on visual large models and multimodal large models technology, it has effectively improved the accuracy of vehicle type recognition and the ability to detect traffic anomalies.

Through technological innovation and product iteration optimization, the Company provides more intelligent and reliable products and solutions for the digital transformation of transportation infrastructure, effectively supporting the industry's evolution toward efficiency and safety.



3) Smart signal control system business

The Company continues to strengthen its full-link self-developed advantages, comprehensively building a "five-in-one" full-system self-developed architecture covering radar and vision fusion perception, traffic signal controllers and traffic lights, traffic control algorithm boxes, traffic control platforms, and timing optimization services.

At the hardware product level, the Company launches a new generation of 92-94GHz band millimeter-wave Radar-Video Fusion Camera, and innovatively releases the 7 series high-end intelligent traffic signal controller, further strengthening the technical foundation of the system control platform. At the algorithm application level, the Company promotes the traffic control solution to deepen and evolve into comprehensive management of "motor vehicles, non-motor vehicles, and pedestrians", significantly enhancing the fine-grained scheduling capability for various road users. At the system delivery and service level, relying on its own traffic signal timing team, the Company establishes a complete business loop from front-end accurate perception to back-end timing optimization, comprehensively supporting the efficient governance needs of complex urban traffic scenarios.



Intelligent Traffic Signal Control System: A Fully Self-developed "Five-in-One" Integrated Architecture

<p>Hardware Intelligent signal controller with Guanlan (HK7 series)</p> <p>New generation traffic signal controller further strengthens the control foundation and meets the traffic flow unified control requirements for complex intersections.</p> 	<p>Algorithm "Machine, non-motorized, and pedestrian" comprehensive signal control strategy</p> <p>Relying on radar and vision fusion technology, traffic control has been upgraded from motor vehicle management to comprehensive and refined control of all elements including motor/non-motor vehicles, and pedestrians.</p> 	<p>Service Expert team for signal timing optimization</p> <p>Provide timing optimization and consulting services, forming a full-chain business closed loop from front-end accurate perception to back-end timing optimization.</p> 
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2.1.3 Mobile terminal products

Hikvision's mobile terminal products are centered around industry wearable devices and handheld PDA products. By deeply integrating core technologies such as sensing, transmission, computing, and AI algorithms, a comprehensive solution covering data collection, transmission, and intelligent analysis has been built. Empowered by large model technology, the new generation of terminals has significantly enhanced capabilities in target recognition, voice recognition, and scene event detection. They have been deployed at scale in multiple industries, maintaining a leading market share in law enforcement and standardized operations. In business related to enterprise

digital transformation, they continuously and effectively meet increasingly diverse scenario requirements.

Wearable Industry Field

Focus on professional audio, multi-mode image stabilization, and ultra-long battery life to form a "capture-transmission-intelligent analysis-business processing" business loop.



Handheld PDA

Continuously improve the general product matrix and enrich terminal forms. Leveraging AI and deep GPU development, achieve breakthroughs in professional PDA products including general OCR, corrosion-resistant materials, video volume measurement, and tiny code recognition.



Business processing

AI Intelligent analysis

Object Recognition

License Plate Recognition

Event detection

Keyword speech recognition

.....

Data Collection

Sampling Station Product

Dual System Acquisition Station

Wall-mounted collection station

Desktop data collection station

Nameplate Camera Collection Station

Handheld Scanning Terminal

General Products							
	Full-screen model	Short keyboard model	Long keyboard model	Medical payment	Deposit for printing	Anti-bestseller	5G RFID All-in-One machine
Specialized Products							
	Hai Sweeper Series	Volume Measurement Edition	Full-screen AI model	5G pressure ulcer model	Long-distance payment	DFM payment	Cold chain model
Tablet				Material Management			
	10-inch tablet	10-inch PAD Enterprise PDA	8-inch PAD Enterprise PDA				
All-in-one In-and-out storage machine					Industry Terminal		
	Operations recording packaging table	Drug traceability group scanning terminal	Parcel reception terminal	Outbound instrument			

2.1.4 Scientific instrument products

With its scientific instrument business, Hikvision is committed to the research and development and industrialization of high-end scientific equipment, supporting scientific and technological innovation. From achieving precise qualitative and quantitative analysis to exploring the microscopic world in depth, we help users gain critical insights, reveal the essence of materials, thus promoting continuous industrial upgrading and contributing wisdom and strength to global scientific and technological progress.

Material Composition Analysis

Laboratory equipment

Online devices

Morphology Observation of Materials

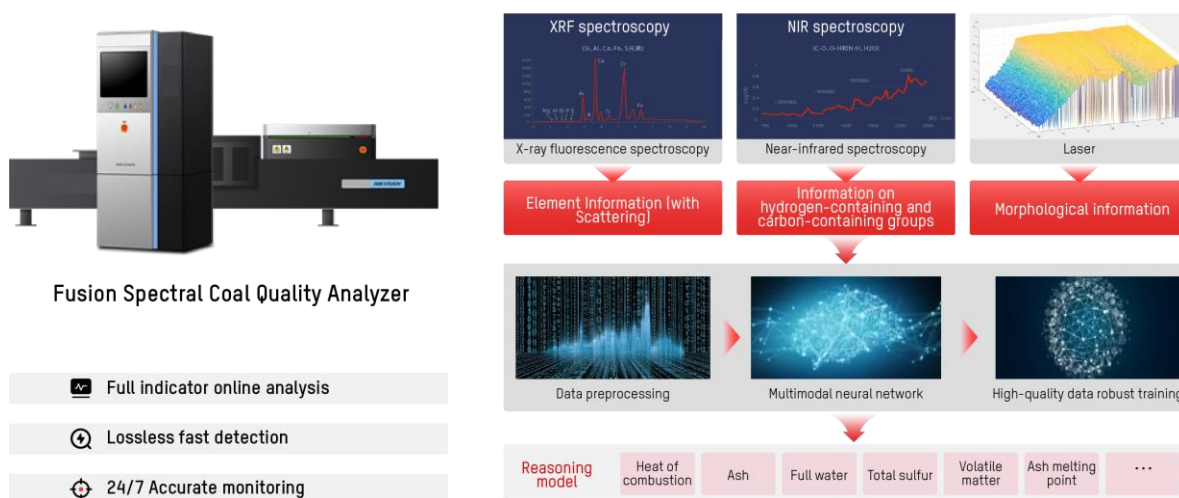
3D Super depth digital microscope

Hikvision's chromatography and mass spectrometry product series provide powerful tools for laboratory material composition analysis with high precision, high sensitivity, and high stability. The Ultra-High Performance

27

Liquid Chromatographer features a self-developed dual-piston rod tandem pump as its core, offering high flow rate accuracy and precise gradient elution. The Gas Chromatographer is equipped with a high-precision electronic pressure control system, combined with an excellent column oven design, effectively ensuring the stable operation of the instrument. The chromatography-mass spectrometry coupled products rely on self-developed efficient ion transmission and high-precision mass analysis technologies to achieve ultra-high sensitivity at the fg⁶ level. The Company, with flexible manufacturing and capable supply chain management systems as its foundation, has built a core competitive advantage for its products that is independently controllable, ensuring the security and stability of the supply chain.

Hikvision Fusion Spectrum Coal Quality Fast Analyzer fully utilizes the imaging characteristics of near-infrared molecular spectroscopy (NIRS) and X-ray fluorescence atomic spectroscopy (XRF), employing artificial intelligence algorithms to achieve dual-modal fusion of the two types of information. It can perform rapid, accurate, robust, and non-destructive coal quality analysis within 2 minutes for more than 99% of coal types, obtaining comprehensive indicators such as ash content, sulfur content, calorific value, and total moisture content, bringing significant technological breakthroughs to the industry and promoting efficient energy utilization.



Hikvision 3D Super Depth Digital Microscope integrates an advanced optical system with intelligent 3D modeling algorithms, combining high resolution, large depth of field, and fast imaging advantages into one. It can achieve high-precision 3D measurement and analysis of fine structures. Its lateral resolution is as high as 0.42μm, and the Z-axis resolution can reach 1μm, providing more efficient and accurate technical support for industrial inspection and scientific research.

⁶ fg: femtogram, 1fg=10⁻¹⁵g

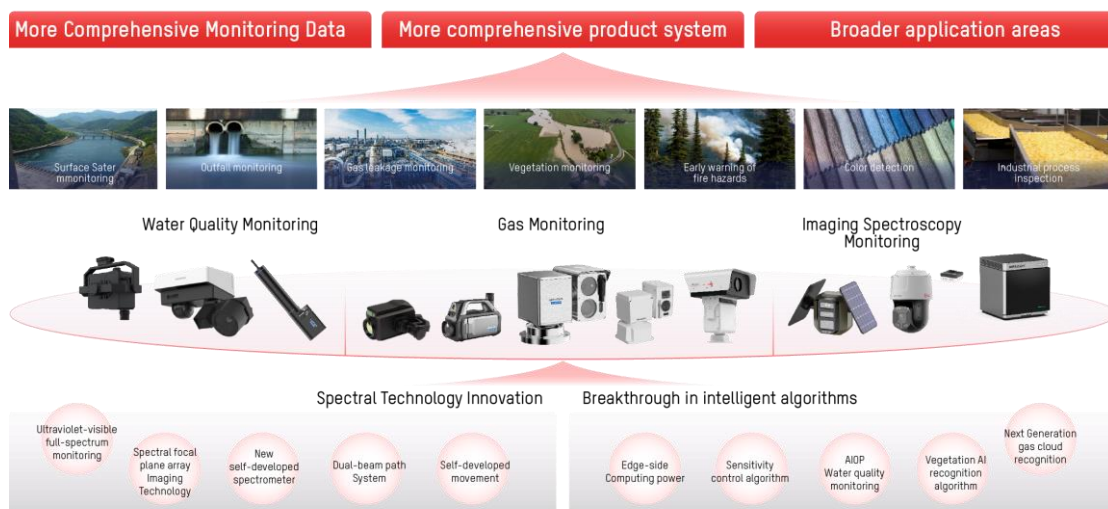
2.1.5 Spectral sensing

Hikvision continues to innovate in spectral sensing technology, building three major product systems covering gas monitoring, water quality monitoring, and imaging spectrometer monitoring. Relying on high-precision spectral sensing and intelligent algorithms, it provides strong support for the digital transformation of fields such as industrial safety, ecological protection, and agricultural production.

Gas monitoring products: The product system is further improved, forming a full-chain monitoring capability from portable protection to area telemetry, from fixed stations to high-altitude inspection, and from single gas to hundreds of gas analysis. In 2025, the Company will launch explosion-proof TDLAS⁷ products that meet the national intrinsic safety standards, enabling lightweight and accurate leak monitoring for high-risk scenarios, and effectively enhancing the reliability and applicability of industrial safety monitoring.

Water-quality monitoring products: Through the deep integration of "spectral + AI", the series of products have comprehensively enhanced edge computing capabilities, continuously improving monitoring stability. In 2025, the Company launched a full-spectrum water-quality monitoring system as well as airborne and nest-type hyperspectral water-quality monitoring systems, further expanding the spatiotemporal coverage of water environment monitoring and promoting the industry to evolve toward real-time and intelligent directions.

Imaging spectral monitoring products: The product line continues to expand, with applications gradually extending to multiple fields such as vegetation monitoring, color detection, and process analysis. The multispectral ground fire camera launched in 2025 features second-level early fire detection and accurate early warning capabilities, effectively enhancing ecological safety prevention and control levels.



⁷ TDLAS: Tunable Diode Laser Absorption Spectroscopy

2.1.6 Acoustic sensing

Hikvision relies on advanced acoustic components and acoustic algorithms, combined with audible and ultrasonic multi-band perception technology, to realize applications such as equipment condition monitoring and internal defect detection of components. In 2025, the Company further expand its product portfolio, deepen its intelligent algorithm and scene adaptation capabilities, and continue to support the intelligent transformation of industry.

Acoustic monitoring products: Through intelligent analysis of abnormal acoustic signals, it enables online equipment monitoring and predictive maintenance. Monitoring data can be uploaded to the platform in real time, helping maintenance personnel accurately predict risks, effectively reduce unplanned downtime, and ensure equipment operation safety. The product solution has been successfully applied to multiple enterprises such as Zhenjiang Port and Henan Zhongfu Industrial Co., Ltd.

The infographic is divided into three main sections:

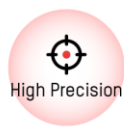
- Partial Discharge Monitoring of Power Equipment:**
 - Products: Acoustic sensor for industrial diagnostics, Substation equipment acoustic fingerprint online monitoring kit (with State grid certification).
 - Key Features: 7x24h uninterrupted monitoring, Non-contact connection, Remote work, AI-enhanced model training.
 - Applications: Transformer, GIS, High-voltage circuit breaker.
- Remote Equipment Maintenance and Monitoring:**
 - Products: Temperature-vibration monitoring system, Integrated acoustic-vibration-temperature Monitoring System.
 - Key Features: Intelligent operations and maintenance, Remote maintenance, Predictive maintenance.
 - Applications: Motor, Gearbox, Fan, Pump.
- Partial Discharge and Gas Leak Monitoring:**
 - Products: Online ultrasound Imaging Device, Online explosion-proof audio-visual instrument, Acoustic Imager positioning System.
 - Key Features: Highly accurate localization, High efficiency in remote monitoring, Strong protection level, Broad coverage.
 - Applications: Substation scenario, Factory area scenario, Power generation scenario, Chemical industrial park.

Ultrasonic testing products: Focusing on internal defect detection of components, the Company possesses leading AI algorithms and melt depth detection technology in China. Its ultrasonic phased array products have achieved a detection accuracy of $\pm 0.1\text{mm}$, the first in the industry, significantly lowering the threshold for flaw detection and improving its efficiency. This solution has been implemented at a large scale in multiple major manufacturing enterprises, promoting the digital transformation of flaw detection operations.

		Business Scenario						
		Content detection	Phased array board card	Phased array Four-axis automation	Phased array Six-axis automation	Acoustic microscope	Phased array portable	
Phased Array Ultrasound Series	Acoustic microscope	<ul style="list-style-type: none"> Applicable to material inspection, failure analysis, reliability verification and other fields Detection of wafer bonding chips, various packaging tests (TO/SOP/BGA, etc.), LED, etc. Detect defects such as sealing layers, cracks, bubbles, and voids. Calculate defect size with an accuracy of up to 10µm. 						
	Six-axis automation	<ul style="list-style-type: none"> Six-axis robotic arm, more flexible scanning Can be connected to production line, automatic material loading, inspection, and unloading The applicable parts are large in size, and the tank and robotic arm dimensions can be customized. 						
	Four-axis automation	<ul style="list-style-type: none"> For full inspection scenarios in large production lines Online inspection of friction stir welding for automotive parts Defect AI Automatic Recognition Applicable to parts with dimensions smaller than 0.8m x 0.5m 						
	Board card	<ul style="list-style-type: none"> For users with automated integration, and provide a solution of board + probe + AI Built-in ultrasonic acquisition card, analytical computing power, and inspection software. 						
	Portable	<ul style="list-style-type: none"> Defect detection for parts in discrete and complex scenarios for small and medium-sized users Manual operation is required, with experience in operating ultrasonic equipment. 						
	Probe	<ul style="list-style-type: none"> Offer accessories for users with automated integration capabilities. 						
Metal welding	Friction stir welding	Welding quality: Defect, penetration, weld bead misalignment	✓	✓	✓	✓	✓	
	Brazed liquid cooling plate	Welding quality: Defect, brazing rate, through	✓	✓	✓	✓	✓	
	Metal quenching	Hardening quality: Hardening depth	✓	✓	✓	✓	✓	
	Electronics Components	IGBT	Encapsulation check: Layered, hollow				✓	✓
		Chip	Package inspection, failure analysis: micro voids, delamination, cracks				✓	✓
Compound Material	Wind turbine blade	Bonding quality: Delamination, poor impregnation	✓	✓			✓	

2.1.7 Optical fiber sensing

Since entering the fiber optic sensing field in 2021, Hikvision has always focused on the product development direction of "higher accuracy, more dimensions, and stronger performance," continuously enriching and improving its product portfolio. It has now formed a complete product line covering both distributed and point-type categories, including the distributed fiber-optic vibration sensing system, temperature sensing fiber, acoustic sensing fiber, and point-type fiber bragg grating demodulator, which can monitor multiple key physical quantities such as temperature, vibration, and strain in real-time, effectively supporting the safe operation of industrial production and infrastructure.



Positioning vibration optical fiber	Positioning type temperature measuring optical fiber	Localization auscultation optical fiber	Fiber bragg grating demodulator
<p>High-altitude payment splitting 2/5/10km 1/2 channel</p> <p>Long distance style 30/50km 1/2 channel</p> <p>Multi-channel Model 10/30/50km 4/8/16 channels</p> <p>Wall-mounted model 1/2/5km 1/2 channel</p> <p>Cabinet style 1/2/5km 1/2 channel</p>	<p>High-altitude payment sharing 3/6/12km 4/8/12 Channels</p> <p>Regular style 10/20/30km 4/8/12 channels</p> <p>Fire prevention Verified payment 10km 4-channel</p> <p>Mine-use Intrinsically Safe Model 10km 4/8 Channels</p> <p>Economic model 2.5km 1 channel</p>	<p>Wall-mounted model 1.2km 1/2/4 Channel</p> <p>Mod Edition 1.2km 1/2/4 channels</p>	<p>Raster demodulator 10/40nm 8/16-channel real-time</p> <p>Raster sensor Temperature Strain Displacement</p> <p>Static Level Gauge Pressure Inclination angle</p>

In 2025, the Company continued to promote the coordinated development of distributed and point-type fiber optic sensing businesses. In the field of distributed fiber optics, by breaking through the key technical bottlenecks of spatial resolution, the Company has successfully launched high-spatial-resolution vibration fiber and high-spatial-resolution temperature-sensing fiber, achieving a leap in detection accuracy from meter-level to centimeter-level, thus better meeting the monitoring needs of high-precision scenarios. At the same time, point-type fiber bragg grating products have been successfully implemented on a large scale in multiple typical scenarios such as wind turbines, rectifier cabinets, and pipe galleries, further enhancing product competitiveness and market coverage capabilities.

2.2 Storage and Computing: Deepening the Application of Multimodal Large Models and Activating the Value of Massive Data

Hikvision continues to deepen the practical application of multimodal large models, comprehensively driving technological innovation and iterative upgrades in storage and computing products. With the rapid evolution of AI technology and the new trends and requirements in the security industry, in 2025, the Company focused on developing two new product systems: Acuseek Series Storage and Computing, and Guanlan Encoded Storage.

The Acuseek product system realizes a deep integration and mutual empowerment between video business applications and large model technology, leveraging multimodal large model technology to fully activate the core value of massive video data. This system constructs a comprehensive product matrix, covering the entire chain of products from edge to center, and from storage to computing, and can be fully adapted to various security and industry digital application scenarios.

The Guanlan Encoded Disk Array adopts an integrated storage and computing architecture, relying on large model technology to achieve a breakthrough advancement in video encoding technology, significantly compressing high-definition video bitrates. This product effectively meets the industry's growing demand for massive video data storage space and effectively offsets the cost pressures caused by rising storage medium prices, continuously creating core value for customers through technological innovation.

Hikvision's storage and computing products, leveraging the Company's core technological advantages in AIoT and big data, strive to break down data flow and application barriers, achieving cross-modal fusion of multidimensional data and greatly expanding the application boundaries of AI technology. This series of products is comprehensive in type and layout, built upon the Company's years of industry expertise, and driven by customer

value creation, comprehensively accelerating the deep implementation and large-scale application of multimodal large models across various industries.

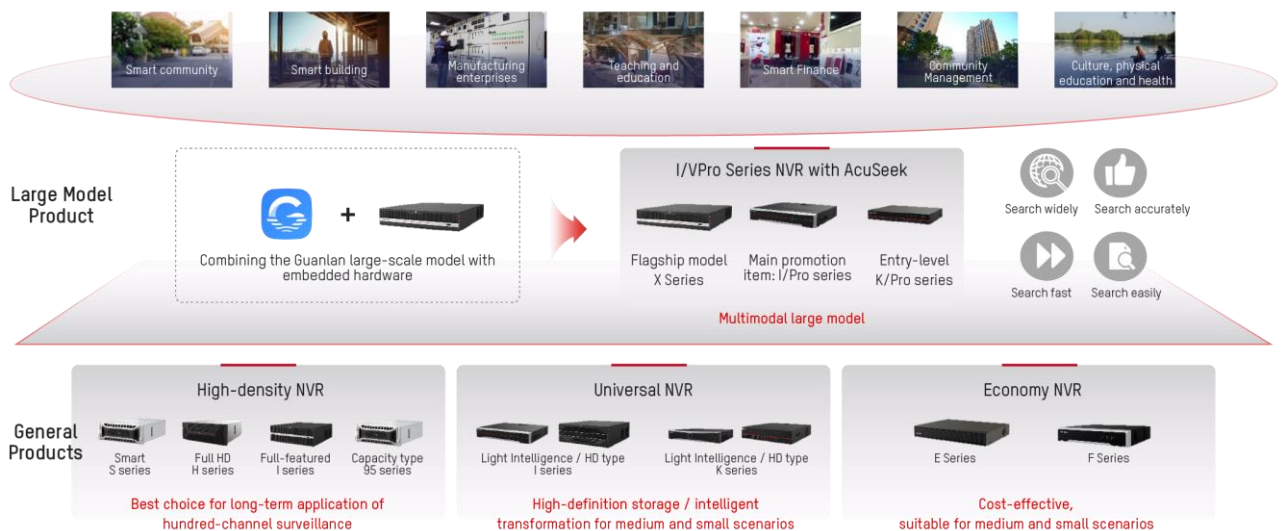
2.2.1 Storage products: multimodal fusion, activating the value of massive data

With continuous innovation and deep accumulation, Hikvision has deeply integrated advanced multimodal large model technology and storage technology, and launched multimodal Acuseek storage products first in the industry. This product efficiently processes massive video data through large language models, significantly enhances data value, and enables customers to conveniently search and apply video data through natural language, driving continuous industry transformation through technological innovation.

1) NVR——domain-end core storage product

Hikvision NVR products have maintained a leading market share for many consecutive years. After nearly 20 years of development, they have steadily evolved along the path of networking, HD, and intelligence. The product line covers economical, general-purpose, and high-density full series products, with a wide range of types and extensive applications. Taking I/VPro Series NVR with AcuSeek as the vanguard, Hikvision actively drives the technological development wave and leads the industry into the era of large models.

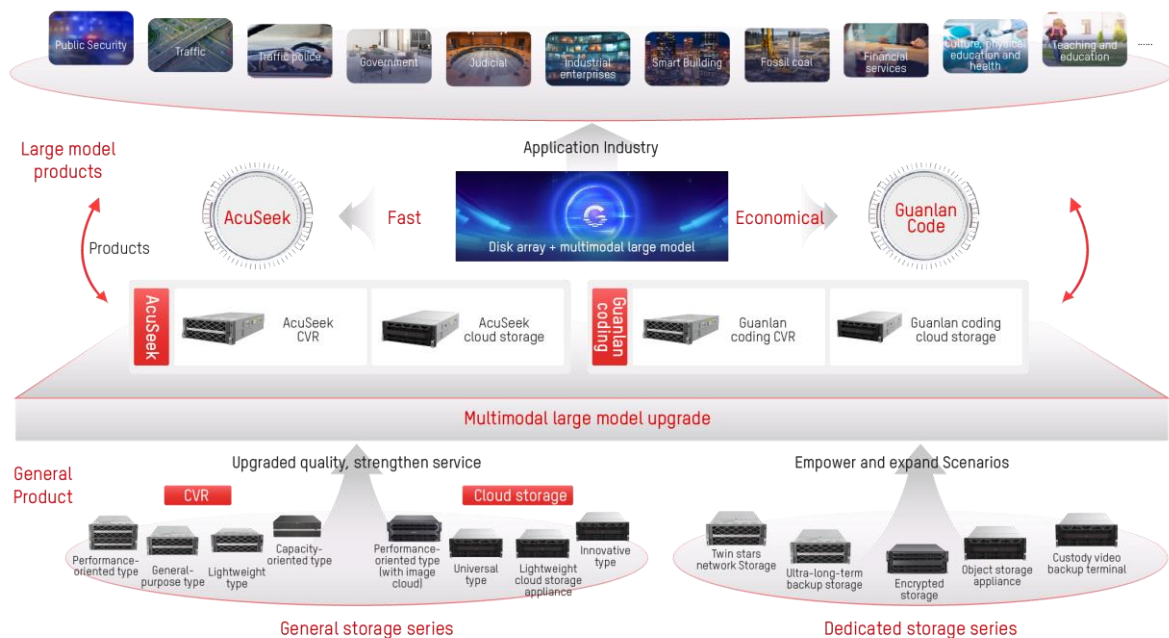
In 2025, the I/VPro Series NVR with AcuSeek significantly enhances the performance of multimodal large models, offering richer product search content, a substantial increase in accuracy, and further improved compatibility. Currently, the product has been successfully deployed in security systems across numerous industries, delivering customers a brand-new search experience.



2) Disk array — large-scale centralized storage product

Data is the core asset of users, and storage systems, as data warehouses, form an important part of the information system's infrastructure. Hikvision's disk array product line is comprehensive, covering CVR and other general storage series, while also providing encrypted storage, data object storage, ultra-long backup storage, and various dedicated products to meet data management needs in different scenarios.

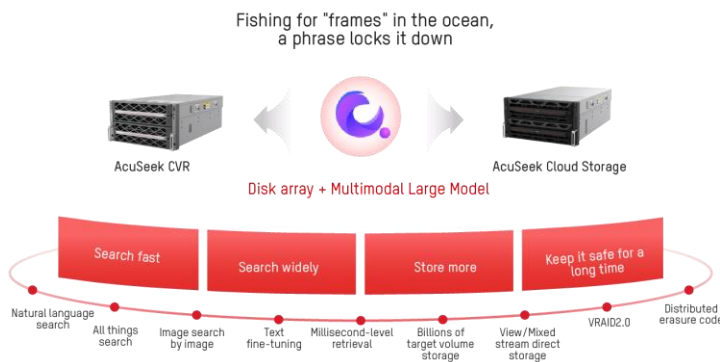
In 2025, Hikvision's disk array products have fully accelerated in the direction of intelligence. Relying on years of accumulated profound storage technology foundation and integrating advanced multimodal large model technology, they continue to drive product iteration and innovation, successively launching two major large model product series: the disk array with multimodal Acuseek and the Guanlan encoding disk array.



Disk array with multimodal Acuseek:

Leveraging the Guanlan multimodal large model technology platform and combined with the Company's over two decades of storage R&D experience, this product is the first in the security industry to introduce the disk array with multimodal Acuseek. The product adopts an integrated storage and AI computing architecture, featuring high performance, large bandwidth, and data storage-computing fusion capabilities, enabling simultaneous storage, computation, and usage. While storing massive video data, the product can perform large language modeling on various targets in the videos, allowing for second-level retrieval of billions of data entries with just a single word or sentence.

By deeply applying multimodal large model technology, the Company has reshaped the storage and usage patterns of massive image data, fully unleashing the potential value of the data and leading the central storage disk array products into a new era driven by large model technology.

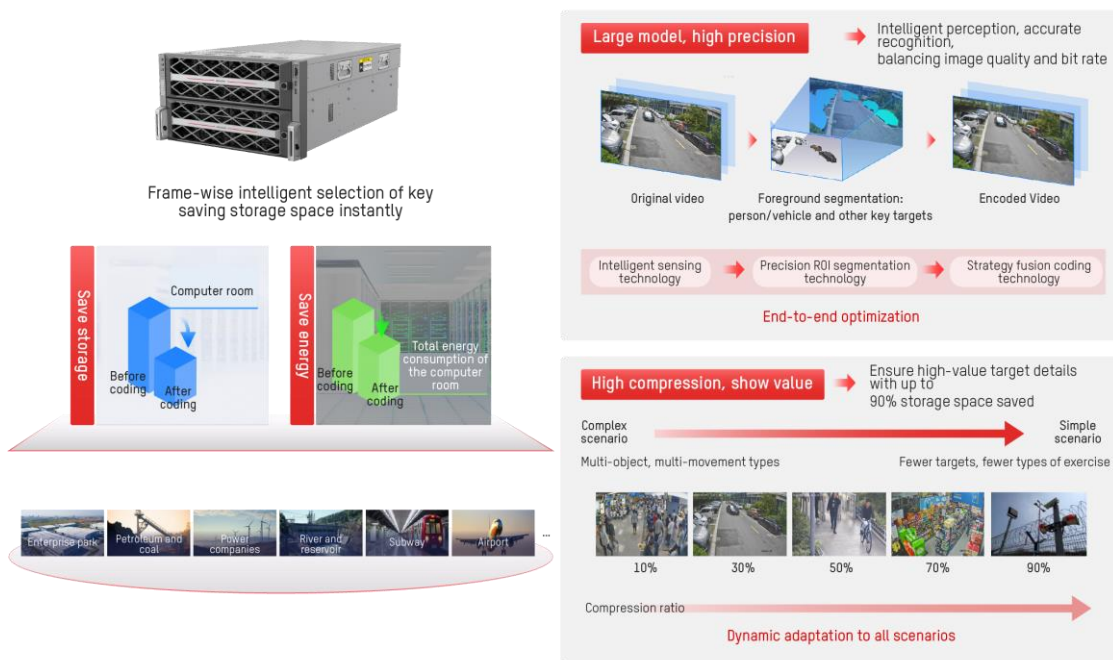


Integrated with **quick search** and **massive video storage**
Suitable for medium and large-scale video storage scenarios



Guanlan encoding disk array:

Hikvision's Guanlan encoding disk array products are equipped with high-performance GPUs and adopt innovative Guanlan encoding technology, integrating the deep understanding capabilities of the Guanlan Large-Scale AI Models with pixel-level segmentation technology, enabling accurate identification of key targets in videos (such as people, vehicles, animals, etc.). By using ROI technology to finely segment video images, the background areas are efficiently compressed while ensuring sufficient image clarity for key targets such as people and vehicles, thus significantly reducing the bit rate. This technology builds a full-chain optimization system of "intelligent recognition - accurate ROI segmentation - differential encoding", achieving dual synergy of storage efficiency and image quality assurance.



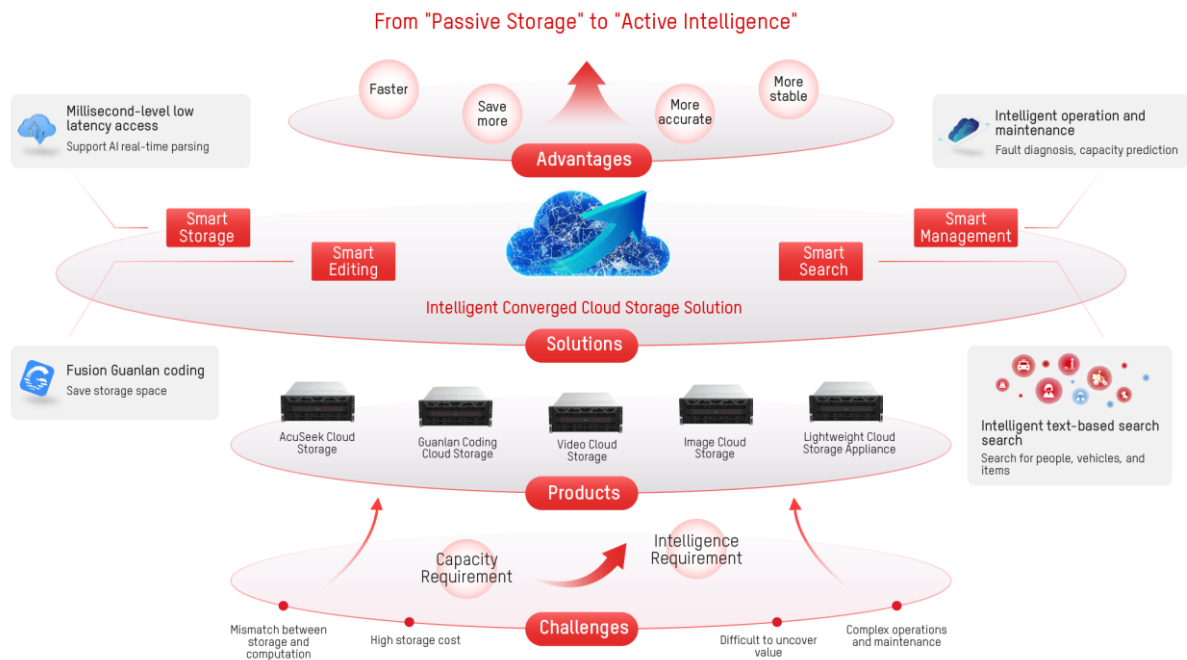
Guanlan coding storage can effectively save storage space and reduce power consumption, making it particularly suitable for long-cycle video storage in disk array products. Hikvision is committed to continuous technological innovation, constantly exploring efficient, secure, and cost-effective new video storage solutions to create long-term value for users.

Cloud Storage:

In the field of cloud storage, Hikvision launched a new generation of intelligent integrated cloud storage solution in 2025, achieving a leap from "passive storage" to "active intelligence." The solution has four core capabilities:

- Intelligent storage: Millisecond-level low-latency access, with high throughput to adapt to AI computing power;
- Smart code: Integrates the Guanlan encoding algorithm, significantly saving storage space;
- Intelligent search: Supports semantic and multimodal retrieval, quickly and accurately retrieving targets such as people, vehicles, and objects based on natural language or images;
- Smart management: Provides accurate fault diagnosis and capacity prediction to enhance system reliability and maintenance efficiency, dispelling maintenance uncertainties.

The new generation intelligent converged cloud storage solution reshapes the data infrastructure architecture with core advantages of "faster, more cost-effective, more accurate, and more stable," helping customers maximize the value of their data.





















3) Data storage -- Focus on unstructured data and industrial quality inspection storage systems to promote data accessibility and application

Hikvision's data storage products focus on unstructured data storage and industrial quality inspection storage applications. Combined with diverse application scenarios, they provide cost-effective storage solutions. The product series includes single-controller, dual-controller, distributed storage, and cold storage architectures, compatible with various business platforms and featuring high reliability and availability. At the same time, the products have data management middleware capabilities, simplifying data access and application development to improve business efficiency. By integrating built-in GPUs and Hikvision's multimodal large model technology, the products can efficiently analyze unstructured data, providing large-scale real-time data storage and analysis support for public security, traffic police, transportation, expressways, and other businesses.

In the industrial field, the intelligent upgrading and transformation of factories bring about the need for efficient management of quality inspection data. The Company offers end-to-end products covering data acquisition, compression, querying, and training inference. Whether it is data from a single quality inspection device, an entire production line, or the whole factory, the Company can provide end-to-end solutions to help enterprises achieve intensive and intelligent management of quality inspection data.

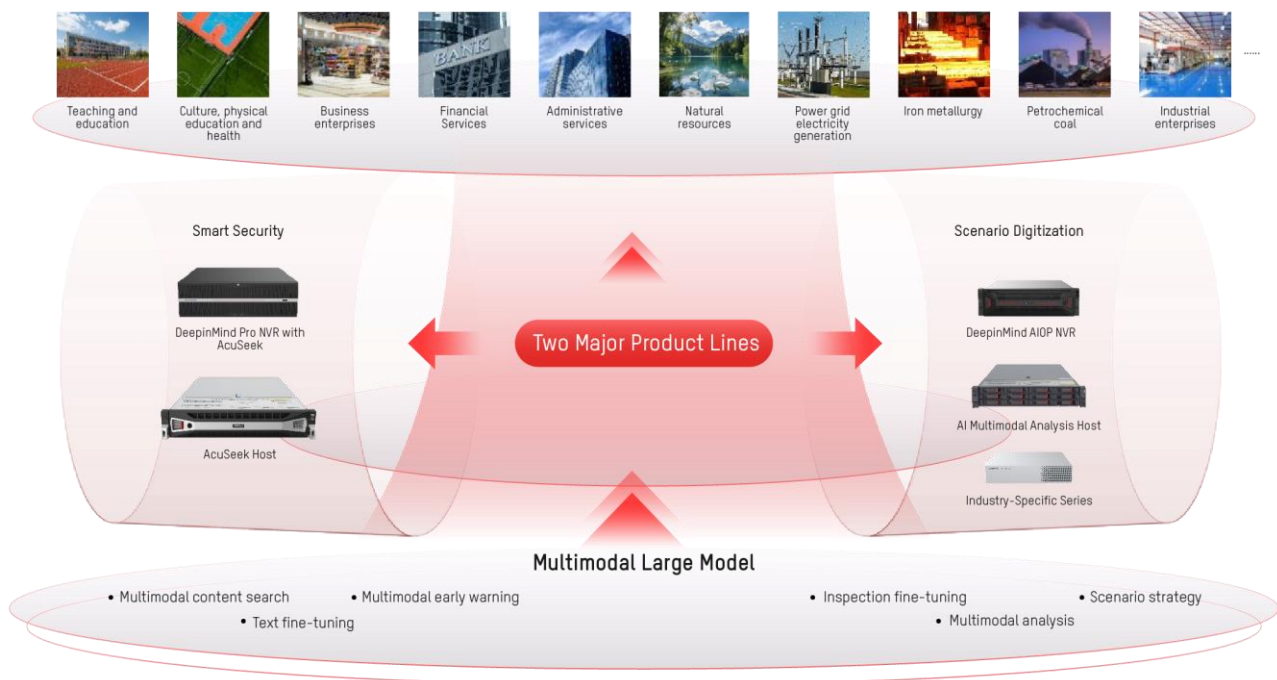
Focus on Unstructured Data Storage Products and Application Solutions

	Third-party platform		Industrial Digitization				Data Center			
Scenario	Security video platform	Business application platform	Device-level	Line level	Model-level	Factory-level	Virtualization	database	ERP	...
High-end	 DS-AS72		 DS-AD83		 DS-AH72/N				 Blue light library	
Mid-range	 DS-AS71	 DS-AS81	 DS-AD82		 DS-AH72		 DS-AF22		 All-in-one printer	
Getting Started	 DS-AS70		 DS-AD81		 DS-AH71		 DS-AF20		 All-in-one printer	
Solution supports	AS Single control	AS Dual control	AD Dual control		AH Distributed		AF Storage server		AL Cold storage	
										
	Storage network		Backup storage				Hyper-convergence			

2.2.2 Intelligent computing products

1) Domain-edge intelligent computing — more accurate and more flexible

Hikvision's edge intelligent computing products include two major product systems: intelligent security and scenario-based digitization. After more than a decade of development, they have now established a new large model product system covering application scenarios in all industries. The intelligence level of the products continues to improve, and various digitization and engineering methods are constantly iterated to support the continuous innovation and updating of the products, meeting the increasingly diverse needs of a wide range of customers in intelligent security prevention, intelligent supervision, and digital safety early warning.



Intelligent security products:

Targeting intelligent security scenarios, the Company employs multimodal large models, efficient retrieval technologies, and other innovations to develop the AcuSeek Host and DeepinMind⁸ Pro NVR with AcuSeek products.

- **AcuSeek host:** The product is suitable for scenarios such as medium and large-scale enterprise parks, universities, cultural and museum scenic spots, etc. A single device supports intelligent transformation for more than 500 cameras, integrating functions such as text-based search, personnel clustering and archiving, and scenario-based intelligent early warning. It is a flagship product for medium and large-scale scenarios. It has been practically applied in over 100 universities and enterprise parks and has achieved significant application results.
- **DeepinMind Pro NVR with AcuSeek:** This product is designed for small and medium-sized scenarios such as factories, schools, and hospitals. Its application scope covers personnel, vehicles, common items, animals, and more. It features industry-leading search accuracy, meeting the needs of customers for text-based search and intelligent security alerts for people and vehicles. The text-based search enables preliminary screening of targets, combined with image search, clustering, alarms, and other functions to efficiently achieve application closure. With the product's outstanding performance, DeepinMind Pro NVR with AcuSeek has become the preferred product for text-based search in small and medium-sized scenarios. To date, there have been over 5,000 successful projects implemented nationwide.

⁸ An intelligent computing product for edge domain




Scenario-based digitalization domain edge computing product:

Scenario-based digitalization domain-edge computing products are a new product line that the Company has focused on developing in recent years, dedicated to the fields of safety production supervision and production operations across various industries. Based on customer business needs, Hikvision, building upon its accumulated industry models over the years and integrating multimodal large model technology, has constructed an innovative scenario-based digitalization product system. This system includes DeepinMind AIOP NVR, industry-specific products, AI multimodal analysis hosts, and more, which can flexibly adapt to different scales and types of industry application scenarios.

- **DeepinMind AIOP NVR:** The product focuses on the intelligent inspection needs in the fields of enterprise production safety and government safety supervision, providing 24-hour online services. The product can not only significantly improve inspection efficiency and timeliness, reduce the workload of manual inspections, but also eliminate blind spots in supervision, support safe production, and make inspection operations "efficient, timely, and simple". The new generation large model inspection product has three major features: Rich algorithms: Built-in hundreds of algorithms, ready to use out of the box, meeting diverse needs; Accurate algorithms: Supported by powerful computing power for multi-modal large model algorithms, significantly improving the accuracy of inspection algorithms; Rapid effect: Supports on-site algorithm tuning, allowing flexible optimization according to on-site requirements, significantly improving algorithm update efficiency.

Integrated Inspection





DeepinMind AIOP NVR


AI-integrated inspection host


Enough


Ready to use, with hundreds of algorithms


People


Vehicle


Item


Environment


Open Platform Algorithm




Accurate




Multimodal large model technology

New hardware, stronger computing power
Algorithm upgrade for multimodal



Quick

On-site optimization, ready to use as needed









Schematic Diagram of Inspection Fine-tuning

Coal and metallurgy Power grid

Business enterprises Petrochemical industry

Government Traffic

Industry-specific



DeepinMind NVR for gas station tax control

Nozzle lifting behavior recognition
Vehicle entry and exit identification



DeepinMind NVR for water resources inspection

Water level recognition
Floating object detection
Vessel/fishing/swimming recognition, etc.



DeepinMind NVR for mine inspection

Belt misalignment, coal quantity detection,
large coal lumps, and scraper conveyor
fault detection



DeepinMind NVR for Power Facilities

Meter identification, leakage detection
Power safety production



DeepinMind NVR for Standard Operating Procedure

Sequence Compliance Check
Replenishment of tools
Process leakage detection, etc.

- **Industry-specific DeepInMind:** Targeting specific industries such as gas stations, water conservancy, mining, power, and production lines, the Company has launched industry-specific DeepInMind, the products are deeply aligned with industry needs, helping various industries achieve efficient digital transformation.
- **AI multimodal analysis host:** Mainly aimed at applications such as production safety supervision in industrial enterprises and intelligent supervision by the government, the product is equipped with a multimodal large model with larger parameter quantities and stronger scene understanding capabilities. It can achieve more accurate detailed and logical analysis for complex operations in production safety, such as hot work, working at height, and lifting operations. According to business requirements, the product also supports quickly generating algorithms through text descriptions, responding to business needs in a more flexible manner, and is widely used in scenarios such as power plants, large petrochemical enterprises, large manufacturing factories, and forest fire prevention.



2) Central computing—building an AIoT computing foundation, providing rich and competitive solutions

With the rapid development of technologies such as artificial intelligence, big data, cloud computing, and cloud storage, secure, reliable, and high-performance IT infrastructure has become indispensable.

General computing products:

Hikvision general-purpose servers are fully self-developed based on high-performance processors. We continuously enhance our capabilities in high-speed signal design, BMC/BIOS⁹ basic firmware R&D, energy saving and noise reduction, overall system performance optimization, and operating system development. Our product portfolio is rich and comprehensive, covering various product forms such as rack servers, edge servers, and tower servers, which can fully meet the needs of different market applications.

Intelligent computing products:

Hikvision intelligent server product family offers a rich range of product forms covering mainstream application scenarios such as training and inference. The products can be equipped with various domestic and foreign GPU computing cards, featuring strong scalability and good compatibility to meet the cost-performance requirements of customers at all levels. The products support real-time processing of large-scale video data, support parallel computing of multiple types of algorithms, significantly improve analysis efficiency, and reduce construction costs.


The product can not only meet the general needs of the information market, but also provide a solid and reliable infrastructure support for intelligent computing centers, cloud computing, and big data services. It is suitable for professional solutions in major industries such as government, public security, judiciary, transportation, and energy,

⁹ BMC: Baseboard Management Controller; BIOS: Basic Input/Output System

providing high-performance, high-reliability, and high-security intelligent computing support for various industries.

General computing

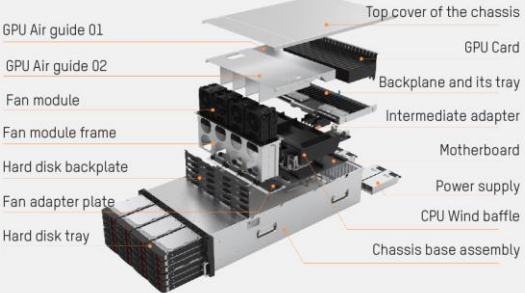
General-purpose computing servers are developed based on Hikvision's hardware supporting both domestic and international CPUs. The product range is extensive with strong performance, fully meeting diverse market demands.



Rack-mounted Towering style Workstation Edge

Intelligent Computing

AI computing servers are fully compatible with mainstream CPUs and building a rich, highly competitive product system.



GPU Air guide 01
GPU Air guide 02
Fan module
Fan module frame
Hard disk backplate
Fan adapter plate
Hard disk tray

Top cover of the chassis
GPU Card
Backplane and its tray
Intermediate adapter
Motherboard
Power supply
CPU Wind baffle
Chassis base assembly

2.3 Enhanced Display and Control: Technological Innovation Drives a New Smart Display and Control Ecosystem

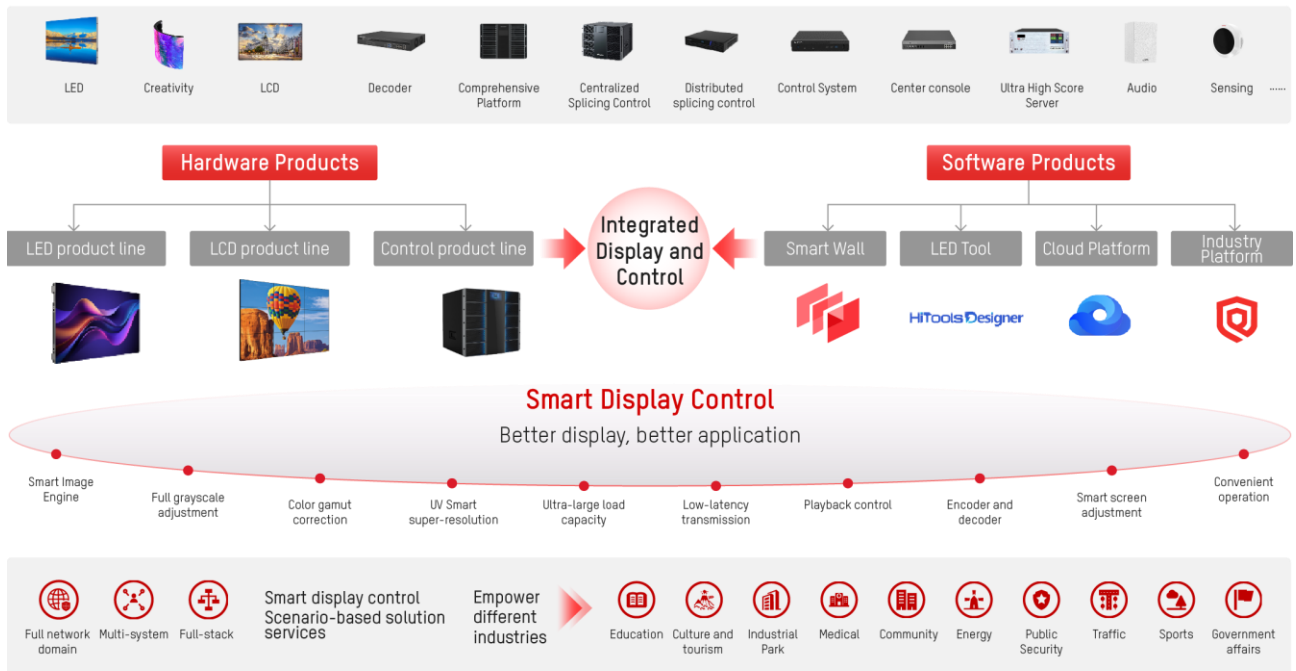
2.3.1 Display and control products

As a key link in Hikvision's end-to-end solution, the display and control business is a crucial part of data visualization output, converting various types of collected and processed information and data into intuitive visual content to support customer decision-making. Relying on the Company's comprehensive product portfolio, in-depth customer understanding, and collaborative advantages in R&D and production, Hikvision's display and control business integrates decoding, display control, and software capabilities to enhance the interconnectivity of system components and customer loyalty. By iterating technologies, optimizing costs, and achieving full-process collaboration, the business continuously improves its core competitiveness and highlights its differentiated competitive advantages in the display and control field.

The Company continues to deepen its layout in the field of smart display control. In the field of Micro LED display technology, the Company adopts inverted common-cathode driving technology, dynamic energy-saving engine algorithms, and large-load transmission technology to launch new products such as the Mirror Series MIP¹⁰ Cold Screen and High-Integrated All-in-One Machines. The products feature high energy efficiency, low-temperature touch sensation, and excellent color reproduction capabilities, and are widely applied in diverse

¹⁰ MIP: Molded Interconnect Package

scenarios such as command and dispatch, meetings, and exhibitions.



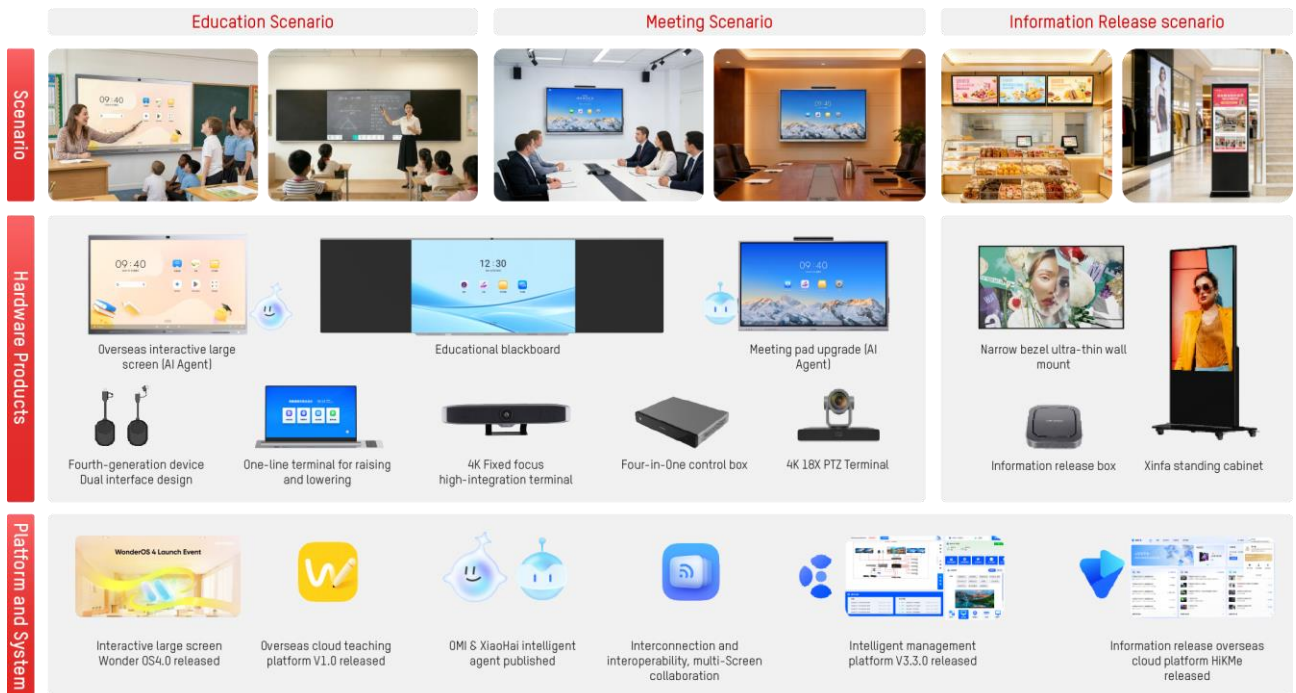
Centered around the display processor, the core component of visual control, the Company has innovatively developed a new generation of video processors, LED display processors, and decoding mosaic screens. By adopting high-capacity signal transmission technology and Hikvision's unique AI image quality enhancement technology, the Company has achieved full-chain display effect optimization, effectively promoting the networking and standardization of control systems. At the same time, the Company has developed a new business management cloud platform for visual control products, covering the entire business process from opportunity identification to operation and maintenance management, providing digital management support for customers and users throughout the product lifecycle, significantly improving management quality and efficiency.

Currently, the relevant products have been deeply integrated into the ecosystem of multiple industries, providing fully networked scenario solutions. In the future, the Company will accelerate the convergence and innovation of "display + AI + computing power," and is committed to building an intelligent display control ecosystem to contribute to the intelligent upgrading of the global display industry.

2.3.2 Smart display and video conferencing products

Hikvision smart display and video conferencing products focus on classrooms, meeting rooms, and typical information publishing scenarios. Based on continuous optimization of traditional technologies such as audio and video encoding and decoding, interconnection communication, weak network resistance, and interactive display,

the Company has strategically invested in the development of AI large models, deeply integrating the cutting-edge AI agent capabilities into smart screen applications, significantly enriching product functions and improving human-computer interaction efficiency. By continuously refining software details and upgrading hardware capabilities, the Company continuously promotes continuous user experience upgrades and is committed to providing customers with intelligent, professional, and easy-to-deliver solutions.



1) Teaching scenario products

Regarding overseas markets, the Company continues to optimize its Android version products. The newly launched WonderOS 4.0 system deeply integrates AI large model technology, supporting multiple AI features including fast AI search, context analysis, intelligent Q&A, voice subtitles, and summary notes, effectively simplifying teaching operations and enhancing the level of intelligence in the teaching process. In addition, the new overseas teaching platform WonderHub Class is dedicated to helping teachers efficiently integrate the entire process of lesson preparation, teaching, and post-class management. By leveraging AI technology, it enables automated course preparation, precise classroom instruction, and intelligent teaching management, thus significantly improving teachers' work efficiency and teaching experience.

Domestically, following the policy orientation of "AI + education," the Company has developed a new generation of product solutions that integrate cloud-based AI models with lightweight edge models. This product

can perform seamless information collection and intelligent analysis during the teaching process, significantly improving teaching efficiency. Meanwhile, the "EasyTeach" software platform, based on the capabilities of a professional large teaching model, provides functions such as AI-generated lesson plans with one click, intelligent Q&A, and AI agents. Combined with Classroom Connection and its complementary products, it comprehensively enhances teachers' teaching experience and lesson preparation efficiency.

2) Conferencing scenario products

The conference tablet product has achieved a comprehensive upgrade of software and hardware: the new screen-casting system supports device recommendation, multi-view selection, and permission management; the Company has launched the fourth-generation screen-casting device, featuring dual-interface compatibility design, significantly improved reliability and heat dissipation performance, effectively optimizing the screen-casting experience and operational efficiency. The built-in AI large model capability of the conference tablet product has been further enhanced, introducing agent technology. Based on meeting note transcription and retrieval, it now adds natural language interaction and basic scenario action guidance execution capabilities, significantly reducing the user's usage threshold.

The video conferencing product focuses on terminal devices. The newly launched high-integrated 4K fixed-focus terminal has a more compact size, enhanced audio and video performance, and a significantly improved cost-performance ratio.

In terms of paperless products, the Company has launched the industry-leading All-in-One lift terminal, which transmits video, audio, and control signals through a single network cable. The meeting room solutions are more streamlined and focused, with full networking as the core, accompanied by pre-sales design tools and after-sales debugging tools, simplifying the end-to-end implementation process and reducing deployment complexity.

3) Product for information release scenarios

Digital signage products include electronic class signs, digital menus, vertical advertising machines, outdoor high-brightness screens, and more categories, widely applied in retail, healthcare, transportation, education, finance, and other industry scenarios. In 2025, the Company comprehensively upgraded product hardware, launching the 6A and 6B series in the domestic market, and releasing the DP, DL series and special vertical cabinet products in overseas markets. The new generation of products adopts an ultra-thin narrow bezel design, with a simple and modern appearance, professional-level display effects, and automatic white balance technology to ensure color consistency. The hardware chip platform SDK architecture is unified, facilitating product upgrades and maintenance.

The Company has built a full-link security protection system: the device end is equipped with a soft screen device lock, ensuring terminal security; the transmission process adopts an encryption mechanism to prevent content from being intercepted and tampered with; the platform end has passed the national information security level protection third-level certification, comprehensively ensuring the security and reliability of the published content.

To serve overseas markets, the Company has launched a new generation cloud platform that significantly reduces customer deployment and maintenance costs, while enhancing release efficiency and management convenience. The Company also provides a localized deployment platform that supports quick content publishing and unified management, meeting the operational needs of different customers.


2.3.3 Interactive audio

Based on years of accumulated acoustics technology, Hikvision has built a full-chain R&D capability from acoustic design, algorithm development to system integration, continuously driving the iteration and upgrading of three major product series: professional audio, broadcasting audio, and general audio.




Following the 8000N high-end series with full networking, full intelligence, and full array capabilities in the professional audio field, the Company further launched the 4000N universal product series. This series fully supports networked architecture with built-in intelligent modules, promoting the widespread adoption of networking and intelligent functions, providing users with high cost-performance digital audio experiences, and helping the industry achieve digital and networked transformation of audio.

Input Part




Digital meeting discussion system Network microphone

Processing Part



Network audio processor

Output Part



Ceiling-mount network speaker Network column speaker Network point source speaker

Simpler system architecture

- Optimize from centralized processing to distributed processing
- Simplify the middle processing system greatly
- Deployment is simpler

Semi-digital system

Input part /

Processing part Amplifier + Algorithm

Output part /

}

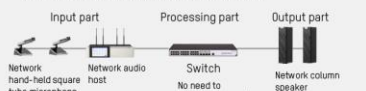
4000N Full digital system

Amplifier + Algorithm

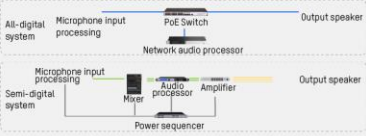
Amplifier + Algorithm

Faster scenario deployment

Simple scenario
The terminal processing is omitted, and the system input and output parts can be quickly deployed through a switch.




Large scenario
End-side optimization, simple network architecture wiring, simplified construction steps



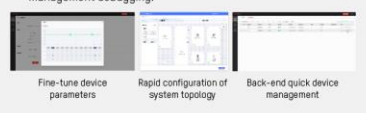
More convenient installation management

Support AES67 & compatible Dante

Field Installation
Deployment can be completed with just one network cable. Provide a convenient way for installation and debugging.




One-screen management
All devices can be connected to the platform for simultaneous management, which significantly improves the efficiency of management debugging.




Hikvision continues to deepen the research, development, and application of core audio networking technologies, constantly advancing the audio networking process in China, striving to build a leading network audio brand in China, and is committed to making network audio systems sound great, user-friendly, and secure.

Nice Sounding

Acoustic hardware: Laying the foundation for audio performance
Hikvision possesses core acoustic design capabilities, enhanced by excellent acoustic components. The design covers multiple aspects including the sound-producing unit, enclosure structure, and crossover, building fundamental capabilities to provide the physical potential for superior audio quality.

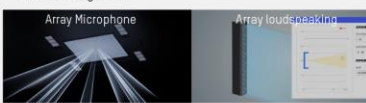


Algorithm empowerment: optimizing audio quality experience
Audio algorithms are integrated throughout the entire chain, from input, processing, to output. Based on traditional audio algorithms, AI is incorporated to expand performance boundaries through algorithmic innovation. This enables effective noise filtering during communication, providing users with a clear and focused audio environment.




Adaptive debugging: Customizing good sound for the environment

- Hikvision's sound field detection and calibration technology reduce reliance on manual experience during environmental intelligently calibrating the devices according to environmental parameters to ensure consistent audio quality.
- Array microphone technology can accurately capture sound from a distance and suppress external interference. Array loudspeakers can adjust beam parameters according to the scenario, resulting in a more uniform sound field, more consistent audio quality, and better scenario integration.




Convenient

Convenient deployment
One network cable replaces the cumbersome analog cables, simplifying wiring and reducing construction costs. The audio assistant allows for quick system routing by simply dragging and dropping, reducing debugging complexity. When adding or moving devices, simply connect to the nearest network switch on site to improve system flexibility.




Visual Management
A system that manages all devices. Hikvision's digital commissioning tools, visual operation, staff can quickly complete status monitoring and fault diagnosis. With the Yunmou platform, remote access and configuration on mobile devices are possible, simplifying configuration and management tasks for more efficient and effortless management.

Management Software




Audio Assistant

Visualization Management Software



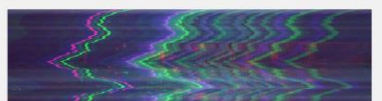
Remote maintenance tool

Flexible Integration
The network audio system can seamlessly integrate with other and can be integrated with conference systems, recording and broadcasting systems for flexible expansion, enabling business applications. The Hikvision management platform meets your needs for integrated operation and maintenance, and meets the needs of diverse scenarios in the later stage.




Safe


Anti-jamming
Thanks to the inherent noise immunity of digital signals and the Hikvision network audio automatically compensates for lost packets maintaining the integrity and continuity of the audio stream even in thus ensuring high-fidelity audio transmission.



Anti-eavesdropping
Hikvision's independently developed digital signal full-link continuously performs vulnerability scanning and enforces key actively eliminating security vulnerabilities to better protect and achieving multi-layered, three-dimensional information protection.



Traceable
Based on Hikvision's unified management platform, achieve full-chain log tracing, automatic anomaly detection and alerting, audio throughput visualized operations and auditing, and build a clear, controllable, and traceable security closed-loop.



As of 2025, Hikvision audio products have been successfully applied in more than 300 cities across China, serving over 3,000 projects, helping various scenarios achieve stable and clear audio experiences, continuously gaining market recognition, and improving customer reputation.

2.3.4 Security & surveillance PC products

Based on years of accumulated decoding experience in the audio and video field, and taking into account the characteristics of security applications, Hikvision continues to innovate its products. By developing its own decoding algorithms and decoding card hardware, it has created a professional security PC product with powerful decoding performance and high stability.

- **Compact design, high cost-effectiveness:** The entire machine adopts an 8liter small chassis design. The appearance adopts the commercial obsidian design style, with a streamlined, lightweight, and attractive body. It is equipped with a domestic CPU and a 2G decoding card, supporting 16-channel 1080P video decoding and playback, while balancing good cost-effectiveness and video processing capability.
- **Expandable decoding capability:** Relying on self-developed decoding cards and intelligent scheduling algorithms, it works together with the host GPU to achieve linear superposition of decoding channels. For example, on the basis of 16-channel decoding, adding one 2G GPU can realize more than 20-channel video decoding, and the scheduling algorithm supports flexible allocation of different decoding processes for specific video images.
- **High reliability guarantee:** Products are capable of uninterrupted stable playback 24 hours a day, 7 days a week, with a design of over 4KV surge and static electricity protection, effectively dealing with lightning and static electricity shocks to ensure long-term stable operation in harsh environments. At the same time, self-developed SSDs and memory are used, combined with video stream balanced read and write algorithms, which can effectively reduce the risk of data loss caused by sudden power outages.
- **Simplified deployment and operation:** Through high compatibility with the video security platform and client, it enables ready-to-use functionality upon startup, simplifies deployment processes, reduces post-deployment maintenance burdens, and helps customers seamlessly launch various professional security applications.

Hikvision is committed to developing the PC series products that better understand security, providing professional and efficient solutions for security customers with innovative self-developed technologies, expandable

decoding performance, highly reliable design, and convenient deployment experience, effectively supporting various complex application scenarios.

2.4 Control and Execution: Developing a Series of Control Products to Meet the Needs of Diverse Scenarios

2.4.1 Access intercom and alarm products

Based on years of accumulated sensing, connectivity, credentialing, and control technologies, the Company designs business and innovates products for various application environments ranging from enclosed to open spaces, focusing on personnel access, personnel status, safety standards, and digital management. It has already developed scenario-based solution sets covering access control, attendance, visitor management, elevator control, building intercom, medical and elderly care intercom, personnel entry and exit management, intrusion alarms, perimeter protection, real-name management, office, and consumption.

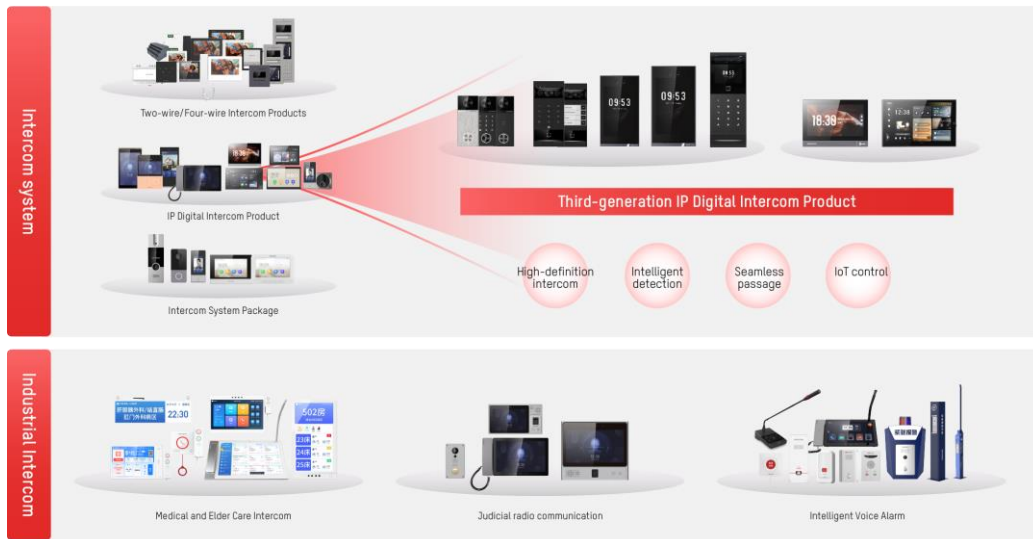


Hikvision's access control products, centered around "MinMoe," continue to develop fundamental technical capabilities such as audio and video, access control, and multimodal recognition, building a product system that covers digital intelligent identity recognition and professional access management, fully meeting the differentiated

needs of general and professional scenarios. In terms of security capability construction, the Company deepens the application of end-to-end security encryption technology, enriches the national cryptography access control product system, and continuously enhances product security and compliance. At the same time, relying on insights into industry scenarios, the Company actively promotes technological integration and product innovation, applying large model technology to specialized fields such as explosion-proof and anti-riot, and launching a series of customized industry-specific new products to provide customers with richer and more diverse solutions.



Hikvision's video intercom products continue to deepen the intelligence level of audio and video technology in scenario-based applications, successfully defining and launching the third-generation IP intercom products, achieving a comprehensive upgrade in product capabilities and user experience. The Company integrates CCTV, alarm, elevator control, access control and other security subsystems, further expanding industry ecosystem cooperation, and providing users with an end-to-end solution covering community security and scenario interconnection. At the same time, facing the deep needs of different vertical industries, the intercom product solutions continue to iterate and optimize, constantly enhancing the adaptability to niche application scenarios, and helping users achieve efficient and convenient intelligent management.



Hikvision's personnel channel products continue to advance technical deepening, continuously upgrading key technologies such as device networking, space detection, motor control, and material processes, effectively improving management efficiency and passage experience in personnel entry and exit scenarios. At the same time, the Company's capabilities in lean production and service maintenance continue to improve, providing customers with efficient full-process support from installation, commissioning to usage. Based on different scenario requirements and the differentiated characteristics of niche markets, the Company has built four major product series: "ImperialWay," "EasyWalk," "Traditional," and "Special," comprehensively covering diverse user needs such as high-end customization, convenient deployment, general compatibility, and special scenarios, offering customers accurately matched intelligent access solutions.

Smart Access, Uninterrupted Future

Automatic

3 automated production lines
Annual production exceeds 250,000 units.


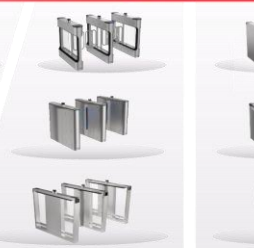


Smart

Quad-core hardcore technology
Reconstruct the passage experience

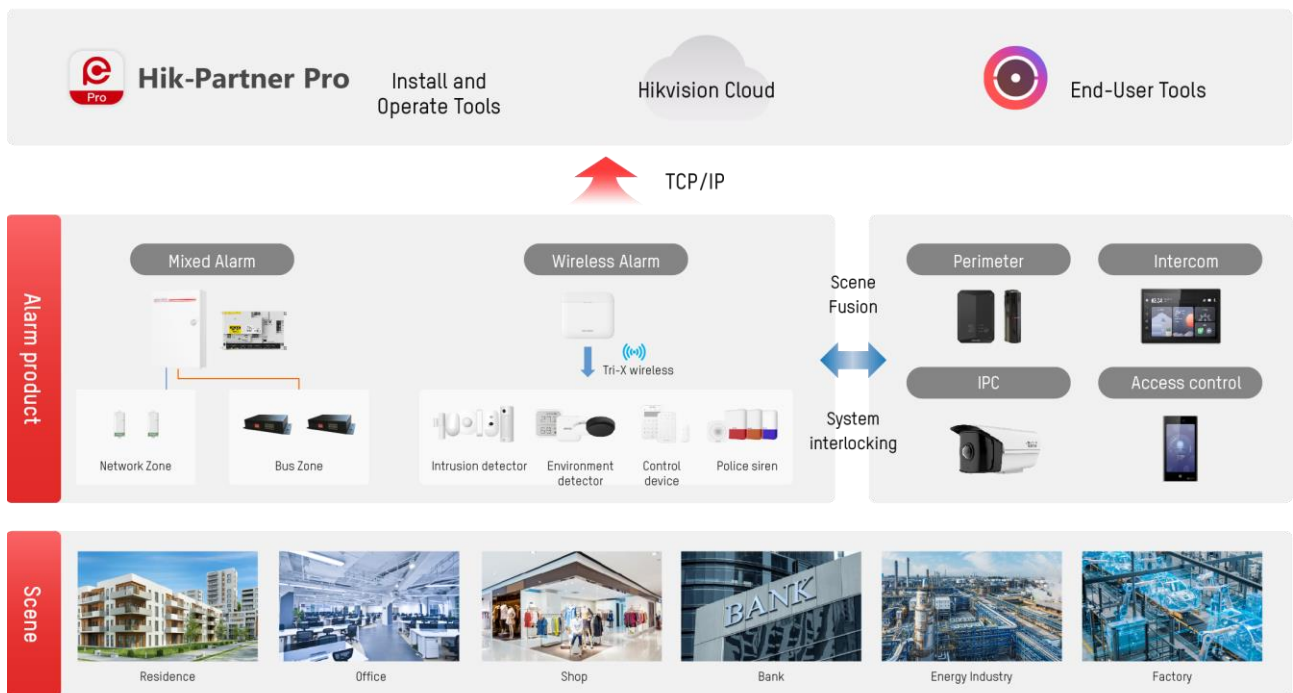
Quality

Strict production control
Pursue excellence in quality

Experience the new travel experience with our four major product series

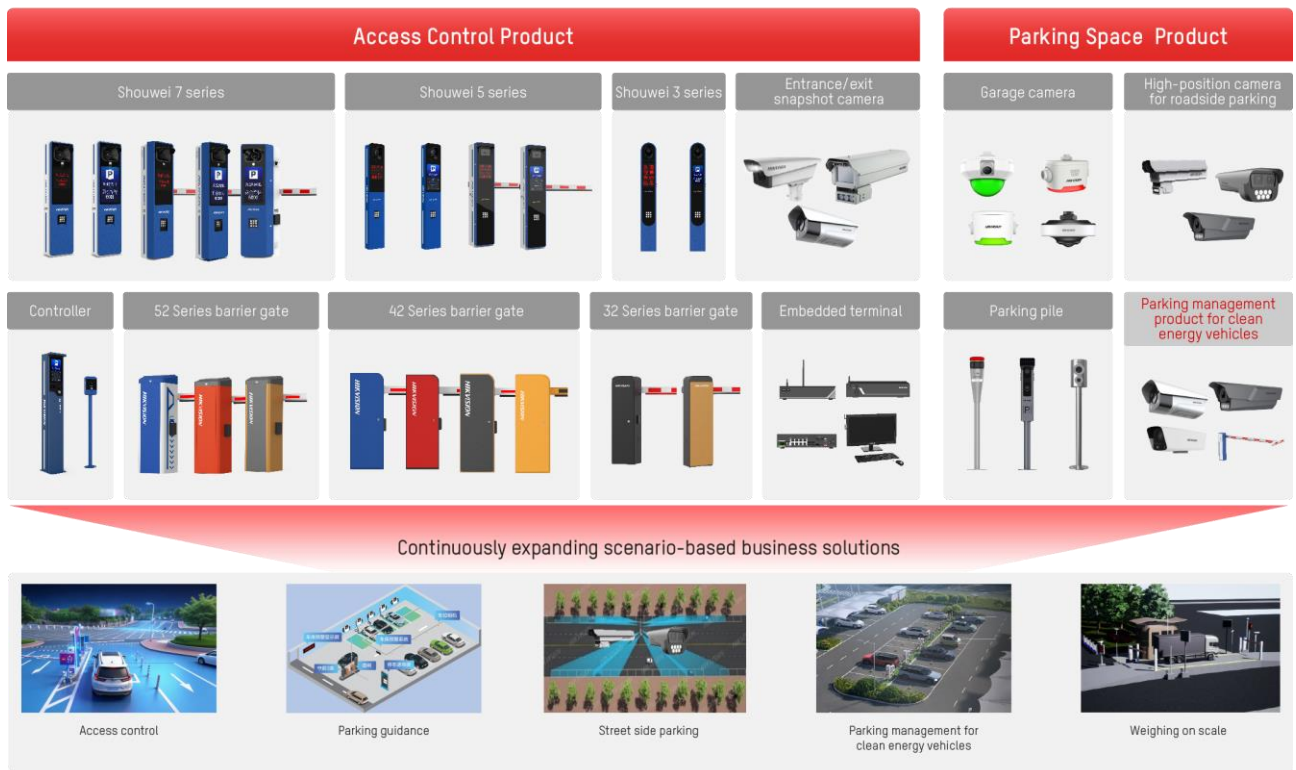
 <p>Imperial Way Series</p> <p>Featured high-end design Integrated technology aesthetics Concierge-style passage experience</p>	 <p>Easyass Series</p> <p>One network one electricity architecture, easy to deploy Mobile web debugging, easy to debug LiDAR detection, easy to use</p>	 <p>Traditional Series</p> <p>Carry on the classic, various appearances Traditional hardware architecture Infrared beam detector</p>	 <p>Special Series</p> <p>Dedicated Scene Turnstile for scenic spots, high-speed rail, airports, etc</p>
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Hikvision alarm products continue to deepen and innovate in technical fields such as wireless and bus transmission, low power consumption, multi-mode detection, and lens materials, launching a new generation of professional hybrid alarm products that integrate video, intercom, access control, and more to achieve multi-system interlocking. They provide customers with one-stop security management solutions. The Company continues to enrich cloud service applications, offering dedicated application tools for different users to make product access more convenient, management more efficient, and operations more worry-free.



2.4.2 Entrance and exit parking products

Based on the Company's solid hardware scale accumulation and full-stack technical advantages, Hikvision's entry/exit parking products continue to lead the development of intelligent parking technology, steadily shifting the strategic focus to digital operation, proactive maintenance, and refined management, continuously strengthening product competitiveness. Entry/exit parking products take video intelligence as the core, continuously deepen and break through in key capabilities such as intelligent recognition in niche scenarios, core motor control technology, and automated manufacturing processes, building a parking product system that is intelligent, secure, and efficient.



Continuously upgrading the "Shouwei" product series, the Company integrates video recognition, display announcement, and gate control in a unified design. It deeply integrates advanced ultra-low illumination, wide-angle recognition, anti-fake license plate, and other video technology applications, promoting the product's evolution from the basic level to high-end intelligent and efficient deployment. This further enhances and strengthens its market position and brand influence.

The Company applies FOC¹¹ technology and planetary gear barrier gate technology to product design, and applies automated manufacturing processes to production, effectively improving the operational stability, control accuracy, passage efficiency, and usage safety of barrier gate products, and significantly enhancing delivery efficiency. The Company continuously improves product online maintenance capabilities, optimizes after-sales service processes, improves maintenance efficiency, and continuously refines the application solutions for entrance/exit and parking products, continuously improving the passage experience and passage efficiency, helping to enhance urban parking efficiency and promote the optimization of people's travel.

2.4.3 Charging pile products

¹¹ FOC: Field-Oriented Control, magnetic field orientation control, also known as vector control, is an efficient driving and control method for brushless DC motors and permanent magnet synchronous motors. It achieves smooth motor torque, low noise, and high efficiency operation by precisely controlling the magnitude and direction of the motor's magnetic field.

With the continuous growth of new energy vehicle ownership, the intelligent construction of urban charging networks is rapidly developing, and charging operations and parking services are increasingly showing a trend of deep integration. Hikvision's charging pile products, based on the technical advantages of visual perception and active safety, as well as the system advantages of parking products, have built an intelligent, safe, proactive maintenance, and integrated parking-charging product system through the accumulation and transformation of technologies such as charging control, safety protection, vehicle-machine interaction, and video intelligence applications.



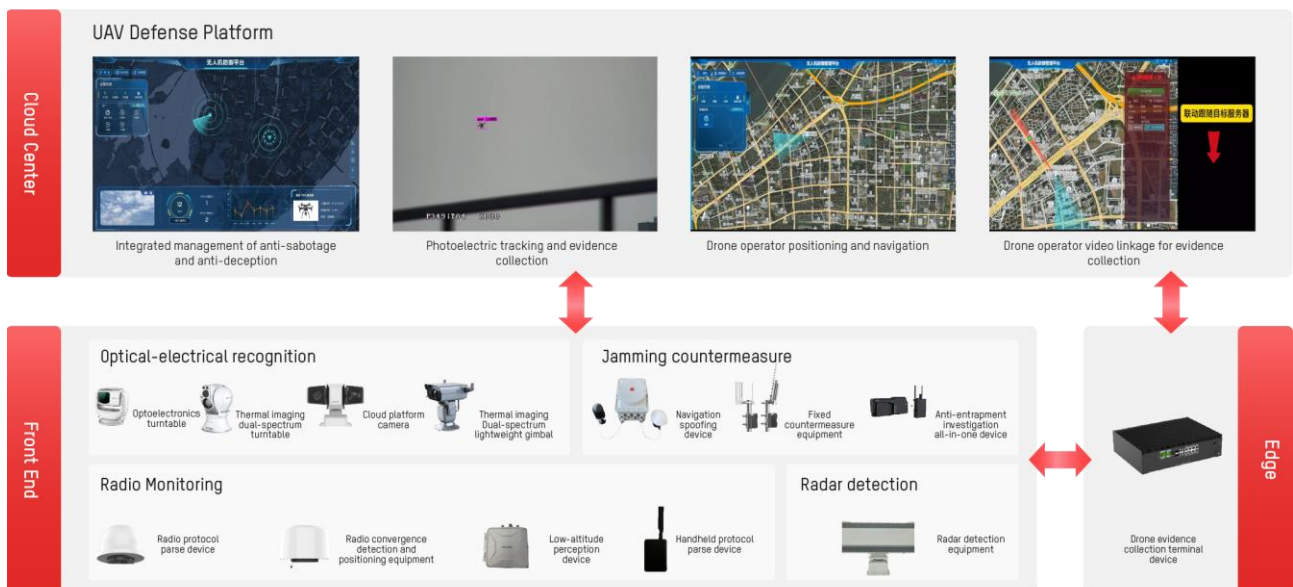
The Company's video intelligent AC products can identify personnel and vehicle permissions through visual perception, control charging start and stop, interlock display announcements and control devices, and continuously iterate to launch multiple all-in-one fast charging and group charging products, continuously improving product solutions for public and home charging scenarios. The Company ensures product quality and delivery efficiency through supply chain system and automated production line construction, striving to provide users with smarter, safer, and more stable automotive charging products.

2.4.4 UAV defense products

To respond to the need for preventing low-altitude threats such as "illegal flying, unauthorized aerial photography, and aircraft interference", and to support the development of low-altitude economy, Hikvision provides a complete drone defense solution covering "detection, identification, early warning, and response." The solution consists of detection equipment (such as radio monitoring, radar detection, optical-electrical identification equipment, etc.), countermeasure equipment (such as navigation spoofing, radio frequency jamming equipment, etc.), and drone defense platform software, featuring the characteristics of "detectable, trackable, interceptable, and

accurately analyzable."

- **Detection results:** Integrating spectrum detection, protocol analysis, Remote ID national standard message detection, and radar detection, in real-time monitoring of unmanned device dynamics, accurately locating and issuing warnings;
- **Keep up:** Accurate calibration is achieved through AI algorithms. After the detection device identifies a target, it can coordinate with optoelectronic equipment to automatically lock on and continuously track, completing full evidence collection for unauthorized flights;
- **Effective Defense:** Offering navigation deception, fixed jamming, portable detection-jamming-deception integrated equipment, etc., to achieve drone interference and countermeasure solutions for customers on demand, enabling drones to be driven away or forced to land for effective handling;
- **Accurate identification:** It can determine the exact location of the flyer through protocols/messages, trace back the flyer, and generate a QR code containing navigation information for convenient information sharing and subsequent handling by multiple parties.

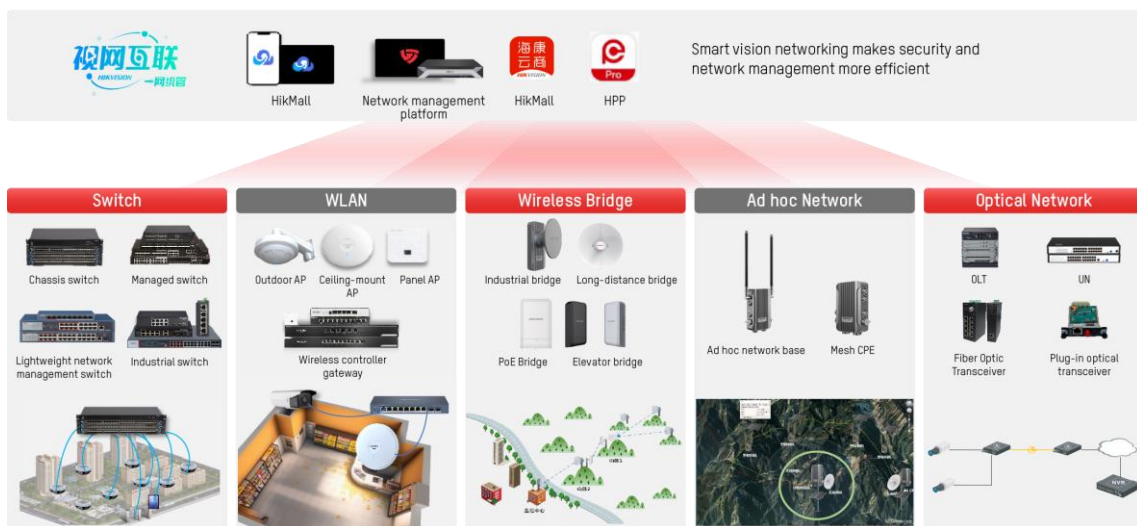


UAV defense systems can also be integrated with video applications to retrieve available video information around the pilot's location for capturing evidence, enabling large model image and text analysis, and providing support for further judgment and disposal. The UAV defense platform software centrally manages connected devices and provides visual remote management functions for comprehensive defense, including UAV detection, alarm, tracking, and countermeasures.

2.5 Network and Security: Building an AIoT Network Foundation to Ensure the Security of the Entire Network and Data

2.5.1 Network products

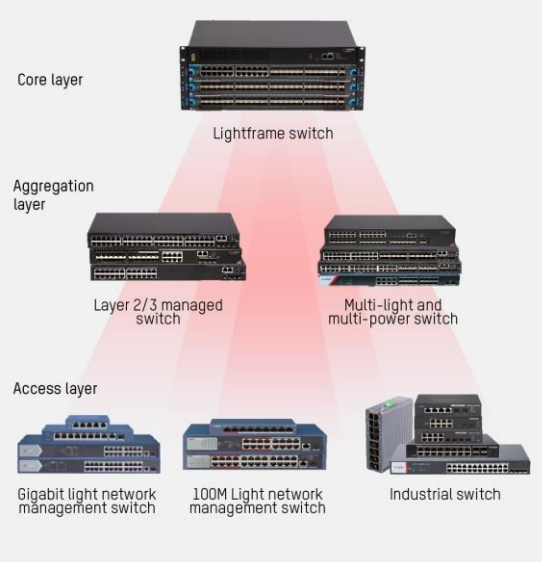
Hikvision network products focus on AIoT scenarios and provide integrated IoT network solutions. The product series covers routing and switching products, WLAN products, wireless bridges, self-organizing network products, all-optical network products, network management platforms and other types, aiming to provide fast, reliable, and secure network services for everything connectivity, build convenient, safe and reliable network systems, and enable customers to easily access the broad IoT world.



1) Switch

Centered around the needs of IoT scenarios, the Company is driving technological innovation and product development from two dimensions: convenience and reliability. It has newly launched multi-optical-multi-electrical switches and lightweight chassis switches to enrich product breadth and meet the diverse networking requirements of IoT networks of various scales. Among them, the lightweight chassis switches, with advantages such as high integration, easy deployment, and high cost-effectiveness, have already been widely adopted across various industries. The lightweight managed switch product has been upgraded and iterated, maintaining a leading position in the AIoT field. Industrial switches, with features such as stability, strong anti-interference capabilities, and suitability for harsh environments, have won widespread customer recognition in industries like new energy power generation and traffic management.

Create a Wired Network Environment with Various Scenarios and Connectivity for the Internet of Things



Top Choice, 1000 Series—DS-3E6603 Light Frame Switch

Powerful performance

- Single unit with 1000 IPCs, easily handled
- Supports full 10-gigabit ports to ensure smooth data transmission

Easy maintenance

- Support unified network management platform with visual management
- Supports Hik-cloud remote management, allowing to see problem alerts on your mobile phone

Stable and reliable

- Dual power automatic switching, redundant power supply, and more reliable in abnormal conditions
- Fan auto-speed switching design ensures the equipment operates without issues 7x24 hours

Flexible scaling


- Equipped with 3 service slots, convenient for subsequent project expansion
- 4U modular lightweight design, meeting the needs of small-scale deployment in security scenarios
- The single board supports up to 50, making it convenient to meet the multi-port requirements in complex projects

Advantages of Multi-Optical Multi-Electrical Switch Products

- Flexible compatibility: Supports hybrid access of fiber and reducing additional conversion equipment and simplifying the network architecture.
- Architecture simplification: Integrating optical and electrical interfaces into one unit to reduce network layers and thus improving O&M management efficiency.
- Scene Adaptation: Flexibly address the differentiated connection requirements of multiple scenarios such as security and corporate offices.
- Cost control: Balance initial investment and long-term scalability while ensuring performance.

2) WLAN products

The Company focuses on the wireless network coverage needs of small and medium-sized scenarios, continuously enriching the product portfolio. The newly launched AP products feature stronger signal penetration and more stable wireless transmission rates. Leveraging its deep technical accumulation and overall solution capabilities in the field of AIoT, the Company has created a differentiated advantage by integrating security systems with wireless network coverage, providing video interconnection solutions for the intelligent construction of various small and medium-sized scenarios.



Gateway

High performance

100/250/350 Device capacity

Polymorphic

Desktop/pack-mount

Flexible Networking

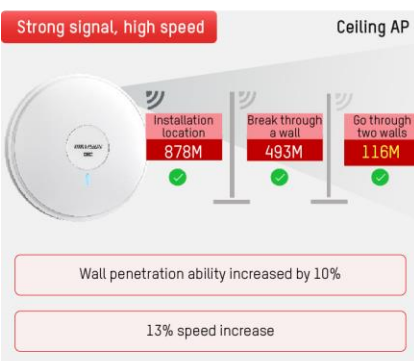
Direct connection / bypass

PoE Power Supply

PoE Model optional

Strong signal, high speed

Ceiling AP



Installation location: 878M

Break through a wall: 493M


Go through two walls: 116M

Wall penetration ability increased by 10%

13% speed increase

Wide coverage, high protection

Outdoor AP

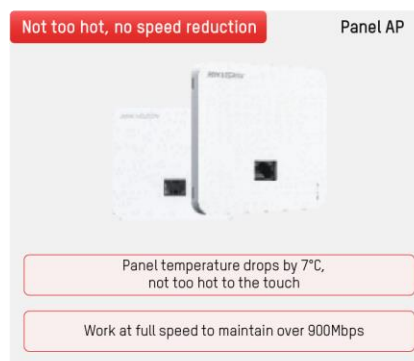


IP68 Waterproof and dustproof + 4KV surge protection

5G Wi-Fi coverage radius 150m

Not too hot, no speed reduction

Panel AP




Panel temperature drops by 7°C, not too hot to the touch

Work at full speed to maintain over 900Mbps

3) Wireless bridge

The Company is committed to addressing the challenges of high-demand wireless data transmission, meeting the application requirements of different environments from line-of-sight to non-line-of-sight. In 2025, in response to the high demands of harsh industrial environments, the Company launched industrial bridge products, further improving the layout of high-reliability and high-protective bridge products. Currently, the Company has formed a product matrix including elevator bridges, construction site bridges, and outdoor general-purpose bridges, effectively addressing the reliable data transmission needs in various complex scenarios and difficult wiring environments, and providing stable and reliable wireless transmission solutions for security monitoring and IoT data backhaul.

Product Advantages



Outdoor Universal Bridge

Industrial Protection

Hikvision's wireless bridge supports wide and high protection level, and meets the harsh working conditions in outdoor environments.

Low Latency and High Stability


Low latency, supports multi-hop relay, meets complex environment networking requirements.

Flexible Networking

Supports flexible networking with different multi-point, and relay, to build a hierarchical communication network.

Scenario Application

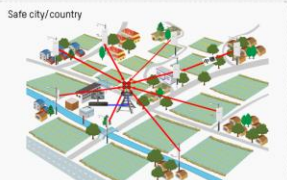
Crane on construction sites



Reduce construction costs

No need for trenching or cabling, minimal impact and damage to environments such as forest scenic areas, reducing equipment investment.


Safe city/country




Shorten the schedule

The wireless bridge is easy to install, which reduces the difficulty of project implementation and shortens the overall delivery schedule.

Forest fire prevention



Community/park perimeter



4) Self-organizing network products

The Company is dedicated to solving the challenge of IoT data backhaul in environments without electricity or network coverage. In wildlife conservation scenarios, the self-organizing network devices work in deep coordination with the Company's wildlife protection cameras, efficiently enabling real-time backhaul of video and image data in the wild. In power transmission line inspection scenarios, through Mesh self-organizing network technology, long-distance and distributed video data backhaul is supported. The Company will actively expand the application exploration of self-organizing network products in more industries, continuously building differentiated scenario solution capabilities.

Product Introduction

The **ad-hoc networking** product is suitable for scenarios in national parks and other nature conservation areas. It requires equipment to be compact, low-power, easy to install and maintain, and suitable for scenarios with tree obstructions, no electricity, and no network. It solves the problem of broadband and narrowband communication data transmission in areas without public network coverage and without basic power supply infrastructure.

Ultra-low power consumption, environmentally friendly and green

Ultra-low power consumption, typical power consumption less than 5W, standby power consumption less than 600mW, used for small solar panel power.

Super small size, ultra-light weight

The overall size is as small as a notebook, the machine weight is less than 1.8 kg, and it can be carried by one person.

Wildlife Conservation

Micro weather station camera, etc. DIY Infrared camera

Under the shade of forest trees Coverage radius 1-3km

Highly reliable, easy to maintain

High-level protection capability, faults self-healing, platform remote unified operation and maintenance, network topology visualization.

High performance, high concurrency

Transmission bandwidth 100Mbps, supports 64 terminal concurrent transmissions, supports video transmission.

Single hop 100Mbps

Wireless bridge 4G CPE

Line-of-sight environment backhaul using a bridge

4G network

Operator Base Station

Power transmission and transformation inspection

0-3KM Chained Mesh Hop 1 2nd Jump 3rd jump 4th jump Nth hop

Supports a maximum of 31-hop network.

4G CPE 4G network

Intranet/Fiber Optic

5) Network management platform

In 2025, the Company relied on the front-end IoT sensing capabilities and coordinate with the network to achieve centralized and unified management of IT + IoT terminals. By using a globally visualized topology structure, it realizes "visualized and interconnected unified network management." Starting from four dimensions, the network management platform reduces the threshold for network site surveys, initial setup, management, and operations, thereby improving the operational efficiency of the AIoT system.

- Easy Field Survey : Precise design and high-fidelity dimulation
- Quick Start: One system handles the start
- Convenient Management: Management with visual configuration
- Efficient O&M: Efficient analysis, and whole network inspection

Hik-Cloud network / Hik-Cloud business Unified network management platform

Security + Network Unified Management

Unified Network Management Platform

A visualization and integrated management platform that enables unified management of all, helping customers improve efficiency during start, management, and maintenance stages.

Hik-Connect

Provides project network management, utilizing the "Visual Network Interconnection" solution to help engineers achieve convenient management, efficient operations, and maintenance.

Hik-Connect APP

A platform for security industry aggregating product, tool, and solution versions, covering the network management functions of Hik-Connect APP.

Network equipment

Chassis Switch Switch Gateway Wireless AP Wireless bridge

Internet of Things devices

NVR Camera Pads for meeting Access control equipment Audio Alarm

- **Easy site survey:** Combine AP signal coverage and IPC field of view for point layout planning;
- **Quick setup:** Quickly generate a topology diagram including switches, AP/AC, bridges and IPC, access control, mobile phones and other terminal devices;
- **Convenient management:** Supports functions such as quick tagging and PoE device detection;
- **Efficient operation and maintenance:** Provides an overview chart of the unified network management for easy system monitoring.

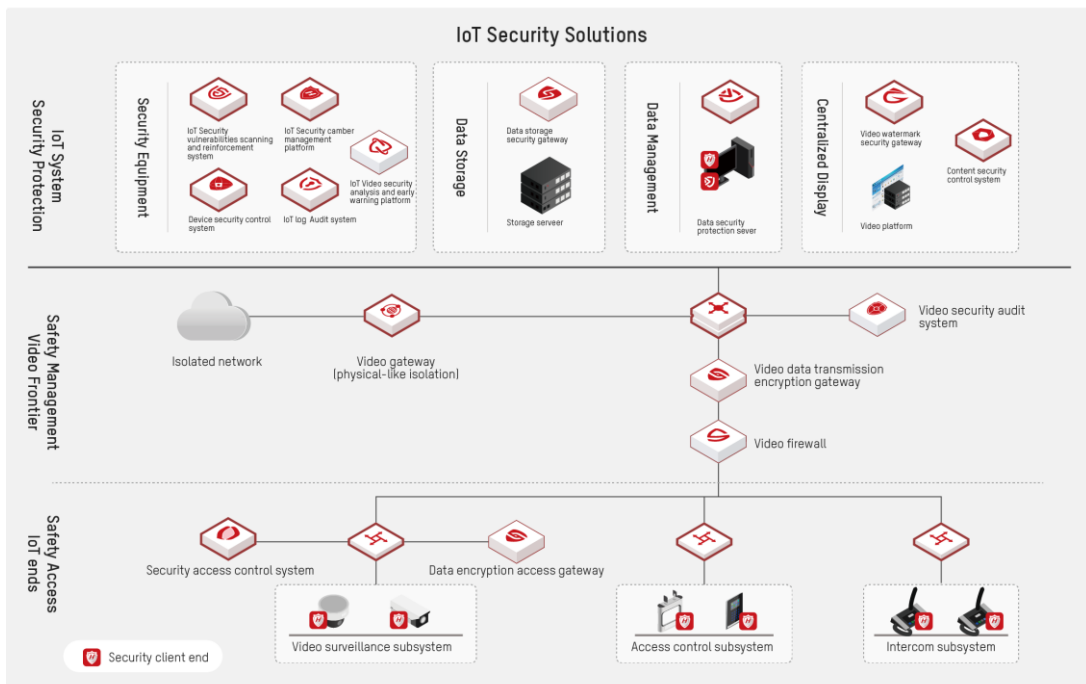
Based on the unified management capability for IT and IoT network scenarios, Hikvision's network products are expanding into broader enterprise campus networks, helping users achieve a network environment that is "secure, reliable, and smart-simplified."

2.5.2 Network security

Hikvision's IoT security products focus on three core areas: terminal intrinsic security protection, video perimeter security management, and video IoT security applications, building an integrated end-to-end security protection system with cloud-edge-end collaboration.




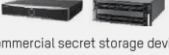
















- **Terminal side:** Integrate a security protection module within the sensing terminal, combining IoT protocol firewall and intrusion prevention engine, providing efficient threat detection and real-time protection capabilities. Relying on the IoT security management platform, achieve unified threat analysis, automatic risk handling, and intelligent policy orchestration to comprehensively enhance terminal security protection level.
- **Transmission side:** Establish a dedicated video IoT boundary security management system that can accurately defend against external network attacks and provide reliable security protection for IoT terminals and video platforms.
- **Application Side:** Provide capabilities such as data encryption, digital watermark traceability, violation behavior identification, and privacy image protection through video data security products, ensuring the data is manageable, controllable, and traceable, effectively preventing the risk of core data leakage.

As of 2025, Hikvision has accumulated more than 70 commercial cryptographic product certification certificates, with several products being the first of their kind in the industry. The Company has a solid foundational capability in the field of commercial cryptography and has accumulated deep technical expertise and rich practical experience in the application of cryptography in the Internet of Things (IoT). By deeply integrating high-security commercial cryptographic technologies with complex IoT business scenarios, Hikvision has built an end-to-end cryptographic product system covering edge data collection, network data










Transmission, central data storage, and system business applications. The company is committed to providing users with simple-to-use, stable, and efficient cryptographic application solutions that not only meet compliance requirements but also truly serve business needs.

Family Picture of Commercial Cryptography Product Series

Physical and Environmental Security	Network and Communication Security	Device and Computational Security	Application and Data Security
<p><i>Business confidential security products series</i></p>  <p>Security access control system</p>  <p>Commercial secret access control device</p>  <p>Commercial secret camera</p>  <p>Commercial secret storage device</p>	<p><i>Encryption product line</i></p>  <p>Data transmission encryption gateway</p>  <p>Data encryption access gateway</p>  <p>Video security reinforcement terminal</p>  <p>Video security reinforcement gateway</p>	<p><i>Operations and maintenance security product series</i></p>  <p>Business secret bastion host</p>  <p>National secret SSLVPN</p>  <p>Business secret PC</p>  <p>Commercial secrets</p>	<p><i>Modular reinforcement product series</i></p>  <p>Transparent database encryption system</p>  <p>Data storage security gateway</p>  <p>Data security protection server</p>  <p>File encryption password module</p>  <p>Server password machine</p>  <p>Cloud server password machine</p>  <p>Signature verification server</p>  <p>Password service management platform</p>

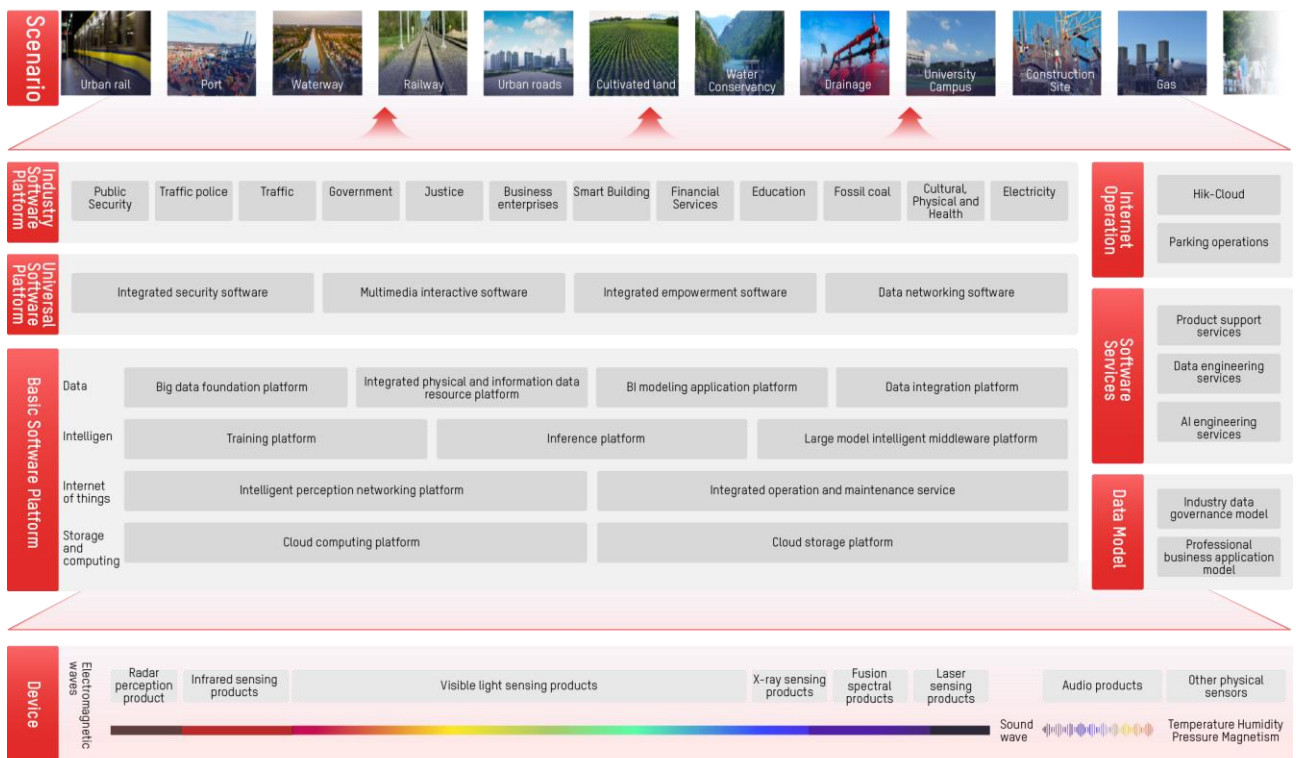
Universal Password Product Line

 <p>Mini PCI-E Key Card</p>	 <p>PCI-E Cryptographic card</p>	 <p>PCI-E Cryptographic card (high performance)</p>	 <p>PCI-E Crypto card (third-level)</p>	 <p>Smart password key (third-level)</p>	 <p>Key management system</p>	 <p>Certificate authentication system</p>
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2.6 Software Products: Systematically Building Core Software Capabilities, Comprehensively Creating an AIoT foundation

Hikvision's software product family, with digitalization and intelligence at its core, has built a complete system covering four major areas: software platforms, data models, software services, and internet operations.

The software platform provides fundamental technical capabilities and industry solutions, data models enable in-depth data value mining, software services ensure full-process implementation support and continuous optimization, and internet operations empower business online and intelligent services. Each module collaborates closely to jointly support enterprises' digital transformation needs in multiple scenarios, providing customers with end-to-end comprehensive AIoT solutions.



2.6.1 Software platform: provides fundamental technical capabilities and industry solutions

As a core component of Hikvision's product family, the software platform continuously integrates cutting-edge technologies, strengthens common capability accumulation and industry-specific customization, and has built a complete technical system composed of a foundational software platform, a general-purpose software platform, and an industry-specific software platform.

1) Basic software platform

The basic software platform covers four categories: "storage and computing, IoT, artificial intelligence, and big data," with continuously enriched and improved products.

Storage and computing software includes cloud computing platforms and cloud storage platforms. Cloud storage has achieved a leapfrog upgrade from "passive storage" to "active intelligence," introducing a new generation of intelligent integrated cloud storage solutions that precisely match the data needs of large models with extreme performance and cost advantages. Cloud computing continues to build an ubiquitous computing architecture that combines central cloud and edge cloud, achieving efficient coordination and dynamic scheduling of computing power for large model applications by deepening business-cloud integration and breaking through container heterogeneous computing power scheduling technologies, thus providing a solid and efficient computing foundation.

IOT software includes related products such as intelligent perception networking platform and integrated operation and maintenance service platform, providing device access networking and integrated operation and maintenance service capabilities for various IoT application scenarios.

The artificial intelligence software includes products such as training platforms, inference platforms, and large model intelligent mid-platforms, providing intelligent algorithm generation and application, as well as capabilities for rapid intelligent agent construction and low-code development of intelligent applications for various scenarios.

Big data software includes products such as the big data foundation platform, the physical-information integrated data resource platform, the BI data modeling application platform, the data integration platform, and other related products. It builds an end-to-end data processing capability covering integration, storage, governance, integration, analysis, and modeling applications. By eliminating data silos, deeply mining data value, and fully unleashing the potential of data elements, this platform has become a core engine driving intelligent business growth.

2) General software platform

Hikvision provides universal software functions across multiple industries, including integrated security software, multimedia interaction software, convergent empowerment software, and data networking software. By continuously exploring common requirements, the Company has refined and enhanced its universal software capabilities. Taking the multimedia interaction software as an example, Hikvision has launched a series of universal software platform products, such as the AR real-scene map application platform, VR panoramic application platform, intelligent audio management platform, information release management platform, and intelligent large-screen

management platform. At the same time, the data networking software has built an efficient data flow pipe gallery, providing an all-in-one data integration solution that spans regions, networks, platforms, and vendors. It can meet a wide range of data collection and cascading scenario requirements.

3) Industry software platform

Hikvision provides services to more than 80 sub-industries, focusing on users' business pain points and combining large models with IoT technology to continuously expand digital application scenarios in various sub-industries, constantly improving the vertical large model capabilities in six major areas: public security, emergency safety, natural disasters, ecological protection, urban management, and work safety, forming a complete business loop. For example, in the urban lifeline scenario, the Company has launched special applications such as drainage and flood prevention, gas supervision, and digital management of irrigation areas in water conservancy; in the education scenario, the Company provides intelligent upgrading solutions for campus security systems, offering industry applications such as integrated campus search, scenario warnings, and safety data analysis; in the industrial production line scenario, the Company has developed LogicAgent orchestration software based on industrial large models, which can quickly implement fragmented applications such as AI-SOP action error prevention, assembly errors, and work assistance guidance.

2.6.2 Data model: dual-driven by governance and application, achieving deep mining of data value

Hikvision has built a dual-driven model system of "industry data governance" and "professional scenario applications" to deeply empower data governance and application in vertical industries.

1) Industry data warehouse governance model

Strictly adhering to industry standards and regulations, the Company has established a standardized industry data warehouse system, deeply integrating IoT perception and business data to build a systematic and standardized data foundation, solidifying the digital foundation for various vertical fields. The products cover data warehouse governance models for multiple scenarios such as public security, traffic police, universities, and smart parks.

2) Professional business application model

Based on high-quality data, the Company closely addresses the core pain points and specific scenarios of the industry, building mechanism models and intelligent algorithm models to promote the transformation and upgrading of various business scenarios from passive response to proactive early warning and intelligent decision-making. It has now covered more than ten vertical industries, and has successfully implemented critical scenarios such as flood

prevention in water conservancy (e.g., flood forecasting, flood evolution), public safety (e.g., simulation of hazardous gas dispersion), and emergency firefighting (e.g., weather fire warning), significantly enhancing the digital governance efficiency of the industry.

2.6.3 Software services: ensure full-process implementation support and continuous optimization

Hikvision's software service system consists of three major components: product-companion services, AI engineering services, and data engineering services, collectively supporting customers in achieving digital transformation and intelligent upgrades.

1) Product-companion services

Hikvision provides product assurance services, implementation and deployment services, and various value-added services covering the entire software life cycle, including technical guidance, fault handling, patch updates, deployment and debugging, software upgrades, data migration, expert inspections, and other services. Through a systematic service assurance across the entire chain, it ensures the stable operation of software systems and helps continuously realize software value.

2) AI engineering services

Hikvision provides one-stop services for key users, including scenario-based implementation requirements for large model algorithms, solution consulting, algorithm design, and effectiveness optimization recommendations, helping key users build customized high-cost-performance system solutions and promoting the effective integration of AI technology into practical applications.

3) Data engineering services

Hikvision provides data engineering services such as data aggregation governance and data model implementation for some industry users. By systematically processing and modeling data, it fully explores the value of data to support business decisions and innovative applications.

2.6.4 Internet operation services: empowering business online and intelligent services

Internet operations serve as an important bridge for Hikvision to connect users, products, and services, focusing on core aspects such as full lifecycle user management, online services, and data-driven decision-making, aiming to enhance user experience and business response efficiency, and is committed to building an efficient and agile operation system through online platforms.

1) Hik-Cloud

Positioned as Hikvision's internet operation platform targeting the government and enterprise markets, it is committed to building an open AIoT cloud platform. Through the cloud platform, the Company provides users with efficient services based on IoT sensing products, Guanlan Large-Scale AI Models, and industry applications.

In terms of business and applications, Hik-cloud continuously integrates cloud platform technology, industry-specific scenario requirements, and the capabilities of ecosystem partners, deeply connecting with industry users' business scenarios to provide end-to-end closed-loop applications for enterprises and organizations' digital transformation, thereby enhancing operational and management efficiency.

With regard to digital online services, based on Hikvision's rich portfolio of IoT and perception scenario-based digitization products, Hik-Cloud has developed targeted product online and management applications, providing full lifecycle guarantee services for scenario-based digitization devices.

For developers and the ecosystem, by providing an open developer service platform, rich APIs and development tools are offered to lower the development threshold, empower third-party developers and partners, and jointly build cloud application ecosystems for various industries with ecosystem partners, accelerating the innovation and implementation of digital scenarios.

Currently, Hik-Cloud has integrated and managed over 6 million intelligent sensing devices, and has implemented closed-loop management of business scenarios across multiple industries and scenarios.

2) Parking Operation

As a leader in the intelligent parking field, Hikvision focuses on urban parking and parking lot scenarios. By integrating IoT sensing facilities such as video, radar, ground magnetic sensors, and access control equipment with professional parking applications and refined parking operation services, the Company has built an end-to-end business loop covering resource management, operation management, customer service management, financial management, maintenance management, and public services. The Company helps parking operators improve the quality and revenue of parking operations, provides drivers with more convenient and pleasant parking experiences, assists city managers in optimizing parking resource allocation, enhances urban parking management levels, and systematically alleviates parking difficulties.

As of 2025, Hikvision has obtained more than 70 commercial cryptographic product certification certificates in total, with several products being the first of their kind in the industry. The Company has a solid foundational capability in the field of commercial cryptography and has accumulated profound technical expertise and extensive

practical experience in IoT cryptographic applications. By deeply integrating high-security commercial cryptographic technology with complex IoT business scenarios, Hikvision has built an end-to-end cryptographic product system covering edge data collection, network data transmission, central data storage, and system business applications. The Company is committed to providing users with simple, easy-to-use, stable, and efficient cryptographic application solutions that not only meet compliance requirements but also truly serve business needs.

2.7 Innovative Business Products: Diversifying Business Landscape, and Stimulating Endless Innovative Momentum.

2.7.1 HikRobot products

Based on multi-dimensional perception, artificial intelligence, navigation control, decision-making planning and other technologies, Hikrobot focuses on the fields of industrial Internet of Things, intelligent logistics and intelligent manufacturing, relying on deep algorithm accumulation and strong software and hardware development capabilities. By continuously deepening its investment in the fields of machine vision, mobile robots, and articulated robots, it has built a rich product portfolio.

1) Machine vision business

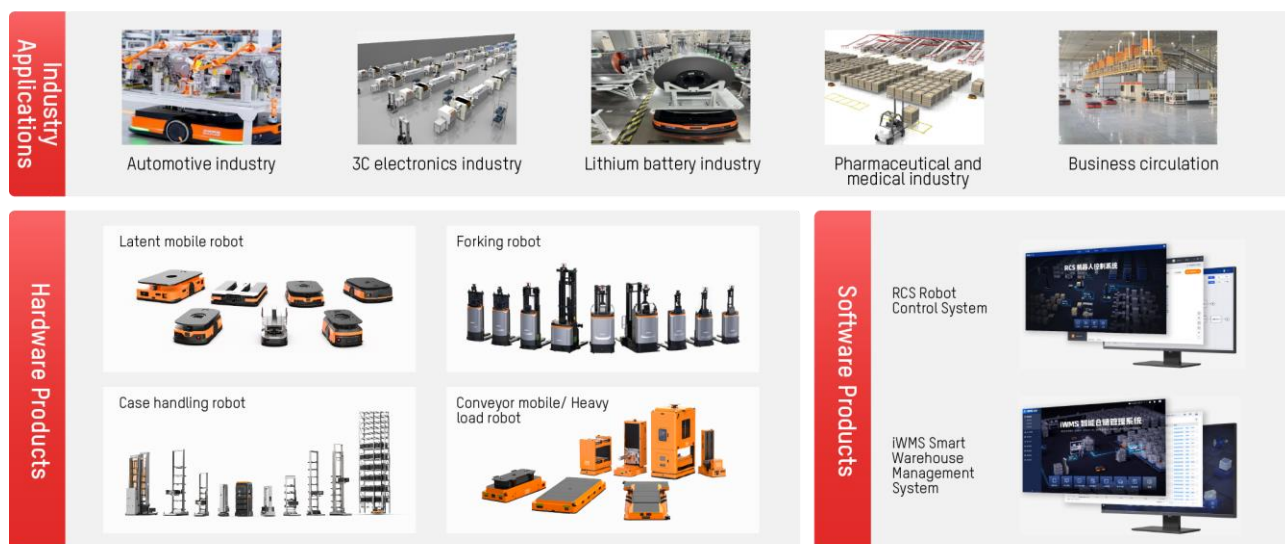
Industry Solutions	3C electronics industry	New energy industry	Automotive industry	Pharmaceutical and medical industry	Semiconductor industry	Express logistics industry	
	High-precision measurement	High-precision guidance positioning	AI defect detection	ID/OCR recognition	3D measurement positioning	3D defect detection	
	Hardware Products	2D standard product line		Smart product line		Software Products	 VM algorithm development platform RP bot visual guidance
		3D product line		Industrial control product line			

Machine vision, as the core of industrial sensing, serves as the eyes for robots and automated equipment, playing a key role in building the perception network of digital factories, and is also an essential part of flexible

intelligent production. Currently, HikRobot’s machine vision business has developed a complete range of products and solutions integrating software and hardware, maintaining a leading position in the industry.

Machine vision hardware covers four major product lines: 2D standard product line, smart product line, 3D product line, and industrial control product line; in terms of software, it includes the VM (Vision Master) algorithm software platform and the RP (RobotPilot) robot vision guidance platform for 3D robot applications, and collaborates with partners to build a domestic vision application ecosystem. The related products have been widely applied in various industrial automation scenarios, achieving rich applications such as positioning guidance, dimensional measurement, defect detection, and information recognition.

2) Mobile robot business



Hikrobot has built a unified product architecture platform to provide an "intelligent base" for the next generation of mobile robots. At the same time, to meet the needs of business development, Hikrobot has systematically integrated its product line and established four major hardware product series: the low-profile series, the forklift series, the bin-carrying series, and the mobile/heavy-load series. Relying on a powerful chassis platform design, multi-sensor fusion navigation technology, high-precision motion control algorithms, and scenario-based customization capabilities, all products achieve outstanding performance and high operational stability.

At the software system level, Hikrobot has deployed platform-level products including the RCS¹² and the

¹² RCS: Robot Control System

iWMS¹³, adopting an open system architecture. Through a low-code application development platform, Hikrobot and its ecosystem partners can quickly respond to customer needs and improve development and deployment efficiency. By deeply integrating software and hardware advantages, the mobile robot product line is committed to helping customers in industrial manufacturing, commercial distribution, and other fields simplify internal logistics, reduce costs, and improve efficiency.

3) Articulated robot business



Articulated Robot product line focuses on integrated drive and control technology and integrated perception capabilities, aiming to enhance production flexibility and process intelligence. The business covers two major hardware product lines: vertical multi-articulated robots and horizontal multi-articulated robots. Their high real-time control system and high-performance motion algorithms can fully meet customers' demand for excellent operational performance, achieving industry-advanced levels in key indicators such as accuracy, speed, and reliability.

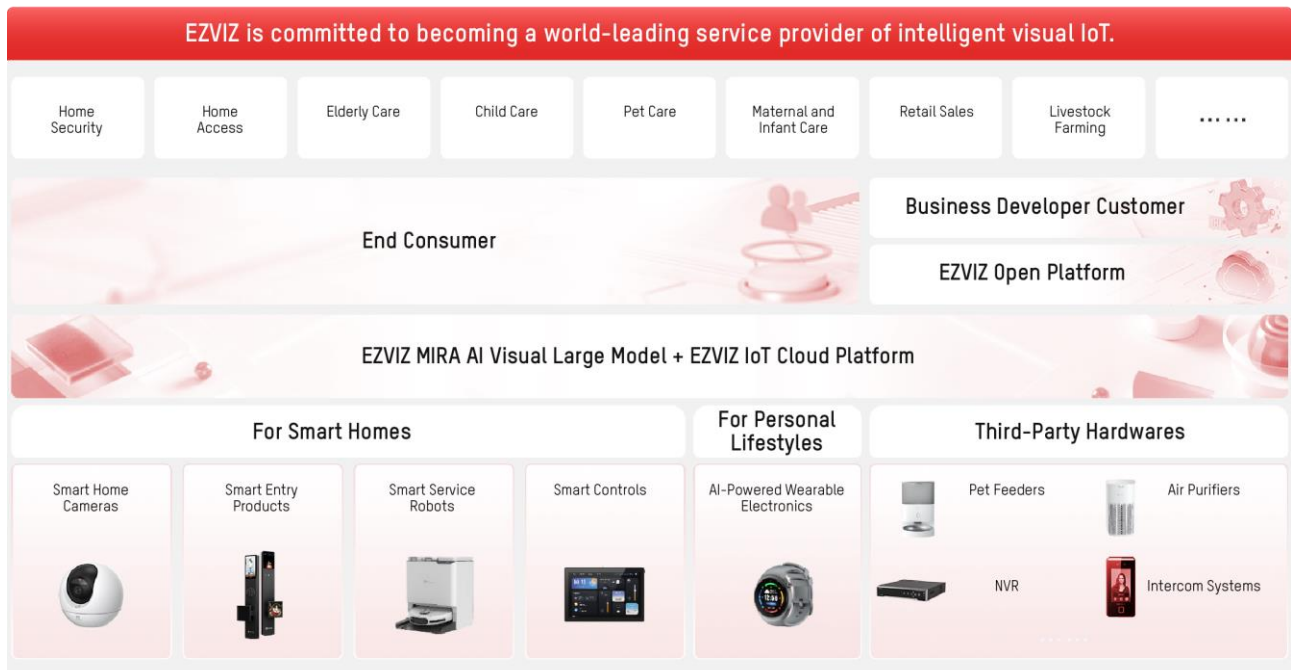
In terms of software support, Hikrobot has developed its own offline programming software HAR MASTER Pro and online programming software HAR MASTER Lite, which have rich simulation verification functions and flexible process expansion capabilities, providing strong support for Articulated Robot applications. In addition, Articulated Robot products have high process adaptability. By configuring diversified application process packages, they can effectively meet the personalized needs of different industries and customers. They have been applied on

¹³ Iwms: Intelligent Warehouse Management System

a large scale in industries such as automotive parts, metal processing, 3C electronics, and new energy.

2.7.2 EZVIZ Network products

EZVIZ Network is committed to becoming a globally leading intelligent visual IoT service provider, having built a world-leading visual IoT cloud platform and created an AIoT service system combining hardware products and software cloud services. EZVIZ Network has always been user demand-oriented, focusing on intelligent visual technology, continuously enhancing the differentiated capabilities of AI vision, and taking AI and the EZVIZ IoT cloud platform as dual cores to expand five core self-developed intelligent products: smart home cameras, smart access control, smart wearable devices, smart service robots, and smart control. In terms of the ecosystem, EZVIZ Network has built a fully stack open software ecosystem based on the open platform.



- In terms of **software cloud services**, EZVIZ Cloud is a globally leading visual public cloud platform. Based on the underlying capabilities of the EZVIZ Mira Large Model and the edge-cloud collaboration technical architecture, it provides intelligent and personalized value-added services for consumer users, and full-stack open PaaS platform services for developer customers.
- **Smart Home Camera** is the core business of its smart hardware products. EZVIZ Network has developed and formed a relatively complete camera product matrix, which can cover various application scenarios and meet users' diverse needs. EZVIZ Network continues to promote the upgrade of smart home cameras

towards visualization, scenario-based, interactive, and intelligent directions.

- **Smart Home Entry Business Line** mainly covers products such as smart locks, smart video doorbells, smart cat eyes, and smart door openers. As its star business and the second growth curve, smart home entry products continue to accumulate capabilities in vision, AI, and interaction, leading the industry's intelligent upgrade and iteration.
- **Intelligent service robots and smart wearable digital products** as incubation businesses, respectively carry the strategic support for the development and iteration of EZVIZ Network's core technologies and the layout in high-frequency AI interactive terminal products.

For detailed information about EZVIZ Network, please refer to EZVIZ Network's 2025 annual report.

2.7.3 HikMicro products

Based on infrared thermal imaging technology, HikMicro focuses on high-value-added MEMS¹⁴, optoelectronic devices, and sensor technologies, building a multi-dimensional sensing capability covering temperature, pressure, flow, and level. By vertically integrating technology, products, and markets, HikMicro is committed to providing comprehensive sensing solutions for digital intelligent industries, AIoT, and other fields, helping enterprises achieve digital transformation and expanding the boundaries of human perception.

HikMicro's business covers a variety of scenario needs including security surveillance, industrial production, portable testing, and outdoor life, divided into five major product lines: general security, industrial temperature measurement, handheld instruments, industrial instruments, and outdoor use.

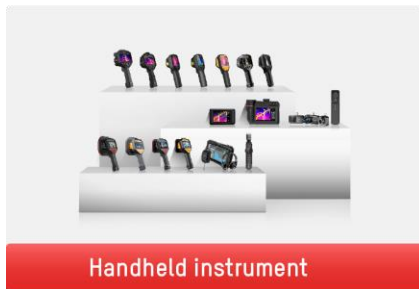
¹⁴ MEMS: Micro-Electro-Mechanical Systems



Comprehensive security



Industrial temperature measurement



Handheld instrument



Industrial instruments



Outdoors series

Comprehensive security product line: focusing on key areas such as forests, corporate campuses, oil fields, and ports, it addresses core security needs including high-and-low altitude panoramic protection, perimeter security, and fire early warning. It builds a 24/7, all-around, intelligent security monitoring system to solve pain points of traditional security patrols, such as low efficiency, high rates of missed or false alarms, and poor environmental adaptability. It achieves full-dimensional protection ranging from aerial panoramic views to perimeter details, and from fire early warning to intrusion detection.

Industrial temperature measurement product line: to meet the needs of temperature monitoring, precision temperature measurement, and high-temperature operation detection throughout the entire industrial production process, HikMicro has developed a comprehensive temperature measurement product matrix featuring wide measurement range, high accuracy, and strong adaptability. These products are applied in multiple industries such as steel, automotive, brewing, electronics manufacturing, food, and monocrystalline silicon, helping enterprises achieve production safety protection, process quality control, and product quality inspection, ensuring high-quality and safe industrial production.

Handheld instrument product line: focused on the development of portable, intelligent, multi-sensor fusion, and high-efficiency detection capabilities. Integrating core technologies such as infrared thermography, acoustics, and ultrasonic, HikMicro introduces multi-form portable detection equipment to meet mobile detection needs such as industrial inspection, equipment maintenance, emergency testing, and fault localization. Combined with

dedicated software for data analysis, it becomes a "personal detection analyst" for industrial inspection and emergency operations.

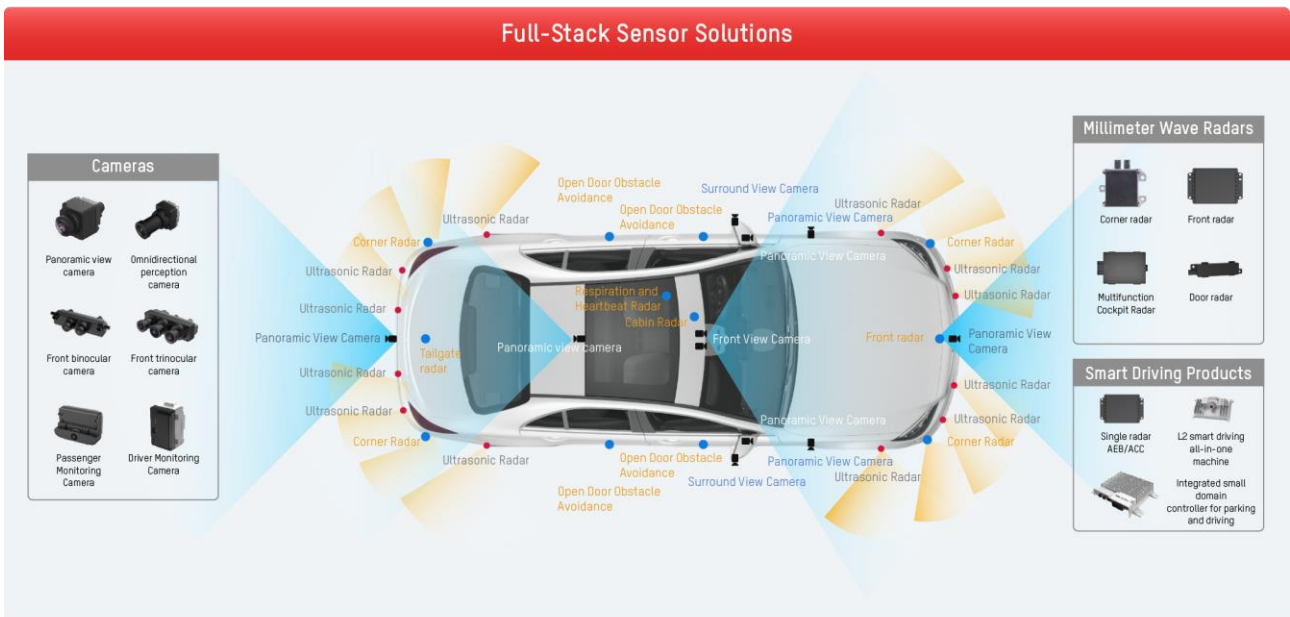
Industrial instrument product line: focused on the process industry market, based on chip and sensor technologies, combined with AI algorithms and circuit low-level signal processing technologies, a full range of high-stability and high-precision smart instruments covering temperature, pressure, flow, and level have been developed. The multidimensional sensing and measurement system established by HikMicro is applicable to multiple industrial scenarios in the chemical, steel, metallurgy, power generation, water services, environmental protection, and food industries. It provides accurate data support for production automation control and process parameter management, helping enterprises improve production efficiency and effectively control energy consumption.

Outdoor product line: covering two major areas: industry-level outdoor operations and consumer-level outdoor applications, creating high-adaptability and high-performance outdoor sensing devices. The products are compatible with complex outdoor environments, meeting the needs of various scenarios such as emergency search and rescue, camping and fishing, fishery administration and maritime affairs, forest fire prevention, and pollution source tracing, achieving all-weather, long-range, multi-dimensional sensing capabilities.

2.7.4 HikAuto products

1) Passenger vehicle products

HikAuto's passenger vehicle business covers three major product lines: vehicle-mounted cameras, vehicle-mounted millimeter-wave radar, and intelligent driving assistance, dedicated to meeting the needs of passenger vehicle customers in various intelligent driving scenarios. Among them, vehicle-mounted cameras and millimeter-wave radar, as core sensor products, have become market leaders in the domestic market, ranking among the best in the industry in terms of shipment scale, product portfolio, and customer coverage.



HikAuto continues to increase its R&D investment in the field of intelligent driving algorithms. Focusing on the needs of L1-L2 intelligent driving assistance, and relying on customized chips and fully self-developed algorithms, HikAuto provides customers with differentiated system solutions. In the future, HikAuto will continue to ride the policy tailwind, seize market opportunities, and help further popularize and apply intelligent driving assistance technology across the entire industry.

2) Commercial vehicle products

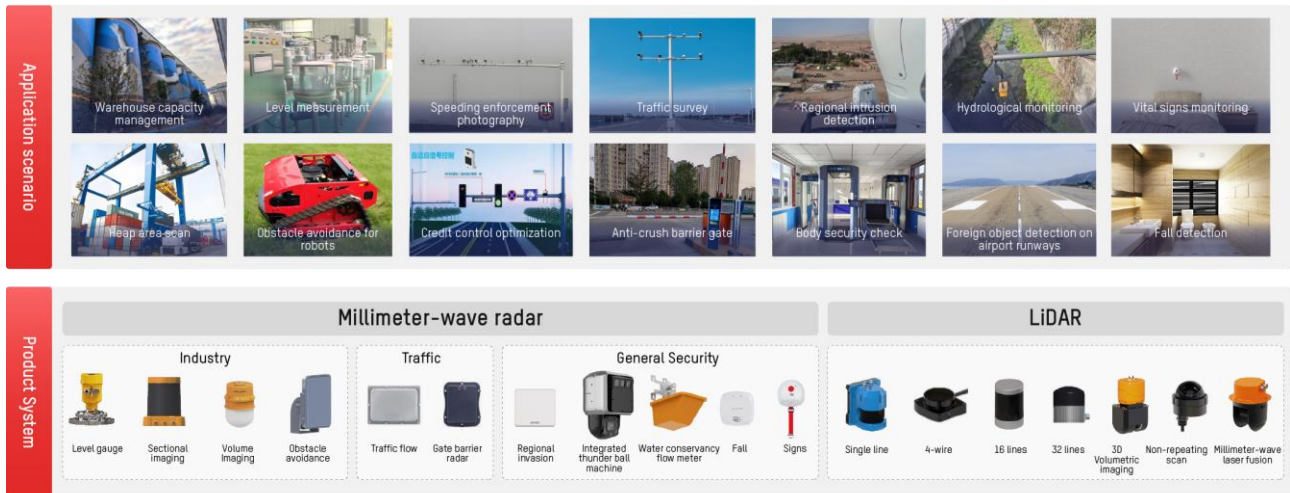
HikAuto’s commercial vehicle business includes three sub-businesses: commercial vehicle OEM, commercial vehicle aftermarket, and consumer products in the after-market. Targeting the global automotive industry market, it integrates "positioning, storage, network transmission, AI intelligent analysis, and vehicle internet platform" into diversified in-vehicle system solutions. It is committed to becoming a leading provider of intelligent and connected vehicle products and solutions in the industry, providing comprehensive services to domestic and foreign commercial vehicle industry customers/users and a wide range of consumers.



HikAuto continues to build the foundational capabilities of in-vehicle intelligent terminals and cloud platforms, gradually shifting from the provision of single products and product-based solution deliveries to the operation of data value. By collaborating with domestic and international industry customers and leveraging AI large models and vehicle data application capabilities, HikAuto develops scenario-adapted solutions, deepening coverage in over 10 business scenarios such as logistics, sanitation, public transportation, and construction machinery, thus forming a closed-loop application of technology-scenario-data.

3) Radar products

HikAuto’s electronic radar products adhere to a perception technology strategy driven by both millimeter-wave and laser technologies. They continuously increase R&D investment, focusing on underlying technological innovation, deepen the implementation in transportation, security, industrial and other scenarios, promote product matrix upgrades, and steadily enhance market competitiveness.



HikAuto's mmWave radar products maintain market leadership in advantageous industries such as transportation and security, achieving precise breakthroughs. Building upon the widely market-accepted 24GHz, 77/79GHz traffic radars, HikAuto will launch a full series of 92GHz traffic radars in 2025, reinforcing its technological leadership and helping to continuously expand its market share. In the security field in 2025, HikAuto introduces long-range detection radars with a range of more than 5 kilometers, achieving multi-sensor fusion with visible light and thermal imaging, and establishing a full series of security perimeter radar systems ranging from 100m to 5km. Targeting industrial scenarios, HikAuto strengthens core technologies such as antennas, RF, and algorithms, perfecting its 1D-4D product matrix through technological innovation, and building an integrated cloud-edge-end solution leveraging the Hikvision Cloud Eye platform and large model technical capabilities.

HikAuto's LiDAR products focus on industrial scenarios, with key indicators such as laser line count, scanning angle, measurement distance, and scanning frequency reaching mainstream industry levels; they achieve leadership in aspects such as ranging accuracy, angular resolution, customizable protection zones, and explosion-proof design. HikAuto continuously optimizes product stability, environmental adaptability, and the completeness of supporting toolchains, continuously enhancing its overall competitiveness. In 2025, HikAuto launches a full range of products with 4, 16, and 32 laser lines, developing customized products for scenarios such as long-distance detection, wide-angle scanning, high frame rate, and non-repetitive scanning, comprehensively expanding the product portfolio to cover more niche application needs. HikAuto has achieved significant breakthroughs in the harbor machinery market, opening up the high-end industrial market with the reliability and scenario adaptability of its products, steadily enhancing its market position.

HikAuto continues to achieve technological breakthroughs and consistently leads product innovation,

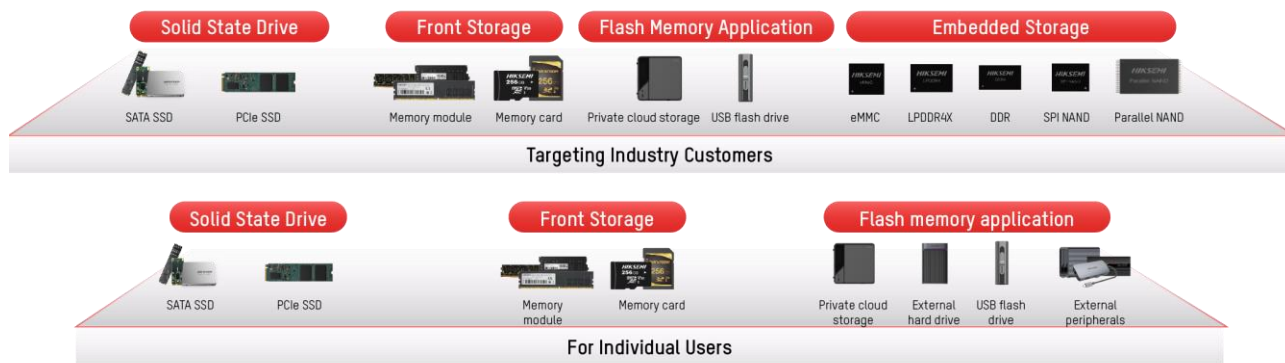
launching industry's first level meters and 2D/3D imaging radar based on waveguide antenna technology, introducing millimeter-wave-laser fused 3D imaging radar to significantly enhance automation calibration and delivery efficiency; empowering safe and efficient unmanned operation of stacker reclaimers, promoting bulk silo level measurement from single-point monitoring to multi-point precise sensing, with significant improvement in data quality and stability.

HikAuto will firmly advance technological innovation and product upgrading, supported by fundamental technologies such as antennas, RF, and algorithms. It will continuously expand its radar product portfolio and consistently consolidate and expand its core technical advantages. By synergistically driving multiple sectors such as industry, transportation, and security, it will move from device supply to overall solution delivery through sensor fusion, large model empowerment, and scenario-based customization, providing core support for intelligent upgrades across various industries.

2.7.5 HikSemi products

HikSemi is dedicated to the R&D, design, and manufacturing of storage products, featuring a complete process flow from wafer packaging and testing to module production. Its product portfolio covers four major product lines: solid-state drives, embedded storage, front-end storage, and flash applications.

Based on in-depth insights into the terminal consumer market and industrial application scenarios, HikSemi continuously increases R&D investment, constantly iterating and expanding its four product line series. The consumer-grade storage products feature high-speed data transfer and low power consumption, with performance reaching flagship industry levels, meeting the diverse needs of content creators and e-sports enthusiasts; the enterprise-grade, industrial-grade, and automotive-grade storage products demonstrate "self-adaptive, high reliability" performance, capable of adapting to harsh requirements in different industry application scenarios such as extreme high and low temperature environments, anti-vibration and drop resistance, power failure protection, data encryption, and 7x24 hours uninterrupted operation.



In the consumer segment, in 2025, HikSemi launches product series such as PCIe 5.0 flagship solid-state drives, completing the product portfolio from entry-level to mid-to-high-end applications. In the industrial segment, multiple enterprise-level SSDs are fully compatible and adaptable to mainstream CPU platforms and servers. At the same time, embedded products such as SPI, eMMC, and LPDDR have passed certifications from mainstream SoC platforms like MTK and Realtek. Among them, the automotive-grade eMMC 5.1 MLC series products have passed the certifications of the two core standards in the automotive electronics industry: AEC-Q100 and IATF16949. The product competitiveness and application scenarios have been further expanded, becoming a new driving force for HikSemi's business growth.

2.7.6 HikFire products

HikFire centered on technologies such as "flame detection, multi-dimensional perception, wireless IoT, and AI video analysis," adopts a dual-driven model of "AIoT + cloud services," to build a complete technical system covering front-end detection, digital convergence, big data analysis, and event execution. It provides an all-domain fire protection product system ranging from single-point perception to intelligent prevention and control, addressing the fragmented scenarios of urban and industrial fire safety.



Based on the analysis of fire-related factors, response efficiency, and ease of use, HikFire has established two core business pillars—General Fire Protection and Industrial Fire Protection—by combining different application scenarios in urban and industrial environments. It continuously improves the coordination efficiency and intelligence level of fire protection systems, enabling flame detection and multidimensional sensing devices to adapt to the fragmented applications in urban fire protection and the stringent working conditions in industrial fire protection.

On this basis, HikFire has independently developed and built a fire protection cloud service system, including fire cloud deployment, algorithm cloud optimization, and online upgrades, and provides voice and SMS cloud services. By integrating business services such as AI and data modeling capabilities, HikFire helps users in various industries easily cope with complex project delivery and equipment maintenance, shorten construction cycles, and reduce protection gaps. Currently, there are over ten million devices online, providing security protection for more than 100,000 types of venues.

1) General fire protection business

General Fire Protection focuses on the urban fire IoT field, dedicated to safety protection in key locations and the digital and intelligent transformation of fire protection. By utilizing advanced detection and wireless IoT technologies, traditional fire protection systems are upgraded into digital and intelligent systems. The product range

includes automatic fire alarm systems and wireless IoT fire protection systems, integrating detection and AIoT functions for water, electricity, smoke, gas, and temperature, providing comprehensive AIoT fire solutions for households and key organizations. From environmental sensing, ultra-early detection, early warning, mid-term alarms to emergency response, the system supports efficient human-machine collaboration, simplifying decision-making and handling processes through informatization, reducing security costs, and enhancing protection levels. Currently, HikFire's products and services are widely applied in various industries such as smart buildings, schools, hospitals, civil engineering projects, and industrial parks.

2) Industrial fire protection business

Industrial fire protection business focuses on fire safety protection for industrial production, storage, transportation, and facility equipment, and designs professional solutions for harsh working conditions. The product portfolio covers three product lines: Industrial Fire Call Point, Fire and Gas System, and Special Fire Detection, providing highly reliable gas, flame, temperature, and smoke detection equipment. The system is widely applied in scenarios such as power facility equipment protection, lithium battery production, storage, and transportation, electrochemical energy storage PACK-level protection, wind turbine and site safety protection, tunnel high-speed moving smoke and fire detection, and many others, promoting safety through technology and improving efficiency through application. Currently, this business has been extensively and deeply applied in scenarios such as chemical industry, energy, metallurgy, transportation, and industrial manufacturing, providing accurate and reliable protection support for industrial safety.

2.7.7 HikRayin Products

X-ray is a high-energy electromagnetic wave with the physical characteristics of extremely short wavelength and strong penetration. By utilizing the differences in X-ray absorption rates of different materials, it can clearly distinguish minute dimensional differences and subtle structural changes, meeting the requirements of high-precision, non-contact internal inspection.

HikRayin continues to deepen its expertise in X-ray imaging, focusing on smart security inspection and industrial detection applications. Guided by intelligent technologies and driven by X-ray imaging technology, it integrates multi-dimensional perception, artificial intelligence, and device IoT technologies to build a high-precision penetrative inspection system ranging from sub-micron to millimeter levels, and from 2D imaging to 3D imaging.

1) Industrial inspection products

In the field of industrial inspection, HikRayin has launched two major product categories: counting and defect detection, based on technologies such as X-ray radiography imaging, large model algorithms, and image processing. These products are widely applied in electronics, automotive manufacturing, lithium batteries, food and pharmaceuticals, and general industrial fields, providing enterprises with intelligent vision inspection capabilities for foreign objects and defects, and building an integrated industrial detection product solution.

Counting Products	Defect Detection Product					
Inventory count	Welding defects	Missing structure	Foreign matter and impurities	Crack cavity	Poor Shape	Abnormal quantity
Smart warehouse						
Digital management						
				Application Fields: Consumer Electronics, Power Electronics, Home Appliances, Automotive Industry, General Lighting, Battery Energy Storage, Integrated Circuits...		
SMT scenarios and electronic component manufacturing Counting of materials on the tray in the scenario						
			Application Fields: Pre-prepared Meals, Canned Sauces, Snack Foods, Dairy Products, Seafood, Frozen Foods, Health Supplements, Daily Chemical Products...			
						Application Fields: Aluminum Die Castings, Automotive Parts, Molded Plastics...

- HikRayin's online 3D AXI intelligent inspection equipment in the field of electronic manufacturing adopts three-dimensional imaging technology, which can achieve 360-degree panoramic imaging and cross-sectional analysis of the entire and partial circuit boards, efficiently and automatically identifying various quality defects in the soldering process to ensure the soldering reliability of the products.
- For the production process of high-standard structural components such as engine parts, wheel hubs, knuckles, and shock absorbers, the system combines X-ray high-definition imaging with AI algorithms to clearly display the internal structure images of workpieces, enabling batch automated defect detection and

judgment, significantly improving inspection efficiency and product quality consistency.

- In the high-speed SMT¹⁵ production environment, HikRayin's X-ray intelligent material counting machine can accurately count four trays of materials in just 8 seconds, with a counting accuracy of up to 99.99%. Inspection data can be uploaded in real-time through the MES system, helping enterprises achieve digital and intelligent management of warehousing and production processes.
- To address the challenge of identifying foreign objects such as tiny bone fragments in chicken breast during food processing, Hikvision Rayvision X-ray dual-energy intelligent inspection system integrates the Raytina image enhancement engine, AI algorithms, and dual-energy detection technology. It accurately locates foreign objects and coordinates with automatic rejection devices, significantly improving production line inspection efficiency and product quality assurance levels.

2) Smart safety inspection products

HikRayin has been deeply engaged in the field of intelligent security inspection. Relying on technologies such as large models, data networking, intelligent recognition, person-baggage association, and IoT sensing, we have launched a series of products including the Intelligent X-Ray Baggage & Parcel Inspection System and the Intelligent Walk-Through Metal Detector. Among these, the Millimeter-Wave Security Inspection System for Persons has become the first high-end body security inspection equipment to pass China's Civil Aviation highest A3 standard, setting a new benchmark for the intelligent development of security inspection.

¹⁵ SMT: Surface Mount Technology



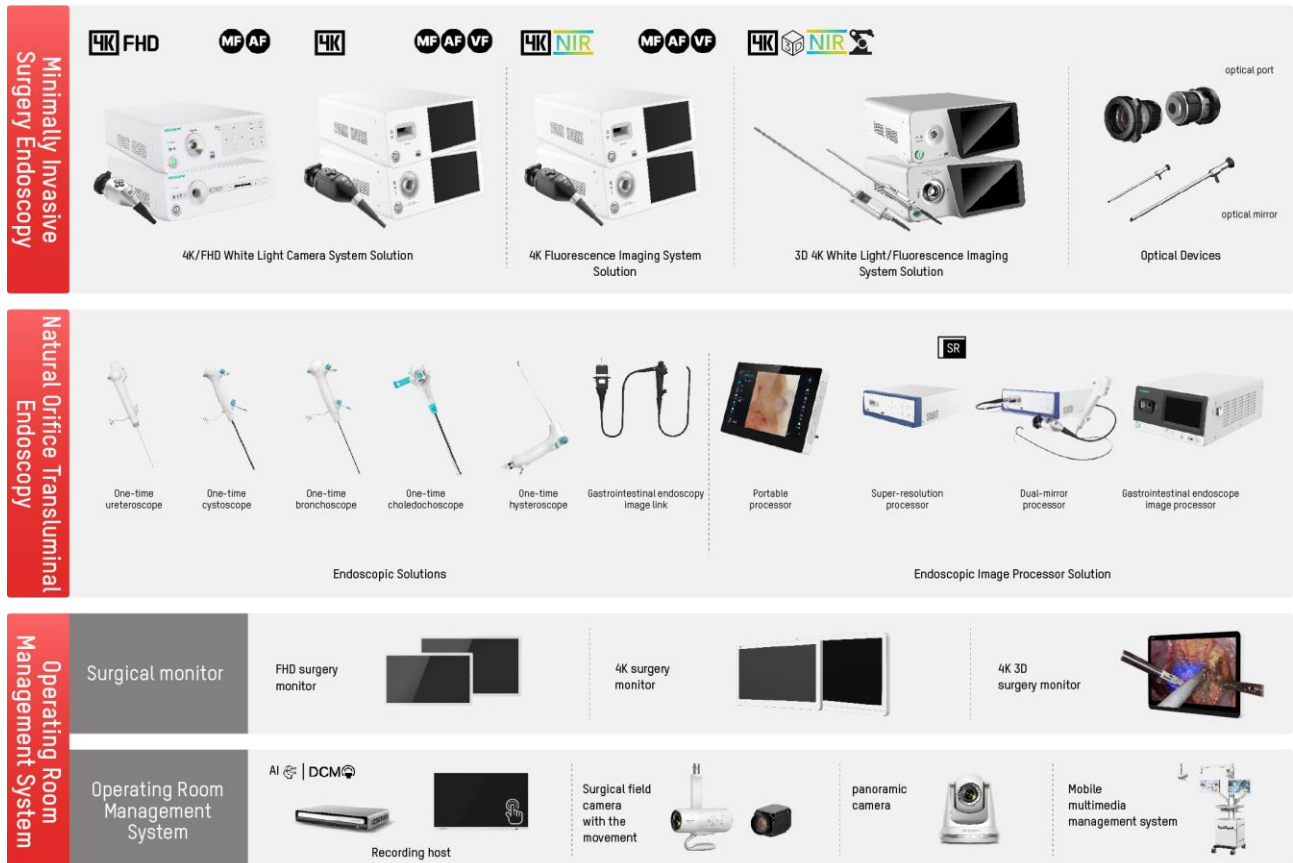
HikRayin's Millimeter-Wave Security Inspection System for Persons employs non-contact inspection and intelligent recognition technology, which can not only accurately identify conventional metal prohibited items, but also effectively detect non-metal prohibited items such as ceramic knives, liquids, explosives, and powder packages. The equipment has a detection efficiency of up to 600 people per hour, and has already been put into use in airports in multiple cities across China, including Beijing, Hangzhou, Xiamen, and Changchun.

X-ray security scanners, as core physical inspection equipment in transportation scenarios, are equipped with self-developed optoelectronic sensors by HikRayin, capable of acquiring multi-dimensional raw data such as atomic numbers and high/low energy. Combined with X-ray large model analysis algorithms, the devices have achieved significant improvements in detecting prohibited items and innovatively added the function of identifying hazardous liquids. By employing refined object segmentation and recognition algorithms, the system effectively addresses complex and occluded identification challenges, reducing the missed detection rate of prohibited items by 75%, thus advancing the inspection mode from "man-dominated" to "machine-dominated" and even fully automated intelligent recognition. Currently, HikRayin's security inspection business has successfully implemented in multiple civil aviation and rail traffic scenarios across cities including Chengdu, Hangzhou, Hefei, Shenyang, Xi'an, Chongqing, Changchun, Shenzhen, Qingdao, Suzhou, and others nationwide.

2.7.8 HikImaging Products

HikImaging is rooted in the medical technology industry, providing OEM/ODM solutions for medical

endoscope systems to global customers. Focused on medical scenarios, HikImaging relies on in-depth research and innovative applications of six core technologies - optics, mechanics, electronics, software, computing, and intelligence, to provide medical device companies with three solution sets: minimally invasive endoscopes, lumen endoscopes, and surgical audiovisual systems.



1) MISE¹⁶ Solution

HikImaging’s 4K 3D fluorescence solution is one of the first high-end endoscope solutions produced in large quantities and used in clinical applications in China. By integrating 4K ultra-high-definition imaging, 3D stereo imaging, and multi-color gradient fluorescence imaging technology, it significantly enhances accuracy and safety in complex minimally invasive surgery scenarios.

In 2025, HikImaging continues to iterate and optimize innovative products such as the 4K 3D fluorescence solution and multi-CMOS white light/fluorescence solutions, achieving further improvement in image quality and effective reduction in system latency, striving to provide customers with more diverse rigid endoscope solution

¹⁶ MISE: Minimally Invasive Surgery Endoscopy

options to meet various clinical scenarios and product needs.

2) NOTE¹⁷ solution

HikImaging continuously iterates and optimizes the endoscopic image processor and disposable endoscope solutions for body cavities, effectively controlling costs to adapt to market changes. The NOTE product line covers various disposable endoscopes for body cavities, including bile duct scope solutions for gastroenterology, ureteroscope and cystoscope solutions for urology, bronchoscope solutions for respiratory medicine, hysteroscope solutions for gynecology, and more.

In 2025, HikImaging launches a new digestive endoscopy imaging solution, including digestive endoscopy image link and image processor, promoting the endoscopic product line to further expand from disposable endoscopes to reusable endoscopes that can be disinfected multiple times.

3) ORMS¹⁸ Audio-Visual Solution

Centered on operating room application scenarios, HikImaging creates a synergistic effect by integrating the ORMS solution with the MISE and NOTE series solutions, providing customers with a complete digital operating room overall solution. This solution mainly includes two major components: medical displays and operating room audiovisual management.

In 2025, HikImaging launches a 32-inch 4K 3D surgical display, which can be used with a 3D endoscopic camera system to achieve excellent display effects. The intelligent 5G full-link 4K audiovisual management system integrates artificial intelligence technology to help enhance the safety of minimally invasive surgeries, realizing full-process digital construction of digital operating room audiovisual management, remote communication, and information system integration.

3. Business Layout

After more than two decades of relentless efforts, Hikvision has established a business layout system integrating domestic core business, overseas core business, and eight innovative businesses in a tripartite and fully collaborative manner. The three major segments support and promote each other, forming a sustainable business tree for the Company.

¹⁷ NOTE: Natural Orifice Transluminal Endoscopy

¹⁸ ORMS: Operating Room Management System

Domestic core business has been deeply engaged in the industry for many years, relying on three major business groups to achieve comprehensive coverage of all scenarios, and building a solid barrier with deep-rooted foundation through profound insight into customer needs and accurate response; overseas core business insists on localized expansion, expanding the global market with the "one country, one product, one strategy" strategy, continuously creating a second growth curve, constantly optimizing the digital marketing service system, and coexisting and prospering with global partners; eight innovative businesses keep growing rapidly, maintaining a high growth momentum for consecutive years, gradually becoming leading enterprises in their respective fields, and driving the Company's sustainable and vigorous new development.

3.1 Domestic Core Business: Focusing on Three Core Markets, and Empowering the Digital Transformation of Industries.

With 32 provincial business centers, nearly 300 city-level branches and offices, Hikvision's domestic business conducts operations by building a layered and graded marketing system based on cities. Through the enterprise business group, it covers 9 major enterprise-related industries and 51 sub-industries, providing more than 400 solutions. Through the public services business group, it covers 5 major government-related industries and 32 sub-industries, providing more than 200 solutions. Through the small and medium-sized enterprises business group, it provides 25 major categories of software and hardware products to provide sales support for dealers and installation service providers.

The three major business groups and 32 provincial business centers together form an integrated marketing system combining industry and regional functions, providing A IoT products and solutions for customers in various industries domestically, helping to promote the digital transformation and upgrading of society and the economy.

3.1.1 Enterprise business group (EBG): deepening scenario-based digitalization and drive industrial upgrading

Currently, industrial digitization and digital industrialization are advancing in synergy, reshaping the development pattern of industries: industrial digitization promotes the intelligent upgrading of traditional industries, while digital industrialization gives rise to new forms of the digital economy and unleashes new opportunities for development. Under this trend, Hikvision has focused on the core path of scenario-based digitalization, comprehensively applying large model technologies. Taking the deep integration of AIoT technologies with the Guanlan Large-Scale AI Models as a key engine, the Company focuses on core businesses such as group large-scale

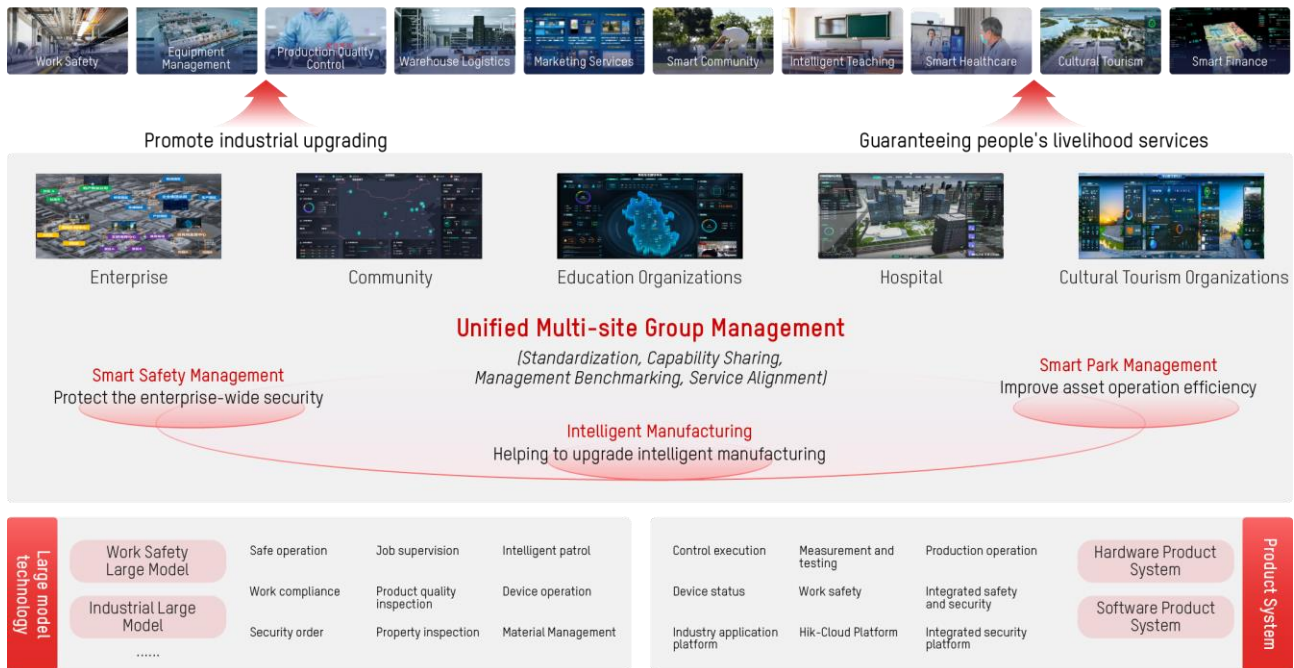
retail chains, smart parks, safety management, and equipment management, deepening the practical application of scenario-based solutions, creating replicable and promotable digital benchmark cases, and achieving significant phased results.

Over the past year, the iterative breakthroughs in IoT sensing and large model technologies have driven the continuous upgrading of the Company's product system and technical capabilities. The Company has seized industry opportunities and relied on the AIoT technology foundation to achieve a leap in the capabilities of product application and delivery effectiveness.

- **Product application:** the Guanlan Large-Scale AI Models deeply empower edge devices and IoT application cloud platforms, injecting new momentum into the digital transformation of various industries. For example, the active monitoring camera series can achieve dynamic safety control on production sites, applied in industries such as chemical, power, and metallurgy; the collision prevention camera series for robotic arms can quickly identify personnel lingering and issue alarms to avoid human-machine collision accidents, suitable for manufacturing and warehousing scenarios; the hyper-converged intelligent control engine all-in-one product integrates multiple module functions such as IoT control and audio-video, enabling education and enterprise smart space construction with minimal deployment; the Hikvision Yunmou platform, combining the multimodal perception capabilities of the Guanlan Large-Scale AI Models, realizes intelligent inspection, abnormal warning, and enhanced data decision-making efficiency, empowering multiple industries including retail, communities, and education.
- **Project delivery process:** the Company focuses on efficient delivery and convenient usage, building a digital delivery support platform that simplifies the configuration process, significantly improves delivery efficiency and quality, and has been widely implemented in business solutions for scenarios such as parks and inspections. At the same time, the Company is actively exploring the application of intelligent body technology in specific scenarios and has already achieved effective deployment in areas such as production safety, smart parks, equipment management, and production quality control.

Based on Hikvision's core AIoT technologies and digital product system, and relying on core technical engines such as the large model for safe production and the industrial large model, the Company integrates the full-stack software and hardware product matrix to continuously promote digital transformation in all business links. The Company continues to develop core business applications such as intelligent manufacturing, intelligent safety management, and intelligent campus management, building a "Group-wide Chain" digital operation system to comprehensively ensure safety, shorten management distances, and continuously help users improve quality, reduce

costs, and increase efficiency.



- **Smart manufacturing:** the Company achieves intelligent control and efficient coordination throughout the entire production process by focusing on key areas such as quality control, site management, equipment management, and warehouse logistics.
- **Safety intelligence management:** the company focuses on three key points: unsafe human behaviors, unsafe conditions of objects, and unsafe environmental factors, to strengthen risk prevention and control and assist in safety decision-making.
- **Smart park management:** the Company takes the park all-in-one facial recognition system, comprehensive security system, and operation command center as core levers to enhance park operation efficiency and overall service level.
- **Group large chain:** based on the above three core business applications as the foundation, the Company focuses on diverse chain business formats such as enterprises, communities, education, hospitals, and cultural tourism, to improve the "Group Large Chain" system, strengthen the goals of "unified standards, shared capabilities, benchmarked management, and aligned services," and enhance the overall operational efficiency of the Group.

As the digitalization process deepens and technological iteration accelerates, enterprises' core demands for value creation and problem-solving continue to intensify, and they are willing to continuously invest in practical

applications. In the future, Hikvision will continue to be driven by scenario-based needs, with the Guanlan Large-Scale AI Models as the core driving force, deeply integrating AIoT technologies, and continuously deepening technological innovation and business expansion. The Company is committed to upholding its core mission of deeply exploring scenario-based digitalization, helping various industries upgrade their digitalization, and jointly pursuing a new future of digital intelligence with a wide range of partners.

3.1.2 Public sector group (PBG): infusing new technological momentum, and empowering digital transformation of governance

Against the backdrop of AIoT and large model technologies deeply integrated into social operations, the digital transformation of governance has moved beyond the initial stage of laying foundations and is now comprehensively entering a critical phase of deep application and leading change. With the in-depth implementation of the "2025 Action Plan for Digital China Construction" and the forward-looking layout of the 15th Five-Year Plan," the construction of digital governments is ascending to a new level of intelligent deep application, embarking on a new journey of data-intelligent governance. At the national level, policy documents such as "Opinions on Deeply Implementing the 'AI+' Action" and "Guidelines for the Deployment and Application of Large AI Models in Government Services" have been successively issued, marking a new phase of orderly advancement and deep integration of the "AI+" initiative in the field of social governance.

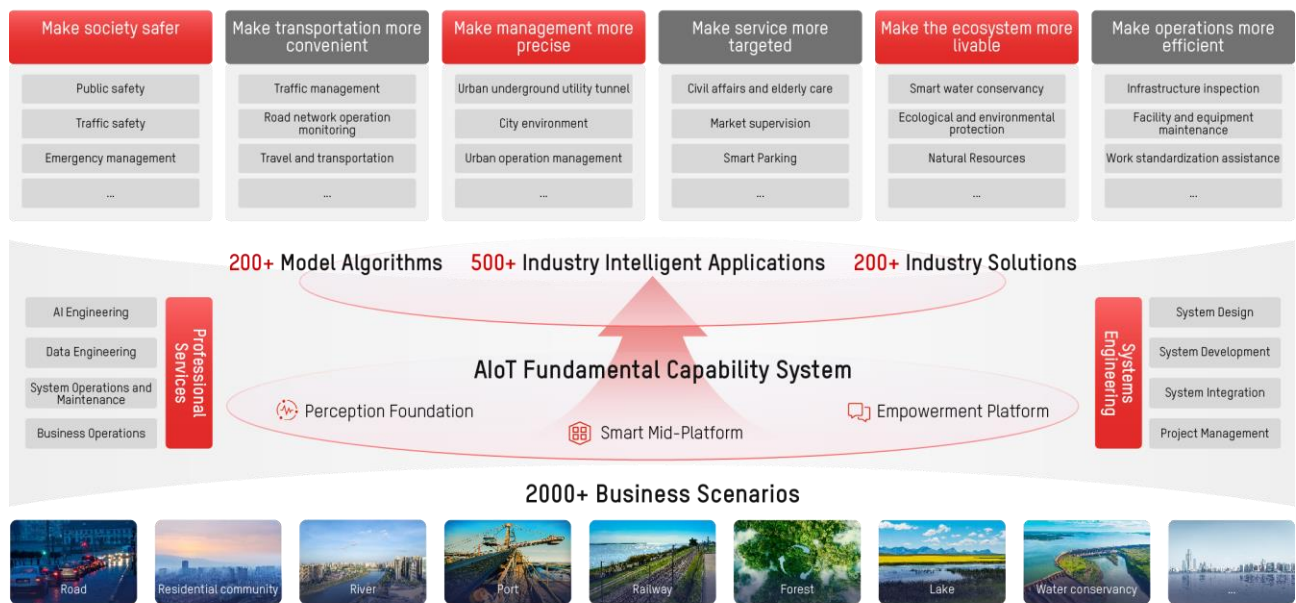
2025 is also a pivotal year for the paradigm shift in large artificial intelligence model technology, as the application of large models is accelerating from the digital world to the physical world. Against this backdrop, the deep application of technologies such as IoT sensing, large models, big data, and cloud computing is driving the transition of intelligent governance from "tool empowerment" to "paradigm reshaping"—the application of large models is beginning to scale up and take root.

Hikvision continues to strengthen its tripartite foundation capability system for AIoT based on "perception, intelligence, and empowerment." In terms of perception, Hikvision continues to delve into full-spectrum and multi-dimensional perception technologies, guided by scientific deployment theories, to optimize the layout of perception frontends and build an intelligent and three-dimensional urban IoT perception network; in terms of intelligence, relying on IoT perception, language, and multimodal large models, combined with industry knowledge to create industry-specific large models, continuously improving the recognition accuracy and interaction experience in complex scenarios, and perfecting the intelligent analysis system covering multi-type computing power scheduling and algorithm self-training; in terms of empowerment, with co-construction and sharing as the core, it integrates

perception information, intelligent algorithms, and data resources across industries to achieve integrated deployment of algorithms, models, and other digital resources, building a shared collaboration mechanism for common components and modules, and comprehensively supporting the construction and development of scenarios for digital transformation of governance methods.

At the same time, the Company continues to strengthen its professional service capabilities in AI engineering, data engineering, operations and maintenance, and operations, building a service support team covering the whole country to enhance user stickiness; continuously improving system engineering capabilities in system design, development, integration, and project management, collaborating and complementing with integrators to provide industry users with a full-cycle closed-loop guarantee from perception to application, and from construction to operation and maintenance.

Based on the AIoT technology system and the Guanlan Large-Scale AI Models capabilities, Hikvision has gradually applied its innovative achievements to various complex scenarios in government and social governance. Relying on more than 2,000 business scenarios, it fully leverages the deep advantages of the Guanlan Large-Scale AI Models in IoT perception and multimodal technologies to continuously incubate more than 200 types of model algorithms, develop over 500 scenario-based industry intelligent applications, and accumulate more than 200 industry solution documents. By forming a technical implementation closed loop that "comes from scenarios and goes to solutions," it provides strong support for the digital transformation of governance methods. It is committed to making society safer, transportation more convenient, management more refined, services more accurate, the ecological environment more livable, and operations and maintenance more efficient.



Make society safer: Hikvision provides end-to-end solutions covering full-area perception, intelligent judgment, accurate early warning, and coordinated disposal in business areas such as pre-event prevention of public safety incidents, management of traffic violations and hidden dangers, and safety production in natural disasters and high-risk industries. The Company has established a closed-loop traffic safety management system from violation control to accident prevention, enhanced risk monitoring and emergency command scheduling capabilities in high-risk industries, and comprehensively empowered intelligent prevention and control in complex scenarios, providing solid technical support for building a safer China at a higher level.

Making transportation more convenient: Hikvision develops industry solutions integrated with IoT sensing technology for scenarios such as urban traffic congestion management, road network operation assurance, and integrated hub travel. By building a digital road intersection infrastructure through radar and vision fusion perception, it realizes situational analysis, signal optimization, and effect evaluation in a closed loop, providing intelligent signal control and timing optimization services to improve urban traffic efficiency. At the same time, based on multi-dimensional perception and intelligent event coordination, it accurately reports road network operation risks and traffic events, ensuring safe and efficient traffic operations, and providing the public with a more convenient and pleasant travel experience.

Enable more refined management: Hikvision provides an integrated "perception-warning-decision-disposal" solution for business areas such as urban lifeline operation monitoring, urban appearance and sanitation supervision, and urban comprehensive management. It builds a risk prevention and control system through systems such as risk

assessment, monitoring and early warning, digital twin, and decision-making command, covering scenarios such as drainage and internal flooding, gas leakage, and bridge structural safety monitoring; it realizes garbage collection and transportation control and standardized operation supervision relying on the intelligent sanitation platform; and it supports the intelligent identification and proactive prediction of more than 70 types of illegal events through the intelligent urban management platform, improving the efficiency of problem discovery and disposal, and helping the government continuously enhance its digital and intelligent governance capabilities.

Making services more precise: Hikvision integrates intelligent elderly care, market supervision, and urban parking operation platforms to provide precise solutions for civil affairs elderly care, food safety, elevator safety, and smart parking. Through smart care and health monitoring systems, fall warning alarms and health management services are realized, improving the level of intelligent elderly care services; relying on kitchen inspection and elevator monitoring equipment, intelligent identification of catering violations and elevator failures is achieved, fully ensuring public safety; based on IoT perception and operation management platforms, a complete closed-loop process of resource scheduling and public guidance is built, optimizing parking space turnover efficiency and driver experience, providing the whole society with efficient and convenient precise services.

Making the ecology more livable: based on multi-dimensional perception, large model intelligent analysis, and digital twin technology, Hikvision provides integrated monitoring and early warning solutions for fields such as water conservancy, ecological environment, and natural resource protection. By optimizing the full range of perception products, we strengthen the "sky-ground-water-engineering" monitoring network, deepen the identification of the "four disorders" in rivers and lakes and the "four predictions" in flood control, and empower the development of smart water conservancy; by integrating thermal imaging and spectral sensing technologies, we achieve comprehensive monitoring of all elements of the atmosphere, water, solid waste, and pollution sources, helping to promote the digital transformation of the ecological environment; we establish a three-dimensional perception network covering scenarios such as forest fire prevention, biodiversity, and farmland protection, using technological power to monitor mountains, rivers, forests, fields, lakes, grasslands, and deserts, safeguarding green mountains and clear waters, and building a beautiful China.

Make operations and maintenance more efficient: Hikvision has built an integrated operations and maintenance system of "perception-diagnosis-warning-disposal" for infrastructure safety monitoring, intelligent operation and maintenance of industrial equipment, and job safety management. Relying on mobile inspection and visual monitoring equipment, potential safety hazards in roads and bridges are accurately identified to improve the efficiency of safety monitoring; by deeply integrating video AI, fiber optic auscultation, and acoustic vibration and

temperature analysis, full-time intelligent warnings are achieved for issues such as belt conveyor misalignment, abnormal idler noise, and motor anomalies; through video AI and spatial coordination technologies, locomotive maintenance and port safety management are upgraded from "man-to-man" to "full-field supervision," comprehensively improving the efficiency of hazard detection and equipment operation reliability, and providing efficient and intelligent operation and maintenance support for various infrastructure and industrial scenarios.

As the construction of a digital China enters a critical phase of deepening applications, large model applications are accelerating from the digital world into the physical world. AIoT is empowering various industries and promoting paradigm reshaping in digital intelligent governance. In this process, government governance needs have extended from narrow public safety to all urban scenarios such as municipal services, transportation, resources, and production. The boundaries of single-industry applications are increasingly being broken down, and the demand for integrated empowerment based on full-scenario and all-weather perception has become more urgent. Hikvision will seize the strategic development opportunities of "AI+", continuously deepen the integration and innovation of IoT perception and large model technologies, and leverage full-scenario perception and deep cognitive capabilities to help digital intelligent governance evolve from scenario intelligence to industry wisdom, injecting technological momentum into high-quality social development.

To better serve users, Hikvision adheres to a user-value-centered approach and builds an end-to-end value chain ecosystem. The Company collaborates with research institutes, product manufacturers, algorithm model vendors, independent software developers, system integrators, distributors, and other AIoT partners to jointly discuss users' core needs. By opening up foundational capabilities in perception, intelligence, and empowerment platforms, Hikvision achieves in-depth cooperation with partners in terms of technology, products, solutions, and services, working together to promote mutual growth and provide public service industry users with higher-quality solutions.

3.1.3 Small and medium business group (SMBG): Empowering customer service users with Hikvision's digital tools

With the continuous development of digital technologies, Hikvision is continuously advancing the digital transformation of marketing, sales, and services. By leveraging end-to-end digital tools for marketing, sales, and service, Hikvision helps customer partners such as distributors and installers improve quality and efficiency, drive the healthy and sustainable development of the industry.

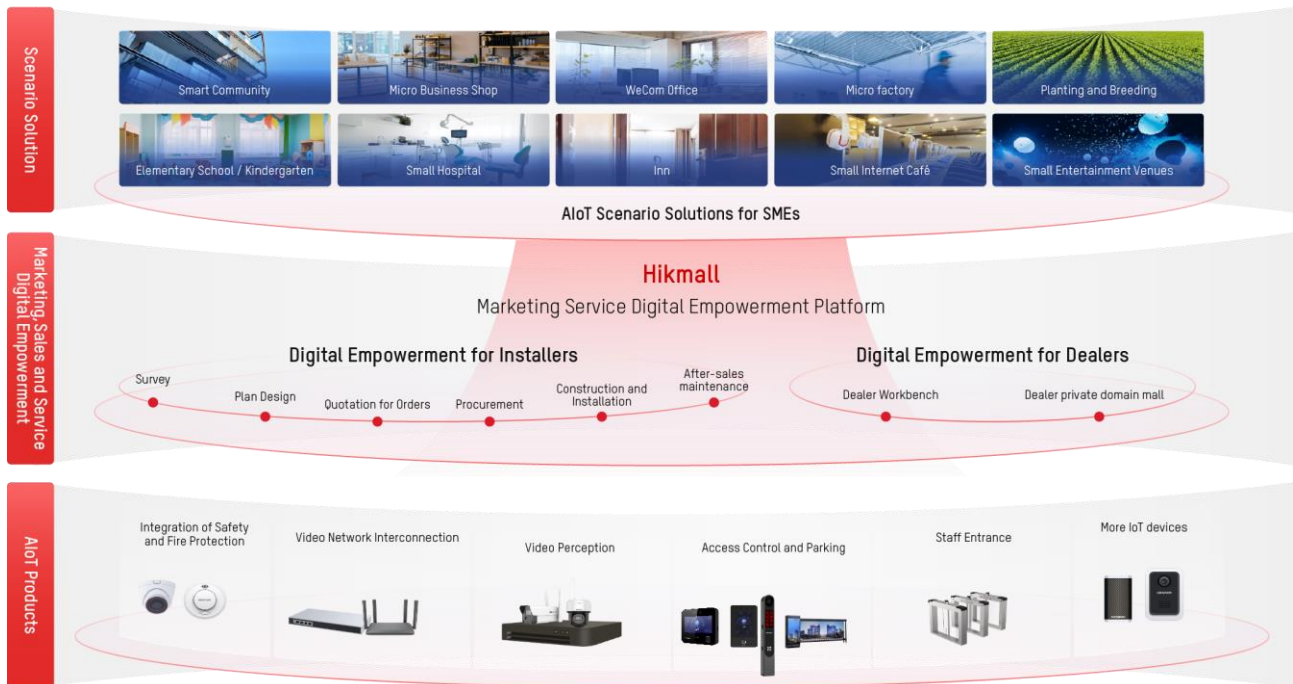
In 2025, through dealer inventory reduction and the establishment of Hikvision regional warehouses, dealer

inventory significantly decreased and inventory turnover efficiency was effectively improved. Through the optimization and promotion of digital marketing and service tools, millions of customer registrations were achieved, and the monthly active users of the platform increased nearly four times compared to the previous year, effectively improving operational efficiency. Hikvision will continue to work with various ecosystem partners to strive for providing small and medium-sized enterprise users with lightweight, easy-to-use, easy-to-maintain, and customized solutions and services.

1) **Capacity Building: enrich and improve digital tools, establish a regional warehouse system**

Hikvision SMBG E-commerce: positioned as a digital empowerment platform for the security industry's marketing, serving customer partners such as distributors and installers, supporting multiple application formats such as APP, PC, and mini programs, helping partners improve efficiency in various stages including marketing, pre-sales, transactions, delivery, and maintenance. In 2025, the platform's functions continue to be enriched and optimized:

- **AI smart marketing:** combine Hikvision product highlights to achieve automatic generation of marketing scripts.
- **AI cloud survey points:** customers only need to upload site drawings, and the system can automatically perform scene modeling, helping customers quickly configure orders and wiring, and realistically present simulation effects.
- **Dealer private domain mall:** use mini programs to conduct online marketing and sales of products sold by dealers, promoting the improvement of marketing and transaction efficiency.
- **Optimize and improve tools** for product information inquiry, scenario-based intelligent product selection and ordering, quick and batch debugging of products, project management, etc.



Currently, Hik-cloud has accumulated millions of registered users, and the platform's monthly active users have increased by 396% compared to the same period last year. In the future, the Company will continuously improve the functions of the platform to enhance the user experience.

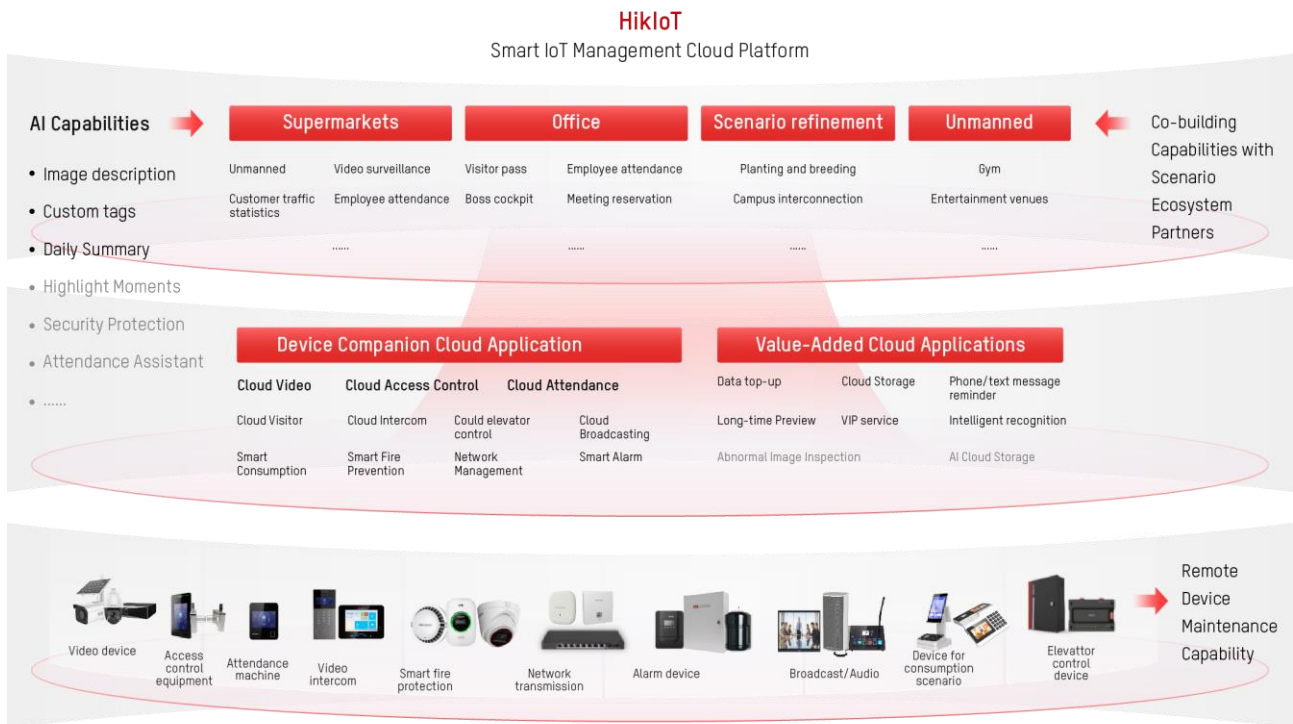
Regional warehouse system construction: to deepen the refined operation of domestic small and medium-sized enterprises' business and improve resource integration efficiency, and strengthen supply chain capabilities, the Company completed the regional warehouse system construction in 2025. This system relies on an integrated digital supply chain mechanism, covering smart selection, accurate forecasting, dynamic inventory preparation, efficient fulfillment, intelligent error prevention, and other core functions, promoting the channel cooperation model to transform into an ecological collaborative one.

Through a data-driven supply-demand collaboration and agile response system, the Company systematically enhances three core capabilities of dealers:

- **Inventory management:** achieve lean control to effectively reduce warehousing costs and the risk of unsold stock.
- **Order fulfillment:** relying on intelligent scheduling and regional warehouse networks to ensure efficient response, with a 24-hour shipping rate consistently exceeding 95%.
- **Fund operation:** significantly improve turnover efficiency through supply chain collaboration and optimization.

After the project was implemented, the dealer's inventory structure continued to be optimized, and fulfillment efficiency steadily increased. The Company has built an end-to-end business collaboration ecosystem with its three major production bases in Hangzhou, Wuhan, and Chongqing as hubs, comprehensively empowering dealers to achieve capability upgrades and value co-creation.

Hikvision SMBG HikLink: positioned as an AIoT management cloud platform, serving small and medium-sized enterprise users. The platform integrates common IoT capabilities such as video, access control, alarms, attendance, visitors, broadcasting, network management, smart fire protection, and information release. It also collaborates with ecosystem partners to provide scenario-based solutions for small and medium-sized enterprise users in residential areas, small factories, small industrial parks, and breeding farms.



The platform has fully integrated AI large model technology, providing innovative services such as intelligent scenario algorithms and intelligent reminders, helping small and medium-sized enterprises achieve digital and intelligent transformation, and promoting intelligent inclusiveness. Currently, the platform has cumulatively launched tens of millions of devices, serving millions of small and medium-sized enterprise users.

2) Business direction: upgrade channel model, drive industry digital transformation

Integrate online and offline strategies to deepen precision marketing: In offline marketing activities, the Company in 2025 collaborated with dealers to carry out the "I Am a Pro" and "County Marketing Subcontracting"

initiatives to promote products. In the future, the Company will continue to leverage various activities to attract installers to register on the Hikvision Cloud Business platform. In terms of online precision marketing, the Company will rely on the Hikvision Cloud Business private domain mall to precisely reach out to registered installers and continuously drive transaction conversion.

Hikvision SMBG E-commerce empowers customers' digital transformation: the Company will start from the entire process of pre-sales, sales, and after-sales, continuously optimizing intelligent order matching tools, AI cloud survey tools, product information, service plaza, device configuration and debugging modules, constantly improving platform functions, and building a robust marketing and service digital empowerment platform.

Hikvision SMBG HikLink empowers small and medium enterprise management: the Company continues to improve the platform, integrate multi-terminal capabilities, expand lightweight intelligent algorithms, and collaborate with ecosystem partners to create small vertical scenario solutions. The Company will continuously improve its standardized, small yet elegant solution services to meet the needs of small and medium enterprises for lightweight and user-friendly features.

Looking ahead, Hikvision will continue to uphold the concept of win-win cooperation, closely work hand in hand with a wide range of partners, fully embrace AI technology, improve the digital tool system, deepen precision marketing, innovate business models, and comprehensively support the digital transformation of small and medium-sized enterprises, promoting the knowable and perceptible nature of everything, and achieving interconnectivity and interoperability.

3.2 International Core Business: Globalization Strategy Spreading Our Branches, Taking Roots in Foreign Soils, and Contributing to Sustainable Growth.

Over the past two decades, Hikvision has accurately grasped every technological transformation driven by digitization, high definition, networking, and intelligence, converting technological potential into the core momentum for global development. With the global wave of digitization, the Company's international business has steadily advanced, achieving leapfrog development from capturing market opportunities to creating core value.

Looking back on the development of overseas business, the Company has experienced three strategic stages: "international trade - international marketing - localized operations," completing the transformation from "sowing seeds," "planting," to "taking root," and "forming a forest." The strategic focus has also shifted comprehensively from the single sales of security products to value marketing of "AIoT products + industry solutions." Currently, the

Company's business has covered more than 180 countries and regions worldwide, building a diversified and three-dimensional channel network. Together with over 600,000 partners, it provides professional and localized services to overseas customers and users.

Looking ahead, we will uphold long-termism and firmly advance globalization and compliant operations. We will continuously deepen our "one country, one product, one strategy" marketing strategy, focus on cultivating existing markets, expand incremental markets, enhance operational efficiency through lean management, and achieve high-quality growth.

3.2.1 Continuously building a solid and comprehensive AIoT product, technology, and solution system for international business

On the basis of continuously consolidating its core video-related businesses, Hikvision is actively expanding its second growth curve in overseas markets, with artificial intelligence technology, multi-dimensional perception technology, and imaging technology as its core. The Company is continuously improving its AIoT product family that meets overseas demand. Leveraging its significant distribution channels and brand influence advantages, Hikvision keeps expanding into project markets and enriching industry solutions. By promoting the coordinated development of channel-based and project-based markets, the Company lays a solid foundation for the long-term growth of its overseas business.

1) An AIoT technology and product portfolio with characteristics of overseas markets, continuously expanding the second growth curve

Weatherproof and environment-friendly imaging technology: based on the new generation AI-ISP technology, the Company continuously launches new products. For example, ColorVu 3.0, DarkerFighter 2.0 and other front-end products can provide ultra-clear and detail-rich color images in ultra-low illumination environments. In terms of environmental adaptability, the Company provides camera products with a variety of characteristics and functions, such as high-molecular anti-corrosion, support without electricity or network, resistance to high and low temperatures, self-cleaning, anti-vibration and anti-shake, macro and ultra-long-distance shooting, to adapt to various working environments and ensure stable and clear imaging effects under complex and harsh environmental conditions.

More precise AI applications: based on Hikvision's large models, the Company continues to launch a series of large model products for overseas markets. For example, DeepinViewX cameras and DeepinMind backend

products, by embedding visual large model technology, have significantly improved the detection and accuracy rates of targets such as people and vehicles in scenarios like perimeter protection, greatly reducing false alarms. AcuSeek NVR products, based on multimodal large models, support users to search via natural language, greatly enhancing video search efficiency and operational convenience. The traffic large model product series, including checkpoint cameras, road event detection cameras, and ANPR cameras, has significantly reduced false alarms in scenarios such as traffic violation and safety event detection on roads, effectively improving road driving safety. In addition, thermal imaging, security inspection, and other products are gradually integrating large model technology, delivering more outstanding product experiences to customers.

Rich perception technology capabilities: based on video products with visible light perception, Hikvision continuously deepens the research and application of multi-dimensional perception technologies. The Company provides diversified perception products including radar, thermal imaging, fiber optic sensing, X-ray, and more, continuously delivering value in practical scenarios. For example, radar products can accurately measure the volume of targets such as silos and stockpiles; temperature-sensing fiber optic products can provide all-weather accurate temperature monitoring for facilities such as electrical cabinets and oil pipelines; vibration-sensing fiber optic products can accurately locate abnormal vibrations along perimeters or pipelines; gas cloud imaging and gas detection products support the detection of flammable, explosive, and toxic gas leaks at a distance; security inspection products (covering personnel and item detection) can achieve precise detection of prohibited items in high-security scenarios such as mining, industrial parks, and rail traffic. By effectively integrating multiple perception technologies, the Company continuously enhances the digitalization capabilities of AIoT scenarios, assisting enterprise customers in their digital transformation, reducing personnel and safety risks, and significantly improving production efficiency.

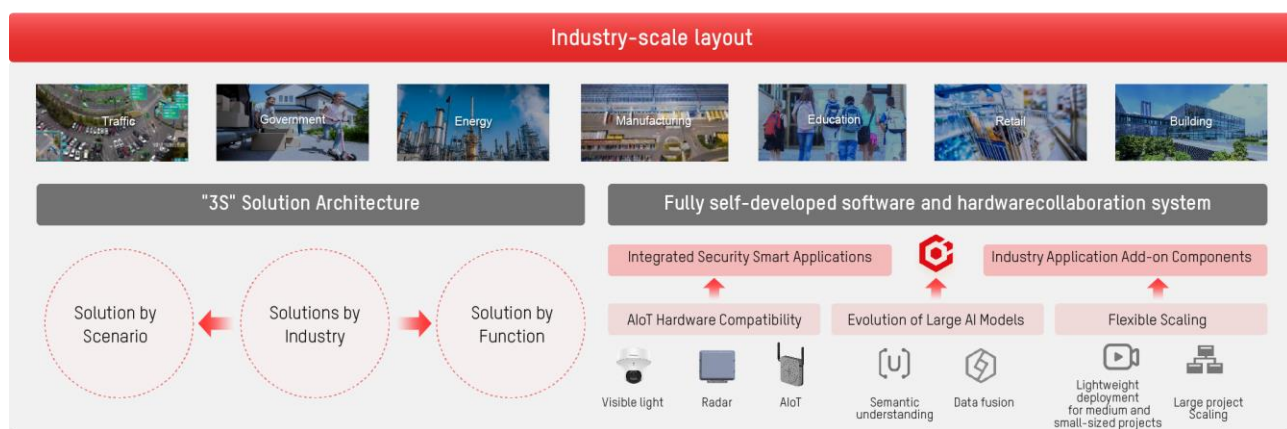
Based on the requirements of small and medium-sized enterprises for lightweight and user-friendly products and systems, Hikvision integrates multi-terminal capabilities such as CCTV, access control, intercom, ANPR, alarm, audio, and network communication. Relying on the unified management of the Hik-Partner Pro (HPP) and Hik-Connect (HC) cloud platforms, Hikvision provides SMB customers with a convenient, efficient, and cost-effective one-stop solution.

In recent years, video services have maintained steady, high-quality growth by consolidating channel foundations and optimizing product structures; non-video businesses have continuously expanded their market share by effectively reusing channels while actively developing new ones. Multiple non-video product lines, including

access control intercom, data communication, and display, jointly form the second growth curve of overseas business. By building a full-linkage closed loop of "perception-cognition-control execution", the Company has achieved an upgrade from video surveillance to comprehensive security management, continuously connecting with and serving SMB customers, and comprehensively assisting small and medium-sized enterprises in completing digital transformation.

2) The overseas project market "3S" solution system is continuously deepening, building an intelligent platform to drive the digital implementation of the industry

The Company relies on its self-developed software and hardware products to comprehensively deepen the "3S" solution system overseas, covering three levels: industry-level solutions (Solution by Industry), scenario-based solutions (Solution by Scenario), and functional solutions (Solution by Function). Through the organic collaboration of these three levels, the Company has achieved full-chain coverage from business planning to technology implementation, significantly enhancing the quality of solutions and project delivery efficiency, accurately grasping market opportunities, and ensuring the successful implementation of key projects.



The Company has built a software and hardware collaborative architecture centered on the HikCentral management platform, providing flexible support for the "3S" solution system.

- **AI Evolution:** By 2025, the platform's core capabilities will achieve a breakthrough. By introducing multimodal large model technology, the system makes a leap from traditional rule matching to semantic understanding, capable of parsing natural language instructions and automatically associating multidimensional sensing data. This semantic-level perception fusion technology transforms video IoT

data into high-value business assets, laying a solid foundation for building an intelligent hub with cognitive capabilities.

- **Compatibility and Integration:** The platform fully supports multi-dimensional perception AIoT products such as visible light, thermal imaging, and radar, and is compatible with mainstream general protocols. Through a unified device access layer, it achieves standardized integration and efficient reuse of heterogeneous data.
- **Flexible architecture:** The application layer adopts a modular design of "basic components + plugins (Add-on)". For medium and small-sized projects, a lightweight architecture enables rapid deployment; for large and complex projects, it supports distributed clusters, high-concurrency processing, and multi-level management expansion to meet the differentiated needs of various organizations.

Closely aligning with the demand conditions and regulatory policies of different regional markets globally, the company implements targeted, precise, and efficient localization strategies to continuously enhance the competitiveness of its solutions and steadily cultivate the project market.

- **Asia-Pacific region:** leverage geographical advantages and focus on government and enterprise customers. On the government side, multiple city-level operation management center projects have been successfully delivered, effectively addressing complex governance challenges across departments and levels; on the enterprise side, digital applications are being advanced from campus management to deeper production and operation processes.
- **Middle East region:** focusing on urban integrated governance and large-scale infrastructure projects, providing end-to-end services covering top-level design to delivery implementation, ensuring high-quality realization of large-scale projects.
- **North America region:** to respond to the complex compliance and competitive market environment, deepen the local partner ecosystem, focus on infrastructure and public safety sectors, and achieve steady business growth.
- **Europe:** facing stringent privacy compliance challenges head-on, ensuring solutions fully comply with local laws and regulations through refined permission management and data anonymization mechanisms, and gaining market trust through technical compliance.

The Company has achieved systematic layout and large-scale application in seven core industries overseas,

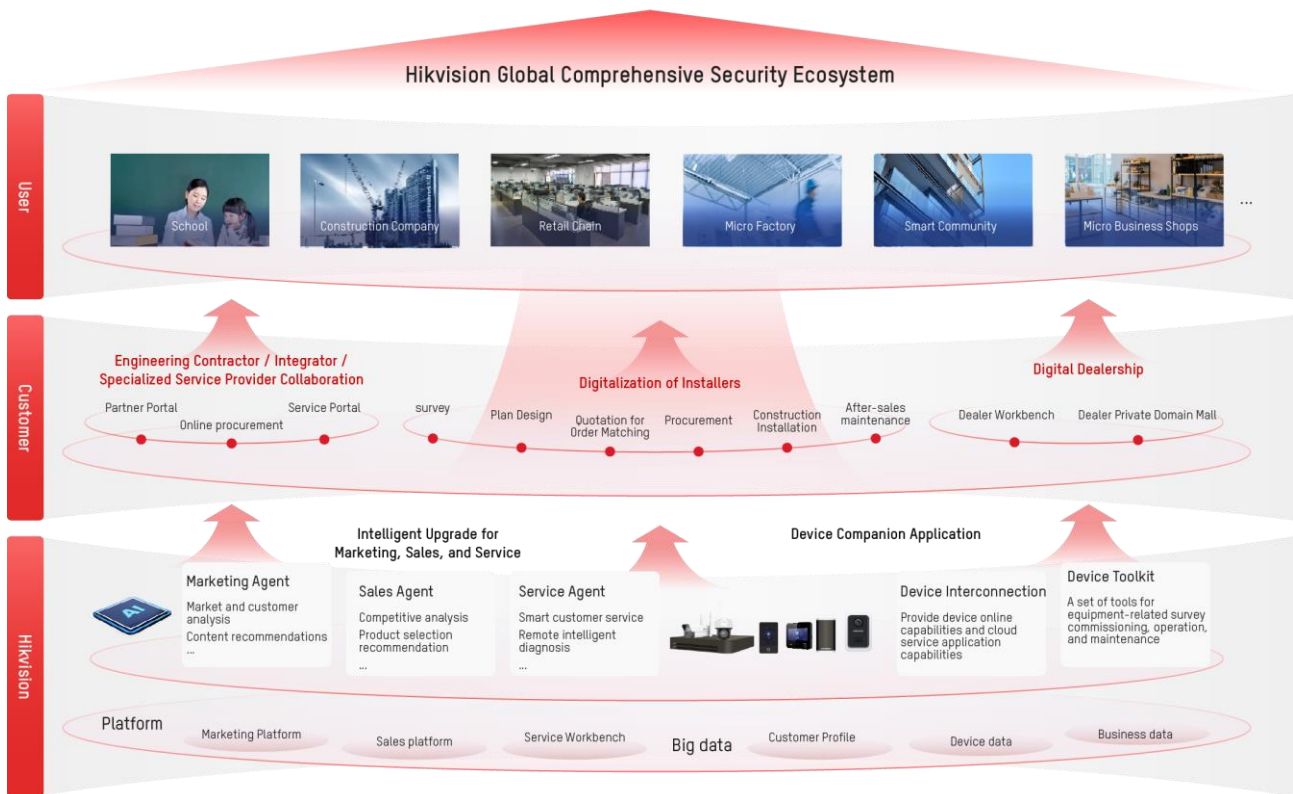
forming a replicable solution system.

- **Transportation industry:** Focused on road traffic and public transportation, providing urban management units with road network optimization and integrated governance planning. Based on multi-dimensional sensing data, it outputs traffic flow analysis and signal coordination strategies, helping significantly improve road network efficiency in Southeast Asia, Central Asia, and the Americas.
- **Government industry:** establish a benchmark project group for urban comprehensive governance, forming a virtuous operational cycle. Targeting municipal departments, provide smart city governance and an integrated emergency response system, continuously expanding business scope to scenarios such as municipal administration, border and maritime defense management, and security for large-scale events.
- **Energy industry:** in line with the global energy structure transformation trend, provide head customers in the fields of power, oil and gas, mining, etc., with comprehensive safety production and asset integrity management solutions, deeply embedded in production operation processes and equipment condition monitoring links.
- **Manufacturing industry:** following the global industrial migration and the expansion of Chinese enterprises overseas, focusing on manufacturing clusters in ASEAN, Eastern Europe, etc., and centering on two key directions: "smart park management" and "workshop visualization," achieving large-scale project implementation.
- **Education industry:** targeting local education bureaus and universities, promoting a digital transformation that advances "Safe Campus + Smart Teaching" in parallel. By applying scenarios such as interactive teaching resource sharing and comprehensive campus security management, it drives innovation in teaching methods and upgrades the campus security system.
- **Retail industry:** providing integrated solutions covering loss prevention and operational optimization for chain groups. Leveraging AI technology to focus on key nodes such as banking behaviors and shelf displays, integrating data from multiple stores, analyzing loss trends and customer profiles, and supporting business decisions, has been successfully implemented in multiple markets including Europe.
- **Building industry:** focused on real estate development, commercial real estate, and residential business, providing leading customers with integrated designs for green energy efficiency and intelligent operations. At the same time, expanding opportunities in data center construction and venue development,

collaborating with ecosystem partners to develop integrated and interactive solutions, achieving dual outcomes of operational cost optimization and enhanced user experience.

3.2.2 Deepen the construction of international digital marketing service system to create new advantages in excellent local response and digital connectivity

Under the guidance of the Company's comprehensive digital transformation strategy in 2025, Hikvision's international business continues to advance the intelligent and lean upgrading of the global marketing service system, driven by "excellent local response speed" and "strong digital connectivity capabilities." We are committed to integrating digital capabilities into the business value chain to achieve agile service for global customers and value co-creation.



Build a fast-response network centered on customers: by deepening the application of the Hik-Partner Pro (HPP) platform, market promotion, sales support, and technical service functions are comprehensively extended to local channel partners. This platform focuses on the entire business journey of channel partners, relying on a set of simple and efficient digital tools to significantly improve collaboration efficiency in various aspects, including content marketing, solution design, intelligent order matching, and after-sales support. At the same time, intelligent methods are used to dynamically optimize overseas warehouse and logistics resource allocation, effectively

addressing international shipping capacity fluctuations, ensuring orders are fulfilled quickly and accurately, and continuously enhancing customer satisfaction.

Strengthen global digital connectivity to inject new momentum into precision marketing and efficient collaboration: based on digital and AI technologies, the Company comprehensively optimizes the full-chain operational capabilities of products and marketing content, significantly improving content localization efficiency, shortening market response cycles, while ensuring the consistency and professionalism of the global brand image.

- **Offline marketing field:** the Company's newly developed HiEvent event management platform covers key stages such as customer invitation, operational execution, and lead evaluation, enabling full-process online management of events. The platform supports multilingual intelligent and precise outreach as well as automatic reminders, significantly enhancing user participation experience and conversion efficiency. Based on systematic data aggregation and visual dashboards, it realizes full-process data traceability from registration to post-event review, truly achieving closed-loop management and continuous optimization of marketing activities. Building on this foundation, the Company continues to strengthen data governance and deep insight capabilities, driving the transformation of marketing strategies from "broad coverage" to "precise outreach."
- **Online services:** the self-developed AI large model smart customer service robot has raised the direct answer rate for customer questions to 85%, efficiently freeing up human resources. As a 24/7 digital coach, the eLearning platform continuously empowers global customers and partners 24 hours a day, 7 days a week. Currently, the Company has established a service network consisting of 18 global call centers and over 560 authorized service centers, continuously improving customer satisfaction with industry-leading response capabilities.

Committed to efficient operations and continuously enhancing systematic operational quality: the Company has introduced a leading lean operation model in the industry, converting "intangible" market demands into quantifiable and actionable growth metrics, and continuously optimizing operational efficiency with digital tools. The concept of "continuous improvement" has been integrated into the entire business process, driving simultaneous enhancement of customer satisfaction and company profitability. In terms of collaboration, the Company adheres to long-termism, continuously deepening coordination with internationally leading logistics and warehousing suppliers, maintaining the efficiency improvement of the global supply network, maintaining close cooperation with partners, addressing international macro-environment fluctuations together with partners, and enhancing the resilience of the supply network.

In the future, we will take the digital marketing service system as the core support, deepen localized operations in key markets, and enhance customer service experience by building two core capabilities of "rapid response" and "digital connectivity." We will not only be a leader in technological innovation but also a trustworthy service partner.

3.2.3 Deepen the international ecosystem layout through open product technology and cooperative resources

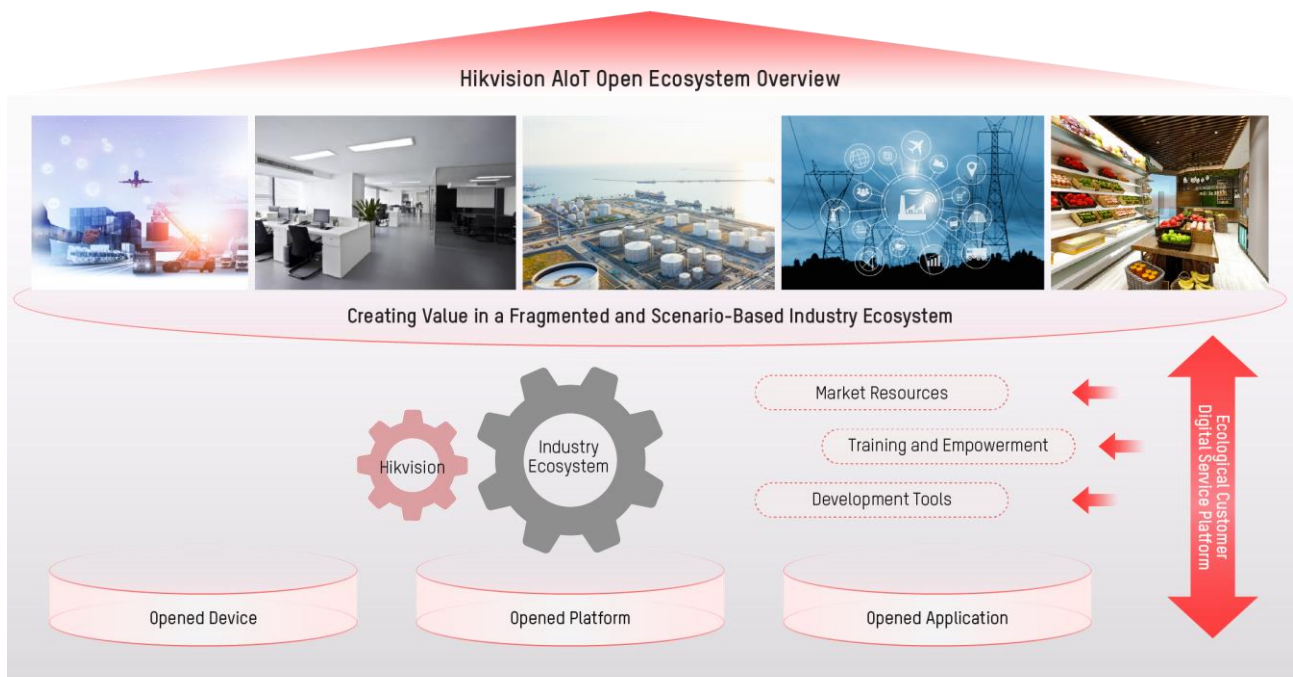
In 2025, the deep integration of artificial intelligence and IoT infrastructure is driving profound digital transformation across all industries. The industry development paradigm has shifted comprehensively from basic IT construction to deep collaboration with operational technology (OT), and the logic of creating business value has been restructured: no longer relying on fragmented data collection, but emphasizing deep insights and intelligent responses to continuously generated business data. At the same time, in the face of users' fragmented and scenario-based personalized needs that traditional standardized solutions struggle to meet, building an open and flexibly composable AIoT ecosystem based on AI large model technology is increasingly becoming a market consensus. In response to the rapidly changing and highly complex business demands, establishing flexible and complementary partnerships with ecosystem partners has become an industry trend. Hikvision continues to deepen its global ecosystem layout, empowering global customers' digital transformation through an open technical architecture and abundant resource accumulation.

Hikvision promotes device openness: in terms of device openness, the Company has made an important leap from traditional security to a broader sensing domain. In response to the urgent global market demand for diversified data collection, in 2025 the Company further opens its rich hardware capabilities to industry application partners through standardized interfaces. Non-traditional security devices such as solar-powered cameras, millimeter-wave radars, and various industrial sensors are no longer just closed hardware units, but are transformed into open nodes with standard protocol access capabilities, which can be flexibly called and integrated by third-party industry software platforms. For example, in Africa, upper-level management systems developed by partners can directly read real-time on-site images and environmental data from solar-powered cameras and sensing devices through standard interfaces, thereby enabling remote command and dispatch. In logistics and retail scenarios around the world, PDA products also achieve seamless integration with enterprise users' business systems through open capabilities. This transformation from "device sales" to "open device capabilities" greatly reduces the integration and development threshold for industry software vendors, enabling previously fragmented scenario data to be efficiently aggregated into various upper-level applications, providing a solid and rich "data foundation" for intelligent analysis, and making Hikvision's devices a powerful tool for the business extension of ecosystem partners.

Hikvision is building an open platform: to address the diverse and fragmented application needs of global vertical industries, the Company continues to strengthen its platform openness capabilities and promote the implementation of the dual-wheel drive strategy of the "HEOP Hardware Open Platform" and the "AI Open

Platform". In 2025, the activity level of the HEOP hardware open platform in overseas markets continues to rise, and the AI open platform has become an important support for local independent software developers (ISVs) to efficiently develop customized algorithms. A series of functions and algorithms developed by partners based on Hikvision's open platform have helped customers in the Middle East complete safety inspection tasks in extreme natural environments and assisted major cities in Europe in managing traffic congestion on complex roads. By providing an easy-to-integrate technical and equipment capability through platform openness, and with the support of a wide range of partners, the Company is delivering intelligent foundations for various industries, bringing technological innovation closer to real-world application scenarios.

Hikvision builds application openness: based on a dual architecture of public cloud and private cloud, the Company has built a highly flexible video and IoT perception service platform, promoting collaborative upgrades in service capabilities. By 2025, the HikConnect platform achieves unified packaging and openness of multi-terminal capabilities such as video, access control intercom, and license plate recognition, providing convenient and user-friendly device access support for a large number of cloud service providers, effectively assisting traditional security integrators in their transformation into comprehensive operation and management service providers. The business model of "cloud empowerment + on-site services" significantly enriches the application ecosystem of international operations, promoting the inclusive application of AIoT technology among a broader user base.



Against the backdrop of the accelerated global digital transformation, Hikvision adheres to its core strategy of

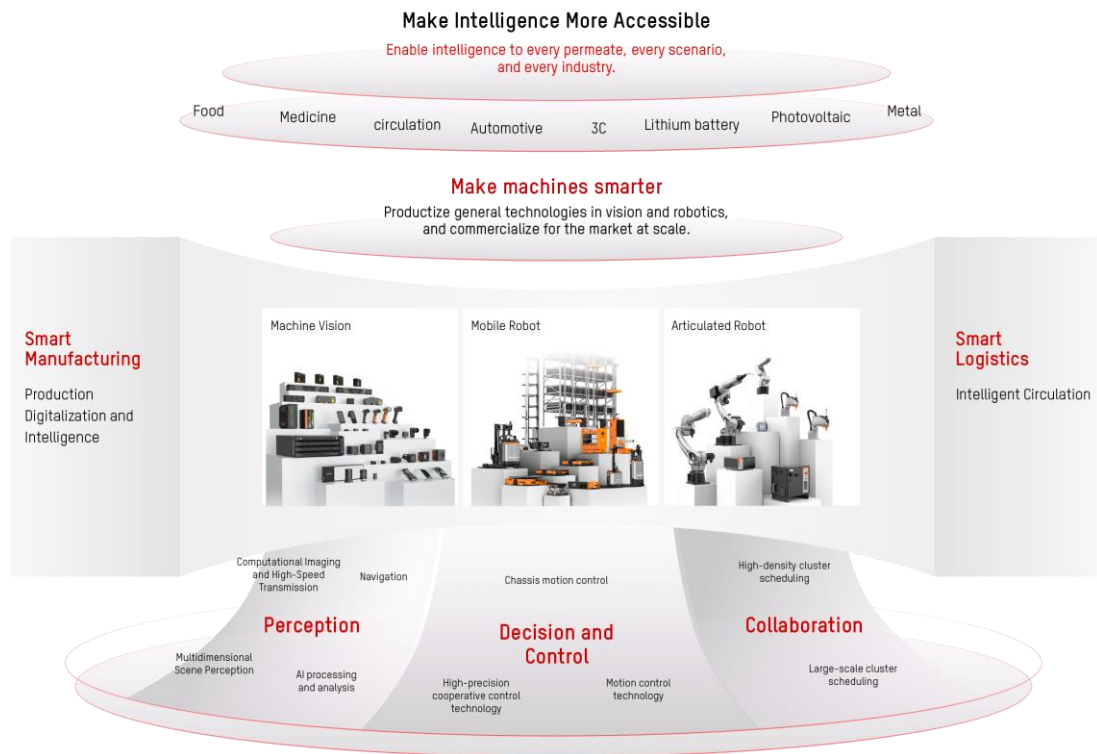
"serving the global ecosystem with digital capabilities." We focus on connecting service channels and coordinating online and offline resources. Around key aspects such as technical development, tool support, and training empowerment, we uphold the concept of open collaboration and full-process technical and service support, working hand in hand with ecosystem clients to grow together and create shared value. Relying on industry-leading AIoT technology and precise scenario-based solutions, we are helping users from various industries achieve intelligent restructuring of management models and a comprehensive improvement in operational efficiency, jointly ushering in a new phase of efficient and intelligent future development.

3.3 Innovative Business: Eight Innovative Businesses Thriving, Continuously Painting New Growth Curves.

The continuously accumulated technical reserves and the constantly expanding business reach of Hikvision provide a favorable environment for innovative business development. Hikvision's core business and innovative businesses are all centered around the clear business direction of AIoT, yet they differ in technical construction, product development, and business layout, supporting and promoting each other to jointly empower the digital transformation of the economy and society. The innovative business portfolio currently includes HikRobot, EZVIZ Network, HikMicro, HikAuto, HikSemi, HikFire, HikRayin, and HikImaging. The sound development of these innovative businesses continuously injects new momentum into the Company's long-term sustainable growth.

3.3.1 HikRobot

HikRobot focuses on the fields of industrial internet of things, intelligent logistics, and smart manufacturing. It deepens its business layout around the technical architecture of "hand-eye-foot" coordination, comprehensively promotes the in-depth integration of AI with perception, decision-making, and execution systems, and continues to explore and expand in core business directions such as machine vision, mobile robots, and articulated robots. This helps users improve quality, reduce costs, and enhance efficiency, promoting the digital and intelligent transformation and upgrading of production manufacturing and logistics processes.



In 2025, in the field of machine vision, HikRobot continues to improve its vision ecosystem centered on the VM algorithm software platform, launching large model applications for industrial quality inspection, and perfecting 2.5D and 3D vision products as well as industrial control product series, thereby enhancing solution capabilities in key industries such as 3C electronics, PCB, and lithium batteries. In the area of mobile robots, new products based on the fifth-generation AMR intelligent base platform have achieved large-scale application. The STU intelligent warehousing solution has been rapidly deployed in circulation and industrial manufacturing scenarios, significantly improving warehouse space utilization and order picking efficiency. HikRobot has released the Plant Mirror industrial simulation software, further perfecting its industrial software layout for mobile robots. Leveraging a rich product portfolio and the advantages of software-hardware integration, HikRobot has further consolidated its market leadership in core industries such as automotive, new energy, and large-scale circulation. Series of articulated robots have achieved mass applications in multiple industries, and HikRobot continues to advance business expansion in process scenarios such as welding, polishing, and palletizing.

Based on the collaborative technical architecture of "hand, eye, and foot," the three major product lines drive the comprehensive upgrade of business from single-machine automation to production-line-level intelligent solutions through collaborative innovation and application practice, providing strong support for intelligent transformation and upgrading in the industrial sector.

3.3.2 EZVIZ Network

AIoT perception is the core foundation of the EZVIZ's business. Based on cutting-edge smart vision and IoT technologies, EZVIZ's is committed to providing C-end users with reliable and trustworthy security protection, ensuring the safety of homes and society, and enhancing the quality of life. At the same time, EZVIZ opens its smart vision IoT cloud capabilities to industry developers, working together to create a more convenient, secure, and warm better life.

In 2025, based on the underlying capabilities of the EZVIZ Mira Large Model and the edge-cloud collaboration technical architecture, EZVIZ developed and improved a series of intelligent hardware products and services based on AI visual capabilities. In terms of product innovation, the portable 4G battery camera breaks through the growth curve of smart home security cameras, the AI smart lock once again leads industry product transformation, the AI cloud storage value-added service actively explores the commercial application of cloud-based large models, the EZVIZ Cloud PaaS open platform continues to build a full-scenario adaptable AI open capability system, and continuously improves the componentized and scenario-based aPaaS open ecosystem. EZVIZ's hardware products and software services have received positive feedback from market customers. In 2025, EZVIZ focuses on "quality improvement, efficiency enhancement, and innovation-driven" and continuously improves operational efficiency in multiple aspects such as full-domain retail channel construction, IPMS¹⁹ management system construction, digital supply chain construction, and AI empowerment of company operations.

¹⁹ IPMS: Integrated Product Marketing & Sales

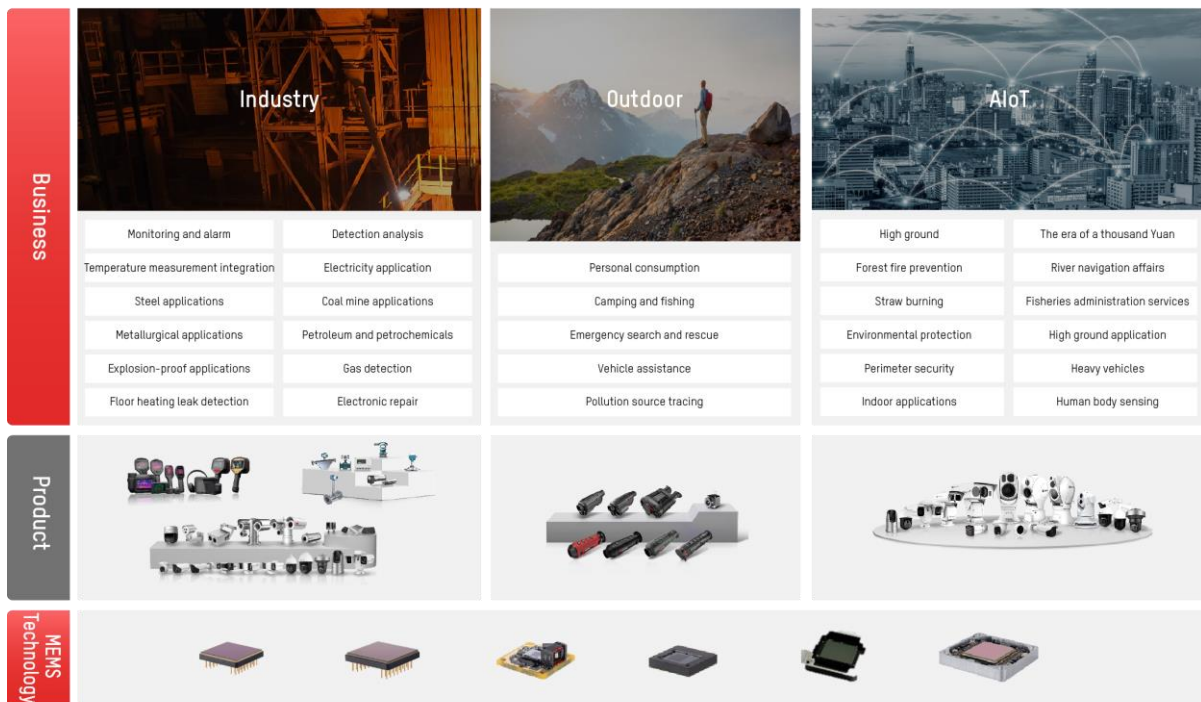


For detailed information about EZVIZ Network, please refer to the 2025 annual report of EZVIZ Network disclosed separately.

3.3.3 HikMicro

Based on infrared thermal imaging technology, HikMicro focuses on high-value-added MEMS²⁰, optoelectronic devices, and sensor technologies, building a multi-dimensional sensing capability covering temperature, pressure, flow, and level measurements. By vertically integrating technology, products, and markets, HikMicro is committed to providing comprehensive sensing solutions for digital industry, AIoT and other fields, helping enterprises to achieve digital transformation and expanding the boundaries of human perception.

²⁰ MEMS: Micro-Electro-Mechanical Systems



In 2025, Hikvision continues to advance core technologies in the field of infrared thermal imaging, including detectors, algorithm capabilities, and intelligent applications. In terms of infrared detectors, HikMicro has established a second-generation high-performance product technology platform and launched the third-generation 12μm 640/1280 detector based on this platform, with significantly improved sensitivity. AI image enhancement technology and Soc system optimization technology have been widely applied in products. The new generation of self-developed image chips are equipped with the ImagePro4.0 adaptive enhancement algorithm, greatly improving the application effects and visual experience in all scenarios and under all weather conditions. In addition, based on video large model technology and advanced intelligent strategies, HikMicro's products continue to improve their capabilities in areas such as perimeter protection and fire and smoke detection, better meeting the diverse needs of users in various industries.

In the field of digital and intelligent industry, HikMicro continues to focus on core products such as radar level meters, pyrometers, and ultrasonic flow meters. By continuously optimizing hardware low-level signal processing technology and AI algorithms, product performance has achieved a leapfrog breakthrough, with key indicators reaching industry-leading levels. The products have demonstrated excellent adaptability in complex and demanding industrial scenarios such as alumina, steel, power generation, petrochemicals, and semiconductors, successfully solving multiple key technical challenges that users have long faced. At the same time, HikMicro collaborates with industrial temperature measurement and handheld instrument product lines to build an end-to-end product system

"from outside to inside," from external detection to internal monitoring, providing deeper and more comprehensive solutions for industrial enterprises' safe production, quality improvement, efficiency enhancement, and green and low-carbon transformation.

3.3.4 HikAuto

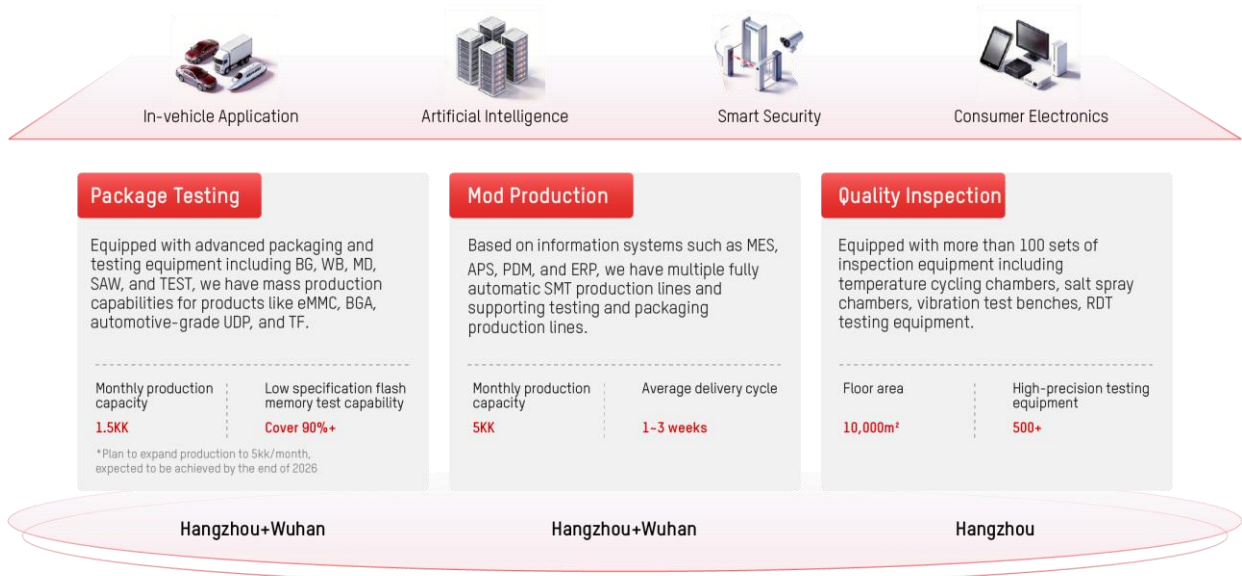
With vision and radar technologies as its core, HikAuto has grown into a leading domestic enterprise in intelligent driving sensors for the original equipment market of passenger vehicles. It also covers the original and after-market sectors of commercial vehicles and the automotive after-market, providing professional radar perception products and solutions. This helps promote intelligent driving, enhances traffic safety, improves transportation efficiency, and drives digital applications across various industries.

In 2025, with the rapid increase in the penetration rate of intelligent driving assistance in the domestic market, HikAuto's two major intelligent driving sensors, automotive cameras and millimeter-wave radars, continue to maintain high-speed growth. On this basis, HikAuto continues to increase investment in product innovation, and new products such as 4D imaging radar, L2 intelligent driving integrated units, and small domain controllers for driving and parking are successively achieving mass production and location breakthroughs, further consolidating HikAuto's leading position in the field of intelligent driving sensors and systems. In the commercial vehicle market, closely following the domestic "single Beidou" policy trend, HikAuto is expanding its market share in the single Beidou retrofitting of operating vehicles in various provinces, and continues to deepen its business applications in areas such as public transportation and rail transit, breaking through key customers in overseas major countries, and continuously enhancing its brand influence. Radar products maintain market advantages in the fields of transportation and security, achieving large-scale implementation and critical breakthroughs in high-end industrial segments such as feed and breeding, grain storage, thermal power generation, and port machinery, effectively enhancing the brand's penetration and global competitiveness in overseas high-end markets.

3.3.5 HikSemi

With the rapid development of cloud computing, big data, and artificial intelligence technologies, the global demand for data processing and storage continues to grow rapidly. HikSemi closely follows the technological evolution direction of high performance, high bandwidth, and large capacity, comprehensively deepening storage product design, firmware algorithm development, advanced packaging testing, and smart manufacturing mass production delivery capabilities. HikSemi actively strengthens collaboration within the industrial chain, promoting

the large-scale implementation of its business in key application scenarios such as automotive applications, artificial intelligence, intelligent security, and consumer electronics. It is committed to becoming a leading storage comprehensive solution provider in China and achieving high-quality growth.



3.3.6 HikFire

HikFire’s business covers two major areas: General Fire Protection and Industrial Fire Protection. It is a provider of intelligent fire protection IoT and smart management solutions centered on fire detection technology, multi-dimensional sensing technology, wireless IoT technology, AI large model technology, and fire protection cloud. HikSemi is committed to promoting the digitalization and intelligent transformation of fire protection systems. Its business includes urban intelligent fire protection IoT, remote fire protection monitoring for cities, digital fire management for organizations, In-Home Fire Protection, industrial safety production (lithium battery safety, flammable and toxic gas detection), and emergency safety management. By building an open industrial ecosystem and service cooperation system, it provides comprehensive protection for urban public services, enterprises, institutions, and small and medium-sized users, aiming to establish a four-dimensional integrated intelligent fire management system featuring smart perception, smart prevention, smart management, and smart rescue.

solution	AIoT for City Fire Protection Fire protection supervision Disaster relief governance Elderly care and people's livelihood protection Relocating of old residential areas Smart community Gas rectification Electric bicycles rectification	Digital Management for Organization Fire Protection School Cultural relics organization Hospital Industrial enterprise Retail chain company Bank Data center and server room	Industrial Fire Protection Safety Management Petrochemical industry Electricity Urban Pipe Gallery Rail Traffic New Energy (Wind Power/Solar Power/Energy Storage)
	General Fire Protection Traditional fire internet of things Visible security and fire protection Smart electricity Fire alarm Smart evacuation Extinguishing Gas detection Wireless fire alarm Residual pressure monitoring Supply monitoring Electrical fire monitoring Fire door monitoring		Industrial Fire Protection Industrial fire alarm Linear heat detection probe Aspirating smoke detection Fire monitoring for industry Industrial gas detection Flame detector
	Comprehensive Ability <ul style="list-style-type: none"> National high-tech enterprise Top 10 alarm brands in HuiCong fire industry Winner of "smart fire fighting leading brand" in the HuiCong fire industry for consecutive years Won the "innovation product award" presented by the China Fire Protection Association multiple times 		

In 2025, its fire alarm product line completed the upgrade of the automatic fire alarm system. In civil, educational, urban lifeline, in-home fire protection construction and renovation projects, it significantly increased the investment in fire IoT products. The total number of IoT smoke detectors, gas detectors, remote guarding, and flame detection cameras exceeded 10 million units. In industrial safety production, technical breakthroughs were achieved in scenarios such as lithium battery production, storage, and transportation, electrochemical energy storage PACK-level protection, wind turbine and site safety protection, and high-speed mobile smoke and fire detection in tunnels, solving industry challenges.

3.3.7 HikRayin

HikRayin has been deeply engaged in the field of non-visible light detection, driven by intelligent technologies and with X-ray imaging technology as the core driving force. HikRayin integrates multi-dimensional perception, artificial intelligence, and device internet technologies, dedicated to technological empowerment and value creation. In key areas such as intelligent security inspection and industrial manufacturing, HikRayin provides users with

Smart Security Check Smart Security Check: The smart security check products integrate X-ray imaging technology, active millimeter-wave imaging technology, and Hikvision's large model algorithms to provide an overall security inspection solution, ensuring the safety of key locations.		Information Security Facility management Personnel and vehicle control Public Safety Body security check Item Security Check Production Safety Quality control Confidential materials Loss prevention for businesses Cost reduction and efficiency improvement
public transportation system public security and judicial proceedings healthcare cultural and museum venues enterprise manufacturing 	Industrial Inspection Industrial Inspection: Industrial inspection products are based on X-ray imaging technology and utilize the Hikvision Guanlan large model algorithm to perform feature recognition on providing an integrated intelligent detection product solution for various manufacturing processes to identify foreign objects and defects.	
3C industry integrated circuit automotive industry die casting industry photovoltaic lighting food and medicine daily chemical products 		

comprehensive product solutions centered around X-ray detection services.

3.3.8 HikImaging

With six core technical capabilities in optics, mechanics, electronics, software, computing, and intelligence, HikImaging focuses on two major scenarios: surgical operations and endoscopic examinations, providing global medical device customers with OEM/ODM solutions for three categories: minimally invasive endoscopes, endoscopic instruments, and surgical audiovisual systems. HikImaging is committed to building industry ecosystems with its customers, offering comprehensive services including complete solutions and registration testing support. It also actively participates in the formulation of industry standards to jointly drive the rapid development of the endoscopy industry. In addition, HikImaging collaborates with many top-tier hospitals on medical-industrial cooperation, jointly developing products and tackling technical challenges to promote the efficient integration and practical application of innovative technologies in clinical settings.

Hikvision will continue to increase R&D investment, focus on technological innovation, and constantly expand the exploration and implementation of new technologies and processes, providing industry users and customers with more diversified products and solutions. HikImaging will also continue to optimize its service, quality, and supply chain systems, work hand in hand with customers to jointly build a healthy industry ecosystem, leverage advanced technologies to help medical systems achieve digital transformation, and promote the industry to realize high-quality and rapid development.



II. Analysis of Core Competitiveness

Hikvision is committed to the main track of AIoT. With the large-scale implementation of AI large model technology and the deepening digital transformation across society, the Company continues to strengthen its core competitive barriers throughout the entire chain. The Company has always taken technological innovation as its foundation, maintaining high-level R&D investment. Relying on a global multi-tier R&D system and technical talent advantages, it builds a solid technical barrier with multidimensional fusion perception capabilities and the Guanlan Large-Scale AI Models at its core; deepens its domestic vertical and horizontal collaboration and overseas local in-depth marketing and service network, creates the first batch of leading intelligent factories nationwide, and forges operational resilience through end-to-end digital transformation; relying on a talent and organizational system adapted to its strategy, it efficiently responds to constantly changing market demands, continuously consolidates its leading industry advantage, and empowers the digital transformation and upgrading of various industries.

1. Continuously Strengthen the Foundation of AIoT Technology and Accelerate the Implementation of Large Model Scenarios

For more than two decades, Hikvision has always adhered to the core driving force of technological innovation, continuously maintaining a high level of R&D investment. In the past six years, the Company has cumulatively invested RMB59.45 billion in R&D, with the R&D expense ratio consistently remaining above 10%, of which the investment in 2025 alone reached RMB11.75 billion. In addition to the Hangzhou headquarters, the Company has also established multiple local R&D centers in domestic and overseas markets, forming a multi-level R&D system with the headquarters as the hub and radiating globally. The Company's R&D and technical service personnel account for nearly 50% of the total staff, providing a solid talent foundation for continuously breaking through technological barriers.

In the construction of its technical system, Hikvision started with visible light sensing and gradually extended its sensing capabilities to multiple dimensions such as millimeter waves, infrared, laser, X-ray, ultraviolet, and acoustic waves. It also integrates sensing methods like vibration, temperature and humidity, pressure, and magnetism, forming a multidimensional, fused AIoT sensing capability. Hikvision's forward-looking layout in the AI field has yielded significant results. As early as 2006, the Company established an intelligent algorithm team and in 2023 released the Hikvision Guanlan Large-scale AI Models. This model achieved the industry's first 5-level score in the "Trusted AI Large Model Capability Evaluation" conducted by China Academy of Information and

Communications Technology. Today, the Company has cumulatively launched hundreds of large model products, achieving full coverage of cloud-edge-end products and establishing a comprehensive, end-to-end system-level application advantage. This enables AI to more accurately understand scene dynamics, automatically handle complex tasks, continuously upgrade security services, and accelerate the large-scale implementation of scenario-based digitalization business.

Based on the above technologies and R&D accumulation, the Company continues to strengthen the implementation of achievements and patent layout. As of the end of 2025, a total of 12,981 authorized patents have been obtained globally, with 57% being invention patents, building a solid intellectual property barrier. Hikvision continuously enriches its product matrix, providing more than 30,000 hardware product models and dozens of software products, many of which are industry-leading innovative achievements: the "Fusion Spectrum Coal Quality Fast Analyzer" jointly developed with China Energy Group has been recognized as the first domestic set of equipment due to breakthroughs in multi-dimensional perception and AI models; the "Ultra-Long Distance Belt Conveyor Roller Acoustic Monitoring System" innovatively applied fiber optic technology, winning the only gold award at the 2025 China Innovation Method Contest National Final, contributing to the high-quality development of the industry with numerous achievements.

2. Domestic Coordinated Operations and Overseas Localized In-depth Development, Upgrading the Entire Marketing Service Network with Digital Intelligence Empowerment

The Company continuously improves its comprehensive marketing service system. In the domestic market, it deepens the marketing layout with vertical and horizontal collaboration, relying on 32 provincial business centers and nearly 300 city-level branches and offices to build a hierarchical and multi-level marketing network based on cities. Through three business groups, the Company achieves precise customer coverage in all scenarios. The business groups and provincial business centers jointly form an integrated domestic marketing system that combines industry and regional collaboration, providing tailored AIoT products and services for various industries and promoting the digital transformation and upgrading of social and economic development. In the overseas market, the Company continues to deepen its localization strategy, decentralizing operational decision-making authority to four major regions: Asia-Pacific, Middle East and Africa, Europe, and the Americas. It adheres to a refined operational approach of "one policy per country and one policy per product," with business covering more than 180 countries and regions around the globe.

The Company has established a three-tier vertical service system consisting of Hangzhou Global Technical Support and Service Center, regional technical service departments, and authorized customer service stations, to strengthen the global service foundation: domestically, there are 32 provincial technical service departments and nearly 300 city-level service outlets, working in conjunction with more than 3,000 key partners and authorized service providers; overseas, it has already set up 18 call centers, 30 directly operated after-sales service points, 560 plus authorized customer service stations, launched "replace instead of repair" services for some products, optimized local warehouse network layout and delivery efficiency, and established the entire local delivery chain to quickly respond to diverse global customer needs.

The Company is comprehensively deepening the digital transformation of the entire marketing and service process, building an integrated digital platform around the entire chain of marketing, sales, and service, deepening the application of AI technology and digital operations throughout the entire process, and promoting precise business outreach and efficient customer interaction. At the same time, the Company continues to consolidate digital capabilities and open up empowerment for upstream and downstream partners, helping partners improve service efficiency, and connecting the entire value loop from the company to end users, continuously strengthening the core competitiveness of the marketing and service system.

3. Selected as One of the First Pilot-Level Smart Factories, Leading the Upgrading of Intelligent Manufacturing Industry

The AIoT industry market is highly fragmented, with the Company's business covering numerous industries and application scenarios that vary widely. Differentiated customer demands are transmitted to the production end, forming the core production characteristics of "multiple varieties, small batches, and large-scale customization." In response to this challenge, the Company has set "flexibility, efficiency, and agility" as core goals. Relying on its self-developed IoT sensing, AI, and big data technology system, it has successfully built an "IoT sensing product large-scale personalized customization smart factory," which has been selected as one of the first batch of "leading-level smart factories" in the country. This marks that the Company's level of intelligent manufacturing has received the highest national-level authoritative recognition.

In 2025, the Company's smart factory will produce 277 million AIoT products annually, covering over 30,000 hardware models, processing an average of 10,000 orders per day, with an average order size of only about 40 units, and 75% of orders customized. By building a "super intelligent entity" equipped with a "smart sensory system, AI

decision-making brain, and flexible execution hands and feet," the Company has formed a complete "perception-decision-execution" loop, continuously enhancing lean production, automation, and intelligent scheduling capabilities. Relying on domestic manufacturing bases in Tonglu, Hangzhou, Chongqing, and Wuhan, as well as localized overseas factories in India, Brazil and the UK, the Company has strengthened its stable global market supply capability.

We have always used our own intelligent manufacturing practices as a model, continuously iterating and deepening the application of scenario-based digital products in production parks through self-driven improvements. At the same time, we open up our mature intelligent manufacturing experience and digital capabilities to the entire industrial chain. On one hand, we build long-term and stable strategic cooperative relationships with suppliers, empowering industry partners with smart supply chain digital capabilities, achieving efficient digital collaboration with more than 2,000 suppliers, and strengthening the resilience and stability of the entire industrial chain. On the other hand, we have developed a unique path of "technology self-research - factory verification - industry output", delivering standardized intelligent manufacturing solutions to multiple fields such as petrochemical and coal, steel and non-ferrous metals, and machinery and equipment, providing replicable and scalable practical models for the intelligent upgrading of manufacturing, and promoting high-quality development across the entire industry.

4. Improve Quality and Efficiency through Digital and Intelligent Transformation, and Forge Endogenous Resilience for High-Quality Growth

In a dynamic and competitive market environment, the efficiency of internal resource allocation, cross-organizational collaboration capabilities, and information flow costs directly determine the boundaries of core competitiveness. The Company continuously iterates and adapts its resource organization methods and management systems to business development, relying on the BLM strategic planning methodology to roll out strategic plans (SP) and annual business plans (BP), promoting vertical alignment and horizontal coordination among business units and functional departments, accurately decomposing strategic objectives, and efficiently implementing them to fully ensure effective business growth and continuous improvement in management capabilities.

Taking digital transformation as the core driver, the Company systematically promotes management innovation and capability enhancement across all areas. By coordinating overall resources, the Company has launched seven enterprise-level transformation initiatives: refined business analytics capabilities, enterprise-level marketing and service digital transformation, enterprise-level R&D and quality digital transformation, intelligent supply chain

construction, enterprise-level data governance capability building, enterprise-level AI capability building, and digital capability building in supporting areas. High-quality transformation planning drives practical implementation. Relying on the continuous iteration and optimization of IT systems, the Company constantly eliminates process bottlenecks and improves system operation efficiency, building full-linkage refined operation capabilities. With digital and intelligent management practices covering the entire business cycle, the Company's "Digital and Intelligent Quality" quality management model has won the Fifth China Quality Award, achieving a breakthrough in Zhejiang Province's manufacturing industry for this award, verifying the Company's industry-leading level of full-process digital and intelligent management.

Under the fundamental logic of sound operations, the Company continues to improve its full-cycle risk management system and constantly strengthens its global compliance governance capabilities, promoting continuous advancement in compliance risk management. In 2025, the Company simultaneously enhances end-to-end accounts receivable management, achieving significant growth in operating cash flow, thus solidifying a robust safety barrier for the company's sustainable and high-quality development.

5. Deepen the Value of Talent, and Activate New Driving Forces for High-Quality Organizational Development

The Company always regards talent as the core competitiveness for long-term development, adhering to the core concept of "people-oriented and growing together." The Company attracts high-quality talents globally and build a talent development and organizational system deeply aligned with our business strategy. In 2025, focusing on the goal of high-quality growth, the Company completes the adjustment of business layout and organizational structure to better align with its goals. The Company will rationally optimize the management span and hierarchy, promote the intensive integration of off-site R&D resources, and create more agile and efficient organizational units with stronger capabilities to tackle challenges, and continuously improve the talent supply and precise matching mechanism for key positions, laying a solid organizational foundation for quality and sustainable growth.

Centered on value creation, the Company continuously iterates its full-cycle talent management and diversified incentive system. In 2025, the Company deepens the reform of its performance system, optimize the year-end bonus distribution mechanism, and tilt resources toward core value creators; at the same time, it will strengthen the term management of management personnel, improve the dynamic adjustment mechanism of "promotion and demotion," and achieve lean and scientific personnel scale control. On this basis, the Company continues to improve the

comprehensive return system that combines compensation and benefits with innovative business participation, further perfecting the long-term distribution mechanism for employees to share the company's growth dividends, enabling employees to gain long-term and stable returns through performance creation, and ultimately achieving mutual empowerment and synchronized growth between long-term business development and continuous talent growth.

III. Core Business Analysis

1. Overview

With the deep integration of the digital economy and the real economy, AIoT has become the core engine for digital transformation in all walks of life and the modernization of social governance. For more than two decades, the Company has seized the opportunities of industrial transformation, continuously building and improving a technical system centered on three key technologies: IoT sensing, artificial intelligence, and big data. By empowering industrial upgrading and improving people's livelihood with security and scenario-based digitalization products and solutions, the Company has consistently strengthened its core competitiveness in AIoT, steadily advancing on the path of high-quality development.

In 2025, facing a complex and changing domestic and international market environment, the Company adheres to steady operations and continues to promote quality improvement and efficiency enhancement, achieving dual optimization of business quality and structure. During the reporting period, the Company achieved a total operating revenue of RMB92.51 billion, an increase of 0.01% year-on-year; the net profit attributable to the shareholders of the Company was RMB14.20 billion, an increase of 18.52% year-on-year, with a significant improvement in profitability, and the operating cash flow was RMB25.34 billion, achieving substantial growth, providing a solid guarantee for long-term development.

On the domestic business front, scenario-based digital business continues to break through and open up new growth space, with significantly improved operational efficiency of the SMBG channel; on the international business front, developing countries maintain rapid growth, major projects in key regions have made breakthroughs, non-distributor revenue accounts for more than 30%, access control, alarm, commercial display, and other non-video products are growing rapidly, forming a second growth curve on the product side; in innovative businesses, Hikrobot, EZVIZ, HikMicro, HikAuto, and other innovative businesses are firmly positioned as leaders in their niche markets, becoming new growth engines for the Company.

In 2025, the Company's "Digital and Intelligent Quality" quality management model won the Fifth China Quality Award. The Company's "Mass Customization Smart Factory for IoT Sensing Products" was successfully selected as one of the first batch of "Leading Smart Factories" by the Ministry of Industry and Information Technology. These two prestigious honors fully demonstrate the benchmark-level enhancement of the Company's quality management and intelligent manufacturing capabilities. The Company will continue to advance digital and intelligent transformation, comprehensively driving improvements in operational quality, management efficiency,

and development level.

In the future, the Company will continue to anchor its AIoT strategic positioning, strive to seize the opportunities brought by the era of industrial upgrading, reinforce its technical moat with determined R&D investment, and continuously optimize its multidimensional sensing technology matrix relying on the Guanlan Large-scale AI Models capabilities, constantly expanding the application boundaries of AIoT technologies to maintain high-quality, sustainable development.

2. Revenue / cost of sales and services

(1) Revenue structure

Unit: RMB

	2025		2024		YoY Change (%)
	Amount	Proportion to revenue	Amount	Proportion to revenue	
Revenue	92,507,796,069.94	100.00%	92,495,525,118.30	100.00%	0.01%
Classified by industry					
AIoT products and services	92,507,796,069.94	100.00%	92,495,525,118.30	100.00%	0.01%
Classified by product					
Products and services for main business (Note 1)	65,012,347,191.96	70.28%	67,963,258,099.83	73.48%	-4.34%
Constructions for main business	2,049,207,766.03	2.22%	2,048,116,006.90	2.21%	0.05%
Subtotal	67,061,554,957.99	72.49%	70,011,374,106.73	75.69%	-4.21%
Robotic business	6,451,513,663.26	6.97%	5,928,825,303.14	6.41%	8.82%
Smart home business	5,683,867,278.78	6.14%	5,190,222,359.58	5.61%	9.51%
Auto electronics business	5,289,209,200.80	5.72%	3,919,493,044.46	4.24%	34.95%
Thermal imaging business	4,442,928,348.49	4.80%	4,191,132,575.45	4.53%	6.01%
Storage business	2,380,400,859.63	2.57%	2,314,389,221.29	2.50%	2.85%
Other innovative businesses (Note 2)	1,198,321,760.99	1.30%	940,088,507.65	1.02%	27.47%
Subtotal (Note 3)	25,446,241,111.95	27.51%	22,484,151,011.57	24.31%	13.17%
Classified by region					
Domestic	58,221,682,972.42	62.94%	60,601,005,007.24	65.52%	-3.93%
Overseas	34,286,113,097.52	37.06%	31,894,520,111.06	34.48%	7.50%

Note 1: Main business refers to the business parts other than the innovative businesses.

Note 2: Other innovative businesses include the products and services of the innovative business subsidiaries, such as HikFire, Rayin and HikImaging. Same below.

Note 3: The data listed in the subtotals may differ slightly from the aggregated results of the relevant individual data due to rounding.

Revenue structure (note 4)

Unit: RMB 100mn

		2025	2024	YoY Change (%)	2023
Domestic main business	PBG	129.12	134.67	-4.12%	153.54
	EBG	170.63	176.51	-3.33%	178.45
	SMBG	88.17	119.71	-26.35%	126.79
	Other products and services for main business	10.53	9.33	12.86%	9.33
Overseas main business	Products and services for main business	272.17	259.89	4.73%	239.77
Innovative businesses (note5)		254.46	224.84	13.17%	185.53
Total		925.08	924.96	0.01%	893.41

Note 4: The operating income from domestic main business (including three major business groups in domestic and other products and services for main business) and overseas main business only include Hikvision's main business's products and services, excluding revenue from innovative businesses.

Note 5: Innovative businesses' revenue includes its domestic and overseas revenue

Note 6: The data listed in the subtotals may differ slightly from the aggregated results of the relevant individual data due to rounding.

(2) Industries, products, regions, and sales models accounting for more than 10% of the Company's revenue or operating profit

√ Applicable □ Inapplicable

Unit: RMB

	Revenue	Cost of sales and services	Gross margin	YoY Change (%) of revenue	YoY Change (%) of operating cost	YoY Change (%) of gross margin
Classified by industry						
AIoT products and services	92,507,796,069.94	50,067,436,550.36	45.88%	0.01%	-3.63%	2.05%
Classified by product						
Products and services for main business	65,012,347,191.96	33,113,545,592.56	49.07%	-4.34%	-10.17%	3.31%
Constructions for main business	2,049,207,766.03	1,461,451,806.53	28.68%	0.05%	-10.02%	7.98%
Innovative businesses	25,446,241,111.95	15,492,439,151.27	39.12%	13.17%	15.02%	-0.98%
Subtotal	92,507,796,069.94	50,067,436,550.36	45.88%	0.01%	-3.63%	2.05%
Classified by region						
Domestic	58,221,682,972.42	31,711,100,965.80	45.53%	-3.93%	-8.80%	2.90%
Overseas	34,286,113,097.52	18,356,335,584.56	46.46%	7.50%	6.82%	0.34%

When the statistical caliber of the Company's main business data is adjusted during the reporting period, the Company's main business data would be adjusted according to the end of the reporting period in the most recent period.

Applicable Inapplicable

(3) If revenue from physical products sales greater than revenue from providing services

Yes No

Industry	Item	Unit	2025	2024	YoY Change (%)
AIoT products and services	Sales volume	Per unit	266,520,352	245,393,303	8.61%
	Output volume	Per unit	276,772,214	256,348,512	7.97%

Explanation on why the related data varied by more than 30% on a YoY basis

Applicable Inapplicable

(4) Fulfillment of signed significant sales contracts and procurement contracts by the reporting period

Applicable Inapplicable

(5) Cost of sales and services structure

Classified by industry

Unit: RMB

Industry	Item	2025		2024		YoY Change (%)
		Amount	Proportion to cost of sales and services	Amount	Proportion to cost of sales and services	
AIoT products and services	Cost of sales and services	50,067,436,550.36	100.00%	51,953,857,912.21	100.00%	-3.63%

Classified by product

Unit: RMB

Product	Item	2025		2024		YoY Change (%)
		Amount	Proportion to cost of sales and services	Amount	Proportion to cost of sales and services	
Products and services for main business	Cost of sales and services	33,113,545,592.56	66.14%	36,860,856,267.41	70.95%	-10.17%
Constructions for main business	Cost of sales and services	1,461,451,806.53	2.92%	1,624,213,884.66	3.13%	-10.02%
Innovative businesses	Cost of sales and services	15,492,439,151.27	30.94%	13,468,787,760.14	25.92%	15.02%
Subtotal	Cost of sales and services	50,067,436,550.36	100.00%	51,953,857,912.21	100.00%	-3.63%

Note: The data listed in the subtotals may differ slightly from the aggregated results of the relevant individual data due to rounding.

(6) Any change in consolidation scope during the reporting period

Yes No

During the reporting period, the Company established two domestic subsidiaries and two overseas subsidiaries. A new domestic subsidiary was added due to changes in voting rights, and one domestic subsidiary was liquidated and deregistered, resulting in a change in the consolidated scope. For details, please refer to changes in the consolidation scope in Note (VI) to the financial statements.

(7) Significant change or adjustment of the Company's business, products or services during the reporting period:

Applicable Inapplicable

(8) Major customers and suppliers:

Sales to major customers of the Company

Sales to top five customers (RMB)	1,851,486,448.34
Total sales to top five customers as a percentage of the total sales for the year (%)	2.00%
Total sales to the related parties in top five customers as a percentage of the total sales for the year (%)	0.00%

Information on top five customers

No.	Name of customer	Sales amount (RMB)	Percentage of total sales for the year
1	First	449,589,548.10	0.49%
2	Second	395,185,518.54	0.43%
3	Third	394,746,778.13	0.43%
4	Fourth	315,315,592.53	0.34%
5	Fifth	296,649,011.04	0.32%
Total	--	1,851,486,448.34	2.00%

Other information of major customers

Applicable Inapplicable

Major suppliers of the Company

Total purchases from top five suppliers (RMB)	6,942,315,095.64
Total purchases from top five suppliers as a percentage of the total purchases for the year (%)	14.50%
Total purchases from the related parties in the top five suppliers as a percentage of the total purchases for the year (%)	6.80%

Information on top five suppliers of the Company

No.	Supplier name	Purchase amount (RMB)	Percentage of total purchase for the year
1	First	2,308,602,513.23	4.82%
2	Second	1,395,710,551.08	2.92%
3	Third	1,300,407,204.70	2.72%
4	Fourth	988,266,196.30	2.06%
5	Fifth	949,328,630.33	1.98%
Total	--	6,942,315,095.64	14.50%

Other information of major suppliers

Applicable Inapplicable

Some of the top five suppliers are related parties of the Company, and the Company strictly operates within the pre-approved estimated limits for routine related-party transactions. In addition, directors, senior management, key technical personnel, shareholders with more than 5% equity, actual controllers, and other related parties of the Company do not have any direct or indirect interests in major suppliers. For further details, please refer to "Section VIII (11) - Related Party Relationships and Transactions."

3. Expenses

Unit: RMB

	2025	2024	YoY Change (%)	Note of significant change
Selling expenses	12,347,888,877.70	12,051,218,102.62	2.46%	No significant change
Administrative expenses	2,994,512,052.02	3,095,939,643.92	-3.28%	No significant change
R&D expenses	11,752,624,736.80	11,864,013,392.27	-0.94%	No significant change
Financial expenses	-525,631,319.14	-114,817,493.16	-357.80%	Affected by foreign exchange rate fluctuations, foreign exchange gains increased

4. R&D Investment

Applicable Inapplicable

R&D personnel of the Company

	2025	2024	Change Percentage
Number of R&D and technical staff (ppl)	26,806	28,272	-5.19%
R&D and technical staff as percentage of Total headcount	46.86%	47.37%	-0.51%
Education structure of R&D and technical staff	—	—	—
Bachelor degree	15,737	16,954	-7.18%
Master's degree	8,580	8,903	-3.63%

	2025	2024	Change Percentage
Master's degree or above	179	179	0.00%
others	2,310	2,236	3.31%
Age composition of R&D and technical staff	—	—	—
Under 30 years old	11,078	13,484	-17.84%
30-40 years old	14,085	13,747	2.46%
Over 40 years old	1,643	1,041	57.83%

R&D investment of the Company

	2025	2024	Change Percentage
Amount of R&D expenses (RMB)	11,752,624,736.80	11,864,013,392.27	-0.94%
R&D expenses as a percentage of revenue	12.70%	12.83%	-0.13%
Capitalized R&D expenses (RMB)	0.00	0.00	0.00%
Capitalized R&D expenses as a percentage of R&D expenses	0.00%	0.00%	0.00%

Reason and effect of significant change in the composition of the Company's R&D personnel

Applicable Inapplicable

Reason of significant change of total R&D expenses as a percentage of revenue as compared to last year

Applicable Inapplicable

Reason and explanation of its reasonableness of significant change of the capitalized R&D expenses

Applicable Inapplicable

5. Cash Flow

Unit: RMB

Item	2025	2024	YoY Change (%)
Subtotal of cash inflows from operating activities	117,094,848,774.11	104,471,470,619.92	12.08%
Subtotal of cash outflows from operating activities	91,755,437,691.01	91,207,378,597.19	0.60%
Net cash flows from operating activities	25,339,411,083.10	13,264,092,022.73	91.04%
Subtotal of cash inflows from investing activities	7,576,598,803.00	3,173,062,938.17	138.78%
Subtotal of cash outflows from investing activities	10,993,914,616.86	7,720,603,935.27	42.40%
Net cash flows from investing activities	-3,417,315,813.86	-4,547,540,997.10	24.85%
Subtotal of cash inflows from financing activities	4,557,559,611.21	7,365,413,894.21	-38.12%

Item	2025	2024	YoY Change (%)
Subtotal of cash outflows from financing activities	16,320,111,392.13	29,444,402,679.84	-44.57%
Net cash flows from financing activities	-11,762,551,780.92	-22,078,988,785.63	46.73%
Net increase in cash and cash equivalents	10,151,296,314.14	-13,374,924,975.49	175.90%

Explanation of why the related data varied significantly on a YoY basis

Applicable Inapplicable

The main reason for the change in net cash flow from operating activities was the increase in sales collections this year. The main reason for the change in net cash flow from financing activities was the reduction in loan repayments this year.

Explanation of reasons leading to the material difference between cash flow from operating activities during the reporting period and net profit for the year

Applicable Inapplicable

IV. Non-core Business Analysis

Applicable Inapplicable

V. Analysis of Assets and Liabilities

1. Material changes of asset items

Unit: RMB

	December 31, 2025		December 31, 2024		YoY Change (%)	Note of significant change
	Amount	Percentage of total assets	Amount	Percentage of total assets		
Cash and bank balances	46,508,328,658.44	33.69%	36,271,488,337.03	27.48%	6.21%	Increase in sales collections
Accounts receivable	29,812,378,945.77	21.60%	37,910,128,735.42	28.72%	-7.12%	Increase in sales collections
Contract assets	974,450,159.71	0.71%	985,822,785.69	0.75%	-0.04%	No significant change
Inventories	20,472,193,858.80	14.83%	19,110,711,958.11	14.48%	0.35%	No significant change
Long-term equity investment	1,669,074,600.75	1.21%	1,527,223,390.79	1.16%	0.05%	No significant change
Fixed assets	20,176,914,451.95	14.62%	15,063,752,296.49	11.41%	3.21%	Projects such as Wuhan Science and Technology Park Project were transferred to fixed assets
Construction in process	1,914,110,895.67	1.39%	4,699,473,381.21	3.56%	-2.17%	

	December 31, 2025		December 31, 2024		YoY Change (%)	Note of significant change
	Amount	Percentage of total assets	Amount	Percentage of total assets		
Right-of-use assets	442,495,841.87	0.32%	530,138,023.79	0.40%	-0.08%	No significant change
Lease liabilities	299,390,966.16	0.22%	375,432,749.68	0.28%	-0.06%	No significant change
Contract liabilities	4,200,490,873.07	3.04%	3,353,943,054.24	2.54%	0.50%	No significant change
Short-term borrowings	2,685,866,236.94	1.95%	1,031,895,812.62	0.78%	1.17%	No significant change
Non-current liabilities due within one year	3,939,271,129.61	2.85%	767,030,688.91	0.58%	2.27%	
Long-term borrowings	1,210,564,814.39	0.88%	5,119,185,000.00	3.88%	-3.00%	

High proportion of overseas assets

Applicable Inapplicable

2. Assets and liabilities measured at fair value

√ Applicable □ Inapplicable

Unit: RMB

Item	Opening balance	Profit or loss from change in fair value during the period	Foreign currency translation adjustment	Cumulative fair value changes included in equity	Provision for decline in value during the current period	Purchased amount during the period	Sales during the period	Other changes	Closing balance
Financial assets									
1. Derivative financial assets	26,775,923.93	-21,983,191.93	-488.60						4,792,243.40
2. Other non-current financial assets	472,000,082.76	13,509,905.74				105,000,000.00	554,672.76		589,955,315.74
3. Receivables for financing	2,291,648,244.05							138,382,418.60	2,430,030,662.65
Subtotal of financial assets	2,790,424,250.74	-8,473,286.19	-488.60			105,000,000.00	554,672.76	138,382,418.60	3,024,778,221.79
Financial liabilities	1,874,341.64	-9,441,815.55	-16,755.94						11,299,401.25

Whether there were any material changes on the measurement attributes of major assets of the Company during the reporting period:

□ Yes √ No

3. Assets right restrictions as of the end of the reporting period

Unit: RMB

Item	Closing book value (RMB)	Reasons for being restricted
Cash and bank balances	303,989,964.01	Various guarantee deposits and other restricted funds
Notes receivable	1,525,932,671.08	Endorsed to the supplier, or discounted to the bank
Accounts receivable	96,475,719.29	Pledged for long-term borrowings
Contract assets	57,422,774.91	Pledged for long-term borrowings
Fixed assets	35,397,385.10	Fixed assets leased out under operating leases
Intangible assets	10,735,168.93	Pledged for long-term borrowings
Other non-current assets	483,735,017.82	Pledge for long-term borrowings
Total	2,513,688,701.14	

VI. Investments Condition Analysis

1. Overview

Applicable Inapplicable

Investment in 2025 (RMB)	Investment in 2024 (RMB)	YoY (%)
4,039,461,812.46	5,704,894,189.40	-29.19%

2. Significant equity investment during the current reporting period

Applicable Inapplicable

3. Significant non-equity investment during the current reporting period

√ Applicable □ Inapplicable

Unit: RMB

Project name	Invest method	Fixed assets investment or not	Project industry	Investment during the current reporting period	Cumulative amount of investment by the end of the current reporting period	Source of funds	Project schedule	Reasons for not reaching planned progress and expected benefits	Disclosure Date (if applicable)	Disclosure Index (if applicable)
Wuhan Science and Technology Park Project	Purchase	Yes	AIoT products and services	119,940,726.28	1,777,589,816.66	Self-financing	100.00%	None	October 23, 2021	<i>Announcement on Investment and Construction Progress of Wuhan Science and Technology Park Project (No. 2021-065)</i>
EZVIZ Intelligent Manufacturing Chongqing Base Project (Infrastructure Part)	Self-built	Yes	AIoT products and services	422,449,259.54	1,566,782,636.77	Self-financing/ Raise funds	100.00%	None	August 11, 2021	<i>Announcement on the Investment and Construction of EZVIZ Intelligent Manufacturing (Chongqing) Base Project by Holding Subsidiaries (No. 2021-052)</i>
HikRobot Intelligent Manufacturing (Tonglu) Base Project	Self-built	Yes	AIoT products and services	537,616,742.85	1,036,417,086.53	Self-financing/ Loan funds	100.00%	None	January 19, 2022	<i>Announcement on the Investment and Construction of HikRobot Intelligent Manufacturing (Tonglu) Base Project by a Holding Subsidiary (No. 2022-009)</i>

Project name	Invest method	Fixed assets investment or not	Project industry	Investment during the current reporting period	Cumulative amount of investment by the end of the current reporting period	Source of funds	Project schedule	Reasons for not reaching planned progress and expected benefits	Disclosure Date (if applicable)	Disclosure Index (if applicable)
Wuhan Intelligence Industry Park Project (Phase II)	Self-built	Yes	AIoT products and services	420,579,108.19	434,433,639.30	Self-financing	37.08%	None	September 23, 2017	<i>Announcement on Investment and Construction of Wuhan Intelligence Industry Park in Wuhan (No. 2017-036)</i>
Industrialization Base of Infrared Thermal Imaging Products	Self-built	Yes	AIoT products and services	203,736,386.97	370,404,921.99	Self-financing	47.44%	None	January 19, 2022	<i>Announcement on the Investment and Construction of the Industrialization Base of Infrared Thermal Imaging Products by the Holding Subsidiary (No. 2022-008)</i>
HikRobot Product Industrialization Base Construction Project	Self-built	Yes	AIoT products and services	142,420,686.60	342,173,654.91	Self-financing/ Loan funds	33.76%	None	January 19, 2022	<i>Announcement on the Investment and Construction of HikRobot Product Industrialization Base Construction Project by Holding Subsidiary (No. 2022-007)</i>
Total	--	--	--	1,846,742,910.43	5,527,801,756.16	--	--	--	--	--

Note: In accordance with the Company's *Authorization Management System*, new investments on fixed assets of Wuhan Intelligence Industry Park Project was approved by the Strategy Committee of the Board of Directors.

4. Financial asset investment

(1) Securities Investments

Applicable Inapplicable

There no such case in the reporting period.

(2) Derivatives Investments

Applicable Inapplicable

1) Derivative investments for hedging purposes during the reporting period

Applicable Inapplicable

Unit: 0,000 RMB

Type of derivatives investment	Initial investment amount	Opening amount	Gain or loss on changes in fair value during the reporting period	Changes in cumulative fair value included in equity	Purchased amount during the reporting period	Sold amount during the reporting period	Closing amount	Proportion of closing investment amount to the Company's net assets at the end of the reporting period
Foreign exchange contract	143,549.68	143,549.68	-3,142.50	-	733,031.01	-	192,729.24	2.31%
Total	143,549.68	143,549.68	-3,142.50	-	733,031.01	-	192,729.24	2.31%
Accounting policies and specific accounting principles for hedging business during the reporting period and explanations on whether there have been significant changes from the previous reporting period	In accordance with the provisions of Accounting Standards for Business Enterprises (hereinafter referred to as "ASBE") No. 22 - Recognition and Measurement of Financial Instruments, ASBE No. 37 - Presentation of Financial Instruments and other relevant regulations and guides, the Company accounted for and disclosed its forward foreign exchange contracts. There was no significant changes from the previous reporting period.							
Explanations on actual gain or loss during the reporting period	There was a total of RMB54.59 million actual losses during the reporting period.							
Explanations on the effect of hedging business	The Company's purpose was to avoid and prevent risks of exchange rate or interest rate fluctuations and prohibited any speculative							

Type of derivatives investment	Initial investment amount	Opening amount	Gain or loss on changes in fair value during the reporting period	Changes in cumulative fair value included in equity	Purchased amount during the reporting period	Sold amount during the reporting period	Closing amount	Proportion of closing investment amount to the Company's net assets at the end of the reporting period
		actions, further improving the Company's ability to cope with risks of foreign exchange fluctuations, better avoiding and preventing risks of foreign exchange rate and interest rate fluctuations, and enhancing its financial stability.						
Capital source of derivatives investment	The Company's own fund.							
Risk analysis and control measures (including but not limited to, market risk, liquidity risk, credit risk, operational risk, legal risk, etc.) of holding derivatives during the reporting period	For details of the risk analysis and control measures, please refer to the <i>Announcement on Carrying out Foreign Exchange Hedging Business in 2025</i> (Announcement No. 2025-015) disclosed by the Company on April 19, 2025.							
Change of market price or fair value of invested derivatives during the reporting period; specific methods, related assumptions and parameter setting of the derivatives' fair value analysis should be disclosed	The Company recognized and measured the fair value of derivatives in accordance with the <i>Accounting Standards for Business Enterprises Article 22 - Recognition and Measurement of Financial Instruments</i> . During the reporting period, a total of RMB31.43 million of losses from changes in fair value of forward foreign exchange contract were recognized, and the fair value is determined according to the exchange rate and interest rate provided by banks and other pricing service institutions, measured and recognized on a monthly basis.							
Prosecution (if applicable)	None							
Announcement date for approvals of derivatives investment from the Board of Directors (if any)	April 19, 2025							
Announcement date for approvals of derivatives investment from the general meeting of shareholders (if any)	Inapplicable							

2) Derivative investments for speculative purposes during the reporting period

Applicable Inapplicable

There is no derivative investments for speculative purposes during the reporting period.

VII. Disposal of Significant Assets and Equity**1. Disposal of significant assets**

Applicable Inapplicable

There is no disposal of significant asset for the Company during the current reporting period.

2. Sale of significant equity

Applicable Inapplicable

VIII. Analysis of Major Subsidiaries and Holding Companies

Information about obtaining and disposal of subsidiaries during the reporting period

Applicable Inapplicable

Company name	Equity acquisition and disposal method during the reporting period	Impact on overall production results
Zhejiang Haishi Huayue Digital Technology Co., Ltd.	Change in voting rights	Business development
Guangzhou Hikvision Digital Technology Co., Ltd.	Cash contribution	Business development
Hangzhou Microimage Intelligent Control Technology Co., Ltd.	Cash contribution	Business development
Hikvision Kyrgyzstan Limited Liability Company	Cash contribution	Expand overseas sales channels
Hikvision System Limited	Cash contribution	Expand overseas sales channels
Shijiazhuang Haishi Digital Technology Co., Ltd.	liquidation cancellation	Organization Structure Adjustment

IX. Structural Entities Controlled by the Company

Applicable Inapplicable

X. Outlook for the Future Development of the Company

1. Development Trends for the Industry

Internet of Things perception, artificial intelligence, and big data are the core technologies of the AIoT industry, as well as the key drivers of digital transformation. The development of the AIoT industry will drive the development of various industries and bring unprecedented changes to the whole society.

The Company has deep technical accumulation and a first-mover advantage in the field of the Internet of Things, and is confident in seizing the industrial opportunities brought by large model innovation, and will work with partners to promote the digitalization of scenarios in various industries and help the entire society's digital transformation.

2. Development Strategy of the Company

Hikvision is committed to serving various industries with IoT perception, artificial intelligence, and big data technologies, leading the new era of AIoT: with comprehensive perception technologies, helping people and objects connect better and building the foundation of an intelligent world; with a rich range of intelligent products,

understanding and meeting diverse needs, making intelligence accessible; with innovative AIoT applications, building a convenient, efficient, and secure intelligent world, helping everyone enjoy a better future.

3. Key Priorities in 2026

(1) Strengthen and deepen the application system of the Guanlan Large-scale AI Models, pragmatically promote product promotion and vertical scenario implementation, refine products, solutions, and system-level capabilities, and orderly advance the implementation of scenario-based digital business.

(2) Deepen the core business and actively expand incremental business. Adhere to global compliance operations and increase the proportion of non-video business and non-distribution project revenue overseas.

(3) Expand the scale of innovative businesses, strengthen competitiveness, and strive for better market positions in their respective fields.

(4) Deepen AI digital transformation, promote digital efficiency improvement throughout the entire process of R&D, supply chain, marketing, and services, empower business operations and company management, and improve company operational efficiency.

(5) Continuously optimize the supply chain system, improve automation levels, and strictly control product quality throughout the entire life cycle.

(6) Focus on operational quality, optimize operational mechanisms and resource allocation. Explore organizational mechanism innovations for vertical management, shorten decision-making chains, accelerate business iteration, and activate organizational momentum.

XI. Reception of Activities including Research, Communication and Interviews during the Report 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
April 19, 2025	Headquarters meeting room of the Company	Performance result conference call	Institutional investors; individuals	Investors including Caitong Securities - Li Yuxuan	The Company's operations in 2024 and the first quarter of 2025	CNINF, <i>Investor Relations Activity Record on April 19, 2025</i>
August 2,	Headquarters	Performance	Institutional	Investors	The Company's	CNINF, <i>Investor Relations</i>

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
2025	meeting room of the Company	result conference call	investors; individuals	including China Great Wall Securities - Liu Haoran	operating conditions in the first half of 2025	<i>Activity Record on August 2, 2025</i>
September 18, 2025	Conference hall for the communication event	Site research	Institutional investors	Analysts, investors, and others attending the "2025 CETC Industry-Finance Conference and Investor Communication Event of the Controlled Listed Companies"	The Company's operations and future outlook	<i>CNINF, Investor Relations Activity Record on September 18, 2025</i>
October 18, 2025	Headquarters meeting room of the Company	Performance result conference call	Institutional investors; individuals	Investors including Soochow Securities - Chen Haijin	The Company's operating conditions in the third quarter of 2025	<i>CNINF, Investor Relations Activity Record: From October 18, 2025</i>

XII. The Formulation and Implementation of Market Value Management Systems and Valuation Enhancement Plans

Whether or not the Company has established the market value management system

Applicable Inapplicable

On April 17, 2025, the Company's 6th Board of Directors convened its 5th meeting and reviewed and approved the *Market Value Management System*. The system aims to legally and compliantly utilize various methods to enhance its investment value, thereby ensuring that the Company's investment value reasonably reflects its quality on the basis of continuous improvement of the Company's operational standards and quality.

Whether or not the Company has disclosed valuation enhancement plans

Applicable Inapplicable

XIII. Implementation of the "Dual Improvement of Quality and Returns" Action Plan

Whether the Company disclosed the announcement of the "Dual Improvement of Quality and Returns" action plan.

Yes No

During the reporting period, the Company actively promoted the "Dual Improvement of Quality and Return" action plan. A special assessment of the implementation and effectiveness of relevant measures for the year 2025 has been completed. The Company held the 9th Meeting of the 6th Board of Directors on April 16, 2026, which reviewed and approved the assessment report. The main content is reported as follows:

Hikvision has always attached great importance to shareholder returns. On the foundation of upholding sustainable and high-quality development, the Company maintains a long-term and stable level of shareholder returns, continuously enhancing the sense of gain for investors. The Company continues to improve investor communication mechanisms, broadens diversified communication channels, actively conveys company value, enhances market understanding, and strengthens investor confidence.

In 2025, the Company actively implemented its shareholder return policy through a combination of cash dividends and share repurchases, effectively safeguarding the rights and interests of all shareholders. On May 20, 2025, the Company completed the 2024 annual equity distribution, distributing a cash dividend of RMB7.00 per 10 shares (tax included) to all shareholders, with a total cash dividend of RMB6.43 billion. On October 10, 2025, the Company completed the 2025 semi-annual equity distribution, distributing a cash dividend of RMB4.00 per 10 shares (tax included) to all shareholders, with a total cash dividend of RMB3.67 billion. In September 2025, the Company cancelled 68,326,776 shares repurchased through a centralized bidding trading method. The total amount of funds used for repurchasing the aforementioned shares was RMB2.03 billion (excluding transaction fees).

During the reporting period, the Company's controlling shareholder, CETHIK Group Co., Ltd. (hereinafter referred to as "CETHIK") cumulatively increased its shareholding in the Company by 6,845,600 shares through a centralized bidding transaction method via the Shenzhen Stock Exchange trading system, accounting for 0.0741% of the Company's total share capital at the time of the increase, with an investment amount of 200,182,737.28 yuan (excluding transaction fees). CETHIK's acting-in-concert party, CETC Investment Holdings Co., Ltd. (hereinafter referred to as "CETC Investment"), cumulatively increased its shareholding in the Company by 3,204,700 shares through a centralized bidding transaction method via the Shenzhen Stock Exchange trading system, accounting for 0.0347% of the Company's total share capital at the time of the increase, with an investment amount of 100,016,373.80 yuan (excluding transaction fees). The share increase plan by CETHIK and CETC Investment has been successfully implemented. The proactive share increase by the Company's controlling shareholder and its acting-in-concert party further demonstrates their firm confidence in the Company's long-term development. The above measures fully highlight the Company's strong determination to continuously return value to shareholders and stabilize market expectations, effectively safeguarding the interests of investors and promoting the joint growth of the Company's value.

In the future, the Company will closely revolve around its core strategy of AIoT, adhering to innovation-driven development and market demand orientation, continuously promoting high-quality business growth. The Company will further improve its governance structure, strengthen internal management, enhance the transparency and standardization of information disclosure, and improve ongoing and effective communication with investors and stakeholders. At the same time, we will continue to optimize the investor return mechanism, actively fulfill our corporate social responsibilities, continuously enhance the Company's intrinsic value and market recognition, and create long-term and stable value returns for investors.

Section IV Corporate Governance, Environment and Society

I. Basic Situation of Corporate Governance

Since the inception of the Company, we have been adhered to laws and regulations and regulatory requirements such as the *Company Law*, *Securities Law*, *Code of Corporate Governance of Listed Companies*, *Rules Governing the Listing of Shares on Shenzhen Stock Exchange*, and *Shenzhen Stock Exchange Listed Companies Self-Regulatory Supervision Guidelines No. 1 - Standardized Operation of Main Board Listed Companies*. It actively practices the modern enterprise system and continuously improves its corporate governance level. The Company has established a corporate governance structure centered on the meeting of shareholders, board of directors, and management, with clearly defined responsibilities and efficient operations. The board of directors has established several specialized committees, including the Strategy Committee, Audit Committee, Nomination Committee, Remuneration and Appraisal Committee, and Risk and Compliance Committee. Among these, the Audit Committee, in addition to its original functions, fully assumes the supervisory responsibilities previously held by the Board of supervisors, effectively enhancing the transparency and scientific nature of corporate governance, and forming an organically unified governance framework of "decision-making—execution—supervision."

Basic information on corporate governance is as follows:

1. Regarding Shareholders and Meeting of Shareholders

During the reporting period, the Company strictly followed the *Rules for the Procedures of the Meeting of Shareholders* to standardize the convening, holding, and voting procedures of the meeting of shareholders, ensuring its legal and compliant operation. The Company treated all shareholders equally, with particular attention to the protection of the rights and interests of small and medium shareholders. By engaging lawyers to witness on-site and issue legal opinions, and by providing a combination of on-site and online voting methods, the Company effectively safeguarded all shareholders' rights, especially those of small and medium shareholders, including their right to know, right to participate, and right to vote, ensuring their legal rights were fully exercised.

2. Regarding the Conduct Standards of Controlling Shareholders

The Company's controlling shareholders strictly complies with the *Corporate Governance Guidelines for Listed Companies*, the *Articles of Association* and related regulations, adheres to the code of conduct, and lawfully exercises shareholder rights through the meeting of shareholders. There is no case of overstepping authority to interfere with the company's business decisions. The Company has a complete business system and independent

and sustainable operating capabilities, and independence has been achieved between the controlling shareholder and the listed company in terms of business operations, personnel, assets, organizational structure, and finance. The Company's board of directors, management, and internal departments operate independently to ensure that all major decisions are independently made and implemented by the Company. Upon investigation, there were no cases during the reporting period of the controlling shareholder occupying the Company's funds for non-business purposes or the Company providing illegal guarantees for it, effectively safeguarding the independence and safety of the listed Company's assets.

3. Regarding Directors and the Board of Directors

The Company's board of directors operates in accordance with the *Articles of Association* and relevant laws and regulations, exercising its powers strictly and effectively implementing the resolutions of the meeting of shareholders. The number and composition of the board members meet the requirements of laws and regulations. The board has established several committees, including the Strategy Committee, Audit Committee, Nomination Committee, Remuneration and Appraisal Committee, and Risk and Compliance Committee. Each committee has clear responsibilities and operates efficiently, providing strong support for the board's scientific decision-making. All directors of the Company fulfill their duties with integrity, loyalty, diligence, professionalism, and dedication, always acting in the interests of the Company and its shareholders, and effectively safeguarding the legitimate rights and interests of the Company and its shareholders. The Company's independent directors meet the relevant provisions of the *Administrative Measures for Independent Directors of Listed Companies* regarding independence, and perform their duties independently and objectively. They have played a key role in improving the Company's supervisory mechanisms and protecting the interests of all shareholders, especially small and medium shareholders. During the reporting period, the Company added one employee representative director in accordance with the law. This move has further improved the Company's democratic management mechanism, effectively broadened the channels for employees to express their rights and interests, enhanced the comprehensiveness and inclusiveness of board decisions, and promoted the sustainable development of corporate governance.

4. Regarding the Board of Directors' Audit Committee

During the reporting period, while fulfilling core functions such as financial reporting review and internal control evaluation, the Board's Audit Committee comprehensively assumed and strengthened the supervisory responsibilities previously held by the Board of Supervisors, effectively enhancing the transparency and scientific nature of corporate governance. The committee is composed of directors with extensive financial and management experience, with independent directors constituting the majority, and the convener being a professional accountant.

During the reporting period, the audit committee diligently performed its duties, effectively overseeing the Company's financial condition, internal control system, and risk management, establishing a modern governance framework where the roles and responsibilities of "decision-making—execution—supervision" are clearly defined and organically unified, providing solid assurance for the Company's stable development.

5. Regarding Performance Appraisal and Incentive and Constraint Mechanisms

The Company has established and continuously improved a scientific and standardized performance appraisal and compensation management system. In terms of the appointment of senior management, it strictly follows the open and transparent legal procedures. The remuneration and appraisal committee under the board of directors is responsible for conducting organizational performance evaluations of senior management at the end of each year and prudently determining their compensation plans based on these evaluations, ensuring a balance between incentives and constraints. To further deepen the Company's medium- and long-term incentive mechanism and strengthen the concept of shared and sustained development between the Company and its employees, the Company continues to implement the core employee co-investment in innovative business plan, aligning individual employee growth with the Company's long-term development goals, thereby injecting strong momentum into the Company's sustained and healthy development.

6. Regarding Continuously Improving Internal Management Systems

According to relevant laws and regulations such as the *Company Law* and the *Securities Law*, as well as the rules, normative documents of regulatory authorities and the requirements of the *Articles of Association*, a systematic and comprehensive governance system has been established. This system covers internal company management regulations such as the *Rules of Procedure for the Meeting of shareholders*, the *Rules of Procedure for the Board of Directors*, *Code of Conduct for Independent Directors*, *Rules for the General Manager's Work*, *Authorization Management System*, *Related Party Transaction Management System*, *External Guarantee Management System*, and *Investor Relations Management System*. Through institutionalized division of powers and responsibilities and process control, the Company continuously optimizes its governance structure, enhances its compliance operation capabilities, and effectively safeguards the legitimate rights and interests of the Company and all shareholders.

7. Regarding the Construction of Information Disclosure Transparency

The Company strictly complies with laws and regulations such as the *Company Law* and the *Securities Law*, as well as regulatory requirements, continuously improving its governance framework centered on the meeting of shareholders, board of directors, and management team, and establishing a modern corporate governance

mechanism that is clearly defined in terms of authority and responsibility, operates in a standardized manner, and effectively balances power. The Company constantly improves its internal control and information disclosure management system, adhering to the principles of authenticity, accuracy, completeness, timeliness, and fairness, and continuously enhancing the quality and transparency of information disclosure to ensure that investors can promptly, comprehensively, and accurately understand the Company's business conditions and development dynamics. The Company's information disclosure work has consecutively received an A-level evaluation from the Shenzhen Stock Exchange for 15 years, fully demonstrating the regulatory authority's high recognition of the Company's standardized operations, the quality of information disclosure, and its corporate governance level.

8. Regarding Investor Relations Activities

The Company places high importance on investor relations management and actively maintains positive interaction with investors through multiple channels and formats. After the regular reports are disclosed, the Company proactively hosts earnings briefings and investor research activities, carefully listens to market opinions and suggestions, and discloses the records of investor relations activities in accordance with regulations, ensuring all investors can fairly and conveniently access company information. In daily operations, the Company relies on diversified communication channels such as investor hotlines, emails, and interactive platforms from irm.cninfo.com.cn to continuously convey the Company's long-term investment value, constantly improving the efficiency and transparency of information dissemination, fully respecting investor concerns, and actively building a mutually trusting and win-win investor relations ecosystem. Through solid work in the field of investor relations management, the Company has received widespread recognition from the market and media, and has successively won multiple honors including the Yicai Global "Chinese Listed Company Strongest Moat List - TMT," the Securities Times "Top 100 Valued Companies on the A-Share Main Board", and the Securities Daily "Golden Horse Most Globally Influential Enterprise Award."

9. Regarding Sustainable Development

Since 2018, the Company has voluntarily disclosed its Environmental, Social, and Governance (ESG) report for eight consecutive years, evolving from compliance-based disclosure to systematic management. In 2024, the Company introduced its "THRIVE" sustainable development philosophy centered on "Technology for Good," advancing responsible practices across five areas: Harmony (employees and communities), Reliability (technological innovation), Integrity (sustainable governance), Value chain (value chain collaboration), and Environment (ecology and carbon neutrality). At the same time, the Company has established an ESG governance mechanism led by the board of directors, coordinated by management, and executed by specialized working groups,

continuously promoting the deep integration of sustainable development strategies with business operations, and is committed to shaping a responsible and accountable global technology enterprise image.

Any significant incompliance for the laws, administrative regulations and the relevant regulatory documents issued by China Securities Regulatory Commission in respect of the Company's corporate governance:

Yes No

There is no significant incompliance for the laws, administrative regulations and the relevant regulatory documents issued by China Securities Regulatory Commission in respect of the Company's corporate governance.

II. Company's Independence in Asset, Personnel, Financial, Institutional, and Businesses from Controlling Shareholders and Actual Controller

The Company has a sound corporate governance structure and sound operating mechanisms, and has formed an independent operating system in terms of business, personnel, asset, institution, and finance in relation to the controlling shareholder, which effectively safeguards the Company's operational autonomy and sustainable and healthy development.

1. Business independence: The Company has established and operates independent R&D, procurement, production, and sales systems. Its business operations do not rely on the controlling shareholder, and there is no competition with the controlling shareholder and its affiliated parties.

2. Personnel independence: The Company has an independent staff, and has established a sound labor, personnel, and remuneration management system. The personnel configuration of each functional department is independent. Senior management personnel are exclusively employed by the Company and receive their salaries from the company. None of them hold part-time positions or receive remuneration from the controlling shareholder's entity. The procedures for the appointment of the board of directors and senior management personnel comply with the provisions of the *Company Law* and the *Articles of Association*, and there is no phenomenon of the controlling shareholder improperly interfering in the personnel appointment decisions of the Company's board of directors or meeting of shareholders.

3. Asset Integrity: The Company and its controlling shareholder have clear ownership of assets, and possess a complete asset system matching production and operation, including production equipment, supporting facilities, patent technologies, etc. There is no situation where assets are occupied or controlled in violation of regulations.

4. Institutional Independence: The Company's board of directors and management operate independently, with a complete internal institutional structure and clearly defined rights and responsibilities. The Company's functional departments have no subordinate relationship with those of the controlling shareholder, ensuring the autonomy of corporate governance and business decision-making.

5. Financial Independence: The Company has an independent financial department, implements a unified financial accounting system, independently conducts financial accounting, decision-making, and bank account management, independently pays taxes in accordance with the law, and its financial activities are not subject to interference from the controlling shareholder.

III. Horizontal Competition

Applicable Inapplicable

IV. Information about Directors and Senior Management

1. Basic Situation

Name	Gender	Age	Title	Tenure status	Commencement of term of office	Termination of term of office	Shares held at the beginning of the Period (Shares)	Shares increased during the Period (shares)	Shares decreased during the Period (Shares)	Other increase or decrease of shares (Share)	Shares held at the end of the Period (Shares)	Reasons for increase or decrease of shares
Hu Yangzhong	Male	61	Chairman of the Board of Directors	Incumbent	December 28, 2001	--	155,996,477	0	0	0	155,996,477	--
Fu Baijun	Male	54	Director	Incumbent	August 2, 2024	--	0	0	0	0	0	--
Xu Lixing	Male	55	Director	Incumbent	August 2, 2024	--	0	0	0	0	0	--
Xu Peng	Male	50	Director, General Manager (CEO)	Incumbent	August 2, 2024	--	38,622	0	0	0	38,622	--
Wang Qiuchao	Male	75	Director	Incumbent	March 5, 2021	--	35,000	0	0	0	35,000	--
Wu Xiaobo	Male	66	Independent Director	Incumbent	March 5, 2021	--	0	0	0	0	0	--
Hu Ruimin	Male	62	Independent Director	Incumbent	March 5, 2021	--	0	0	0	0	0	--

Name	Gender	Age	Title	Tenure status	Commencement of term of office	Termination of term of office	Shares held at the beginning of the Period (Shares)	Shares increased during the Period (shares)	Shares decreased during the Period (Shares)	Other increase or decrease of shares (Share)	Shares held at the end of the Period (Shares)	Reasons for increase or decrease of shares
Lv Changjian	Male	61	Independent Director	Incumbent	August 2, 2024	--	0	0	0	0	0	--
Tan Xiaofen	Male	48	Independent Director	Incumbent	August 2, 2024	--	0	0	0	0	0	--
Wang Dan	Female	45	Employee Representative Director	Incumbent	September 23, 2025	--	23,690	0	0	0	23,690	--
He Hongli	Female	53	Senior Deputy General Manager	Incumbent	December 18, 2005	--	331,500	0	0	0	331,500	--
Pu Shiliang	Male	49	Senior Deputy General Manager	Incumbent	March 21, 2018	--	265,900	0	0	0	265,900	--
Guo Xudong	Male	54	Senior Deputy General Manager	Incumbent	March 12, 2021	--	51,140	0	0	0	51,140	--
Xu Ximing	Male	53	Senior Deputy General Manager	Incumbent	October 11, 2016	--	147,900	0	0	0	147,900	--
Chen Junke	Male	55	Senior Deputy General	Incumbent	March 21, 2018	--	0	0	0	0	0	--

Name	Gender	Age	Title	Tenure status	Commencement of term of office	Termination of term of office	Shares held at the beginning of the Period (Shares)	Shares increased during the Period (shares)	Shares decreased during the Period (Shares)	Other increase or decrease of shares (Share)	Shares held at the end of the Period (Shares)	Reasons for increase or decrease of shares
			Manager									
Huang Fanghong	Female	44	Senior Deputy General Manager	Incumbent	April 8, 2016	--	399,500	0	0	0	399,500	--
Jin Yan	Female	47	Senior Deputy General Manager, Person in Charge of Finance	Incumbent	July 22, 2015	--	251,000	0	0	0	251,000	--
Cai Changyang	Male	55	Senior Deputy General Manager	Incumbent	April 8, 2016	--	109,500	0	0	0	109,500	--
Feng Wei	Male	47	Senior Deputy General Manager, Board Secretary	Incumbent	October 25, 2024	--	0	0	0	0	0	--
Lu Jianzhong	Male	72	Chairman of the Board of Supervisors	Resignation	March 5, 2021	September 23, 2025	0	0	0	0	0	--

Name	Gender	Age	Title	Tenure status	Commencement of term of office	Termination of term of office	Shares held at the beginning of the Period (Shares)	Shares increased during the Period (shares)	Shares decreased during the Period (Shares)	Other increase or decrease of shares (Share)	Shares held at the end of the Period (Shares)	Reasons for increase or decrease of shares
Huang Xing	Female	42	Supervisor	Resignation	August 2, 2024	September 23, 2025	0	0	0	0	0	--
Pan Jia	Male	46	Employee Supervisor	Resignation	August 2, 2024	September 23, 2025	54,625	0	0	0	54,625	--
Total	--	--	--	--	--	--	157,704,854	0	0	0	157,704,854	--

Note: 1. The number of shares held at the beginning of the period, shares increased during the period, shares decreased during the period, other increase or decrease of shares, and shares held at the end of the period for directors and senior management personnel above are all shares directly held by them accordingly.

2. On August 2, 2024, Xu Peng was elected as a Company director and appointed as the Company's general manager by the board of directors. The table lists the start time of his latest position.

On September 23, 2025, the Company's staff congress elected Ms. Wang Dan as the staff representative director of the Company's sixth board of directors through a democratic election.

On September 23, 2025, the Company's first extraordinary meeting of shareholders in 2025 passed the *Proposal on the Revision of the Articles of Association*, and the Company will no longer establish a board of supervisors. The supervisors Lu Jianzhong, Huang Xing, and Pan Jia have left their positions as supervisors.

3. During the reporting period, the initial number of shares held by the employee representative director newly appointed is the number of shares held at the time of appointment.

Any resignation of directors and senior management personnel during their term of office during the reporting period.

Yes No

Change of directors and senior management personnel

√Applicable □Inapplicable

Name	Title	Type	Date	Reason
Wang Dan	Employee Representative Director	Election	September 23, 2025	Newly elected Employee Representative Director

2. Positions and Incumbency

1) Directors

Mr. Hu Yangzhong (胡扬忠): Born in 1965, master of engineering, a senior research engineer. He served as an engineer of 52nd Research Institute at China Electronics Technology Group Corporation (hereinafter referred to as "52nd Research Institute") from June 1989 to December 2001. From December 2001 to August 2024, he served as a director and the general manager of the Company. Hu currently serves as the Chairman of the Board of Directors of the Company.

Mr. Fu Bajun (傅柏军): Born in 1972, bachelor of economics, a senior accountant. He successively held positions such as senior deputy general manager of Hikvision and assistant general manager of CETHIK Group Co., Ltd. (hereinafter referred to as CETHIK) He is currently a director of Hikvision.

Mr. Xu Lixing (徐立兴): Born in 1971, bachelor of economics, a senior accountant. He has successively served as the chief accountant of the 55th Research Institute of China Electronics Technology Group Ltd., China Electronics National Basic Southern Group Co., Ltd., the 14th Research Institute of China Electronics Technology Group Ltd., and China Electronics Guo Rui Group Co., Ltd. He is currently the chief accountant of CETHIK and a director of Hikvision.

Mr. Xu Peng (徐鹏): Born in 1976, bachelor of engineering, a senior engineer. From 1998 to 2004, he successively held positions such as assistant engineer and engineer at the 52nd Research Institute of China Electronics Technology Group Ltd. He joined Hikvision in 2004 and successively served as a camera R&D manager, R&D director, product director, general manager of the front-end product business department, deputy general manager, and senior deputy general manager of Hikvision. He is currently a director and general manager of Hikvision.

Mr. Wang Qiuchao (王秋潮): Born in 1951, master of Law. He successively served as the general director of Zhejiang Tiance Law Firm, president of Lawyers Association of Zhejiang, and vice president of the Zhejiang Law

Society. He is currently an Honorary Partner of Zhejiang Tiance Law Firm, an arbitrator of the China International Economic and Trade Arbitration Commission, an arbitrator of the Shanghai International Arbitration Center, an arbitrator of the Shenzhen International Arbitration Center, and a director of Hikvision.

Mr. Wu Xiaobo (吴晓波): Born in 1960, a PhD of business administration, Professor, Ph.D. Tutor. In February 1982, he joined the Energy Saving Office of the Ministry of Forestry, Zhejiang Energy Conservation Technology Service Center, and joined the School of Management of Zhejiang University in July 1992, successively served as an executive vice dean, dean, and director of the Department of Social Sciences of Zhejiang University. He is currently the director of "Innovation Management and Sustainable Competitiveness" research center of Zhejiang University, the Chinese director of the Joint Research Center for Global Manufacturing and Innovation Management of Zhejiang University-Cambridge University, and an independent director of the Company.

Mr. Hu Ruimin (胡瑞敏): Born in 1964, a PhD in engineering, second-level professor, doctoral tutor, LuoJia distinguished scholar, recipient of Special Government Grants from the State Council, Senior Member of IEEE (Institute of Electrical and Electronics Engineers), fellow of China Institute of Communications, distinguished member of China Computer Federation. He has successively served as vice chairman of the Academic Committee of Wuhan University, director of the National Multimedia Software Engineering Technology Research Center, director of Hubei Provincial Key Laboratory of Multimedia Network Communication Engineering, First Executive Dean of National Cyber Security College and Dean of School of Computer Science of Wuhan University. From December 2007 to December 2013, he served as an independent director of Wuhan Tienyu Information Industry Co., Ltd. From January 2010 to January 2016, he served as the first dean of Hikvision Research Institute. He is currently a professor of Wuhan University, an independent director of Sunwave Communication Co., Ltd., and an independent director of the Company.

Mr. Lv Changjiang (吕长江): Born in 1965, a PhD in Economics, a national high-level talent, and a recipient of the special government allowance of the State Council. He has successively served as an independent director of East Money Information Co., Ltd., China Tianying Inc., and Montage Technology Co., Ltd. He is currently the deputy dean of the School of Management, a professor and doctoral supervisor of accounting at Fudan University, the co-editor-in-chief of "China Accounting Review" and "China Management Accounting", an independent director of Youngor Group Co., Ltd., and an independent director of Hikvision.

Mr. Tan Xiaofen (谭小芬): Born in 1978, holding Bachelor and Master degree from the School of Economics and Business Administration at Beijing Normal University, and a Doctorate from the Chinese Academy of Social Sciences. His research areas include finance, macroeconomics, and international economics. He is a doctoral

supervisor, a visiting scholar at Columbia University in the United States, the chief expert of major projects of the National Social Science Fund, the chief expert of key projects of the National Natural Science Fund, and the chief expert of major projects of the Ministry of Education's Philosophy and Social Science Late-stage Funding. He successively served as a professor and deputy dean of the School of Finance, director of the Personnel Department, director of the Talent Work Office, minister of the Teacher Work Department, director of the Development Planning Department, and director of the Discipline Construction Office at Central University of Finance and Economics. He is currently a professor of finance at the School of Economics and Management at Beihang University, an outstanding young scholar of Bluesky Plan, a Changjiang Young Scholar of the Ministry of Education, an independent director of Minsheng Royal Fund Management Co.,Ltd., and Sunshine Life Insurance Co., Ltd., and an independent director of Hikvision.

Ms. Wang Dan (王丹): born in 1981, holding a Master of Engineering degree and is a Senior Engineer. She joined Hikvision in 2004 and has served as Hardware Engineer, Hardware Manager, and Director of the Hardware Management Department. From June 2022 to August 2025, she served as Supervisor of Hangzhou Hikrobot Co., Ltd. She is currently the Employee Representative Director of Hikvision and General Manager of the Hardware Technology & Product Information Design Department.

2) Senior Management Personnel

Mr. Xu Peng (徐鹏): Please refer to his profile in preceding part of the report.

Ms. He Hongli (何虹丽): Born in 1973, master of business administration. She joined Hikvision in December 2001 and served as an assistant to the general manager and a deputy general manager of the Company. Ms. He currently serves as a senior deputy general manager of the Company.

Mr. Pu Shiliang (浦世亮): Born in 1977, doctor of engineering, a senior engineer. He joined Hikvision in April 2006 and held various positions in the Company, including R&D engineer, R&D manager, R&D director, , chief expert, and dean of the R&D institute. He currently serves as a senior deputy general manager of the Company.

Mr. Guo Xudong (郭旭东): Born in 1972, bachelor of engineering. In July 2002, he joined Hikvision, and successively served as general manager of Shenzhen Branch, marketing director of domestic marketing center and deputy general manager of domestic marketing center. He is currently the senior deputy general manager of the Company.

Mr. Xu Ximing (徐习明): Born in 1973, bachelor of engineering. From July 1996 to September 2016, he held various positions in IBM, including engineer, department manager, director, partner of consulting service, senior

partner of consulting service, and a vice president. He joined Hikvision in September 2016, and served as a deputy general manager of the Company. Mr. Xu currently serves as a senior deputy general manager of the Company.

Mr. Chen Junke (陈军科): Born in 1971, bachelor of engineering, a senior engineer. Chen held various positions in the 52nd Research Institute from 1994 to 2001, including assistant engineer, engineer and senior engineer. He joined the Company in 2001 and served as the technology director of the Digital Video Recorder (DVR) Division of the Technology Management Center, general manager of supply chain management center, employee representative supervisor. Chen currently serves as senior deputy general manager of the Company.

Ms. Huang Fanghong (黄方红): Born in 1982, bachelor of law. She joined Hikvision in June 2009 and held various positions at the Company including legal department manager, internal audit manager, internal control director, and a senior deputy general manager and the board secretary. Ms. Huang currently serves as a senior deputy general manager.

Ms. Jin Yan (金艳): Born in 1979, master of management, an accountant. She joined Hikvision in 2004 and held various positions at the Company, including financial manager, the general manager of the Financial Management Center, and a deputy general manager and the person in charge of finance and accounting. Ms. Jin currently serves as a senior deputy general manager and the person in charge of finance and accounting of the Company.

Mr. Cai Changyang (蔡昶阳): Born in 1971, bachelor of engineering. He joined Hikvision in 2004, and held various positions of the Company, including general manager of Beijing branch, director for government and enterprise corporation department, director of investment department, director of strategy and marketing department, and a deputy general manager of the Company. Mr. Cai currently serves as senior deputy general manager of the Company.

Mr. Feng Wei (奉玮): Born in 1979, master of engineering. From January 2005 to June 2010, he served as an international management trainee, supply chain quality engineer, and market information manager at the German ZF Group. From July 2010 to November 2013, he was an industry analyst at China Everbright Securities Co., Ltd. From November 2013 to October 2019, he served as the managing director of the research division, and the chief analyst for the automotive and auto parts industry at China International Capital Corporation Limited (CICC). From November 2019 to July 2024, he was the Chief Financial Officer of NIO Group. In October 2024, he joined Hikvision and is currently the Company's senior deputy general manager and Board secretary.

The situation where a controlling shareholder and the actual controller also serve as the chairman and general manager of the listed Company

Applicable Inapplicable

Position held in shareholders' entities

Applicable Inapplicable

Name	Shareholder's entity	Position in shareholders' entities	Commencement of the term	Termination of the term	Compensation and allowance from the shareholders' entity
Fu Bajun	CETHIK Group Co., Ltd.	Deputy Secretary of the Committee	February 2023		Y
Xu Lixing	CETHIK Group Co., Ltd.	Chief Accountant	February 2023		Y

Positions held in other entities

Applicable Inapplicable

Name	Name of other Entity	Position in other entity	Commencement of the term	Termination of the term	Compensation and allowance from the other entities
Xu Lixing	China Electronics Technology Financial Co., Ltd.	Supervisor	April 2022	June 2025	N
Xu Lixing	China Electronics Technology Financial Co., Ltd.	Director	March 2026		N
Xu Lixing	Phoenix Optics Ltd.	Director	December 2023		N
Xu Lixing	Zhejiang Chituo Technology Co., Ltd.	Director	January 2024		N
Xu Peng	Maxiot Technology (Hangzhou) Co., Ltd.	Director	December 2021	June 2025	N
Wang Qiuchao	Zhejiang T&C Law Firm	Partner	June 1986		Y
Wang Qiuchao	Shanghai Kehui Value Investment Management Ltd.	Director	July 2009		N
Wu Xiaobo	Hangzhou Co-Rui Enterprise Management Consulting Ltd.	Director	April 2011	April 2025	N
Wu Xiaobo	Ningbo Industrial Internet Research Institute Ltd.	Director	May 2018		Y
Wu Xiaobo	Zhongliang Holdings Group Ltd.	Independent Director	June 2019		Y
Wu Xiaobo	Ruihua Innovation Management Research Institute (Hangzhou) Ltd.	Director	November 2019		N
Wu Xiaobo	UCloud Technology Co., Ltd.	Independent Director	June 2020		Y
Wu Xiaobo	Zhongtian Holding Group Ltd.	Independent Director	July 2021		Y

Name	Name of other Entity	Position in other entity	Commencement of the term	Termination of the term	Compensation and allowance from the other entities
Wu Xiaobo	Jiangsu Cowain Automation Technology Co., Ltd.	Independent Director	March 2025		Y
Hu Ruimin	Sunwave Communications Co., Ltd.	Independent Director	January 2026		Y
Lv Changjiang	Youngor Fashion Co., Ltd.	Independent Director	May 2020		Y
Lv Changjiang	Hua An Fund Management Co., Ltd.	Independent Director	September 2025		Y
Tan Xiaofen	China Minsheng Bank Fund Management Co., Ltd.	Independent Director	January 2023		Y
Tan Xiaofen	Yangguang Life Insurance Co., Ltd.	Independent Director	March 2024		Y
Xu Ximing	Shenzhen Wangyu Security Service Science and Technology Ltd.	Director	November 2019		N
Xu Ximing	Chengdu Guoshengtianfeng Network Technology Ltd.	Director	August 2020		N
Xu Ximing	Hangzhou Confirmware Technology Co., Ltd.	Director	August 2021		N
Guo Xudong	Zhejiang Fast Line data fusion Information Technology Co., Ltd.	Director	January 2021	March 2025	N

Incumbent and off-office directors and senior management personnel during the reporting period that have been imposed administrative penalties by the CSRC during the last three years.

Applicable Inapplicable

3. Remuneration of Directors and Senior Management Personnel

Decision-making process, basis for determination, and actual payment of remuneration for directors and senior management

The remuneration plan for company directors and senior management is formulated by the Board's Remuneration and Appraisal Committee, specifying the basis for determining compensation and its specific components. The Company's meeting of shareholders is responsible for reviewing the directors' remuneration, while the Company's board of directors is responsible for reviewing the remuneration of senior management. The actual remuneration received by all directors and senior management is finally determined based on the annual performance evaluation method approved by the Board's Remuneration and Appraisal Committee, taking into comprehensive consideration factors such as individual performance indicators, the Company's overall operating

results, and their job performance, and is approved by the Board of Directors or the Shareholders' Meeting. Independent directors receive a fixed annual allowance. For external directors who do not hold specific positions within the company/shareholder units, the allowance shall be implemented in accordance with the standard for independent directors. The compensation system should serve the Company's business strategy and be adjusted accordingly to adapt to the Company's further development needs as its business conditions change. The basis for adjusting the remuneration of directors and senior management includes: company profitability, industry salary levels, inflation levels, organizational structure and position adjustments, etc.

Remuneration of directors and senior management personnel

Unit: RMB 0,000

Name	Gender	Age	Title	Tenure status	Total remuneration from the Company (RMB'0,000)	Remuneration from related parties (Y/N)
Hu Yangzhong	M	61	Chairman of the Board of Directors	Incumbent	299.00	N
Fu Baijun	M	54	Director	Incumbent	0	Y
Xu Lixing	M	55	Director	Incumbent	0	Y
Xu Peng	M	50	Director and CEO	Incumbent	345.00	N
Wang Qiuchao	M	75	Director	Incumbent	30.00	N
Wu Xiaobo	M	66	Independent Director	Incumbent	30.00	N
Hu Ruimin	M	62	Independent Director	Incumbent	30.00	N
Lv Changjiang	M	61	Independent Director	Incumbent	30.00	N
Tan Xiaofen	M	48	Independent Director	Incumbent	30.00	N
Wang Dan	F	45	Employee Representative Director	Incumbent	32.00	N
He Hongli	F	53	Senior Deputy General Manager	Incumbent	334.00	N
Pu Shiliang	M	49	Senior Deputy General Manager	Incumbent	335.00	N
Guo Xudong	M	54	Senior Deputy General Manager	Incumbent	317.00	N
Xu Ximing	M	53	Senior Deputy General Manager	Incumbent	315.00	N
Chen Junke	M	55	Senior Deputy General Manager	Incumbent	289.00	N
Huang Fanghong	F	44	Senior Deputy General Manager	Incumbent	305.00	N
Jin Yan	F	47	Senior Deputy General Manager, Person in Charge of Finance and Accounting	Incumbent	289.00	N
Cai Changyang	M	55	Senior Deputy General Manager	Incumbent	289.00	N
Feng Wei	M	47	Senior Deputy General Manager	Incumbent	289.00	N

Name	Gender	Age	Title	Tenure status	Total remuneration from the Company (RMB'0,000)	Remuneration from related parties (Y/N)
			Board Secretary			
Lu Jianzhong	M	72	Chairman of the Board of Supervisors	Resignation	15.00	N
Huang Xing	F	42	Supervisor	Resignation	0	Y
Pan Jia	M	46	Employee Supervisor	Resignation	106.00	N
Total	--	--	--	--	3709.00	--

Note 1: The compensation for current directors and senior management during the reporting period reflects the total remuneration accrued during their tenure. For former directors and senior management who have left their positions, the disclosed compensation represents the total remuneration received during their tenure within the reporting period.

Note 2: On September 23, 2025, the Company's staff congress elected Ms. Wang Dan as the staff representative director of the Company's sixth board of directors through a democratic election.

On September 23, 2025, the Company's first extraordinary meeting of shareholders in 2025 passed the *Proposal on the Revision of the Articles of Association*, and the Company will no longer establish a board of supervisors. The supervisors Lu Jianzhong, Huang Xing, and Pan Jia have left their positions as supervisors.

Basis for evaluating the actual compensation received by all directors and senior management at the end of the reporting period	At the end of the reporting period, the actual compensation received by all directors and senior management of the Company was determined based on the annual performance evaluation method approved by the Board's Remuneration and Appraisal Committee, taking into comprehensive consideration factors such as individual performance indicators, the overall business results of the Company, and the performance of their duties.
Actual performance evaluation results of compensation received by all directors and senior management at the end of the reporting period	Already achieved
Arrangements for deferred payment of actual compensation received by all directors and senior management at the end of the reporting period	Not applicable
Situation of payment stop and clawback for actual compensation received by all directors and senior management at the end of the reporting period	Not applicable

Other situations description

Applicable Inapplicable

V. Performance of Duties by Directors during the Reporting Period

1. Attendance of Directors at the Board Meetings and Meeting of shareholders

Attendance of directors at board meetings and meeting of shareholders							
Name of Director	Board meeting presence required in the reporting period (times)	Board meeting presence on site (times)	Board meeting presence by telecommunication (times)	Board meeting presence through a proxy (times)	Board meeting absence (times)	Board meeting not attend in person for two consecutive times	Presence of independent directors in meeting of shareholders (times)
Hu Yangzhong	4	2	2	0	0	N	2
Fu Baijun	4	2	2	0	0	N	2
Xu Lixing	4	2	2	0	0	N	2
Xu Peng	4	2	2	0	0	N	2
Wang Qiuchao	4	1	3	0	0	N	2
Wu Xiaobo	4	2	2	0	0	N	2
Hu Ruimin	4	2	2	0	0	N	2
Lv Changjiang	4	1	3	0	0	N	2
Tan Xiaofen	4	2	2	0	0	N	2
Wang Dan	1	0	1	0	0	N	0
Explanation of the Situation	On September 23, 2025, the Company's staff congress elected Ms. Wang Dan as the staff representative director of the Company's sixth board of directors through a democratic election.						

2. Objections from Directors on Related Issues of the Company

Were there any objections on related issues of the Company from directors?

Yes No

During the reporting period, there is no objections on related issues of the Company from directors.

3. Other Details about the Performance of Duties by Directors

Were there any suggestions from directors accepted by the Company?

Yes No

During the Reporting Period, directors strictly followed related rules, regulations, including *Company Law*, *Rules Governing the Listing of Shares on Shenzhen Stock Exchange*, *Shenzhen Stock Exchange Listed Companies*

Self-Regulatory Supervision Guidelines No. 1 - Standardized Operation of Main Board Listed Companies and Articles of Association. They focused on the Company operation, carefully review the Company's relevant meeting materials, reviewed and approved a number of board resolutions, and have no objection to all the proposals; At the same time, the directors of the Company put forward relevant constructive suggestions based on their professional abilities and the actual situation of the Company, which had a positive impact on the standardized operation of the Company and fulfilled their duties as directors.

The Company's independent directors strictly followed *Measures for the Administration of Independent Directors of Listed Companies* and related rules/ regulations, carried out their duties, and attended the meeting of shareholders, the board meeting, and meetings of the board's special committees. The special committee of independent directors studied and deliberated matters such as financial statement, related-party transactions, the hiring accounting firms, and foreign exchange hedging. To improve the Company supervisory systems and to protect the legal rights of the Company and shareholders, especially small and medium shareholders, independent directors provided professional and subjective advices, enhancing the board's management capability, ensuring the Company's standardized operations. For details, please refer to *2025 Debriefings on the Performance of Independent Directors* disclosed on www.cninfo.com.cn.

VI. The Special Committees under the Board during the Reporting Period

Committee Name	Members	Number of meetings held	Convening Date	Meeting Content	Important comments and suggestions
Strategy Committee of the 6 th session of the Board of Directors	Hu Yangzhong (convener), Hu Ruimin, Wu Xiaobo	2	April 17, 2025; April 30, 2025;	Reviewed and approved 2 proposals including the 2024 <i>Annual Work Report of the Strategy Committee of the Board of Directors</i>	All expressed concurring opinions
Audit Committee of the 6 th session of the Board of Directors	Lv Changjiang (convener), Tan Xiaofen, Xu Lixing	7	February 19, 2025; March 19, 2025; April 17, 2025; August 1, 2025; September 5, 2025; October 17, 2025; October 28, 2025	Reviewed and approved 17 proposals including <i>Proposal on 2025 Reappointment of Certificated Public Accountants LLP</i> and <i>Proposal on the Mid-Year Dividend Plan for 2025</i>	All expressed concurring opinions
Remuneration and Appraisal	Hu Ruimin (convener), Lv	2	March 20, 2025; April 17, 2025	Reviewed and approved 6 proposals including the 2024	All expressed concurring

Committee Name	Members	Number of meetings held	Convening Date	Meeting Content	Important comments and suggestions
Committee of the 6 th session of the Board of Directors	Changjiang, Wang Qiuchao			<i>Annual Work Report of the Remuneration and Appraisal of the Board of Directors Committee</i>	opinions
Nomination Committee of the 5 th session of the Board of Directors	Wu Xiaobo (convener), Tan Xiaofen, Xu Lixing	1	April 17, 2025	Reviewed and approved the <i>2024 Annual Work Report of the Nomination Committee of the Board of Directors</i>	All expressed concurring opinions
Risk and Compliance Committee of the 6 th session of the Board of Directors	Wang Qiuchao (convener), Xupeng, Fu Baijun	1	April 17, 2025	Reviewed and approved 2 proposals including the <i>2024 Annual Work Report of the Risk and Compliance Committee of the Board of Directors</i>	All expressed concurring opinions

VII. Performance of Duties by the Audit Committee

Were there any risks to the Company identified by audit committee when performing its duties during the reporting period?

Yes No

The audit committee has no objection to the supervision matters during the reporting period.

VIII. Staff in the Company

1. Statistics of Employees, Professional Structure of the Staff, and Educational Background

Number of incumbent employees in the parent Company at the end of the reporting period	17,096
Number of incumbent employees in major subsidiaries at the end of the reporting period	40,106
Number of incumbent employees at the end of the reporting period	57,202
Number of employees receiving salaries in current period	57,202
Number of retired employees requiring the parent Company and its subsidiaries to bear costs	0
Professional structure	
Tier	Number of employees
Managerial personnel	955
Production staff	18,195

Sales staff	9,343
R&D and technical staff	26,806
Financial staff	412
Administrative staff	1,491
Total	57,202
Educational background	
Education background	Number of employees
Master and/or doctor/or above	11,099
Bachelor	26,907
Junior College (professional training)	7,939
Other	11,257
Total	57,202

2. Staff Remuneration Policy

Hikvision applies scientific talent cultivation methods, effective talent incentive mechanisms and fair competition platforms to recruit talents, and continuously optimizes the talent structure. The Company provides employees with remuneration packages which are competitive in the industry. In addition to endowment insurance, medical insurance, unemployment insurance, employment injury insurance, maternity insurance and housing provident funds, the Company also provides employees with the supplementary commercial insurance, special allowances, and other benefits, and creates a fairer and more humanized working environment for each employee; so that each employee is able to demonstrate his/her value, and create value to satisfy increasing demands for a good life.

3. Staff Training Plans

The Company, guided by its long-term development strategy, focuses on supporting business growth and talent development as core objectives, systematically planning and implementing a talent development system. We adhere to a dual-driven approach of "system building" and "resource building," creating an integrated digital learning platform to efficiently meet the common needs of all employees and consolidate the foundation of organizational capability. At the same time, we precisely focus on key positions and core talents along the value chain, actively exploring customized, agile, and diverse development models. Our goal is to deeply integrate talent development

into business operations, directly empowering the implementation of our strategy.

In 2026, we will place greater emphasis on depth and effectiveness, striving to transform our system advantages into tangible outcomes. We will continue to advance the construction and implementation of learning roadmaps, clearly defining the capability paths and development levels for each job sequence, thus further enhancing the systematicness and foresight of our talent development efforts. Based on this foundation, we will deepen the effectiveness of key talent development projects through systematic learning, practical experience, and assessment, genuinely improving the professional competence and leadership of our talent pool to ensure a continuous supply of high-quality talent for core business initiatives.

4. Labor Outsourcing

Applicable Inapplicable

IX. Profit Distribution and Capitalization of Capital Reserves

Profit distribution policy in the reporting period, especially the formulation, implementation and adjustment of cash dividend policy

Applicable Inapplicable

Special explanation of cash dividend policy	
Whether it complies with the provisions of the Company's articles of association or the requirements of the resolution of the meeting of shareholders:	Yes
Whether the dividend standard and dividend ratio are clear:	Yes
Whether the relevant decision-making procedures and mechanisms are complete:	Yes
Whether independent directors performed their duties and played their due roles:	Yes
For companies with no cash dividend, disclose detailed reasons and further measures to improve investment return for shareholders:	Inapplicable
Whether minority shareholders have the opportunity to fully express their opinions and demands, and whether their legitimate rights and interests are fully protected:	Yes
If the cash dividend policy is adjusted or changed, whether the conditions and procedures are compliant and transparent:	Inapplicable

1. According to the *2024 Annual Profit Distribution Proposal* approved by the Company's 2024 Annual Meeting of Shareholders: Based on the total shares of 9,233,198,326 as of the equity registration date for the

implementation of the 2024 annual profit distribution plan, minus the 47,139,056 shares held in the Company's repurchase account, the resulting 9,186,059,270 shares serve as the base. Each shareholder received a cash dividend of RMB 7.00 (tax included) for every 10 shares. No bonus shares were issued, and there was no capital reserve conversion to increase the share capital. The equity registration date for the 2024 annual rights issue is May 19, 2025, and the ex-dividend and ex-rights date is May 20, 2025. The total cash dividend (tax included) was RMB 6,430,241,489.00.

2. According to the *Proposal on the Mid-Year Dividend Plan for 2025* approved at the first extraordinary meeting of shareholders of the Company in 2025: It is agreed that, based on the total number of shares entitled to profit distribution as of the equity registration date for the 2025 interim dividend plan, the Company distributed RMB4.00 (tax included) in cash dividends per 10 shares to all shareholders. No bonus shares were issued, and no capital reserve was converted into share capital. The equity registration date for the 2025 first-half equity distribution is October 9, 2025, and the ex-dividend and ex-rights date is October 10, 2025. The total amount of cash dividends (tax included) was RMB 3,665,948,620.00.

The above profit distribution policy complies with the provisions of the Company's articles of association, and fully protects the legitimate rights and interests of small and medium shareholders.

During the reporting period, the Company was profitable and the distributable profits to shareholders of the parent company was positive, but the Company did not propose a cash dividend distribution plan.

Applicable Inapplicable

Has the board of directors deliberated on the profit distribution plan

Yes No

Profit distribution and capitalizing of capital reserves for the current reporting period

Applicable Inapplicable

Bonus issue per 10 shares (share)	0
Cash dividend per 10 shares (RMB) (tax inclusive)	7.50
Additional shares converted from capital reserves for 10 shares (share)	0
Total capital shares as the basis for the distribution proposal (share)	9,164,871,550
Total cash dividend (RMB) (tax inclusive)	6,873,653,662.50

Amount of cash dividends in other methods (such as share repurchase) (RMB)	2,028,349,444.12
Total cash dividends (including other methods) (RMB) ^{Note1}	12,567,951,726.62
Distributable profits (RMB)	45,631,359,971.97
Percentage of cash dividends in the total distributed profit (%)	100.00%
Cash dividend policy	
Other	
Details about the plan for profit distribution and capitalizing capital reserves into share capital	
<p>As audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership), in 2025, the parent company of the Company realized net profit of RMB11,246,784,128.48, with no statutory surplus reserves extracted. Adding the parent company's undistributed profit at the beginning of the year of RMB44,480,765,952.49 and subtracting the actual cash dividends distributed in 2024 and the first half of 2025 of RMB10,096,190,109.00, the profit available for distribution to shareholders of the parent company as of December 31, 2025, is RMB45,631,359,971.97, and the profit available for distribution to shareholders in the consolidated financial statements is RMB65,059,094,727.57. Therefore, based on the lower of the two principle, the profit available for distribution to shareholders this year is RMB45,631,359,971.97.</p> <p>Based on the total shares (excluding shares not entitled to profit distribution) of the Company as of the equity registration date for the implementation of the 2025 profit distribution plan, all shareholders will receive 7.50 RMB (tax included) cash dividends per 10 shares, without issuing bonus shares, and without capital reserve conversion to additional shares. The remaining undistributed profit will be carried forward to subsequent years. Based on the current total shares of the Company (9,164,871,550 shares), the preliminary estimate of the cash dividend distribution amount is RMB6.87 billion, accounting for 48.42% of the net profit attributable to the Company's shareholders in 2025. The specific dividend amount will be subject to the Company's future announcement regarding the implementation of the equity distribution. This profit distribution plan still needs to be submitted for approval by the Company's shareholders' meeting.</p> <p>In October 2025, the Company completed the implementation of its 2025 semi-annual equity distribution, distributed cash dividends of RMB4.00 per 10 shares (tax included) to all shareholders, without issuing bonus shares or capital reserve conversion. The total amount of cash dividends distributed for the semi-annual interim period is RMB3.67 billion. Combined with this annual profit distribution plan, the Company's total cash dividend for 2025 is expected approximately RMB 10.54 billion, representing 74.25% of the 2025 net profit attributable to shareholders of the Company.</p>	

Note 1: The total cash dividend (including other methods) includes the 2025 interim dividend amount already implemented, the estimated amount of the 2025 annual profit distribution plan to be implemented this time, and the 2025 share repurchase and cancellation amount.

X. The Implementation of an Equity Incentive Plan, Employee Stock Incentive Plan, or other Incentive Plans

Applicable Inapplicable

The Company had no equity incentive plans, employee stock ownership plans, or other employee incentive measures and their implementation during the reporting period.

XI. Construction and Implementation of Internal Control System during the Reporting Period**1. Construction and Implementation of Internal Control**

The Company establishes and continuously improves a scientifically designed and effectively operating internal control system in accordance with the provisions of the *Basic Standard for Enterprise Internal Control* and its associated guidelines, as well as other internal control regulatory requirements. At the same time, the Company continuously strengthens the supervisory functions of internal audit. The Audit Committee of the Company's Board of Directors is responsible for supervising and evaluating the Company's internal control management, while the Company's management is responsible for leading and organizing the daily operations of internal control.

During the reporting period, the Company's Board of Directors Audit Committee and the Board of Directors approved the *Proposal on the Revision of the Internal Audit System*. The Audit Committee diligently fulfilled its supervisory responsibilities, continuously inspecting and supervising the scientificity, rationality, effectiveness, and actual implementation of the Company's internal control system. In addition, the Audit Committee tracked major issue progress in the Finance Center and the Internal Audit Department through special work meetings and put forward clear requirements to enhance the standardization of internal control. The Company establishes an internal audit department, which is accountable to the board of directors and reports its work to the audit committee. The audit department is equipped with full-time staff to independently conduct internal audit work, supervise, and inspect the effectiveness and rationality of internal control, and regularly report the work to the audit committee. According to the annual audit plan, the Internal Audit Department conducted systematic audits on the risk modules in the Company's various business areas, promptly identified internal control deficiencies, and proposed reasonable suggestions, thereby regulating and supervising the Company's business management activities. Through the continuous operation, analysis, and evaluation of the internal control system, the Company effectively prevented potential risks in business management and strongly promoted the realization of internal control objectives. At the same time, the Internal Audit Department conducts special examinations on the Company's major matters every six months and prepares inspection reports to be submitted to the Audit Committee for review, thereby further standardizing and strengthening the Company's internal control risk prevention mechanism.

During the reporting period, the Company continued to strengthen the evaluation and improvement of its internal controls, constantly promoting the in-depth implementation of the internal control system across all business departments, comprehensively enhancing the compliance awareness of all employees, and ensuring the effective

implementation of all internal control systems. Through the aforementioned measures, the Company has indeed improved its standard operating level and risk management capabilities, laying a solid foundation for the company's healthy and sustainable development. For more information, please refer to the *2025 Internal Control Self-Evaluation Report* disclosed by the Company on CNINFO website (www.cninfo.com.cn).

2. Any Significant Internal Control Deficiencies during the Reporting Period

Yes No

XII. The Company's Management and Control of Subsidiaries during the Reporting Period

In strict adherence to the relevant laws and regulations such as the Authorization Management System and the regulations and normative documents of regulatory authorities, the Company considers and approves proposals on the acquisition and cancellation the registration of new subsidiaries, and exercises management powers over major matters of the subsidiaries in accordance with the requirements regarding assets control over the subsidiaries and the standard operations of the Company. At the same time, subsidiaries shall provide timely, complete and accurate information to the Company such as operating results, financial position and operating prospects, so that the Company can conduct scientific decision-making, supervision and coordination.

During the reporting period, the Company established two domestic subsidiaries and two overseas subsidiaries. A new domestic subsidiary was added due to changes in voting rights, and one domestic subsidiary was liquidated and deregistered, resulting in a change in the consolidated scope. For details, please refer to changes in the consolidation scope in Note (VI) to the financial statements.

XIII. Self-evaluation Report on Internal Control or Internal Control Audit Report

1. Self-evaluation Report on Internal Control

Disclosure date of full text of self-evaluation report on internal control		April 18, 2026
Disclosure index of full text of self-evaluation report on internal control		www.cninfo.com.cn
Proportion of assets evaluated in total assets		100.00%
Proportion of revenue evaluated in total revenue per consolidated financial statement		100.00%
Recognition standard of deficiencies		
Nature	Financial report level	Non-financial report level
Qualitative criteria	Significant deficiency:	Internal control deficiencies at non-financial report level are mainly identified

	<p>A deficiency or a combination of deficiencies in internal control may prevent significant errors in financial reports from being identified or prevented, e.g.:</p> <p>A. Invalid internal control environment; B. Fraud of directors, supervisors and senior management personnel on the financial report ; C. Significant errors identified by external auditors but not identified during the Company is operating; D. Invalid supervision of audit committee and internal audit system; E. Other deficiencies that may lead to the wrong judgement of financial statement reporter.</p> <p>Important deficiency: A deficiency or a combination of deficiencies in internal control may prevent errors in financial report from being identified or prevented, although such deficiency is not significant, but require attention of the Board and Management, e.g.:</p> <p>A. Application of accounting policies does not follow the enterprise accounting standard; B. No internal control systems for fraud; C. No control systems or system not effective for unusual or special transactions or no compensatory relevant control; D. One or more deficiencies which prevent the preparation of true and fair financial statements.</p> <p>Normal deficiency: Not significant and not important deficiency.</p>	<p>by the likelihood of occurrence and the extent of impacts on operating effective in business.</p> <p>Significant deficiency: the high likelihood leading to significant reduction of working efficiency, or significant increase of uncertainty, or significant deviation from the expected target;</p> <p>Important deficiency: a higher likelihood leading to remarkable reduction of working efficiency, or remarkable increase of uncertainty, or remarkable deviation from the expected target;</p> <p>Normal deficiency: a low likelihood leading to reduction of working efficiency, or increase of uncertainty, or deviation from the expected target;</p>
Quantitative criteria	<p>Significant deficiency: potential errors 5% or more of total profits</p> <p>Important deficiency: potential errors 2% or more but below 5% of total profits</p> <p>Normal deficiency: potential errors is 2% or less of total profits</p>	<p>Significant deficiency: direct losses of assets is 5% or more of total profits</p> <p>Important deficiency: direct losses of assets is 2% or more but below 5% of total profits</p> <p>Normal deficiency: direct losses of assets is below 2% of total profits</p>
Number of significant deficiencies in financial report level	0	
Number of significant deficiencies in non-financial report level	0	
Number of important deficiencies in financial report level	0	
Number of important deficiencies in non-financial report level	0	

2. Internal Control Audit Report

Applicable Inapplicable

Deliberation Opinion Paragraph in Internal Control Audit Report	
<p>We believe that Hangzhou Hikvision Digital Technology Co., Ltd. maintained effective internal control over financial reporting in all material aspects as of December 31, 2025 in accordance with the <i>Basic Standard for Enterprise Internal Control</i> and other related regulations.</p>	
Disclosure of internal control audit	Disclose

report	
Disclosure date of the full text of the internal control audit report	April 18, 2026
Disclosure index of full text of internal control audit report	www.cninfo.com.cn 2025 Internal Control Audit Report
Internal control audit opinion	Standard unqualified audit opinion
Whether there are material weakness of non-financial report	No

Whether the accounting firm issued an internal control audit report with a non-standard opinion

Yes No

Whether the internal control audit report issued by the accounting firm is consistent with the opinion of the self-evaluation report from the Board of Directors

Yes No

Whether a non-standard audit opinion on internal controls was issued for the reporting period or the previous fiscal year.

Yes No

XIV. Self-Inspection Problem Rectification Status of Listed Company Governance Special Action

Applicable Inapplicable

XV. Environmental Information Disclosure

Whether the listed company and its major subsidiaries included in the list of enterprises required to legally disclose environmental information

Yes No

Number of enterprises included in the list of enterprises legally required to disclose environmental information		1
No.	Company name	Query index of environmental information disclosure report in accordance with the law
1	Hangzhou Hikvision Electronics Co., Ltd.	Zhejiang provincial department of ecology and environment - enterprise environmental information legal disclosure system: https://mlzj.sthjt.zj.gov.cn/eps/index

XVI. Social Responsibilities

For details, please refer to the Company's 2025 Environmental, Social and Governance Report published on the CNINFO website (www.cninfo.com.cn).

XVII. The Achievements of Poverty Alleviation and Rural Revitalization

For details, please refer to the Company's 2025 Environmental, Social and Governance Report published on the CNINFO website (www.cninfo.com.cn).

Section V Significant Events

I. Performance of Commitments

1. Complete and Incomplete Commitments of the Company and Its Actual Controller, Shareholders, Related parties, Acquirers, and Other Related Parties for the Commitments by the End of the Reporting Period.

√ Applicable □ Inapplicable

Commitments	Giver of commitments	Commitment type	Details of commitments	Date of commitments	Term of commitments	Performance
Commitments in offering documents or shareholding alterations	CETHIK	Commitments regarding horizontal competition and related party transactions	<p>1. Commitments in non-competition within the industry: In the period as controlling shareholders of the Hikvision, CETHIK and its controlling subsidiaries (excluding Hikvision and its subsidiaries, the same below) will not be engaged in such business that is competitive to Hikvision and its subsidiaries directly or indirectly.</p> <p>2. Commitments in decrease and regulation of transactions with related party: Zhejiang Haikang Group Co., Ltd. (hereinafter referred to as Haikang Group or actual controller) as the controlling shareholders of Hangzhou Hikvision Digital Technology Co., Ltd. (hereinafter referred to as "Hikvision" or "Listed Company") are committed as below for the transactions with Hikvision:</p> <p>(1) Haikang Group will not make use of the controlling power to offer more favorable conditions to Hikvision than those to any independent third party in any fair market transactions in the cooperation with Hikvision.</p> <p>(2) Haikang Group will not make use of the controlling power to obtain the prior right to complete the transaction with Hikvision.</p> <p>(3) Haikang Group will not deal with Hikvision in not fair terms comparing to the market prices to prejudice the Company's interests.</p> <p>For unavoidable related transactions, the Company will</p>	October 29, 2013	Long-term	Strict performance

Commitments	Giver of commitments	Commitment type	Details of commitments	Date of commitments	Term of commitments	Performance
			<p>observe the principles of justice and fairness to determine prices according to the market on the basis of equality, voluntarily. The Company will obey the Articles of Association and other regulatory documents related to the avoiding of issues about related transactions. The related transactions will go through approval procedures in accordance with related rules and complete legal procedures, fulfilling the information disclosure obligations in respect to the related transactions</p> <p>3. Commitment to the maintenance of the independence of the listed Company</p> <p>3.1 Commitment to Personnel Independence of the listed Company (1) Commitment that our general manager, deputy general manager, chief financial officer, secretary of the board and other members of senior management shall not assume any positions other than directors and supervisors or get any remuneration in CETHIK and/or any of its controlled entities; (2) Commitment in keeping the management of labor, human resources and issues related to remuneration of the listed Company independent from that of CETHIK;</p> <p>3.2 Commitment to the independence of the asset of the listed Company (1) Commitment to independent and complete asset of the listed Company (2) Commitment free of unlawful use of cash and asset of the listed Company by the controlling shareholders</p> <p>3.3 Commitment to financial independence of the listed Company (1) Commitment to an independent finance department with a team and accounting system; (2) Commitment to a regulated, independent accounting system and financial management system of the branches and subsidiaries (3) Commitment to maintaining accounts with banks independently</p>			

Commitments	Giver of commitments	Commitment type	Details of commitments	Date of commitments	Term of commitments	Performance
			<p>of and not sharing any bank account with our controlling shareholders</p> <p>(4) Commitment that the financial staff shall not assume any positions in CETHIK</p> <p>(5) Commitment to paying taxes independently according to the law;</p> <p>(6) Commitment to implementing financial decisions independently</p> <p>3.4 The Company has set up an independent organizational structure which maintains its independent operations which is independent from that of CETHIK.</p> <p>3.5 Commitment to business Independence of the listed Company</p> <p>(1) The Company has the asset, personnel, aptitude and management capability for independent and complete business operation. The Company has the ability to operate independently in the market.</p> <p>(2) Commitment in independence in both business and operations</p> <p>4. Regarding plans for the development and relevant commitment for the listed Company, Haikang Group has committed as below for the subsequent development of Hikvision according to the Securities Acts and relevant laws and rules,</p> <p>4.1 Currently the Company has no plan to change or make significant adjustments for principal business in the next 12 months;</p> <p>4.2 Currently the Company has no plan to sell, merge or operate with another Company for the assets and business of the listed Company or its subsidiaries in the next 12 months.</p> <p>4.3 Currently the Company has no plan to alter the Board of the Directors and senior management and no agreement with other shareholders about the appointment</p>			

Commitments	Giver of commitments	Commitment type	Details of commitments	Date of commitments	Term of commitments	Performance
			<p>and removal of the directors or senior management. The team of Board of Directors and senior management will remain unchanged for the foreseeable future.</p> <p>4.4 Currently the Company has no plan to make significant changes to the Articles of Association for the listed Company.</p> <p>4.5 Currently the Company has no plan to make significant changes to the existing employee recruitment for the listed Company.</p> <p>4.6 Currently the Company has no plan to make significant changes for the dividend distribution plan for the listed Company.</p> <p>4.7 Currently the Company has no plan to make significant changes for business and organizational structure for the listed Company.</p>			
Commitments in Initial Public Offering or re-financing	Hangzhou Weixun Equity Investment Partnership (Limited Partnership)	Share restriction commitment	<p>During Hu Yangzhong, Wu Weiqi, Jiang Haiqing, Zhou Zhiping, Xu Lirong, Cai Dingguo, He Hongli, Zheng Yibo, Hu Dan, Jiang Yufeng, Liu Xiang, Wang Ruihong, Chen Junke's tenure of the Company's Board of Directors, supervisors and senior management personnel, the annual transfer of Hikvision's total shares should not exceed 25% of total number of shares held under Weixun; within 6 months after abovementioned personnel's demission, should not transfer Hikvision's shares held under Weixun.</p>	May 17, 2010	Long term	Strict performance
	Hangzhou Pukang Equity Investment Partnership (Limited Partnership)	Share restriction commitment	<p>During Hu Yangzhong, Wu Weiqi, Gong Hongjia's tenure of the Company's Board of Directors, supervisors and senior management</p>	May 17, 2010	Long term	Strict performance

Commitments	Giver of commitments	Commitment type	Details of commitments	Date of commitments	Term of commitments	Performance
	Partnership)		personnel, the annual transfer of Hikvision's total shares should not exceed 25% of total number of shares held under Pukang; within 6 months after abovementioned personnel's demission, should not transfer Hikvision's shares held under Pukang.			
	The Company's directors, supervisors and executive: HuYangzhong, Wu Weiqi, Jiang Haiqing, Zhou Zhiping, Xu Lirong, Cai Dingguo, He Hongli, Zheng Yibo, Hu Dan, Jiang Yufeng, Liu Xiang, Wang Ruihong, Chen Junke	Share restriction commitment	During their tenure of the Company's Board of Directors, supervisors and senior management personnel, the annual shares transfer should not exceed 25% of total number of shares held under Weixun; within 6 months after their demission, they should not transfer their shares held under Weixun.	May 17, 2010	Long term	Strict performance
	Directors, executive officers of the Company: Hu Yangzhong, Wu Weiqi	Share restriction commitment	During their tenure of the Company's Board of Directors, supervisors and senior management personnel, the annual shares transfer should not exceed 25% of total number of shares held under Pukang; within 6 months after their demission, they should not transfer their shares held under Pukang.	May 17, 2010	Long term	Strict performance
	China Electronics Technology Group Corporation	Commitment to avoid horizontal competition	To avoid any loss of the Company and other shareholders arising from any competing business, China Electronics Technology Group Corporation, the actual controller of the Company, issued Letters of non-competition on 18 September, 2008.	September 18, 2008	Long term	Strict performance

Commitments	Giver of commitments	Commitment type	Details of commitments	Date of commitments	Term of commitments	Performance
	Gong Hongjia; Hangzhou Weixun Equity Investment Partnership (Limited Partnership); Hangzhou Pukang Equity Investment Partnership (Limited Partnership); ZheJiang Orient Holdings Co., Ltd.	Commitment to avoid horizontal competition	To avoid any loss of the Company and other shareholders arising from any competing business, Gong Hongjia, Hangzhou WeiXun I Equity Investment Partnership (Limited Partnership), ZheJiang Orient Holdings Co., Ltd. and Hangzhou Pukang Equity Investment Partnership (Limited Partnership), the promoters of the Company, issued <i>Commitment Letters of non-competition in the same industry</i> on July 10, 2008.	July 10, 2008	Long term	Strict performance
Other commitments (commitments relating to the spin-off of EZVIZ Network to be listed on the Science and Technology Innovation Board)	Hangzhou Hikvision Digital Technology Co., Ltd.	Commitment relating to the spin-off of EZVIZ Network to be listed on the Science and Technology Innovation Board	Arrangement on trading restriction and commitment to voluntarily restrict shares relating to the spin-off of EZVIZ Network to be listed on the Science and Technology Innovation Board, for details, please refer to the appendix VI of the <i>Prospectus on the Initial Public Share Offering and Listing on the STAR Market of the Shanghai Stock Exchange of Hangzhou EZVIZ Network Co., Ltd.</i> published by EZVIZ Network on the website of Shanghai Stock Exchange (www.sse.com.cn): commitments relating to investor protection.	December 28, 2022	Within 36 months from the date of issuing and listing of EZVIZ Network	Strict performance
			Commitment relating to the intention to hold shares and the intention to reduce holdings of shares of EZVIZ Network of the spin-off of EZVIZ Network to be listed on the Science and Technology Innovation Board, for details, please refer to the appendix VI of the <i>Prospectus on the Initial Public Share Offering and Listing on the STAR Market of the Shanghai Stock Exchange of Hangzhou EZVIZ Network Co., Ltd.</i> published by EZVIZ Network on the website of Shanghai Stock Exchange (www.sse.com.cn): commitments relating to investor protection.	December 28, 2022	Within 2 years from the end date of shares restriction period of EZVIZ Network	Strict performance
			Commitments and initiatives to stabilize the stock price of EZVIZ Network, to repurchase shares of EZVIZ Network, to guarantee no	December 28, 2022	Long term	Strict performance

Commitments	Giver of commitments	Commitment type	Details of commitments	Date of commitments	Term of commitments	Performance
			fraud in listing of EZVIZ Network, to make compensation for diluted spot return, to undertake compensation or liability in accordance with the law, to have constraints for failing to fulfill commitments, to avoid intra-industry competition, to regulate and reduce related party transactions, to avoid capital occupation, and to keep system independent after the spin-off of EZVIZ Network to be listed on the Science and Technology Innovation Board. For details, please refer the <i>Prospectus on the Initial Public Share Offering and Listing on the STAR Market of the Shanghai Stock Exchange of Hangzhou EZVIZ Network Co., Ltd.</i> published by EZVIZ Network on the website of Shanghai Stock Exchange (www.sse.com.cn): commitments relating to investor protection.			
Whether the commitments is fulfilled in time	Yes					

2. Where Any Profit Forecast Was Made for Any of the Company's Assets or Projects and the Current Reporting Period Is Still Within the Forecast Period, the Company Shall Explain Whether the Performance of the Asset or Project Reaches the Profit Forecast and Why:

Applicable Inapplicable

3. The company is involved in performance commitments

Applicable Inapplicable

II. The Company's Funds Used by the Controlling Shareholder or Other Related Parties for Non-operating Purposes

Applicable Inapplicable

No such case during the current reporting period.

III. Illegal Provision of Guarantees for External Parties

Applicable Inapplicable

No such case in the current reporting period.

IV. Explanation Given by the Board of Directors regarding the Latest "Non-standard Auditor's Report"

Applicable Inapplicable

V. Explanation Given by the Board of Directors and Independent Directors (if applicable) regarding the "Non-standard Auditor's Report" Issued by the CPA Firm for the Current Reporting Period

Applicable Inapplicable

VI. For Changes in Accounting Policies, Accounting Estimates or Correction of Significant Accounting Errors Compared with the Financial Report for the Prior Year

Applicable Inapplicable

VII. Explanation for Changes in Scope of the Consolidated Financial Statements as Compared to the Financial Report for the Prior Year

Applicable Inapplicable

During the reporting period, the Company established two domestic subsidiaries and two overseas subsidiaries, one domestic subsidiary due to changes in voting rights, and one domestic subsidiary has been liquidated and deregistered. All of this result in changes in the scope of its consolidation scope. For details, please refer to changes in the consolidation scope in Note (VI) to the financial statements.

VIII. Engagement and Disengagement of the CPA firm

CPA firm engaged at present

Name of the domestic CPA firm	Deloitte Touche Tohmatsu Certified Public Accountants LLP (also known as Deloitte Hua Yong CPA Firm in China)
Remuneration for the domestic CPA firm (RMB'0000)	440 (excluding tax)
Consecutive years of the audit service provided by the domestic CPA firm	10
Name of the certified public accountants from the domestic CPA firm	Chen Yan, Liu Ying
Consecutive years of the audit service provided by the certified public accountants from the domestic CPA firm	Chen Yan has provided audit service for 3 year; Liu Ying has provided audit service for 3 year.

Deloitte Hua Yong serves as the Company's financial report audit firm and internal control audit firm for the fiscal year 2025.

Note2: In accordance with the *Management Measures for the Selection of Accounting Firms by State-Owned Enterprises and Listed Companies* and other relevant provisions and regulations, after the selection process, the Company plans to appoint KPMG Huazhen Certified Public Accountants (a special general partnership) as the financial report auditor and internal control auditor for the fiscal year 2026. On April 16, 2026, the Company held the Ninth Meeting of the Sixth Board of Directors, which approved the proposal titled "Proposal on the Intended Change of Accounting Firm." This proposal still needs to be submitted for approval by the Company's Shareholders' Meeting.

Whether the CPA firm was changed in the current period

Yes No

Engagement of internal control audit CPA firm, financial advisor or sponsor

Applicable Inapplicable

During the reporting period, the Company hired Deloitte Touche Tohmatsu Certified Public Accountants LLP as the internal control institution, and paid a total of RMB 594,300 (excluding tax) of internal control audit fees during the period.

IX. Delisting after Disclosure of this Annual Report

Applicable Inapplicable

X. Bankruptcy and Restructuring

Applicable Inapplicable

No such case during the reporting period.

XI. Material Litigations and Arbitration

Applicable Inapplicable

The Company had no material litigation or arbitration during the current reporting period.

XII. Punishments and Rectifications

Applicable Inapplicable

No such case during the reporting period.

XIII. Integrity of the Company and its Controlling Shareholders and Actual Controllers

Applicable Inapplicable

XIV. Significant Related-party Transaction

1. Related-party Transactions Arising from Routine Daily Operations

√ Applicable □ Inapplicable

Related party	Relationship	Type of related transaction	Content of related transaction	Pricing principles for related party transactions	Related party transaction amount(0'000 RMB)	Proportion to the amount of similar transactions.	Approved trading quota (0'000 RMB)	Whether exceed the approved quota	Settlement method	Disclosure date	Disclosure reference
Subsidiaries or research institutes of CETC	Under the common control of the Company's actual controller	Procurement	Purchasing of raw materials, receiving services, and others	Reference market price agreed by both parties	230,860.25	4.82%	350,000.00	No	Payment on delivery	April 19, 2025	<i>Announcement on the forecast of daily related-party transactions in 2025 (No. 2025-014)</i>
Joint ventures	Joint ventures held by the Company	Procurement			660.23	0.01%	2,000.00	No	Payment on delivery		
Associated companies	Associated companies held by the Company	Procurement			17,023.48	0.36%	62,800.00	No	Payment on delivery		
Other related parties	See Note 1 for details	Procurement			96,375.90	2.01%	200,400.00	No	Payment on delivery		
Subsidiaries or research institutes of CETC	Under the common control of the Company's actual controller.	Sales	Providing services, selling products commercial goods, and others	Reference market price agreed by both parties	20,706.66	0.22%	50,000.00	No	Payment on delivery		
Joint ventures	Joint ventures held by the Company	Sales			1,259.38	0.01%	13,800.00	No	Payment on delivery		
Associated companies	Associated companies held by the Company	Sales			2,469.53	0.03%	15,700.00	No	Payment on delivery		
Other related parties	See Note 1 for details	Sales			2,043.68	0.02%	7,500.00	No	Payment on delivery		

Related party	Relationship	Type of related transaction	Content of related transaction	Pricing principles for related party transactions	Related party transaction amount(0'000 RMB)	Proportion to the amount of similar transactions.	Approved trading quota (0'000 RMB)	Whether exceed the approved quota	Settlement method	Disclosure date	Disclosure reference
Subsidiaries or research institutes of CETC	Under the common control of the Company's actual controller.	Lease	Rent out house to related parties	Reference market price agreed by both parties	149.64	2.47%	500.00	No	Based on contract		
Subsidiaries or research institutes of CETC	Under the common control of the Company's actual controller.	Lease	Renting house from related parties		-	0.00%	500.00	No	Based on contract		
Total					371,548.75	-	703,200.00	-	-	-	-
Details on significant sales return			None								
Total amount of related transactions projected based on different categories, and the actual performance during the current reporting period (if any)			The aforementioned estimated amount includes the additional amount that was added during the actual execution. According to the relevant rules and the Company's <i>Management System of Related Transaction</i> , this additional amount has been approved by the Company's chairman.								
Reasons on significant difference between trading price and market referencing price (if applicable)			Not applicable								

Note 1: Enterprises controlled, jointly controlled or serving as directors or senior management personnel by affiliated natural persons of the Company (including directors, previous supervisors, senior management of the Company, shareholders holding more than 5% of the shares of the Company and their close family members).

Note 2: The data shown in the totals may differ slightly from the sum of the relevant individual data due to rounding.

2. Related-party Transactions regarding Purchase and Disposal of Assets or Equity

Applicable Inapplicable

No such case in the reporting period.

3. Significant Related-party Transactions Arising from Joint Investments on External Parties

Applicable Inapplicable

No such case in the reporting period.

4. Related Credit and Debt Transactions

Applicable Inapplicable

No related-parties' creditor's rights or debts during the reporting period.

5. Transactions with Related Financial Companies

Applicable Inapplicable

Deposit business

Related Party	Relationship	Maximum daily deposit limit (0,000 RMB)	Deposit interest rate range	Opening balance (0,000 RMB)	Amount incurred (0,000 RMB)		Closing Balance (0,000 RMB)
					Total deposit amount for the current period (0,000 RMB)	Total withdrawal amount for the current period (0,000 RMB)	
CETC Finance Co., Ltd.	Under the common control of the Company's actual controller	1,750,005.89	0.1%-1.75%	400,018.37	1,012,039.52	782,446.90	629,610.99

Loan business

Related Party	Relationship	Loan Quota (0,000 RMB)	Loan Interest Rate Range	Opening Balance (0,000 RMB)	Amount incurred (0,000 RMB)		Closing Balance (0,000 RMB)
					Total Loan Amount for the Current Period (0,000)	Total Repayment Amount for the Current	

					RMB)	Period (0,000 RMB)	
CETC Finance Co., Ltd.	Under the common control of the Company's actual controller	500,000.00	2.11%-2.80%	15,000.00	48,700.00	15,000.00	48,700.00

Credit or other financial services

Related Party	Relationship	Business Type	Total Amount (0,000 RMB)	Actual amount incurred (0,000 RMB)
CETC Finance Co., Ltd.	Under the common control of the Company's actual controller	Other financial services	600,000.00	404,100.00

Note: 1. The above amount is the amount of entrusted loans issued by the Company to its subsidiaries through CETC Finance Co., Ltd. during the year. The year-end balance is RMB2,052.00 million.

2. The Company's renewable credit line with CETC Finance Co., Ltd. in the current year shall not exceed RMB 5 billion (inclusive), with actual utilized amount reaching RMB 487 million, all of which are loan businesses (see the table above).

6. Transactions between the Financial Company Controlled by the Company and Related Parties

Applicable Inapplicable

7. Other Significant Related Party Transactions

Applicable Inapplicable

There is no other significant related party transactions during the reporting period.

XV. Significant Contracts and Their Execution

1. Trusteeship, Contracting and Leasing

(1) Trusteeship

Applicable Inapplicable

No such case in the reporting period.

(2) Contracting

Applicable Inapplicable

No such case in the reporting period.

(3) Leasing

Applicable Inapplicable

No such case in the reporting period.

2. Significant Guarantees

√Applicable □ Inapplicable

Unit: RMB'0000

Guarantees provided by the Company to its subsidiaries								
Guaranteed party	Disclosure date of announcement of the guarantee cap	Guarantee cap	Actual occurrence date	Actual guaranteed amount	Type of guarantee	Guarantee expiration date	Fulfilled or not	Guarantee for a related party or not
Hangzhou Hikvision Technology Co., Ltd.	April 19, 2025	853,100.00	November 15, 2022	324,524.46	Joint guarantee	May 9, 2029	No	No
Hangzhou Hikvision System Technology Co., Ltd.	April 19, 2025	57,000.00	March 23, 2021	13,713.07	Joint guarantee	January 19, 2027	Yes	No
Hangzhou Hikvision Electronics Co., Ltd.	April 19, 2025	26,500.00	November 7, 2024	3,100.00	Joint guarantee	November 6, 2026	Yes	No
Chongqing Hikvision Technology Co., Ltd.	April 19, 2025	25,000.00	May 10, 2024	2,100.00	Joint guarantee	April 17, 2026	Yes	No
Chongqing Hikvision System Technology Co., Ltd.	April 19, 2025	2,000.00	March 30, 2023	253.94	Joint guarantee	July 10, 2026	No	No
Nanjing Hikvision Digital Technology Co., Ltd.	April 19, 2025	5,000.00	July 7 2023		Joint guarantee	July 31, 2025	Yes	No
Urumqi Haishi Xin'an Electronic Technology Co., Ltd.	April 20, 2024	37,000.00	March 26, 2019		Joint guarantee	January 13, 2025	Yes	No
Luopu Haishi Dingxin Electronic Technology Co., Ltd.	April 20, 2024	29,000.00	March 26, 2019		Joint guarantee	March 3, 2025	Yes	No
Pishan Haishi Yong'an Electronic Technology Co., Ltd.	April 20, 2024	28,000.00	March 26, 2019		Joint guarantee	March 27, 2025	Yes	No

Guarantees provided by the Company to its subsidiaries								
Guaranteed party	Disclosure date of announcement of the guarantee cap	Guarantee cap	Actual occurrence date	Actual guaranteed amount	Type of guarantee	Guarantee expiration date	Fulfilled or not	Guarantee for a related party or not
Moyu Haishi Electronic Technology Co., Ltd.	April 20, 2024	24,000.00	March 26, 2019		Joint guarantee	March 27, 2025	Yes	No
Hikvision International Co., Limited	April 19, 2025	46,500.00		Not happened during the reporting period				
Wuhan Haorong Technology Co., Ltd.	April 19, 2025	35,000.00		Not happened during the reporting period				
Xi'an Hikvision Digital Technology Co., Ltd.	April 19, 2025	18,000.00		Not happened during the reporting period				
Shijiazhuang Hikvision Technology Co., Ltd.	April 19, 2025	12,000.00		Not happened during the reporting period				
HIKVISION TECHNOLOGY PTE. LTD.	April 19, 2025	10,000.00		Not happened during the reporting period				
Hikvision Europe B.V.	April 19, 2025	7,800.00		Not happened during the reporting period				
Chengdu Hikvision Digital Technology Co., Ltd.	April 19, 2025	6,000.00		Not happened during the reporting period				
Zhengzhou Hikvision Digital Technology Co., Ltd.	April 19, 2025	5,000.00		Not happened during the reporting period				
Zhengzhou Hikvision Technology Co., Ltd.	April 19, 2025	5,000.00		Not happened during the reporting period				
Hikvision UK Limited	April 19, 2025	3,900.00		Not happened during the reporting period				
Hefei Hikvision Digital Technology Co., Ltd.	April 19, 2025	3,500.00		Not happened during the reporting period				
Hikvision Digital Technology (Shanghai) Co., Ltd.	April 19, 2025	3,000.00		Not happened during the reporting period				

Guarantees provided by the Company to its subsidiaries								
Guaranteed party	Disclosure date of announcement of the guarantee cap	Guarantee cap	Actual occurrence date	Actual guaranteed amount	Type of guarantee	Guarantee expiration date	Fulfilled or not	Guarantee for a related party or not
Fuzhou Hikvision Digital Technology Co., Ltd.	April 19, 2025	2,500.00		Not happened during the reporting period				
Nanchang Hikvision Digital Technology Co., Ltd.	April 19, 2025	2,000.00		Not happened during the reporting period				
Wuhan Hikvision Technology Co., Ltd.	April 19, 2025	1,000.00		Not happened during the reporting period				
Hikvision Italy S.r.l.	April 19, 2025	800.00		Not happened during the reporting period				
Total guarantee cap for subsidiaries approved during the reporting period (B1)		1,248,600.00		Total actual guarantee amount for subsidiaries during the reporting period (B2)		517,172.65		
Total approved guarantee cap for subsidiaries at the end of the reporting period (B3)		1,248,600.00		Total actual guarantee balance for subsidiaries at the end of the reporting period (B4)		343,691.47		
Guarantees provided by the Company's subsidiary to another subsidiary								
Guaranteed party	Disclosure date of announcement of the guarantee cap	Guarantee cap	Actual occurrence date	Actual guaranteed amount	Type of guarantee	Guarantee expiration date	Fulfilled or not	Guarantee for a related
Hangzhou Hikrobot Intelligent Co., Ltd.	April 19, 2025	36,000.00	September 2, 2024	11,675.66	Joint guarantee	2026.04.17	No	No
Hangzhou Microimage Intelligent Technology Co., Ltd.	April 19, 2025	11,000.00	November 12, 2024	8,210.92	Joint guarantee	2026.04.17	No	No
Hangzhou Hikrobot Intelligent Technology Co., Ltd.	April 19, 2025	5,500.00	September 15, 2023	1,293.14	Joint guarantee	2026.02.27	No	No
Hikrobot Europe B.V.	April 19, 2025	17,000.00	August	535.76	Joint	2026.07.19	No	No

Guarantees provided by the Company to its subsidiaries								
Guaranteed party	Disclosure date of announcement of the guarantee cap	Guarantee cap	Actual occurrence date	Actual guaranteed amount	Type of guarantee	Guarantee expiration date	Fulfilled or not	Guarantee for a related party or not
			29, 2024		guarantee			
Hikrobot Korea Limited	April 19,2025	5,000.00	Not happened during the reporting period					
Hikrobot Singapore Pte. Ltd.	April 19,2025	1,500.00	Not happened during the reporting period					
Hikrobot Japan K.K.	April 19,2025	1,500.00	Not happened during the reporting period					
Hangzhou EZVIZ Software Ltd.	April 19,2025	400.00	Not happened during the reporting period					
Total guarantee cap for subsidiaries approved during the reporting period (C1)		77,900.00		Total actual guarantee amount for subsidiaries during the reporting period (C2)		11,785.67		
Total approved guarantee cap for subsidiaries at the end of the reporting period(C3)		77,900.00		Total actual guarantee balance for subsidiaries at the end of the reporting period(C4)		21,715.48		
The total amount of Company's guarantees (that is, the total of the first three items)								
Total guarantee cap approved during the reporting period(A1+B1+C1)		1,326,500.00		Total actual guarantee amount during the reporting period(A2+B2+C2)		528,958.32		
Total approved guarantee cap at the end of the reporting period(A3+B3+C3)		1,326,500.00		Total actual guarantee balance at the end of the reporting period(A4+B4+C4)		365,406.95		
Portion of the total actual guarantee (A4+B4+C4) amount in net assets of the Company								4.38%
Of which:								
The balance of guarantee for shareholders, actual controllers and their affiliates. (D)								0
Amount of debt guarantees provided directly or indirectly for								348,339.94

Guarantees provided by the Company to its subsidiaries									
Guaranteed party	Disclosure date of announcement of the guarantee cap	Guarantee cap	Actual occurrence date	Actual guaranteed amount	Type of guarantee	Guarantee expiration date	Fulfilled or not	Guarantee for a related party or not	
entities with a liability-to-asset ratio over 70% (E)									
Total amount of guarantee exceeding 50% of net assets (F)									0
Total guarantee amount of the above-mentioned 3 kinds of guarantees (D+E+F)									348,339.94
Disclosure regarding outstanding guarantee contracts during the reporting period where guarantee obligations have been triggered or there is evidence indicating potential joint and several liability (if applicable).									None
Disclosure regarding external guarantees provided in violation of established procedures (if applicable).									None

3. Entrusted Others to Manage Cash Assets

(1) Entrusted financial management

Applicable Inapplicable

No such case during the reporting period

(2) Entrusted loan management

Applicable Inapplicable

No such case during the reporting period

4. Other Significant Contracts

Applicable Inapplicable

No such case during the reporting period

XVI. Fund Usage

Applicable Inapplicable

The Company did not use any raised funds during the reporting period.

For details on the use of raised funds by the Company's controlling subsidiary, EZVIZ Network, please refer to the annual report of Hangzhou EZVIZ Network Co., Ltd. for the year 2025, disclosed on the website of Shanghai Stock Exchange (www.sse.com.cn) on April 11, 2026.

XVII. Other Significant Events

Applicable Inapplicable

1. The Company's controlling shareholder and persons acting in concert have completed the plan to increase their shareholdings.

The Company received a notice from CETHIK Group Co., Ltd. (hereinafter referred to as "CETHIK"), the Company's controlling shareholder, and its concerted actor CETC Investment Holdings Co., Ltd. (hereinafter referred to as "CETC Investment") on October 18, 2024 that CETHIK and CETC Investment intended to increase its shareholdings of the Company's shares through the trading system of the Shenzhen Stock Exchange through centralized bidding within 6 months from October 19, 2024. The total amount of the increased shareholdings by CETHIK would not be less than RMB200 million and not more than RMB300 million, while the total amount of the increased shareholdings by CETC Investment would not be less than RMB100 million and not more than RMB200 million. The funding sources for CETHIK include its own funds and special loans for stock acquisition, whereas CETC Investment's funding comes from its own capital.

By the close of 8 April, 2025, CETHIK cumulatively acquired 6,845,600 shares through centralized bidding transactions on the Shenzhen Stock Exchange, representing 0.0741% of the company's total share capital at the time the transaction was finished, with a total investment of RMB 200,182,737.28 (excluding transaction fees). By the close of 8 April, 2025, CETC Investment cumulatively acquired 3,204,700 shares through centralized bidding transactions on the Shenzhen Stock Exchange, representing 0.0347% of the Company's total share capital at the

time the transaction was finished, with a total investment of RMB 100,016,373.80 (excluding transaction fees). The share repurchase plan by CETHIK and CETC Investment has been successfully implemented.

The Company has duly fulfilled its disclosure obligations in accordance with relevant regulations upon reaching the halfway point and completion of the aforementioned share increase plan and its completion. For details, please refer to the announcements published on the CNINFO website: the *Announcement on the Share Increase Plan by the Company's Controlling Shareholder and Its Concerted Parties* (October 19, 2024), the *Announcement on the Controlling Shareholder Obtaining a Special Loan Commitment Letter for Share Increase* (December 14, 2024), the *Progress Announcement at the Midpoint of the Share Increase Plan by the Controlling Shareholder and Its Concerted Parties* (January 18, 2025), and the *Announcement on Implementation Completion* (April 9, 2025).

2. The Company's share repurchase plan has been fully implemented.

Based on the firm confidence in the Company's future development prospects and the high recognition of its long-term value, the Chairman of the board proposed a share repurchase on October 18, 2024. The proposal was reviewed and approved at the 4th Meeting of the 6th Board of Directors on December 9, 2024, and the 2024 2nd Extraordinary General Meeting on December 25, 2024, through the Share Repurchase Plan Proposal. The company is authorized to repurchase a portion of its domestically issued RMB ordinary shares (A-shares) via centralized bidding on the Shenzhen Stock Exchange. The total repurchase amount shall not exceed RMB 2.5 billion (inclusive) and shall be no less than RMB 2.0 billion (inclusive), with a maximum repurchase price of RMB 40²¹ per share (inclusive). Funding sources include the company's own capital and a dedicated share repurchase loan. The repurchase period shall not exceed 12 months from the date of shareholder approval. The repurchased shares will be canceled to reduce registered capital. For details, refer to the announcements published on October 19, December 10, and December 26, 2024: *Announcement on the Chairman of the board's Share Repurchase Proposal, Resolution of the Fourth Meeting of the Sixth Board of Directors, Announcement on the Share Repurchase Plan, Resolution of the 2024 Second Extraordinary General Meeting, and Share Repurchase Report*.

On December 26, 2024, the Company completed its first repurchase of 4,003,019 shares via a dedicated securities account through centralized bidding, representing 0.0434% of the total shares outstanding at the time the repurchase was completed. The highest and lowest transaction prices were RMB 31.50/share and RMB 31.06/share, respectively, with a total share value of RMB 125,613,283.27 (excluding fees). The Company strictly complies with regulatory requirements, follows lawful procedures, and discloses repurchase progress announcements within the

²¹ Due to the Company's implementation of the 2024 annual rights distribution, the upper limit of the repurchase price will be adjusted to RMB 39.30 per share as of May 20, 2025.

first three trading days of each month, including for the initial share repurchase. For details, refer to the *Announcement on the First Share Repurchase* published on December 27, 2024, on the CNINFO website, and the monthly *Announcement on Share Repurchase Progress*.

As of the close of trading on August 28, 2025, the Company has cumulatively repurchased 68,326,776 shares through a dedicated securities account for share repurchases using a centralized competitive bidding transaction method. This accounts for 0.74% of the company's total issued shares (9,233,198,326 shares) at the time the repurchase was completed. The highest transaction price was RMB 32.70 per share, the lowest transaction price was RMB 27.06 per share, the average transaction price was RMB 29.69 per share, and the total transaction amount was RMB 2,028,349,444.12 (excluding transaction fees). The repurchase price did not exceed the price ceiling proposed in the repurchase plan, and the company's share repurchase plan has been fully implemented. On September 4, 2025, the Company completed the cancellation procedures for the aforementioned shares at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The number of shares cancelled, the completion date, and the cancellation period all comply with the relevant laws and regulations regarding the cancellation of repurchased shares. The Company's total issued shares have been changed from 9,233,198,326 shares to 9,164,871,550 shares. For more details, please refer to the company's announcements, *Announcement on the Results of Share Repurchase Implementation and Share Changes*, published on August 29, 2025, and *Announcement on the Completion of Share Repurchase Cancellation and Share Changes*, published on September 9, 2025, both on the CNINFO website.

XVIII. Significant Events of the Company's Subsidiaries

Applicable Inapplicable

Matters Relating to Steady Promotion of the Spin-off of HikRobot to be Listed on the SZSE ChiNext Market

On March 7, 2023, Hangzhou Hikrobot Co., Ltd. (hereinafter referred to as "HikRobot") received *Notice on Accepting the Application Documents for the Initial Public Offering of Shares and Listing on the SZSE ChiNext Market of Hangzhou Hikrobot Co., Ltd.* (SZSE Listing Review [2023] No. 252) issued by Shenzhen Stock Exchange, and SZSE considered that application documents were completed and decided to accept. For details, please refer to the *Announcement on the Application for the Initial Public Offering of Shares and Listing on the SZSE ChiNext Market of Hangzhou Hikrobot Co., Ltd., a Subsidiary of the Company*, is Accepted by the SZSE (Announcement No.: 2023-008) published by the Company on CNINFO website (www.cninfo.com.cn) on March 8, 2023. Shenzhen

Stock Exchange issued the *Inquiry Letter on the Review of Application Documents for the Initial Public Share Offering of Shares and Listing on the SZSE ChiNext Market of Hangzhou Hikrobot Co., Ltd.* (Inquiry Letter (2023) No. 010121) on March 30, 2023, and HikRobot has submitted the *Reply to the Inquiry Letter on the Review of Application Documents for the Initial Public Share Offering of Shares and Listing on the SZSE ChiNext Market of Hangzhou Hikrobot Co., Ltd.* on May 17, 2023. Shenzhen Stock Exchange issued the *Second Inquiry Letter on the Review of Application Documents for the Initial Public Share Offering of Shares and Listing on the SZSE ChiNext Market of Hangzhou Hikrobot Co., Ltd.* (Inquiry Letter (2023) No. 010218) on June 30, 2023, and HikRobot has submitted the *Reply to the Second Inquiry Letter on the Review of Application Documents for the Initial Public Share Offering of Shares and Listing on the SZSE ChiNext Market of Hangzhou Hikrobot Co., Ltd.* on July 27, 2023. Shenzhen Stock Exchange issued the *Review Opinions Implementation Letter for the Application of Hangzhou Hikrobot Co., Ltd. for the Initial Public Offering of Shares and Listing on the ChiNext Board* (Review Letter (2024) No. 010010) on January 15, 2024, and subsequently announced Hikrobot's submission of the *Reply to the Review Opinions Letter from the Application Documents Review Center for the Initial Public Offering of Shares and Listing on the ChiNext Board of Hangzhou Hikrobot Co., Ltd.* on January 2, 2025.

Section VI Changes in Shares and Information about Shareholders

I. Changes in Share Capital

1. Table of Changes in Share Capital

Unit: Share

	Before the change		Changes in the period (+, -)					After the change	
	Shares	Ratio	New Shares Issued	Bonus share	Share transferred from capital reserve	Others	Sub-total	Shares	Ratio
1. Shares subject to conditional restriction(s)	127,528,512	1.38%				-9,059,141	-9,059,141	118,469,371	1.29%
1) State holdings									
2) Shares held by state-owned corporates									
3) Shares held by other domestic investors	127,528,512	1.38%				-9,059,141	-9,059,141	118,469,371	1.29%
Including: held by domestic corporations									
held by domestic individuals	127,528,512	1.38%				-9,059,141	-9,059,141	118,469,371	1.29%
4) Shares held by overseas investors									
Including: held by overseas corporations									
held by overseas individuals									
2. Shares without restriction	9,105,669,814	98.62%				-59,267,635	-59,267,635	9,046,402,179	98.71%
1) RMB ordinary shares	9,105,669,814	98.62%				-59,267,635	-59,267,635	9,046,402,179	98.71%
2) Domestically listed foreign shares									

	Before the change		Changes in the period (+, -)					After the change	
	Shares	Ratio	New Shares Issued	Bonus share	Share transferred from capital reserve	Others	Sub-total	Shares	Ratio
3) Foreign shares listed overseas									
4) Others									
3. Total	9,233,198,326	100.00%				-68,326,776	-68,326,776	9,164,871,550	100.00%

Reason for the changes in share capital

Applicable Inapplicable

(1) During the reporting period, due to the related lock-up arrangements corresponding to the previous term change and changes in directors, supervisors, and senior management, the Company's senior management locked shares were accordingly adjusted, and the shares with restriction conditions changed accordingly.

(2) During the reporting period, the Company implemented its share repurchase plan and completed the cancellation of the repurchased shares.

As of the close of trading on August 28, 2025, the Company had cumulatively repurchased 68,326,776 shares through its dedicated securities account for share repurchases, representing 0.74% of the total issued shares (9,233,198,326 shares) at the time of the completion of the repurchase. The Company's share repurchase plan has now been fully implemented. On September 4, 2025, the Company completed the cancellation procedures for the aforementioned shares at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The number of shares canceled, the completion date, and the cancellation period all complied with the relevant laws and regulations governing the cancellation of repurchased shares. The Company's total issued shares have been changed from 9,233,198,326 to 9,164,871,550. For more details, please refer to the Company's announcements, *Announcement on the Results of Share Repurchase Implementation and Share Changes*, and *Announcement on the Completion of Cancellation of Repurchased Shares and Share Changes*, published on August 29, 2025, and September 9, 2025, respectively, on the CNINFO website.

Approval for changes in share capital

Applicable Inapplicable

The Company convened the Fourth Meeting of the Sixth Board of Directors on December 9, 2024, and the Second Temporary Shareholders' Meeting in 2024 on December 25, 2024, to approve the *Proposal on the Share Repurchase Plan*, agreeing to the implementation of the share plan. The shares repurchased in this round will be used for cancellation in accordance with the law to reduce registered capital.

Transfer for changes in share capital

Applicable Inapplicable

The Company completed the cancellation procedures for 68,326,776 repurchased shares at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on September 4, 2025. The Company's total share capital changed from 9,233,198,326 shares to 9,164,871,550 shares.

Effects of changes in share capital on the basic earnings per share ("EPS"), diluted EPS, net assets per share attributable to common shareholders of the Company, and other financial indexes over the last year and last period

Applicable Inapplicable

During the reporting period, the Company's total share capital changed from 9,233,198,326 shares to 9,164,871,550 shares, which led to increase in basic earnings per share, diluted earnings per share, and net assets per share attributable to common shareholders of the Company.

Other contents that the Company considers necessary or required by the securities regulatory authorities to disclose

Applicable Inapplicable

2. Changes in Restricted Shares

√ Applicable □ Inapplicable

Unit: Share

Name of shareholder	Opening restricted shares	Increased in current period	Vested in current period	Closing restricted shares	Note for restricted shares	Unlock date
Hu Yangzhong	116,997,358	0	0	116,997,358	Restricted shares for senior executives	In accordance with relevant regulations on the management of shares held by senior executives.
Xu Peng	28,966	0	0	28,966	Restricted shares for senior executives	
Wang Qiuchao	26,250	0	0	26,250	Restricted shares for senior executives	
Pan Jia	40,969	13,656	0	54,625	Restricted shares for senior executives	
Wang Dan	0	17,767	0	17,767	Restricted shares for senior executives	
He Hongli	248,625	0	0	248,625	Restricted shares for senior executives	
Pu Shiliang	199,425	0	0	199,425	Restricted shares for senior executives	
Guo Xudong	38,355	0	0	38,355	Restricted shares for senior executives	
Xu Ximing	110,925	0	0	110,925	Restricted shares for senior executive	
Huang Fanghong	299,625	0	0	299,625	Restricted shares for senior executives	
Jin Yan	188,250	0	0	188,250	Restricted shares for senior executives	
Cai Changyang	82,125	0	0	82,125	Restricted shares for senior executives	
Bi Huijuan	236,100	0	59,025	177,075	Restricted shares for senior executives	April 25, 2025 (six months after leaving office)
Wu Weiqi	8,685,789	0	8,685,789	0	Restricted shares for senior executives	February 5, 2025 (six months after the term of office expires)
Qu Liyang	15,750	0	15,750	0	Restricted shares for senior executives	
Xu Lirong	303,000	0	303,000	0	Restricted shares for senior executives	
Jin Duo	109,500	0	109,500	0	Restricted shares for senior executives	

Name of shareholder	Opening restricted shares	Increased in current period	Vested in current period	Closing restricted shares	Note for restricted shares	Unlock date
Total	127,611,012	31,423	9,173,064	118,469,371	--	--

Note: During the reporting period, the shares held by the relevant directors, supervisors, and senior management were partially or fully released from lock-up in accordance with the relevant rules on share lock-up for directors, supervisors, and senior management.

II. Issuance and Listing of Securities.

1. Securities (exclude Preferred Share) Issued during the Reporting Period

Applicable Inapplicable

2. Explanation on Changes in Total Share Capital, the Structure of Shareholders, and the Structure of Assets and Liabilities of the Company

Applicable Inapplicable

The company completed the cancellation procedures for 68,326,776 repurchased shares at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on September 4, 2025. The Company's total share capital changed from 9,233,198,326 shares to 9,164,871,550 shares.

After the completion of the above matters, there has been no significant change in the shareholder structure, asset and liability structure of the Company.

3. Existent Shares Held by Internal Staff of the Company

Applicable Inapplicable

III. Particulars about the Shareholders and Actual Controller

1. Total Number of Shareholders and Their Shareholdings

Unit: Share

Total number of common shareholders at the end of the reporting period		404,426		The total number of ordinary shareholders at the end of the previous month before the disclosure date of the annual report			348,870	
Particulars about shares held by shareholders with a shareholding percentage over 5% or the Top 10 of them (Excluding shares lent through refinancing)								
Name of shareholder	Nature of shareholder	Share-holding percentage (%)	Total ordinary shares held at the end of the reporting period	Increase/decrease during the reporting period	The number of shares held with trading restrictions	The number of shares held without trading restrictions	Pledged or marked or frozen	
							Status	Amount
CETHIK Group Co., Ltd.	Domestic state-owned corporation	37.28%	3,416,996,509	6,845,600	0	3,416,996,509	Pledged	50,000,000
Gong Hongjia	Overseas individual	10.50%	962,504,814	0	0	962,504,814	Pledged	272,058,200
Hangzhou Weixun Equity Investment Partnership (Limited Partnership)	Domestic non-state-owned corporation	4.92%	450,795,176	0	0	450,795,176	Pledged	6,000,000
Shanghai Perseverance Asset Management Partnership (Limited Partnership) - Perseverance Adjacent Mountain 1 Yuanwang Fund	Other	2.80%	257,000,000	-128,950,050	0	257,000,000	-	-
CETC Investment Holdings Co., Ltd.	Domestic state-owned corporation	2.71%	248,366,268	2,882,100	0	248,366,268	-	-
Hangzhou Pukang Equity Investment Partnership (Limited Partnership)	Domestic non-state-owned corporation	1.99%	182,510,174	0	0	182,510,174	Pledged	56,790,000
The 52 nd Research Institute at China	Domestic state-owned	1.97%	180,775,044	0	0	180,775,044	-	-

Electronics Technology Group Corporation	corporation							
China Life Insurance Co., Ltd. - Traditional - Ordinary Insurance Product - 005L-CT001 SH	Other	1.93%	176,835,554	170,133,375	0	176,835,554	-	-
Hu Yangzhong	Domestic individual	1.70%	155,996,477	0	116,997,358	38,999,119	-	-
Central Huijin Investment Co., Ltd.	Domestic state-owned corporation	0.71%	64,700,691	0	0	64,700,691		
Explanation on associated relationship or concerted actions among the above-mentioned shareholders:	Among the above shareholders, CETHIK Group Co., Ltd., CETC Investment Holdings Co., Ltd., and the 52 nd Research Institute at China Electronics Technology Group Corporation are acting-in-concert parties. Mr. Gong Hongjia and Hangzhou Pukang Equity Investment Partnership (Limited Partnership) are acting-in-concert parties. Mr. Hu Yangzhong and Hangzhou Weixun Equity Investment Partnership (Limited Partnership) are acting-in-concert parties. 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>Administrative Measures for Acquisitions of Listed Companies</i> .							
Shareholding details of the top 10 unrestricted shareholders (excluding shares lent out through securities lending arrangements and management locked-in shares).								
Name of shareholder	Number of shares without trading restrictions held at the period-end	Type of shares						
		Type	Number					
CETHIK Group Co., Ltd.	3,416,996,509	RMB ordinary shares	3,416,996,509					
Gong Hongjia	962,504,814	RMB ordinary shares	962,504,814					
Hangzhou Weixun Equity Investment Partnership (Limited Partnership)	450,795,176	RMB ordinary shares	450,795,176					
Shanghai Perseverance Asset Management Partnership (Limited Partnership) - Perseverance Adjacent Mountain 1 Yuanwang Fund	257,000,000	RMB ordinary shares	257,000,000					
CETC Investment Holdings Co., Ltd.	248,366,268	RMB ordinary shares	248,366,268					
Hangzhou Pukang Equity Investment Partnership (Limited Partnership)	182,510,174	RMB ordinary shares	182,510,174					

The 52 nd Research Institute at China Electronics Technology Group Corporation	180,775,044	RMB ordinary shares	180,775,044
China Life Insurance Co., Ltd. - Traditional - Ordinary Insurance Product - 005L-CT001 SH	176,835,554	RMB ordinary shares	176,835,554
Central Huijin Investment Co., Ltd.	64,700,691	RMB ordinary shares	64,700,691
Industrial and Commercial Bank of China Co., Ltd. - Huatai Pinebridge CSI 300 ETF Securities Investment Fund	60,554,256	RMB ordinary shares	60,554,256
Explanation on associated relationship and concerted actions among Top 10 shareholders holding shares without trading restrictions, and among Top 10 shareholders and Top 10 shareholders holding shares without trading restrictions	Among the above shareholders, CETHIK Group Co., Ltd., CETC Investment Holdings Co., Ltd., and the 52 nd Research Institute at China Electronics Technology Group Corporation are acting-in-concert parties. Mr. Gong Hongjia and Hangzhou Pukang Equity Investment Partnership (Limited Partnership) are acting-in-concert parties. Mr. Hu Yangzhong and Hangzhou Weixun Equity Investment Partnership (Limited Partnership) are acting-in-concert parties. 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>Administrative Measures for Acquisitions of Listed Companies</i> .		

Details of share lending activities through securities lending arrangements by shareholders holding more than 5% of shares, top 10 shareholders, and top 10 holders of unrestricted circulating shares.

Applicable Inapplicable

Any changes of the Company's top 10 common shareholders or top 10 non-restricted common shareholders were due to refinancing, lending/repayment issues compared with the previous period?

Applicable Inapplicable

Any of the Company's top 10 common shareholders or top 10 non-restricted common shareholders conducted any agreed buy-back in the reporting period?

Yes No

No such case during the current reporting period.

2. Particulars about Controlling Shareholder of the Company

Nature of the controlling shareholder: Central State-owned

Type of the actual controller: Corporation

Name of controlling shareholder	Legal Representative /People in charge	Date of establishment	Organization code	Business scope
CETHIK Group Co., Ltd.	Chen Zongnian	November 29, 2002	9133000014306073XD	Industrial investment; R&D of environmental protection products, network products, intelligent products and electronic products; technology transfer, technical services, manufacturing and sales; business consulting services, rental services of self-owned real estate; import and export businesses.
Shares held by the controlling shareholder in other listed companies through controlling or holding during the reporting period	Directly holds 47.16% shares of domestic listed company Phoenix Optical Co. Ltd., and directly holds 13.50% shares of domestic listed company Anbang Save-guard Group Co., Ltd. and indirectly holds 17.89% shares of domestic listed company Hangzhou EZVIZ Network Co., Ltd. (CETHIK Group Co., Ltd. holds 37.28% shares of the Company and the Company holds 48.00% shares of Hangzhou EZVIZ Network Co., Ltd).			

Change of the controlling shareholder during the reporting period

Applicable Inapplicable

The Company's controlling shareholder has not changed during the reporting period.

3. Particulars about the Company's Actual Controller & Concerted Parties

Nature of the actual controller: Central state-owned assets management agency

Type of the actual controller: Corporation

Engaged in the construction of national major electronic information system projects, as well as the research, development, production, and sales of equipment, civil electronic information software, materials, components, complete machines, system integration, and related common technologies.

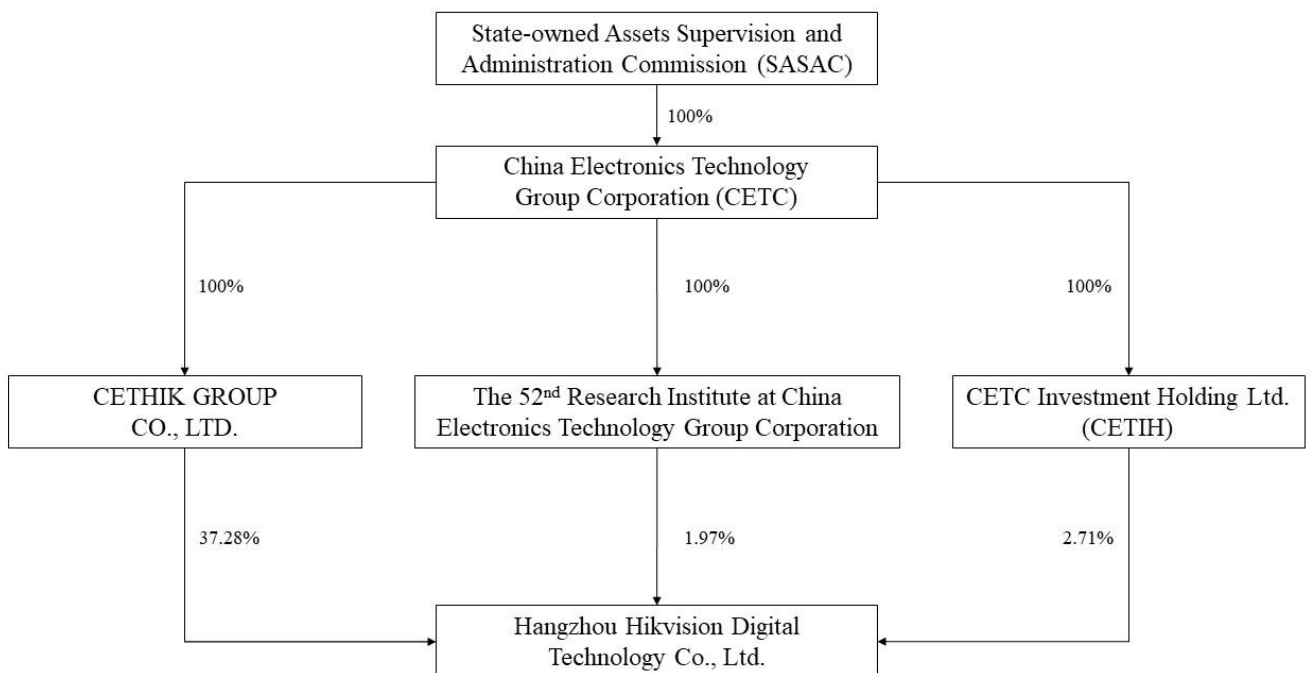
Name of the actual controller	Legal Representative /People in charge	Date of establishment	Organization code	Business scope
China Electronics Technology Group Corporation	Wang Haibo	February 25, 2002	91110000710929498G	Engaged in the construction of national major electronic information system projects, as well as the research, development, production, and sales of equipment, civil electronic information software, materials, components, complete machines, system integration, and related common technologies.
Shares held by the actual controlling shareholder in other listed companies through controlling or holding during the reporting period	China Electronics Technology Group Corporation is the actual controller of 19 domestic listed companies including Sun Create Electronic Co., Ltd, CETC Digital Technology Co., Ltd, CETC Cyberspace Security Technology Co., Ltd., CETC Putian Technology Co., Ltd., Tai'ji Computer Corporation Limited, GLARUN Technology Co., Ltd. , Phoenix Optics Co., Ltd., Chengdu Spaceon Electronics Co.,Ltd., CETC Chip Technology Inc., Hebei Sinopack Electronic Technology Co., Ltd., Eastern Communications Co.,Ltd., Eastcompeace Technology Co.,Ltd., Nanjing Potevio Telecommunications Co., Ltd., Chengdu Siwi Science and Technology Co., Ltd., Nanjing Guobo Electronics Co., Ltd., Hangzhou EZVIZ Network Co., Ltd., Nanjing Les Information Technology Co., Ltd., Beijing E-hualu Information Technology Co., Ltd.. China Electronics Technology Blue Sky Technology Co., Ltd. and etc.			

Change of the actual controller during the reporting period

Applicable Inapplicable

No such change during the reporting period.

The ownership and controlling relationship between the actual controller of the Company and the Company is detailed as follows:



The actual controller controls the Company through trust or other asset management methods

Applicable Inapplicable

4. The Company's Controlling Shareholder or the Largest Shareholder and its Concerted Action Person's Cumulative Pledged Shares Account for 80% of the Company's Shares Held by Them

Applicable Inapplicable

5. Particulars about Other Corporate Shareholders with Shareholding Proportion over 10%

Applicable Inapplicable

6. Particulars on Shareholding Decrease Restrictions for the Controlling Shareholders, Actual Controller, Restructurer or Other Committing Parties

Applicable Inapplicable

IV. The Specific Implementation of Share Repurchase during the Reporting Period

Implementation progress of share repurchase

Applicable Inapplicable

Disclosure Date	Planned repurchase amount of shares	Proportion to total share capital	Planned amount of repurchase fund	Repurchase period	Use of repurchase	Amount of repurchased shares (share)	The number of repurchased shares as a proportion of the underlying stock covered by the share incentive scheme
December 10, 2024	Calculated based on that the repurchase price shall not exceed RMB40 per share. The amount shall not exceed 62,500,000 shares and not less than 50,000,000 share, and the final result is subject to the actual repurchase.	Calculated based on that the repurchase price shall not exceed RMB40 per share. The repurchased portion of shares shall not exceed 0.68% and not less than 0.54%, and final result is subject to the actual repurchase.	Shall not exceed RMB2.5 billion (inclusive) and not less than RMB 2 billion (inclusive)	December 26, 2024 – August 28, 2025	Cancel and reduce registered capital in accordance with law	68,326,776	Inapplicable

As of the close of August 28, 2025, the Company had cumulatively repurchased 68,326,776 shares through the dedicated securities account, accounting for 0.74% of the total shares (9,233,198,326 shares) outstanding at the time the repurchase was completed. The highest and lowest transaction prices were RMB 32.70/share and RMB 27.06/share, respectively, and the average transaction price was RMB29.69/share with a total share value of RMB 2,028,349,444.12 (excluding fees).

The repurchase price did not exceed the price ceiling stipulated in the repurchase plan, and the Company's share repurchase plan has been fully implemented. On September 4, 2025, the Company completed the cancellation procedures for the aforementioned shares at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited.

The number of shares canceled, the completion date, and the cancellation period all comply with the relevant laws and regulations governing the cancellation of repurchased shares. The Company's total issued shares have changed from 9,233,198,326 to 9,164,871,550. For specific details, please refer to the Company's announcements, *Announcement on the Results of Share Repurchase Implementation and Changes in Shares*, and *Announcement on the Completion of Cancellation of Repurchased Shares and Changes in Shares*, published on August 29, 2025, and September 9, 2025, respectively, on the CNINFO website.

Implementation progress of reduce holdings of repurchased shares by means of centralized bidding

Applicable Inapplicable

V. Information on Preferred Shares

Applicable Not Applicable

There is no preferred share existed for the Company during the current reporting period.

Section VII Bonds

Applicable Inapplicable

Section VIII Financial Report

Audit Report

Audit Opinion	Standard unqualified audit opinion
Audit Report sign-off Date	April 16, 2026
Audit Institution Name	Deloitte Touche Tohmatsu Certified Public Accountants LLP
Audit Report Number	Deloitte Auditors' Report (Audit) No. 26- P06044
Certified Public Accounts Name	Chen yan, Liu ying

To all shareholders of Hangzhou Hikvision Digital Technology Co., Ltd.:

1. Audit Opinion

We have audited the accompanying financial statements of Hangzhou Hikvision Digital Technology Co., Ltd. (hereinafter referred to as "Hikvision" or "The Group"), including consolidated and parent company's balance sheet as of December 31, 2025, consolidated and parent company's income statement, cash flow statement and statement of changes in owners' equity of 2025 as well as relevant financial notes to financial statements.

In our opinion, the financial statements annexed have been prepared in accordance with Accounting Standards for Business Enterprises in all material respects and they present fairly the consolidated and parent company's financial position of Hikvision as of December 31, 2025 and consolidated and parent company's financial performance and cash flows of 2025.

2. Basis of Opinion

We have conducted our audit in accordance with the Auditing Standards for Chinese Certified Public Accountants. "Responsibilities of Certified Public Accountants for Financial Statements Audit" in the audit report further states our responsibilities under the standards. In accordance with the *China Certified Public Accountant Independence Standard No. 1—Requirements for Independence in Financial Statement Audit and Review Engagements* and the code of ethics of Chinese certified public accountants, we are independent from Hikvision and have implemented other responsibilities as required by the code of ethics. We have adhered to the independence requirements for audits of public interest entities during the audit. We believe that the audit evidence we have acquired is sufficient and appropriate to provide a basis for our audit opinion.

3. Key Matters

Key matters are matters we deem the most significant to the financial statements audit for this year based on our professional judgment. These matters are handled based on the financial statements audit as a whole and the audit opinion formed accordingly. We don't present opinions separately on these matters. We confirm that the following matters are key matters to be communicated through in the audit report.

(1) Recognition of Sales Revenues

Description:

As shown in Note (V) 45, the operating revenue in the consolidated financial statements of the Group for the year ended December 31, 2025 is RMB92,570,796,069.94. The product sales revenue, a key performance indicator, reaches RMB87,396,550,249.50, accounting for 94.47% of the operating revenue, which is a significant indicator of the Group and has a significant influence on results of business operations. The product sales revenue include different sales models such as product domestic sales and product export sales by domestic companies and the overseas sales of overseas subsidiaries, and the revenue recognition is complicated. Therefore, we regard the occurrence of product sales revenue as a key audit matter.

Audit Measures:

Main audit procedures that we perform for the aforesaid key audit matters include:

- (1) Understanding and evaluating design and implementation of key internal control in relation to revenue recognition, and testing the effectiveness of its operation;
- (2) For revenues under different sales models, selecting a sample to check the sales contract, reviewing its main transaction terms, evaluating whether revenue recognition complies with requirements of accounting policies of the Group and the Accounting Standards for Business Enterprises;
- (3) Analyzing revenues and gross profits based on product types, to understand whether there are abnormal fluctuations in the revenues and gross profits for the year, and conducting a test of details for identified specific transactions, through systematic analysis of revenue data, and reviewing relevant supporting documents;
- (4) Selecting sample(s) from product sales revenues recorded for the year, checking invoices, sales contracts or orders, shipping orders, signature forms, and other supporting documents; for the sample(s) of income under the export model of the selected domestic companies, additional inspections will be made to the customs declaration record and shipment record.

(2) Provision for Credit Loss of Accounts Receivable

Description:

As disclosed in Note (V) 4 to the consolidated financial statements of the Group, as of December 31, 2025, the balance of accounts receivable amounted to RMB34,253,908,363.72, and the balance of provision for credit losses of accounts receivable amounted to RMB4,441,529,417.95. The book value of the Group's accounts receivable is relatively high, and the provision for credit loss of accounts receivable has a significant impact on the financial statements. As shown in Note (III) 11.2, Note (III) 13 and Note (III) 35 of the financial statements, the Group makes provisions for credit losses for accounts receivable at an amount equivalent to expected credit losses during the entire duration. For accounts receivable with significant individual amount and when the debtor has major financial difficulties, etc., the Group recognizes its credit losses based on individual assets, and classifies other accounts receivable into different combinations based on common credit risk characteristics and calculates expected credit losses on a portfolio basis.

For accounts receivable classified into portfolios, the Group uses impairment matrix to determine the expected credit loss provision for accounts receivable. The expected credit loss provision ratio for each portfolio is determined based on the Group's historical overdue ratio and default and with reference to the forward-looking information of the industry. The accounting estimates above are subject to a high level of uncertainties. Therefore, we identify the recognition of credit loss

provision for accounts receivable on a portfolio basis as a key audit matter.

Audit Measures:

Main audit procedures that we perform for the aforesaid key audit matters include:

- (1) Understanding and evaluating design and implementation of key internal control in relation to expected credit loss provision for accounts receivable by the Group, and testing the effectiveness of its operation;
- (2) Understanding the Group's accounting policies for expected credit loss on accounts receivable; for the model credit loss provision for accounts receivable on a portfolio basis, the following main procedures were performed
 - Assessing the rationality of measurement method by using impairment matrix model, and the rationality of the key parameters and assumptions used in the impairment matrix model, including classification of different portfolios, classification of stage, forward-looking adjustment, etc.;
 - Obtaining the historical default data used by the Group's management in determining the historical loss rate of accounts receivable, and evaluating the accuracy thereof;
 - Selecting samples to test the accuracy of the classification of portfolio and stage by the Group's management;
 - Recalculating the expected credit loss provision based on default loss percentage.

4. Other Information

Management of Hikvision shall be responsible for other information. Other information includes the information covered in the annual report, excluding the financial statements and our audit report.

Our audit opinion on the financial statements does not cover other information and we do not express any form of authentication conclusion on other information.

In connection with our audit of the financial statements, our responsibility is to read other information and to consider whether other information is significantly misstated or materially inconsistent with the financial statements or the information we learned during the audit.

Based on the works we have performed, if we determine that there is a material misstatement in other information, we should report the fact. In this respect, we have nothing to report.

5. Responsibility of the Management and Governance for the Financial Statements

The management of Hikvision is responsible for the preparation of financial statements in accordance with Accounting Standards for Business Enterprises to achieve fair presentation, and design, implementation and maintenance of necessary internal control to enable the financial statements are free from material misstatement, whether due to fraud or error.

When preparing the financial statements, the management is responsible for assessing the going-concern ability of Hikvision, disclosing issues related to going-concern as applicable, and applying going-concern assumptions, unless the management plans to liquidate Hikvision, terminate operation or has no other realistic choice.

The governance is responsible for supervising financial reporting processes of Hikvision.

6. Responsibility of Certified Public Accountants on Audit of the Financial Statements

Our objective is to obtain reasonable assurance as to whether the overall financial statements are free from material misstatement, whether due to fraud or error, and to issue audit report that contain audit opinions. Reasonable assurance is a high level of assurance, but could not guarantee that an audit performed in accordance with the Auditing Standards can always figure out any existing material misstatements. Misstatements may be caused by fraud or error. Misstatement is generally considered to be material if it is reasonably expected that the misstatement, alone or aggregated, may affect the users' financial decisions based on the financial statements.

In performing the audit in accordance with the Auditing Standards, we applied professional judgment and maintained professional skepticism. Meanwhile, we also perform the following duties:

- (1) Identify and evaluate the risk of material misstatement of financial statements due to fraud or error; design and implement audit procedures to cope with these risks, and obtain adequate and appropriate audit evidence as the basis for expressing audit opinions. As fraud may involve collusion, forgery, willful omission, misrepresentation or override of internal control, the risk of not discovering a material misstatement due to fraud is higher than the risk of not discovering a material misstatement due to error.
- (2) Understand the internal control related to auditing as a way to design appropriate audit procedures.
- (3) Evaluate the properness of accounting policy selected by the management and the rationality of accounting estimate and related disclosure.
- (4) Reach a conclusion on whether the going concern assumption adopted by the management is appropriate. Meanwhile, based on the audit evidence obtained, reach a conclusion on whether there are material uncertainties in the events or conditions that may cast significant doubts on Hikvision's ability to continue as a going concern. If we reach a conclusion that there is a material uncertainty, the Auditing Standards require us to call the attention of the users of the report to the relevant disclosures in the financial statements in the audit report. If the disclosure is insufficient, we should issue modified audit opinions. Our conclusion is based on the information available up to the date of the audit report. However, future events or conditions may result in the failure of Hikvision to continue as a going concern.
- (5) Evaluate the overall presentation (including the disclosure), structure and content of the financial statements and evaluate whether the financial statements fairly reflect the related transactions and events.
- (6) Obtain adequate and appropriate audit evidence on the financial information of entity or business activities of Hikvision so as to express audit opinions on the financial statements. We are responsible for directing, supervising and executing the audit on the Group, and assume full responsibility for the audit opinions.

We communicated with the governance about the scope of the audit, the schedule and major audit findings, including the notable shortcomings of internal control identified during the auditing.

We also provide statement to the governance on the independence-related work ethics we follow, and communicate with the governance on all relations and other matters that might be reasonably deemed to influence our independence as well as relevant precautionary measures (as applicable).

We determine which of the matters we communicated with the governance are of the greatest importance to the audit of financial statements of the current period so as to make them key matters. We describe the matters in the audit report. We decide not to communicate on such matters in the audit report unless the laws and regulations forbid the public disclosure of such matters, or, in rare circumstances, if the negative consequence of communication of matters in the audit report is reasonably expected to exceed the benefit of the public interest.

On December 31, 2025

Consolidated Balance Sheet

Unit: RMB

Item	Notes	On December 31, 2025	On December 31, 2024
Current Assets:			
Cash and bank balances	(V)1	46,508,328,658.44	36,271,488,337.03
Derivative financial assets	(V)2	4,792,243.40	26,775,923.93
Notes receivable	(V)3	3,051,356,562.64	2,722,596,142.46
Accounts receivable	(V)4	29,812,378,945.77	37,910,128,735.42
Receivables for financing	(V)6	2,430,030,662.65	2,291,648,244.05
Prepayments	(V)7	856,749,328.34	664,602,593.01
Other receivables	(V)8	442,502,788.34	531,344,606.50
Inventories	(V)9	20,472,193,858.80	19,110,711,958.11
Contract assets	(V)5	974,450,159.71	985,822,785.69
Non-current assets due within one year	(V)10	603,989,194.29	894,327,647.82
Other current assets	(V)11	1,251,688,100.54	1,071,066,653.10
Total Current Assets		106,408,460,502.92	102,480,513,627.12
Non-current Assets:			
Long-term receivables	(V)12	225,857,779.77	380,453,188.09
Long-term equity investment	(V)13	1,669,074,600.75	1,527,223,390.79
Other non-current financial assets	(V)14	589,955,315.74	472,000,082.76
Fixed assets	(V)15	20,176,914,451.95	15,063,752,296.49
Construction in progress	(V)16	1,914,110,895.67	4,699,473,381.21
Right-of-use assets	(V)17	442,495,841.87	530,138,023.79
Intangible assets	(V)18	1,830,074,205.02	1,828,287,135.99
Goodwill	(V)19	311,187,727.01	312,165,129.29
Long-term deferred expenses	(V)20	148,029,527.26	162,841,758.91
Deferred tax assets	(V)21	2,435,622,521.84	2,206,191,157.06
Other non-current assets	(V)22	1,897,871,964.82	2,353,160,984.64
Total Non-current Assets		31,641,194,831.70	29,535,686,529.02
Total Assets		138,049,655,334.62	132,016,200,156.14

On December 31, 2025

Consolidated Balance Sheet-continued

Unit: RMB

Item	Notes	On December 31, 2025	On December 31, 2024
Current Liabilities:			
Short-term borrowings	(V)24	2,685,866,236.94	1,031,895,812.62
Derivative financial liabilities	(V)25	11,299,401.25	1,874,341.64
Notes payable	(V)26	783,778,534.95	1,197,128,746.56
Accounts payable	(V)27	19,843,949,575.87	20,185,303,107.69
Contract liabilities	(V)28	4,200,490,873.07	3,353,943,054.24
Payroll payable	(V)29	6,937,517,142.35	5,666,415,834.10
Taxes payable	(V)30	1,794,091,503.07	1,535,936,096.02
Other payables	(V)31	3,384,020,094.93	3,528,359,044.48
Including: dividend payables	(V)31.2	27,964,450.23	186,793.11
Non-current liabilities due within one year	(V)32	3,939,271,129.61	767,030,688.91
Other current liabilities	(V)33	415,430,882.40	377,117,275.65
Total Current Liabilities		43,995,715,374.44	37,645,004,001.91
Non-current Liabilities:			
Long-term borrowings	(V)34	1,210,564,814.39	5,119,185,000.00
Lease liabilities	(V)35	299,390,966.16	375,432,749.68
Long-term payables		9,749,569.60	9,780,220.80
Provisions	(V)36	118,435,375.21	305,250,049.71
Deferred income	(V)37	863,263,662.53	874,512,073.53
Deferred tax liabilities	(V)21	114,583,208.90	112,711,363.52
Other non-current liabilities	(V)38	221,089,008.80	74,029,948.84
Total Non-current Liabilities		2,837,076,605.59	6,870,901,406.08
Total Liabilities		46,832,791,980.03	44,515,905,407.99
Owners' Equity			
Share capital	(V)39	9,164,871,550.00	9,233,198,326.00
Capital reserves	(V)40	4,385,374,479.22	6,181,644,265.06
Less: Treasury shares	(V)41	-	310,044,296.12
Other comprehensive income	(V)42	23,384,816.83	(111,510,486.21)
Surplus reserves	(V)43	4,715,460,312.00	4,715,460,312.00
Retained earnings	(V)44	65,059,094,727.57	60,959,912,942.15
Total Owners' Equity Attributable to Owner of the Company		83,348,185,885.62	80,668,661,062.88
Minority equity		7,868,677,468.97	6,831,633,685.27
Total Owners' Equity		91,216,863,354.59	87,500,294,748.15
Total Liabilities and Owners' Equity		138,049,655,334.62	132,016,200,156.14

The accompanying notes form part of the financial statements.

The financial statements were signed by the following:

Legal Representative: Hu Yangzhong; Person in charge of the accounting work: Jin Yan;

Person in Charge of the Accounting Department: Zhan Junhua

On December 31, 2025

Balance Sheet of the Parent Company

Unit: RMB

Item	Notes	On December 31, 2025	On December 31, 2024
Current Assets:			
Cash and bank balances		33,415,248,877.24	22,813,537,991.27
Notes receivable		210,667,542.49	226,470,150.02
Accounts receivable	(XVI)1	15,928,913,273.65	25,733,620,869.95
Receivables for financing		142,171,473.18	50,535,530.46
Prepayments		347,313,971.21	234,363,667.93
Other receivables	(XVI)2	4,338,105,044.26	4,405,567,174.71
Including: dividend receivables	(XVI)2.2	23,946,902.38	-
Inventories		163,137,444.34	143,812,782.98
Contract assets		16,874,381.78	18,901,004.71
Non-current assets due within one year		70,677,786.44	106,879,332.17
Other current assets		2,064,512,390.41	1,720,538,797.37
Total Current Assets		56,697,622,185.00	55,454,227,301.57
Non-current Assets:			
Long-term accounts receivable		1,081,962,084.34	1,204,913,267.41
Long-term equity investment	(XVI)3	9,735,858,175.55	9,486,970,485.01
Other non-current financial assets		313,276,218.26	307,130,117.76
Fixed assets		3,414,637,928.68	3,415,196,347.85
Construction in progress		179,633,779.52	79,844,913.85
Right-of-use assets		58,043,731.14	84,298,386.18
Intangible assets		460,198,889.64	173,965,691.99
Long-term deferred expenses		23,064,909.59	37,381,601.80
Deferred tax assets		281,390,428.65	298,084,602.58
Other non-current assets		33,109,877.18	62,355,873.60
Total Non-current Assets		15,581,176,022.55	15,150,141,288.03
Total Assets		72,278,798,207.55	70,604,368,589.60

On December 31, 2025

Balance Sheet of the Parent Company - continued

Unit: RMB

Item	Notes	On December 31, 2025	On December 31, 2024
Current Liabilities:			
Short-term borrowings		800,467,958.33	200,075,833.33
Accounts payable		919,490,298.90	1,184,469,965.39
Contract liabilities		221,789,610.01	191,877,808.28
Payroll payable		3,948,883,349.56	3,247,226,282.17
Taxes payable		854,566,175.20	574,239,387.19
Other payables		1,717,395,865.00	635,628,127.73
Non-current liabilities due within one year		1,491,857,219.20	210,197,535.44
Other current liabilities		33,237,967.67	44,720,937.37
Total Current Liabilities		9,987,688,443.87	6,288,435,876.90
Non-current Liabilities:			
Long-term borrowings		454,320,000.00	1,827,000,000.00
Lease liabilities		28,085,571.51	46,955,785.74
Provisions		7,678,935.03	107,030,168.03
Deferred Income		317,205,022.93	365,813,574.47
Total Non-current Liabilities		807,289,529.47	2,346,799,528.24
Total Liabilities		10,794,977,973.34	8,635,235,405.14
Owners' Equity			
Share capital		9,164,871,550.00	9,233,198,326.00
Capital reserves		1,972,128,400.24	3,849,752,890.09
Less: Treasury shares		-	310,044,296.12
Surplus reserves		4,715,460,312.00	4,715,460,312.00
Retained earnings		45,631,359,971.97	44,480,765,952.49
Total Owners' Equity		61,483,820,234.21	61,969,133,184.46
Total Liabilities and Owners' Equity		72,278,798,207.55	70,604,368,589.60

For the reporting period from January 1, 2025 to December 31, 2025

Consolidated Income Statement

Unit: RMB

Item	Notes	Amount for the current period	Amount for the prior period
I. Total Revenue	(V)45	92,507,796,069.94	92,495,525,118.30
Less: Total operating costs	(V)45	50,067,436,550.36	51,953,857,912.21
Business taxes and surcharges	(V)46	767,498,479.84	692,285,927.36
Selling expenses	(V)47	12,347,888,877.70	12,051,218,102.62
Administrative expenses	(V)48	2,994,512,052.02	3,095,939,643.92
Research and Development (R&D) expenses	(V)49	11,752,624,736.80	11,864,013,392.27
Financial expenses	(V)50	(525,631,319.14)	(114,817,493.16)
Including: Interest expenses		200,704,102.53	391,404,187.13
Interest income		550,539,471.08	878,035,430.32
Add: Other Income	(V)51	2,840,300,144.79	2,653,682,810.87
Investment income	(V)52	247,684,884.36	187,021,018.77
Including: Investment gains in associated enterprise and joint-venture enterprise		216,251,673.19	30,668,990.87
Gains on termination of recognition of financial assets measured at amortized cost		89,740.00	-
Gains (losses) from changes in fair values	(V)53	(17,915,101.74)	47,759,102.43
Credit impairment gains (losses)	(V)54	(800,561,956.90)	(1,068,789,505.74)
Impairment gains (losses) of assets	(V)55	(436,805,418.06)	(445,914,387.59)
Asset disposal income (losses)		26,913,929.91	(14,539,975.31)
II. Operating Profit		16,963,083,174.72	14,312,246,696.51
Add: Non-operating income	(V)56	80,221,086.73	63,737,582.35
Less: Non-operating expenses	(V)57	29,865,822.83	32,490,638.86
III. Total Profit		17,013,438,438.62	14,343,493,640.00
Less: Income tax expenses	(V)58	1,579,783,198.79	1,202,471,579.49
IV. Net Profit		15,433,655,239.83	13,141,022,060.51
(I) Classification by continuous operation			
(a) Net profit on continuous operation		15,433,655,239.83	13,141,022,060.51
(b) Net profit on terminated operation		-	-
(II) Classification by attribution of ownership			
(a) Net profit attributable to owners of parent company		14,195,371,894.42	11,977,327,023.54
(b) Profit or loss attributable to minority shareholders		1,238,283,345.41	1,163,695,036.97
V. Other Comprehensive Income, Net of Income Tax	(V)42	213,607,327.41	(285,156,327.33)
Other comprehensive income attributable to owners of the Company, net of tax		134,895,303.04	(156,178,002.37)
(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		134,895,303.04	(156,178,002.37)
1. Exchange differences arising on conversion of financial statements denominated in foreign currencies		134,895,303.04	(156,178,002.37)
Other comprehensive income attributable to minority interests, net of tax		78,712,024.37	(128,978,324.96)

Item	Notes	Amount for the current period	Amount for the prior period
VI. Total Comprehensive Income		15,647,262,567.24	12,855,865,733.18
Total comprehensive income attributable to owners of the parent company		14,330,267,197.46	11,821,149,021.17
Total comprehensive income attributable to minority shareholders		1,316,995,369.78	1,034,716,712.01
VII. Earnings per Share			
(I) Basic earnings per share (RMB/share)	(XVII)2	1.546	1.297
(II) Diluted earnings per share (RMB/share)	(XVII)2	1.546	1.297

For the reporting period from January 1, 2025 to December 31, 2025

Income Statement of the Parent Company

Unit: RMB

Item	Notes	Amount for the current period	Amount for the prior period
I. Total Revenue	(XVI)4	24,153,556,198.43	24,148,421,603.36
Less: Total operating Cost	(XVI)4	3,956,023,172.11	4,483,355,526.93
Business taxes and surcharges		292,874,792.52	288,929,873.36
Selling expenses		3,413,652,926.75	3,729,196,616.91
Administrative expenses		778,226,939.26	885,742,669.64
Research and Development (R&D) expenses		6,946,737,279.57	7,164,260,715.25
Financial expenses		(211,598,213.03)	(460,591,487.54)
Including : Interest expenses		73,252,094.70	134,657,024.82
Interest income		267,760,279.26	578,070,079.98
Add: Other income		1,790,867,830.28	1,671,483,871.95
Investment income	(XVI)5	1,253,298,022.30	428,959,177.60
Including: Investment gains in associated enterprise and joint-venture enterprise		199,336,672.37	26,003,020.74
Gains (losses) from changes in fair values		6,700,773.26	(31,637,646.48)
Credit impairment gains (losses)		(16,224,809.46)	(114,296,061.01)
Impairment gains (losses) of assets		(5,884,915.24)	(98,433.91)
Asset disposal income (losses)		28,611,065.32	(7,215,529.29)
II. Operating profit		12,035,007,267.71	10,004,723,067.67
Add: Non-operating income		15,771,278.37	8,474,270.33
Less: Non-operating expenses		2,593,765.64	1,565,470.96
III. Total profit		12,048,184,780.44	10,011,631,867.04
Less: Income tax expenses		801,400,651.96	526,990,722.95
IV. Net profit		11,246,784,128.48	9,484,641,144.09
V. Other comprehensive income, net of income tax		-	-
VI. Total comprehensive income		11,246,784,128.48	9,484,641,144.09

For the reporting period from January 1, 2025 to December 31, 2025

Consolidated Cash Flow Statement

Unit: RMB

Item	Notes	Amount for the current period	Amount for the prior period
I. Cash Flows from Operating Activities:			
Cash receipts from sale of goods or rendering of services		110,851,861,667.39	98,512,386,004.95
Receipts of tax refunds		4,574,799,179.86	4,198,239,416.84
Other cash receipts relating to operating activities	(V)59(1)	1,668,187,926.86	1,760,845,198.13
Sub-total of ash inflows from operating activities		117,094,848,774.11	104,471,470,619.92
Cash payments for goods purchased and services received		58,196,958,549.18	56,858,146,890.75
Cash paid to and on behalf of employees		19,396,804,823.36	20,140,688,302.14
Payments of various types of taxes		6,768,170,395.59	6,679,316,991.20
Other cash payments relating to operating activities	(V)59(1)	7,393,503,922.88	7,529,226,413.10
Sub-total of cash outflows from operating activities		91,755,437,691.01	91,207,378,597.19
Net Cash Flows from Operating Activities	(V)60(1)	25,339,411,083.10	13,264,092,022.73
II. Cash Flows from Investing Activities:			
Cash receipts from recovery of investments	(V)59(2)	7,234,092,299.32	3,002,416,092.15
Cash receipts from investment income		118,961,485.27	67,333,430.58
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		131,351,808.26	18,893,652.30
Other cash receipts relating to investing activities	(V)59(2)	92,193,210.15	84,419,763.14
Sub-total of cash inflows from investing activities		7,576,598,803.00	3,173,062,938.17
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	(V)59(2)	3,622,046,664.67	4,665,742,203.72
Cash payments to acquire investments	(V)59(2)	7,361,187,952.19	3,046,421,031.55
Net cash paid for obtaining subsidiaries and other business units	(V)60(2)	680,000.00	8,440,700.00
Cash payments related to investing activities	(V)59(2)	10,000,000.00	-
Sub-total of cash outflows from investing activities		10,993,914,616.86	7,720,603,935.27
Net Cash Flows from Investing Activities		(3,417,315,813.86)	(4,547,540,997.10)
III. Cash Flows from Financing Activities:			
Cash receipts from capital contributions		-	149,000,000.00
Including: cash receipts from capital contributions from minority owners of subsidiaries		-	149,000,000.00
Cash receipts from borrowings		4,557,559,611.21	7,214,406,837.74
Other cash receipts from financing activities	(V)59(3)	-	2,007,056.47
Sub-total of cash inflows from financing activities		4,557,559,611.21	7,365,413,894.21
Cash repayments of borrowings		3,800,767,439.32	17,073,833,780.12
Cash payments for distribution of dividends or profits or settlement of interest expenses		10,565,079,386.24	8,993,845,346.34
Including : Dividends and profits paid by subsidiaries to minority shareholders		299,850,145.35	327,176,023.62
Other cash payments relating to financing activities	(V)59(3)	1,954,264,566.57	3,376,723,553.38
Sub-total of cash outflows from financing activities		16,320,111,392.13	29,444,402,679.84
Net Cash Flows from Financing Activities		(11,762,551,780.92)	(22,078,988,785.63)
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		(8,247,174.18)	(12,487,215.49)
V. Net Increase (Decrease) in Cash and Cash Equivalents	(V)60(1)	10,151,296,314.14	(13,374,924,975.49)
Add: Opening balance of Cash and Cash Equivalents	(V)60(3)	36,053,042,380.29	49,427,967,355.78
VI. Closing Balance of Cash and Cash Equivalents	(V)60(3)	46,204,338,694.43	36,053,042,380.29

For the reporting period from January 1, 2025 to December 31, 2025

Cash Flow Statements of the Parent Company

Unit: RMB

Item	Notes	Amount for the current period	Amount for the prior period
I. Cash Flows from Operating Activities::			
Cash receipts from the sale of goods and the rendering of services		36,855,297,825.91	20,183,364,498.46
Receipts of tax refunds		1,424,687,964.04	1,437,778,163.22
Other cash receipts relating to operating activities		634,250,864.77	904,245,500.67
Sub-total of cash inflows from operating activities		38,914,236,654.72	22,525,388,162.35
Cash payments for goods acquired and services received		5,038,099,512.89	5,072,134,963.21
Cash paid to and on behalf of employees		7,230,872,314.33	7,948,378,555.58
Payments of various types of taxes		3,012,970,967.45	3,393,746,907.86
Other cash payments relating to operating activities		3,406,153,725.92	4,427,556,481.06
Sub-total of cash outflows from operating activities		18,688,096,520.59	20,841,816,907.71
Net Cash Flows from Operating Activities	(XVI)8(1)	20,226,140,134.13	1,683,571,254.64
II. Cash Flows from Investing Activities:			
Cash receipts from recovery of investments		6,378,512,305.56	4,114,000,000.00
Cash receipts from investment income		1,014,230,550.73	449,576,192.54
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		115,392,550.85	20,287,904.27
Other cash receipts relating to investing activities		76,677,956,246.34	74,971,218,190.24
Sub-total of cash inflows from investing activities		84,186,091,653.48	79,555,082,287.05
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		1,036,454,720.57	521,185,569.34
Cash payments to acquire investments		6,824,300,000.00	4,529,752,620.00
Other cash payments relating to investing activities		75,829,598,904.27	73,178,198,874.61
Sub-total of cash outflows from investing activities		83,690,353,624.84	78,229,137,063.95
Net Cash Flows from Investing Activities		495,738,028.64	1,325,945,223.10
III. Cash Flows from Financing Activities			
Cash receipts from borrowings		829,010,000.00	1,650,000,000.00
Other cash receipts relating to financing activities		20,531,780,428.18	13,326,445,447.45
Sub-total of cash inflows from financing activities		21,360,790,428.18	14,976,445,447.45
Cash repayments of borrowings		322,370,000.00	6,785,400,600.00
Cash payments for distribution of dividends or profits or settlement of interest expenses		10,153,409,044.89	8,424,721,408.99
Other cash payments relating to financing activities		21,091,642,371.73	16,338,194,784.59
Sub-total of cash outflows from financing activities		31,567,421,416.62	31,548,316,793.58
Net Cash Flows from Financing Activities		(10,206,630,988.44)	(16,571,871,346.13)
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		74,053,652.36	(2,076,162.95)
V. Net Increase (Decrease) in Cash and Cash Equivalents	(XVI)8(1)	10,589,300,826.69	(13,564,431,031.34)
Add: Opening balance of cash and cash equivalents	(XVI)8(2)	22,790,271,523.04	36,354,702,554.38
VI. Closing Balance of Cash and Cash Equivalents	(XVI)8(2)	33,379,572,349.73	22,790,271,523.04

For the reporting period from January 1, 2025 to December 31, 2025

Consolidated Statement of Changes in Owners' Equity

Unit: RMB

Items	2025							
	Owner's equity attributable to the parent company						Minority interests	Total owners' equity
	Share capital	Capital reserves	Less: Treasury share	Other comprehensive income	Surplus reserve	Retained profits		
I. Closing balance of the prior year	9,233,198,326.00	6,181,644,265.06	310,044,296.12	(111,510,486.21)	4,715,460,312.00	60,959,912,942.15	6,831,633,685.27	87,500,294,748.15
II. Opening balance of current year	9,233,198,326.00	6,181,644,265.06	310,044,296.12	(111,510,486.21)	4,715,460,312.00	60,959,912,942.15	6,831,633,685.27	87,500,294,748.15
III. Increase or decrease in the current period	(68,326,776.00)	(1,796,269,785.84)	(310,044,296.12)	134,895,303.04	-	4,099,181,785.42	1,037,043,783.70	3,716,568,606.44
(I) Total comprehensive income	-	-	-	134,895,303.04	-	14,195,371,894.42	1,316,995,369.78	15,647,262,567.24
(II) Owners' contributions and reduction in capital	(68,326,776.00)	(1,796,269,785.84)	(310,044,296.12)	-	-	-	44,706,620.13	(1,509,845,645.59)
1. Capital contribution from shareholders	-	-	-	-	-	-	-	-
2. Share-based payment recognized in owners' equity	-	129,245,072.44	-	-	-	-	32,665,763.54	161,910,835.98
3. Others	(68,326,776.00)	(1,925,514,858.28)	(310,044,296.12)	-	-	-	12,040,856.59	(1,671,756,481.57)
(III) Profit distribution	-	-	-	-	-	(10,096,190,109.00)	(324,658,206.21)	(10,420,848,315.21)
1. Transfer to surplus reserves	-	-	-	-	-	-	-	-
2. Distributions to shareholders	-	-	-	-	-	(10,096,190,109.00)	(324,658,206.21)	(10,420,848,315.21)
3. Others	-	-	-	-	-	-	-	-
IV. Closing balance of the current period	9,164,871,550.00	4,385,374,479.22	-	23,384,816.83	4,715,460,312.00	65,059,094,727.57	7,868,677,468.97	91,216,863,354.59

For the reporting period from January 1, 2025 to December 31, 2025

Consolidated Statement of Changes in Owners' Equity-continued

Unit: RMB

Items	2024							Minority interests	Total owners' equity
	Owner's equity attributable to the parent company								
	Share capital	Capital reserves	Less: Treasury share	Other comprehensive income	Surplus reserve	Retained profits			
I. Closing balance of the prior year	9,330,600,931.00	7,864,903,763.52	2,737,987,226.55	44,667,516.16	4,715,460,312.00	57,136,620,244.01	5,809,346,337.77	82,163,611,877.91	
II. Opening balance of current year	9,330,600,931.00	7,864,903,763.52	2,737,987,226.55	44,667,516.16	4,715,460,312.00	57,136,620,244.01	5,809,346,337.77	82,163,611,877.91	
III. Increase or decrease in the current period	(97,402,605.00)	(1,683,259,498.46)	(2,427,942,930.43)	(156,178,002.37)	-	3,823,292,698.14	1,022,287,347.50	5,336,682,870.24	
(I) Total comprehensive income	-	-	-	(156,178,002.37)	-	11,977,327,023.54	1,034,716,712.01	12,855,865,733.18	
(II) Owners' contributions and reduction in capital	(97,402,605.00)	(1,683,259,498.46)	(2,583,787,098.43)	-	-	-	222,426,339.63	1,025,551,334.60	
1. Capital contribution from shareholders	-	-	-	-	-	-	149,000,000.00	149,000,000.00	
2. Share-based payment recognized in owners' equity	-	782,354,064.37	-	-	-	-	83,074,508.22	865,428,572.59	
3. Others	(97,402,605.00)	(2,465,613,562.83)	(2,583,787,098.43)	-	-	-	(9,648,168.59)	11,122,762.01	
(III) Profit distribution	-	-	155,844,168.00	-	-	(8,154,034,325.40)	(234,855,704.14)	(8,544,734,197.54)	
1. Transfer to surplus reserves	-	-	-	-	-	-	-	-	
2. Distributions to shareholders	-	-	-	-	-	(8,309,878,493.40)	(234,855,704.14)	(8,544,734,197.54)	
3. Others	-	-	155,844,168.00	-	-	155,844,168.00	-	-	
IV. Closing balance of the current period	9,233,198,326.00	6,181,644,265.06	310,044,296.12	(111,510,486.21)	4,715,460,312.00	60,959,912,942.15	6,831,633,685.27	87,500,294,748.15	

For the reporting period from January 1, 2025 to December 31, 2025

Statement of Changes in Owners' Equity of the Parent Company

Unit: RMB

Item	2025					
	Share capital	Capital reserves	Less: Treasury share	Surplus reserve	Retained profits	Total owners' equity
I. Closing balance of the prior year	9,233,198,326.00	3,849,752,890.09	310,044,296.12	4,715,460,312.00	44,480,765,952.49	61,969,133,184.46
II. Opening balance of current year	9,233,198,326.00	3,849,752,890.09	310,044,296.12	4,715,460,312.00	44,480,765,952.49	61,969,133,184.46
III. Increase or decrease in the current period	(68,326,776.00)	(1,877,624,489.85)	(310,044,296.12)	-	1,150,594,019.48	(485,312,950.25)
(I) Total comprehensive income	-	-	-	-	11,246,784,128.48	11,246,784,128.48
(II) Owners' contributions and reduction in capital	(68,326,776.00)	(1,877,624,489.85)	(310,044,296.12)	-	-	(1,635,906,969.73)
1. Capital contribution from shareholders	-	-	-	-	-	-
2. Share-based payment recognized in owners' equity	-	54,558,433.83	-	-	-	54,558,433.83
3. Others	(68,326,776.00)	(1,932,182,923.68)	(310,044,296.12)	-	-	(1,690,465,403.56)
(III) Profit distribution	-	-	-	-	(10,096,190,109.00)	(10,096,190,109.00)
1. Transfer to surplus reserves	-	-	-	-	-	-
2. Distributions to shareholders	-	-	-	-	(10,096,190,109.00)	(10,096,190,109.00)
3. Others	-	-	-	-	-	-
IV. Closing balance of the current period	9,164,871,550.00	1,972,128,400.24	-	4,715,460,312.00	45,631,359,971.97	61,483,820,234.21
Item	2024					
	Share capital	Capital reserves	Less: Treasury share	Surplus reserve	Retained profits	Total owners' equity
I. Closing balance of the prior year	9,330,600,931.00	5,776,371,174.04	2,737,987,226.55	4,715,460,312.00	43,150,159,133.80	60,234,604,324.29
II. Opening balance of current year	9,330,600,931.00	5,776,371,174.04	2,737,987,226.55	4,715,460,312.00	43,150,159,133.80	60,234,604,324.29
III. Increase or decrease in the current period	(97,402,605.00)	(1,926,618,283.95)	(2,427,942,930.43)	-	1,330,606,818.69	1,734,528,860.17
(I) Total comprehensive income	-	-	-	-	9,484,641,144.09	9,484,641,144.09
(II) Owners' contributions and reduction in capital	(97,402,605.00)	(1,926,618,283.95)	(2,583,787,098.43)	-	-	559,766,209.48
1. Capital contribution from shareholders	-	-	-	-	-	-
2. Share-based payment recognized in owners' equity	-	652,558,986.86	-	-	-	652,558,986.86
3. Others	(97,402,605.00)	(2,579,177,270.81)	(2,583,787,098.43)	-	-	(92,792,777.38)
(III) Profit distribution	-	-	155,844,168.00	-	(8,154,034,325.40)	(8,309,878,493.40)
1. Transfer to surplus reserves	-	-	-	-	-	-

2. Distributions to shareholders	-	-	-	-	(8,309,878,493.40)	(8,309,878,493.40)
3. Others	-	-	155,844,168.00	-	155,844,168.00	-
IV. Closing balance of the current period	9,233,198,326.00	3,849,752,890.09	310,044,296.12	4,715,460,312.00	44,480,765,952.49	61,969,133,184.46

I. Basic Information about the Company

1. Overview of the Company

Hangzhou Hikvision Digital Technology Co., Ltd. (hereinafter referred to as "Company" or "the Company" or "Hikvision"), is a Sino-foreign equity joint venture company, formerly known as "Hangzhou Hikvision Digital Technology Ltd", established on November 30, 2001 in Hangzhou upon the approval letter of Hangzhou High-tech No. 604 [2001] issued by Hangzhou High-tech Industrial Development Zone Management Committee. On June 25, 2008, with approval of document No. 598 [2008] issued by the MOFCOM (The Ministry of Commerce of the People's Republic of China), the Company was renamed as "Hangzhou Hikvision Digital Technology Co., Ltd.", headquartered in Hangzhou. On May 28, 2010, the Company was listed on the Shenzhen Stock Exchange.

The main business activities of the Company and its subsidiaries (hereinafter referred to as "the Group") include the manufacture and sale of security equipment, network equipment and intelligent equipment, the manufacture and wholesale of auto parts and accessories, the sale of electronic products, the provision of construction projects, technical services, technology development, technical consulting, software development, information system integration services, data processing and storage support services, etc.

2. Date of Approval for Issuance of Financial Statements

The Company's consolidated financial reports were approved for issuance by the 9th meeting of the 6th session of the Board of Directors of the Company on April 16, 2026.

II. Basis of Preparation of Financial Statements

Basis of preparation of financial statements

The Group have adopted the Accounting Standards for Business Enterprises ("ASBE") and relevant provisions issued by the Ministry of Finance ("MoF"). In addition, the Group has disclosed relevant financial information in accordance with *Information Disclosure and Presentation Rules for Companies Offering Securities to the Public No. 15 — General Provisions on Financial Reporting (revised in 2023)*.

Going concern

The Group has evaluated its going concern for 12 months going forward starting from December 31, 2025, and there is no factor that may cast significant doubt on the entity's ability to continue as a going concern. Therefore, the financial statements have been prepared on a going concern basis.

Bookkeeping base and valuation principles

The Group measures the accounting elements in accordance with the accrual accounting basis. Except certain financial instruments are measured by fair value, these financial statements are prepared in accordance with the measurements basis of historical costs. If the asset decreases in value, the provision for impairment of assets should be made according to relevant regulations.

According to the historical cost measurement, the assets shall be measured as per the amount of cash or cash equivalent paid at the time of purchase, or the fair value of consideration paid for the purchase of such assets. The liabilities shall be measured in accordance with the amount of funds or assets actually received when undertaking current obligations, or the contract amount when undertaking the current obligations, or the amount of cash or cash equivalents required for paying back the debts in daily activities.

The fair value is a price received by the market participants from selling asset or transferring liability during orderly transaction at the measurement date. No matter the fair value is observable or estimated by using valuation technique, the measured and disclosed fair value in the financial statement shall be determined on this basis.

When measuring non-financial assets at fair value, the assets shall be measured considering the ability of market participants to use the assets for optimal use to generate economic benefits, or to sell the assets to other market participants to use the assets for optimal use to generate economic benefits.

For the financial assets measured with transaction price at the initial recognition, and the use of valuation techniques involving unobservable inputs in the subsequent fair value measurement, the valuation technique is corrected in the valuation process in order to make the initial recognition results confirmed by valuation techniques equal to the transaction price.

Based on the observable extent of the input value of the fair value, and the importance of such input value to the fair value measurement, the fair value measurement is divided into three levels:

- Level 1: The input value is the unadjusted offer of the same assets or liabilities on active market acquired on measurement date;
- Level 2: The input value is the input value of relevant assets or liabilities observable directly or indirectly in addition to level 1 input value;
- Level 3: The input value is the non-observable input value of relevant assets or liabilities.

III. Significant Accounting Policies and Accounting Estimates

Specific accounting policies and accounting estimates suggests:

The Group has formulated specific accounting policies and accounting estimates for the method of determining materiality standards and the basis of selection, provision for credit losses on accounts receivable, provision for inventory depreciation, depreciation of fixed assets, and revenue recognition according to the actual production and operation characteristics. The significant judgements and accounting estimates and their key assumptions applied by the Group in identifying significant accounting policies are detailed in Notes (III), 35.

1. Statement for Compliance with Accounting Standards for Business Enterprises (ASBE)

The financial statements of the Company have been prepared in accordance with ASBE, and present truly and completely, the Company's and consolidated financial position as of December 31, 2025; and the Company's and consolidated results of operations, and the Company's and consolidated changes in owners' equity, and the Company's and consolidated cash flows for 2025.

2. Accounting Period

The Group has adopted the calendar year as its accounting year from January 1st to December 31st each year.

3. Business Cycle

The business cycle refers to the period from purchase of assets used for processing to realization of cash or cash equivalents. The Group business cycle is usually 12 months.

4. Functional Currency

Renminbi ("RMB") is the currency in the primary economic environments in which the Company and its domestic subsidiaries are operated. The Company and its domestic subsidiaries take RMB as their functional currency. Overseas subsidiaries of the Company determine their functional currency on the basis of the primary economic environment in which it operates. The Group adopts RMB to prepare its financial statements.

5. Methodology for determining materiality criteria and basis for selection

Item	Materiality Criteria
Significant single-item receivables with bad debt provision	Single amount accounts for 10% of accounts receivable balance
Significant single-item contract assets with bad debt provision	Single amount accounts for 10% of contract asset balance
Significant construction in progress	Single amount of investment of construction in progress accounts for 2% of net assets balance
Significant accounts payable, other payables, and contract liabilities aged over 1 year	Accounts payable, other payables, and contract liabilities aged more than one year account for 5% of the balance of liabilities
Significant non-wholly owned subsidiaries	Minority interests representing 10% of consolidated shareholders' equity

Significant joint ventures or associates	Investment income of individual joint ventures/associates accounts for 10% of consolidated net profit or the year-end balance of long-term equity investment in the enterprise accounts for 10% of the total consolidated assets
Cash received or paid in connection with significant investment activities	The amount of cash inflow or outflow from a single investing activity accounts for 10% of cash inflow or outflow from investing activities

6. The Accounting Treatment of Business Combinations Involving Enterprises under Common Control and Business Combinations Not Involving Enterprises under Common Control

Business combinations are classified into business combinations involving enterprises under common control and business combinations not involving enterprises under common control.

6.1 Business combinations involving enterprises under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are actual controlled by the same party or parties both before and after the combination, and that control is not transitory.

Assets and liabilities obtained shall be measured at their respective carrying amounts as recorded by the combining entities at the date of the combination. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination is adjusted to the share premium in capital reserve. If the share premium is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

Costs that are directly attributable to the combination are charged to profit or loss in the period in which they are incurred.

6.2 Business combinations not involving enterprises under common control and goodwill

A business combination not involving enterprises under common control is a business combination in which all of the combining enterprises are not actual controlled by the same party or parties before and after the combination.

The cost of combination is the aggregate of the fair values, at the acquisition date, of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer in exchange for control of the acquiree. If a business combination not under the common control is realized step by step through multiple transactions, the cost of the combination is the sum of the consideration paid on the purchase date and the fair value of the equity of the purchase already held before the purchase date on the purchase date. The intermediary expenses incurred by the acquirer in respect of auditing, legal

services, valuation and consultancy services, etc. and other associated administrative expenses attributable to the business combination are recognized in profit or loss when they are incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities, acquired by the acquirer in a business combination, that meet the recognition criteria shall be measured at fair value at the acquisition date.

Where the cost of combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is treated as an asset and recognized as goodwill, which is measured at cost on initial recognition. Where the cost of combination is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer firstly reassesses the measurement of the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities and measurement of the cost of combination. If after that reassessment, the cost of combination is still less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer recognizes the remaining difference immediately into profit or loss for the current period.

Goodwill arising on a business combination is measured at cost less accumulated impairment losses, and is presented separately in the consolidated financial statements.

7. Criteria for determining control right and Preparation Method of Consolidated Financial Statements

7.1 Criteria for determining control right

Control right means that an investor may control an investee; the investor may participate in relevant activities of the investee to obtain variable rewards and also be able to use the control rights for the investee to influence its amount of returns. The Group will re-evaluate, if the change of the relevant facts and circumstances leading to the change of the relevant elements involved in the above definition of control.

7.2 Preparation method of consolidated financial statements

The scope of consolidated financial statements shall be confirmed based on the control.

The merger of subsidiary starts from the Group obtaining the control power of the subsidiary, and terminates when the Group loses the control power of the subsidiary.

As for subsidiaries disposed by the Group, operating results and cash flows prior to the disposal date (the date of losing control right) have been properly included in the consolidated profit statement and consolidated cash flow statement.

For a subsidiary acquired through a business combination not involving enterprises under common control, the operating results and cash flows from the acquisition date (the date when control is obtained) are included in the consolidated income statement and consolidated statement of cash flows.

No matter when the business combination occurs in the reporting period, subsidiaries acquired through a business combination involving enterprises under common control are included in the Group's scope of consolidation as if they had been included in the scope of consolidation from the date when they first came under the common control of the actual controlling party. Their operating results and cash flows from the beginning of the earliest reporting period are included in the consolidated income statement and consolidated statement of cash flows, as appropriate.

The significant accounting policies and accounting periods adopted by the subsidiaries are determined based on the uniform accounting policies and accounting periods set out by the Company.

All significant intra-group balances and transactions are eliminated on consolidation.

The portion of subsidiaries' equity that is not attributable to the Company is treated as minority interests and presented as "minority equity" in the consolidated balance sheet. The portion of net profits or losses of subsidiaries for the period attributable to minority interests is presented as "minority interests" in the consolidated income statement below the "net profit" line item.

When the amount of loss for the period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' portion of the opening balance of owners' equity of the subsidiary, the excess amount are still allocated against minority interests.

Acquisition of minority interests or disposal of interest in a subsidiary that does not result in the loss of control over the subsidiary is accounted for as equity transactions. The carrying amounts of the total owners' equity attributable to owner of the Company and minority equity are adjusted to reflect the changes in their relative interests in the subsidiary. The difference between the amount by which the minority interests are adjusted and the fair value of the consideration paid or received is adjusted to capital reserve under owners' equity. If the capital reserve is not sufficient to absorb the difference, the excess is adjusted against retained earnings.

In the case that the equity of the acquiree is obtained through multiple deals in stages to finally form the business combination not under the common control, the business combination shall be handled differently based on whether it is "package deal": where it is package deal, the Company accounts each deal as a deal to obtain the control. If the deal is not a "package deal", a deal where the control is obtained on the acquisition date will be subject to accounting. The acquiree's equity held before the acquisition date will be re-measured based on the fair value of the equity on the acquisition date and the difference between the fair value and book value will be included in the profit or loss in the current period. If the acquiree's equity held before the acquisition date involves any changes in the other comprehensive income or in any other owner's equity accounted by the equity method, then it is transferred to income for the period in which it belongs at the date of purchase.

8. Joint Arrangement Classification and Joint Operation Accounting

Joint arrangements include joint operation and joint ventures. Such classification is defined based on the rights and obligations of the joint parties in the joint arrangement, taking into account the structure and legal form of such arrangement and also the contractual provisions.

The Groups investment in any joint venture is accounted by the equity method. See the details in Note (III) "18.3.2 Long-term equity investment accounted under the equity method".

9. Recognition Criteria of Cash and Cash Equivalents

Cash comprises cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are the Group's short-term (Generally refers to due within three months from the purchase date), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

10. Conversion of Transactions and Financial Statements Denominated in Foreign Currencies.

10.1 Transactions denominated in foreign currencies

A foreign currency transaction is recorded, on initial recognition, by applying an exchange rate that approximates the actual spot exchange rate on the date of transaction; The exchange rate that approximates the actual spot exchange rate on the date of transaction is calculated according to the middle price of market exchange rate at the beginning of the month in which the transaction happened.

At the balance sheet date, foreign currency monetary items are translated into [RMB] using the spot exchange rates at the balance sheet date. Exchange differences arising from the differences between the spot exchange rates prevailing at the

balance sheet date and those on initial recognition or at the previous balance sheet date are recognized in profit or loss for the period, except for exchange differences related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalization are capitalized as part of the cost of the qualifying asset during the capitalization period.

When the consolidated financial statements include foreign operation(s), if there is foreign currency monetary item constituting a net investment in a foreign operation, exchange difference arising from changes in exchange rates are recognized as "exchange differences arising on conversion of financial statements denominated in foreign currencies " in other comprehensive income, and in profit and loss for the period upon disposal of the foreign operation.

Foreign currency non-monetary items measured at historical cost are converted to the amounts in functional currency at the spot exchange rates on the dates of the transactions.

10.2 Conversion of financial statements denominated in foreign currencies

For the purpose of preparing the consolidated financial statements, financial statements of a foreign operation are converted from the foreign currency into RMB using the following method: assets and liabilities on the balance sheet are translated at the spot exchange rate prevailing at the balance sheet date; shareholders' equity items are converted at the spot exchange rates at the dates on which such items arose; all items in the income statement as well as items reflecting the distribution of profits are translated at exchange rates that approximate the actual spot exchange rates on the dates of the transactions; The difference between the converted assets and the aggregate of liabilities and shareholders' equity items is recognized into other comprehensive income and shareholders' equity.

The foreign currency cash flows and cash flows of overseas subsidiaries adopt the exchange rate similar to the spot rate at the date of cash flows for conversion. The affected amount of cash and cash equivalents due to the change of exchange rate, as an adjustment item, shall be separately listed as "the impact of cash and cash equivalents due to the change of exchange rate" in the cash flow statement.

The closing balances of the prior year and the actual amount of the prior year are presented at the converted amounts of the prior year's financial statements.

On disposal of the Group's entire interest in a foreign operation, or upon a loss of control over a foreign operation due to disposal of certain interest in it or other reasons, the Group transfers the accumulated exchange differences arising on conversion of financial statements of this foreign operation attributable to the owners' equity of the Company and presented under shareholders' equity, to profit or loss in the period in which the disposal occurs.

In case of a disposal or other reason that does not result in the Group losing control over a foreign operation, but only a decrease in proportion of overseas business interests, the proportionate share of accumulated exchange differences arising on conversion of financial statements are re-attributed to minority interests and are not recognized in profit and loss under current period. For partial disposals of equity interests in foreign operations, which are associates or joint ventures, the proportionate shares of the accumulated exchange differences arising on conversion of financial statements of foreign operations is reclassified to profit or loss under current period.

11. Financial Instruments

The Group recognizes a financial asset or a financial liability when it becomes a party to a contract of financial instrument.

For the purchase or sale of a financial asset in conventional manner, the asset to be received and the liability to be assumed will be recognized on the trading day, or the asset sold will be derecognized on the trading day.

Financial assets and financial liabilities are measured by fair value upon initial recognition (The method of determining the fair value of financial assets and financial liabilities is described in the related disclosure of the basis of accounting and valuation principles in note (ii)). For financial assets and financial liabilities at fair value through profit and loss, the relevant trading costs will be directly charged to profit and loss of the current period. For other types of financial assets and financial liabilities, the relevant trading costs will be booked into the initial recognition amount. Upon initial recognition of accounts receivable which have no material financing components or have not taken into consideration the financing components in contracts with a term not exceeding one year according to Accounting Standards for Business Enterprise No. 14 – Revenue ("Revenue Standard"), such initial amount is measured by the transaction price as defined under the Revenue Standard.

Effective interest rate method refers to the method of calculating the amortized cost of financial asset or financial liability and apportioning interest income or interest expenses to each accounting period.

Effective interest rate refers to the interest rate used for discounting the estimated future cash flows of a financial asset or a financial liability for an expected subsisting period into the balance of book value of the financial asset or the amortized cost of the financial liability. When determining the effective interest rate, the expected cash flows are estimated on the basis of considering all contractual terms of the financial asset or financial liability (such as early repayment, extended term, call option or other similar option) but without considering the expected credit loss.

The amortized cost of a financial asset or a financial liability refers to the initial recognition amount of such financial asset or financial liability, less the repaid amount of principal, plus or minus the accrued amortized amount calculated by amortization of the difference between the initial recognition amount and the amount on maturity by using the effective interest rate method, and then deducts the accrued provision for losses (only applicable to financial assets).

11.1 Classification, Confirmation and Measurement of Financial Assets

After initial recognition, the Group will adopt amortized cost, fair value through other comprehensive income, or fair value through profit and loss for subsequent measurement depending on different categories of financial assets.

The Group will classify a financial asset into a financial asset measured at amortized cost if the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. Financial assets classified by the Group as financial asset measured by amortized cost include cash and cash equivalents, notes receivables and accounts receivable, other receivables, long-term receivables and certain other non-current assets.

The Group will classify a financial asset into a financial asset measured by fair value through other comprehensive income if the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets. This category of financial assets mainly includes financial assets with a maturity of more than one year from the date of acquisition and which are presented under other debt investments, financial assets maturing within one year (inclusive) from the balance sheet date and which are presented under non-current assets maturing within one year, as well as the notes receivable classified as fair value at the time of acquisition and their changes are included in other comprehensive income are listed in the receivables for financing, and for those have acquisition period within one year (including one year) are listed in other current assets.

At the time of initial recognition, the Group may, on the basis of a single financial asset, irrevocably designate an investment in an equity instrument held for non-trading purpose recognized or without consideration in a business combination of enterprises not under the same control as a financial asset at fair value through other comprehensive income. This type of financial assets is presented as investment in other equity instruments.

Financial assets which have satisfied one of the following conditions indicate that such financial assets are held for trading purpose by the Group:

- The purpose of acquiring the relevant financial asset is mainly for sale in recent period.
- At the time of initial recognition, the relevant financial asset is a part of an identifiable portfolio of financial

instruments under collective management, and there is objective evidence showing a recent and actual existence of short-term profitable mode.

- The relevant financial assets are derivatives.

Financial assets at fair value through profit and loss include financial assets which are classified as financial assets at fair value through profit and loss and financial assets designated at fair value through profit and loss:

- Financial assets which do not satisfy the conditions of being classified as financial assets measured at amortized cost or as financial assets at fair value through other comprehensive income, they will be classified as financial assets at fair value through profit and loss.
- At the time of initial recognition, in order to eliminate or substantially reduce mismatch in accounting, the Group may irrevocably designate a financial asset as a financial asset measured at fair value with changes through profit and loss.

Financial assets measured at fair value with changes recognized in profit or loss, other than derivative financial assets, are presented as trading financial assets. If such financial assets have a maturity of more than one year from the balance sheet date (or without a fixed maturity) and which are expected to be held for more than one year, they will be presented under other non-current financial assets.

11.1.1 Financial assets measured at amortized cost

Financial assets measured at amortized cost adopt the effective interest rate method for subsequent measurement according to amortized cost, the profit or loss when impairment occurs or upon derecognition will be accounted in profit and loss of the current period.

The Group recognizes interest income by using effective interest rate method for financial assets measured at amortized cost. The Group determines interest income by multiplying the balance of book value of financial assets with the effective interest rate except under the following circumstances:

- For acquired or generated financial assets which incurred credit impairment already, their interest income will be determined by using the amortized cost of such financial asset calculated with the credit adjusted effective interest rate.
- For acquired or generated financial assets which have not incurred credit impairment but incur credit impairment in the subsequent period, the Group will determine their interest income by using the amortized cost of such financial assets multiplied with the effective interest rate in the subsequent period. If such financial asset ceases to have credit impairment due to improvement in credit risk in the subsequent period, then the Group should change to multiply the effective interest rate with the balance of book value of such financial asset instead to determine the interest income.

11.1.2 Financial asset at fair value through other comprehensive income

The impairment loss or profit, or interest income calculated by using the effective interest rate method, relating to financial

asset at fair value through other comprehensive income should be accounted in the profit and loss of the current period, and other changes in fair value of such financial assets will be accounted in other comprehensive income. The amount charged by such financial asset to the profit and loss of each period is deemed to be equal to the amount which has been measured by amortized cost and charged to the profit and loss of each period. Upon derecognition of such financial asset, the accumulated profit or loss previously charged to other comprehensive income will be reversed from other comprehensive income and charged to profit and loss of the current period.

For non-trading equity instrument investment designated at fair value through other comprehensive income, its changes in fair value will be recognized in other comprehensive income. Upon derecognition of such financial asset, the accumulated profit or loss charged to other comprehensive income will be reversed from other comprehensive income and charged to retained earnings. During the period when such investment in equity instruments for non-trading purpose are held by the Group, the right to receive dividends by the Group has been established, and economic benefits related to dividends are likely to flow into the Group, and if the amount of dividends may be measured reliably, the dividend income is recognized and accounted in the profit and loss of the current period.

11.1.3 Financial asset at fair value through profit and loss

For financial asset at fair value through profit and loss, subsequent measurement will be calculated at fair value, the profit or loss arising from changes in fair value and the dividend and interest income relating to such financial asset will be accounted in the profit and loss of the current period.

11.2 Impairment of Financial Assets

For financial assets measured at amortized cost, financial assets that are classified as financial asset at fair value through other comprehensive income, lease receivables and contract assets, the Group will handle impairment on the basis of expected credit loss and recognize loss provision.

The Group's consideration of contract assets, notes receivable and accounts receivable that are generated by transactions regulated by revenue standards and do not contain significant financing components or that do not consider financing components in contracts that are not more than one year old, as well as those lease receivables formed from transactions that are defined by the *Accounting Standards for Business Enterprises No. 21-Leasing*, the loss reserve shall be measured based on the amount of the expected credit loss during the entire duration.

For other financial instruments, other than acquired or generated financial assets which have incurred credit impairment already, the Group will assess on each balance sheet date the changes in credit risk of the relevant financial instruments since initial recognition. If the credit risk of such financial asset has significantly increased after initial recognition, the Group will calculate its loss provision based on the amount equivalent to the expected credit loss for the entire subsisting

period. If the credit risk of such financial asset since initial recognition has not increased significantly, the Group will calculate its loss provision according to the expected credit loss amount of such financial asset for the next 12 months. The amount of increase or reversal in the provision for credit loss, apart from financial assets classified as financial asset at fair value through other comprehensive income, is accounted in the profit and loss of the current period. For financial asset classified as measured at fair value through other comprehensive income, the Group will recognize its credit loss provision in other comprehensive income and charged the impairment loss or gain to the profit and loss of the current period, and will not decrease the book value of such financial asset presented in the balance sheet.

The Group has calculated the loss provision equivalent to the expected credit loss amount for the entire subsisting period of the financial instrument in the preceding accounting period, but at the balance sheet date of the current period, such financial instrument is no longer under the condition of significant increase in credit risk since initial recognition, the Group calculates the loss provision for such financial instrument on the balance sheet date of the current period according to an amount equivalent to the expected credit loss for the next 12 months, and the resulting loss provision reversal amount will be counted as impairment gain and booked into the profit and loss of the current period.

11.2.1 Significant increase in credit risk

The Group uses available and reasonable forward-looking information with justification, by comparing the default risk of the financial instrument at the balance sheet date with the default risk on the initial recognition date, to confirm whether the credit risk of the financial instrument has significantly increased after initial recognition.

The Group considers the following factors when assessing whether the credit risk has significantly increased:

- (1) Whether a significant change has been caused to the internal price indicator due to changes in credit risk.
- (2) Whether the external credit rating of financial instrument has actual or expected significant changes.
- (3) Whether the actual or expected internal credit rating of the debtor has been downgraded.
- (4) Whether adverse changes have occurred in the business, finance or economic conditions which are expected to cause significant changes in the capability of the debtor to perform debt repayment obligations.
- (5) Whether actual or expected significant changes have occurred in the operating results of the debtor.
- (6) Whether significant adverse changes have occurred in the supervision, economic or technical environment in which the debtor operates.
- (7) Whether significant changes have occurred in the value of security pledged for the debt or the quality of guarantee or credit enhancement provided by third parties. Such changes are expected to reduce the debtor's economic motivation of repayment according to contractual term or influence the probability of default.
- (8) Whether significant changes have occurred in the economic motivation which will lower the expectation of repayment by the borrower according to the contractual term.
- (9) Whether significant changes have occurred in the expected performance and repayment behavior of the debtor.

Whether or not the credit risks increase significantly after the foregoing assessments, if any contractual payment for any financial instrument that overdue for over (including) 30 days, it indicates the credit risks of that financial instrument have increased significantly.

On the balance sheet date, if the Group determines that the financial instrument only carries low credit risks, then it assumes that the credit risks of the financial instrument have not increased significantly since the initial recognition. If the risk of default on financial instruments is low, the borrower is highly able to perform its contractual cash flow obligations in the short term, and even if the economic situation and operating environment are adversely changed over a long period of time but not necessarily reducing the borrower's performance of its contractual cash obligations, the financial instrument is considered as having a lower credit risk.

11.2.2 Financial assets which have incurred credit impairment already

When one or more events which will have adverse effect on the expected future cash flows from the financial asset of the Group have occurred, such financial asset will become a financial asset which have incurred credit impairment already. The evidence of credit impairment occurred in a financial asset includes the following observable information:

- (1) Material financial difficulties have occurred in the issuer or debtor;
- (2) Breach of contract by the debtor, such as default or overdue for the payment of interest or repayment of principal;
- (3) Due to economic or contractual considerations relating to financial difficulties of the debtor, the creditor has granted concession to the debtor under no other circumstances;
- (4) The debtor is likely to go bankrupt or carry out other financial restructuring;
- (5) The financial difficulties of the issuer or debtor have caused the disappearance of the active market for the financial asset;
- (6) The purchase or generation of a financial asset at a large discount, such discount reflects the fact of occurrence of credit loss.

11.2.3 Confirmation of expected credit loss

The Group confirms the expected credit loss of the relevant financial instrument according to the following method:

- In respect of financial asset and lease receivables, the credit loss is the present value of the difference between the contractual cash flow that the group should receive and the cash flow that it expects to receive.
- In respect of financial assets with credit impairment on the balance sheet date but they are not acquired or generated financial assets with credit impairment, the credit loss represents the difference between the balance of the book value of such financial asset and the present value of the estimated future cash flows discounted by the original effective interest rate.

The factors reflected by the method used for calculating expected credit loss of financial instruments by the Group include:

an unbiased weighted average amount determined by assessing a series of probable outcomes; time value of currency; reasonable and justifiable information relating to past events, prevailing conditions and forecast of future economic conditions obtained on the balance sheet date without incurring unnecessary additional cost or effort.

11.2.4 Write-off on financial asset

When the Group ceases to have reasonable expectation on the possible collection of all or part of the contractual cash flows from the financial asset, the balance of book value of such financial asset will be written off directly. Such a write-off constitutes a derecognition of the relevant financial asset.

11.3 Transfer of financial asset

A financial asset that fulfills one of the following conditions will be de-recognized: (1) termination of contractual rights to receive cash flows from the financial asset; (2) upon transfer of such financial asset and transfer of substantially all the risks and rewards in respect of the ownership of such financial asset to the transferee; (3) upon transfer of such financial asset, though the Group has not transferred nor retained substantially all the risks and rewards in respect of the ownership of such financial asset, yet it has not retained the control over such financial asset.

If the Group has not transferred nor retained substantially all the risks and rewards in respect of the ownership of such financial asset, and has retained the control over such financial asset, then such transferred financial asset will continue to be recognized, and the relevant liabilities will continue to be recognized, according to the level of the Group's continuous involvement in such transferred financial asset. The relevant liabilities will be measured by the Group according to the following method:

- If the transferred financial asset is measured by amortized cost, the book value of the relevant liabilities is equivalent to the book value of the transferred asset of continuous involvement less the amortized cost of the rights retained by the Group (if the Group has retained the relevant rights due to transfer of the financial asset) and plus the amortized cost of the obligations undertaken by the Group (if the Group has undertaken the relevant obligations due to transfer of the financial asset), and the relevant liabilities are not designated as financial liabilities at fair value through profit and loss of the current period.
- If the transferred financial asset is measured by fair value, the book value of the relevant liabilities is equivalent to the book value of the transferred asset of continuous involvement less the fair value of the rights retained by the Group (if the Group has retained the relevant rights due to transfer of the financial asset) and plus the fair value of the obligations undertaken by the Group (if the Group has undertaken the relevant obligations due to transfer of the financial asset), and the fair value of the rights and obligations shall be measured at the fair value on a separate basis.

For full transfer, which satisfies the conditions of derecognition, of the financial assets, the difference between the sum of the book value of the transferred financial assets as at the date of derecognition and the consideration received from such

transfer and the accumulated amount of change in fair value originally included in other comprehensive income, which corresponds to the amount in respect of derecognition, shall be recognized in the profit and loss for the current period. If the transfer of the financial assets by the Group is designated as investment in equity instrument held for non-trading purpose measured at fair value through other comprehensive income, the accumulated gains or losses previously included in other comprehensive income shall be transferred out from other comprehensive income and be included in retained earnings.

For transfer in part, which satisfies the conditions of derecognition, of the financial assets, the book value of the entire financial assets before the transfer shall be shared between the derecognized portion and the continuous recognition portion at their respective relative fair value on the date of transfer, and the difference between the sum of the consideration received from derecognition and the accumulated amount of change in fair value originally included in other comprehensive income, which corresponds to the amount in respect of derecognition, and the book value of the derecognized portion as at the date of derecognition shall be included in the profit and loss of the current period. If the transfer of the financial assets by the Group is designated as investment in equity instrument for non-trading purpose measured at fair value through other comprehensive income, the accumulated gains or losses previously included in other comprehensive income shall be transferred out from other comprehensive income and be included in retained earnings.

For full transfer, which does not satisfy the conditions of derecognition, of the financial assets, the Group will continue to recognize the entire financial assets transferred and the consideration received as a result of the asset transfer is recognized as a liability when received.

11.4 Classification, confirmation and measurement of financial liabilities and equity instruments

Pursuant to the contractual terms of the issued financial instruments and the substantive economic condition as reflected, but not in legal terms only, combined with the definitions of financial liabilities and equity instruments, the Group has classified such financial instruments or the components thereof as financial liabilities or equity instruments upon initial recognition.

11.4.1 Classification, confirmation and measurement of financial liabilities

Financial liabilities are classified into financial liabilities at fair value through profit and loss of the current period and other financial liabilities upon initial recognition.

11.4.1.1 Financial liabilities at fair value through profit and loss of the current period

Financial liabilities at fair value through profit and loss of the current period comprise of financial liabilities held for trading purpose (including derivatives of financial liabilities) and financial liabilities designated as measured at fair value

through profit and loss of the current period. Except for derivatives of financial liabilities, which are presented separately, financial liabilities at fair value through profit and loss of the current period are presented as financial liabilities held for trading.

Financial liabilities that fulfill one of the following conditions suggest that the Group assumes such financial liabilities for trading purpose:

- Assumption of the relevant financial liabilities is mainly for the purpose of the recent repurchases.
- The relevant financial liabilities, upon initial recognition, are part of a portfolio of identifiable financial instruments under centralized management, and available objective evidence shows the recent and actual existence of a short-term profit-making model.
- The relevant financial liabilities are derivatives.

Financial liabilities can be designated, upon initial recognition, by the Group as financial liabilities at fair value through profit and loss of the current period, provided that they have satisfied one of the following conditions: (1) such designation can eliminate or substantially reduce accounting mismatches; (2) managing and evaluating the performance of portfolios of financial liabilities, or portfolios of financial assets and financial liabilities, on fair value basis and reporting internally to key personnel of the Group on this basis in accordance with the risk management or investment strategies specified in formal written documents of the Group; (3) hybrid contracts, with embedded derivatives, have satisfied the conditions.

Financial liabilities held for trading purpose use fair value for subsequent measurement, gains or losses arise from changes in fair value and the dividends or interest expenses relating to such financial liabilities are accounted in the profit and loss of the current period.

11.4.1.2 Other financial liabilities

Excluding transfer of financial assets not complying with derecognition conditions, or financial liabilities as a result of continuous involvement in transferred financial assets, as well as the financial guarantee contracts, the other financial liabilities will be classified as financial liabilities measured at amortized cost, subsequent measurement will be based on amortized cost, gains or losses on derecognition or amortization will be accounted in the profit and loss of the current period.

If the Group and the counterparty have revised or renegotiated the contract, this has not resulted in the derecognition of financial liabilities measured at amortized cost for subsequent measurement, but has caused changes in the contractual cash flows, then the Group should recalculate the book value of such financial liabilities, and the relevant gains or losses shall be accounted in the profit and loss of the current period. The recalculated book value of such financial liabilities will be determined by the Group by discounting the cash flows from the renegotiated or revised contract with the original effect interest rate of the financial liabilities. All costs or expenses incurred in the revision or renegotiation of the contract will

be reflected in the adjusted book value of financial liabilities after such revision, and will be amortized during the remaining period of the revised financial liabilities.

11.4.2 Derecognition of financial liabilities

When the existing obligations of a financial liability have been wholly or partially discharged, such financial liability or such part of it will be derecognized. When the Group (as borrower) and the lender enter into an agreement to undertake new financial liabilities for replacing the original financial liabilities, if substantive difference exists in the contractual terms between the new financial liabilities and the original financial liabilities, the Group should derecognize the original financial liabilities while at the same time recognizes the new financial liabilities.

When a financial liability is wholly or partially derecognized, the difference between the book value of the derecognized portion and the consideration paid (including non-cash asset transferred out or new financial liabilities undertaken) will be accounted in the profit and loss of the current period.

11.4.3 Equity instrument

Equity instrument refers to a contract which can prove the ownership of remainder interest in assets after deducting all liabilities of the Group. The Group issues (including refinances), repurchases, sells or cancels equity instruments for treatment of changes in equity. The Group will not recognize changes in the fair value of equity instruments. Trading expenses relating to equity transactions will be deducted from equity.

The Group's distribution to holder of equity instrument is treated as profit distribution, the share dividends paid out will not affect the total equity of shareholders.

11.5 Derivatives

Derivatives include foreign exchange forward contract, among others. Derivatives are measured at fair value initially on the date of signing the relevant contract and will be measured at fair value for subsequent measurement.

11.6 Offsetting between financial assets and financial liabilities

When the Group has legal right to offset the recognized financial assets and financial liabilities, and such legal right is enforceable currently, while at the same time the Group plans to perform netting settlement, or to liquidate the financial asset and repay the financial liability at the same time, the amount after offsetting between the financial asset and financial

liability will be presented in the balance sheet. Save as said above, the financial asset and financial liability are presented separately in the balance sheet without offsetting each other.

11.7 Reclassification of financial instruments

When the Group changes its business model for managing financial assets, all affected underlying financial assets will be reclassified. All financial liabilities are not reclassified.

The Group reclassifies financial assets and applies the prospective application method for relevant accounting treatment from the date of reclassification (i.e., the first day of the first reporting period after the change in the business model that led to the reclassification of financial assets).

If the Group reclassifies a financial asset measured at amortized cost to a financial asset at fair value through other comprehensive income, it is measured at the fair value of the financial asset at the date of reclassification. The difference between the original carrying amount and the fair value is recognized in other comprehensive income.

12. Notes receivable

12.1 Combination category and determination basis of bad debt provision according to credit risk characteristics

Except for the notes receivable for which individual credit risk assessments are conducted, the Group classifies notes receivable into different portfolios based on the nature of the acceptor:

Portfolio categories	Determination basis
Bank acceptance bill	Notes receivable with acceptors are banks
Non-bank acceptance bill	Notes receivable with acceptors are non-banks

12.2 The criteria for determining individual provisioning for bad debts

The Group separately assesses the credit risk of the notes receivable with a single significant amount and the debtor with severe financial difficulties

13. Accounts receivable, financial lease receivables and installment receivables in long-term receivables

13.1 Combination category and determination basis of bad debt provision according to credit risk characteristics

Except for the accounts receivable for which individual credit risk assessments are conducted, the Group categorizes accounts receivable into Portfolio A, Portfolio B and Portfolio C based on shared risk characteristics. Common credit risk characteristics adopted by the Group include the geographical location and business object.

For long-term receivables, the common credit risk profile adopted by the Group includes business objects.

13.2 Calculation of ageing based on age-based recognition of a portfolio of credit risk characteristics

The Group uses the ageing as a credit risk characteristics, and use impairment matrix to determine the credit losses of its accounts receivable and long-term receivables related to the financial lease and installment collection business. The ageing is calculated from the end of the credit period. The ageing is calculated on a continuous basis when the terms and conditions of accounts receivables and long-term receivables are modified but do not result in derecognition of them.

13.3 The criteria for determining individual provisioning for bad debts

The Group assesses the credit risk of accounts receivable with significant individual amounts and significant financial difficulties of debtors and financial lease receivables and installment receivables in long-term receivables individually

14. Receivables for Financing

14.1 Combination category and determination basis of bad debt provision according to credit risk characteristics

Except for the receivables for financing for which individual credit risk assessments are conducted, the rest of receivables for financing includes bank acceptance bills and certificates of accounts receivable claims. Given the low likelihood of incurring significant losses due to default, the Group considers that the bank acceptance bills and certificates of accounts receivable claims it holds do not pose significant credit risk.

14.2 The criteria for determining individual provisioning for bad debts

This Group individually assesses the credit risk of financing of accounts receivable where the amount is material and the debtor has encountered severe financial difficulties.

15. Other receivables

15.1 Combination category and determination basis of bad debt provision according to credit risk characteristics

Except for other receivables for which individual credit risk assessments have been conducted, the Group categorizes other receivables into different groups according to the nature of the amounts, and determines credit losses on a portfolio basis.

15.2 The criteria for determining individual provisioning for bad debts

The Group individually assesses the credit risk of other receivables that are material in amount and where the debtor has encountered severe financial difficulties.

16. Inventories

16.1 Categories of inventories, valuation method, count system, amortization method for low cost and short-lived consumable items and packaging materials

16.1.1 Categories of inventories

The Group's inventory mainly includes finished products, products in process, raw materials and contract performance costs. Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of conversion and other expenditures incurred in bringing the inventories to their present location and condition.

16.1.2 Valuation method of inventories upon delivery

The actual cost of inventories upon delivery is calculated using the moving weighted average method.

16.1.3 Inventory count system

The perpetual inventory system is maintained for stock system.

16.1.4 Amortization method for low cost and short-lived consumable items and packaging materials

Packaging materials and low cost and short-lived consumable items are amortized using the immediate write-off method.

16.2 The recognition standard and accounting method of inventory falling price reserves

At the balance sheet date, inventory is measured at the lower of cost or net realizable value. When the net realizable value is lower than the cost, the inventory falling price reserves is withdrawn.

Net realizable value is the amount of the estimated selling price of inventory in day-to-day activities less the estimated costs to be incurred at completion, estimated selling expenses and related taxes. The determination of net realizable

value of inventories is based on firm evidence obtained, taking into account the purpose for which the inventories are held and the effect of events after the balance sheet date.

After the provision for inventory depreciation, if the factors affecting the previous reduction of inventory value have disappeared, resulting in the net realizable value of the inventory being higher than its carrying value, the amount of the original provision for inventory depreciation shall be reversed, and the amount of the reversal shall be included in the current profit or loss.

16.3 The combination category and the basis for determining the inventory falling price reserves, and the basis for determining the net realizable value of different categories of inventories

The Group makes provision for inventory falling price reserves by inventory category for inventories with a large quantity and low unit price. For inventories manufactured and sold in the same region, having the same or similar use or purpose, and difficult to measure separately from other items, provision for inventory depreciation shall be made on a consolidated basis. The Group makes provision for inventory falling price reserves according to the nature and status of inventories.

17. Contract Assets

17.1 Method and standard for determination of contract assets

Contract assets refer to the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer when that right is conditioned on something other than the passage of time. The Group's unconditional (i.e., depending on the passage of time only) right to receive consideration from the customer is separately presented as receivables.

17.2 Combination category and determination basis of bad debt provision according to credit risk characteristics

Consistent with accounts receivable, based on common risk characteristics, the Group provides for credit losses on a portfolio basis and the common credit risk characteristics adopted include the geographical location and business object.

17.3 The criteria for determining individual provisioning for bad debts

The Group individually assesses the credit risk of contract assets that are material in amount and where the debtor has encountered significant financial difficulties.

18. Long-term Equity Investment

18.1 Basis for determining joint control and significant influence over investee

Control is the power to govern an entity through participating in relevant activities of the investee; the investor is able to obtain variable benefits from its activities, and at same time, to use the control rights on the investee to influence the amount of returns. Joint control means that joint control for certain arrangement in accordance with relevant agreements; activities relevant to the arrangement cannot be decided until obtaining the unanimous consent of parties sharing control right. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. When determining whether an investing enterprise is able to exercise control or significant influence over an investee, the effect of potential voting rights of the investee, such as current convertible debts, current executable warrants, etc., held by the investing enterprises or other parties shall be considered.

18.2 Determination of initial investment cost

For a long-term equity, investment acquired through a business combination involving enterprises under common control, the shares of merged party's book value of owners' equity in the final controlling party consolidated financial statements obtained on the merger date shall be considered as the initial investment cost of long-term equity investment. The differences between the initial investment cost of long-term equity investment and the paid cash, the transferred non-cash assets and the book value of the assumed debts are adjusted against the capital surplus; if the capital surplus is not sufficient to be offset, the remaining balance is adjusted against retained earnings. In the case of issued equity securities treated as consolidation consideration, share of book value of owner's equity of merged party in the final controlling party consolidated financial statements is regarded as initial investment cost of long-term equity investments on the date of consolidation; capital reserve shall be adjusted in accordance with taking total nominal value of issued share as capital share, the difference between the initial investment cost of long-term equity investments and total book value of issued shares; In case the capital reserve is not enough for writing down, the retained earnings shall be adjusted.

For a long-term equity investment acquired through business combination not involving enterprises under common control, and the merging cost confirmed on the purchased date are regarded as the initial investment cost. In the case that the equity of the acquiree is obtained through multiple deals in stages to finally form the business combination not under the common control, the business combination shall be handled differently based on whether it is "package deal": where it is package deal, the Company accounts each deal as a deal to obtain the control. If the deal is not a "package deal", the sum of the carrying amount of the equity investment of the acquiree plus the cost of the new investment shall be used as the initial investment cost of the long-term equity investment calculated according to the cost method. The equity originally held is accounted for by the equity method, and the relevant other comprehensive income will not be accounted for the time being.

The intermediate expenses made by the combining party or purchaser for audit, legal service, assessment and other management related expenses during the business merger should be included into the current profit and loss as it happens.

Long-term equity investment obtained by other means other than long-term equity investment formed by business combination shall be initially measured at cost.

18.3 Subsequent measurement and recognition of profit or loss

18.3.1 Long-term equity investment accounted for using the cost method

Long-term equity investments in subsidiaries are accounted for using the cost method in the Company's financial statements. A subsidiary is an investee that is controlled by the Group.

The long-term equity investment accounted by the cost method shall be measured at its initial investment cost. If there are additional investments or disinvestments, the long-term equity investment cost shall be adjusted. Income from the investment in the current period shall be recognized in accordance with the cash dividends or profits declared and issued by the investee.

18.3.2 Long-term equity investment accounted for using the equity method

Except for investments in associates and joint ventures that are wholly or partly classified as holding assets for sale, the Group accounts for investment in associates and joint ventures using the equity method. An associate is an entity over which the Group has significant influence and a joint venture is an entity over which the Group can only exercise joint control along with other investors on the investee's net assets.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is recognized in profit or loss for the period, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, the Group recognizes its share of the net profit or loss and other comprehensive income of the investee for the period as investment income or loss and comprehensive income for the period, meanwhile, the book value

of the long-term equity investment shall be adjusted; The Group shall accordingly reduce the book value of the long-term equity investment in terms of the part that shall be enjoyed according to the profit or cash dividends declared by the invested unit to be distributed; For other changes in the owners' equity of the invested unit other than net profits and losses, other comprehensive incomes and the profit distribution, the book value of long-term equity investment shall be adjusted and be included into the capital reserves. The Group shall, on the ground of the fair value of all identifiable assets of the invested entity when it obtains the investment, recognize the attributable share of the net profits and losses of the invested entity after it adjusts the net profits of the invested entity. If the accounting policies and accounting periods adopted by the invested unit are different from those adopted by the Group, the adjustment shall be made for the financial statements of the invested unit in accordance with the accounting policies and accounting periods of the Group to recognize the investment income and other comprehensive incomes. For the transaction incurred between the group and associated enterprises and joint ventures, invested or sold assets don't constitute a business, the part that doesn't achieve internal transaction profit or loss or belongs to the Group calculated according to the enjoyed ratio will be offset, and the profit or loss on investment will be confirmed on this basis. But for the unrealized loss arising from the internal transaction between the Group and the invested unit, if such transaction loss is defined as the impairment loss of the transferred asset, they cannot be offset.

When the Group determines the net loss of the invested unit that shall be shared, it is necessary to write-down the book value of the long-term equity investment and other long-term equities substantially constituting the net investment of the invested unit to zero as a limit. Besides, if the Group is obliged to bear extra loss for the invested unit, it shall be necessary to determine provisions and record them to current investment loss in compliance with obligations expected to be assumed. If the invested unit realizes any net profits later, the Group shall, after the amount of its attributable share of profits offsets its attributable share of the un-confirmed losses, resume recognizing its attributable share of profits.

18.4 Disposal of long-term equity investments

On disposal of a long term equity investment, the difference between the proceeds actually received and the carrying amount is recognized in profit or loss for the period.

19. Fixed Assets

19.1 Recognition criteria for fixed assets

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and have useful lives of more than one accounting year. A fixed asset is recognized only when it is probable that economic benefits associated with the asset will flow to the Group and the cost of the asset can be

measured reliably. Fixed assets are initially measured at cost.

Subsequent expenditures incurred for the fixed asset are included in the cost of the fixed asset and if it is probable that economic benefits associated with the asset will flow to the Group and the subsequent expenditures can be measured reliably. Meanwhile the carrying amount of the replaced part is derecognized. Other subsequent expenditures are recognized in profit or loss in the period in which they are incurred.

19.2 Depreciation of each category of fixed assets

A fixed asset is depreciated over its useful life using the straight-line method since the month subsequent to the one in which it is ready for intended use. The depreciation method, depreciation period, estimated residual value rate and annual depreciation rate of each category of fixed assets are as follows:

Item	Depreciation method	Depreciation period	Residual value rate (%)	Annual depreciation rate (%)
Buildings and Constructions	Straight-line depreciation	20 years	10	4.5
General-purpose equipment	Straight-line depreciation	3-5 years	10	18.0-30.0
Special-purpose equipment	Straight-line depreciation	3-5 years	10	18.0-30.0
Transportation vehicles	Straight-line depreciation	5 years	10	18.0

Estimated net residual value of a fixed asset is the estimated amount that the Group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

19.3 Other explanations

If a fixed asset is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognized. When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes is recognized in profit or loss for the period.

The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at

least once at each financial year-end, and account for any change as a change in an accounting estimate.

20. Construction in Process

Construction in progress is measured at its actual costs. The actual costs include various construction expenditures during the construction period, borrowing costs capitalized before it is ready for intended use and other relevant costs. Construction in progress is not depreciated. Construction in progress is transferred to a fixed asset when it is ready for intended use. The standards and time points for carrying forward various types of projects under construction to fixed assets are as follows:

Item	Standards and timing of carry-over as fixed assets
Buildings and Constructions	The main construction project and supporting projects have been substantially completed and reached a state of practical usability.
Equipments to be installed and commissioned	Relevant equipment and other supporting facilities have been installed; after debugging, the equipment can maintain normal and stable operation for a period of time.

21. Borrowing Costs

Borrowing costs directly attributable to the acquisition & construction or production of assets eligible for capitalization shall be capitalized when assets expenditure, borrowing costs and necessary construction or production for bringing assets to expected conditions for use or marketing have taken place; when construction or production of assets ready for capitalization reach to expected conditions for use or marketing, capitalization shall be ceased. Other borrowing expenses are recognized as expenses in the current period.

Where funds are borrowed under a specific-purpose borrowing, the amount of interest to be capitalized is the actual interest expense incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds. Where funds are borrowed under general-purpose borrowings, the Group determines the amount of interest to be capitalized on such borrowings by applying a capitalization rate to the weighted average of the excess of cumulative expenditures on the asset over the amounts of specific-purpose borrowings. The capitalization rate is the weighted average of the interest rates applicable to the general-purpose borrowings. During the capitalization period, exchange differences related to a specific-purpose borrowing denominated in foreign currency are all capitalized. Exchange differences in connection with general-purpose borrowings are recognized in profit or loss in the period in which they are incurred.

22. Intangible Assets

22.1 Service life and its basis for determination, estimate, amortization method or review procedure

Intangible assets include land use right, intellectual property (IP), application software, and franchise, etc.

An intangible asset is measured initially at cost. When an intangible asset with a finite useful life is available for use, its original cost is amortized over its estimated useful life using the straight-line method. The amortization method, service life and net residual value of various intangible assets are shown as follows:

Class	Amortization method	Service life (year)	Determination basis	Salvage value rate (%)
Land use right	Straight-line method	40 - 50 years	The period for which the land is available for use	-
IP Right	Straight-line method	Not more than 10 years	Expected economic benefit life	-
Application Software	Straight-line method	Not more than 10 years	Expected economic benefit life	-
Franchise	Straight-line method	Franchised operating period	Franchise contract duration	-

The fees charged by the Group to those who acquire public products and services during the project operation period do not constitute an unconditional right to receive cash. When the PPP project assets are ready for their intended use, the difference between the consideration amount of the relevant PPP project assets or the amount of confirmed construction income and the amount of cash (or other financial assets) that is entitled to receive a determinable amount will be recognized as intangible assets.

For an intangible asset with a finite useful life, the Group reviews the useful life and amortization method at the end of the year, and makes adjustments when necessary.

22.2 The accounting treatment methods and the collection scope of research and development expenditure

Expenditure during the research phase is recognized as an expense in the period in which it is incurred.

Expenditure during the development phase that meets all of the following conditions at the same time is recognized as intangible asset. Expenditure during development phase that does not meet the following conditions is recognized in profit or loss for the period.

- (1) It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- (2) The Group has the intention to complete the intangible asset and use or sell it;

- (3) The Group can demonstrate the ways in which the intangible asset will generate economic benefits, including the evidence of the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- (4) The availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and
- (5) The expenditure attributable to the intangible asset during its development phase can be reliably measured.

If the expenditures cannot be distinguished between the research phase and development phase, the Group recognizes all of them in profit or loss for the period. The costs of the intangible assets generated by internal development activities only include the total expenditure incurred from the time point when the capitalization conditions are available to the point when the intangible assets are used for their intended purposes; for the expenditure that already becomes an expenditure in the profit and loss statement before the capitalization conditions are available during development of the same intangible asset, no adjustment will be made.

The aggregate scope of the Group's R&D expenses includes employee compensation for personnel directly engaged in R&D activities, materials and service fees directly consumed by R&D activities, depreciation expenses and amortization expenses of intangible assets for equipment and equipment used in R&D activities, intermediate testing expenses for R&D activities, new product design expenses, and travel, transportation and communication expenses required for research and test development. The Group uses the passing of feasibility studies and the completion of R&D project projects after evaluation as the specific criteria for classifying R&D projects into research and development phases.

23. Long-term Assets Impairment

The Group assesses at each balance sheet date whether there is any indication that the long-term equity investment, fixed assets, construction in process, and intangible assets with a finite useful life may be impaired. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets. Intangible assets with indefinite useful life and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that the assets may be impaired.

Recoverable amount is estimated on individual basis. If it is not practical to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs will be estimated. The recoverable amount is determined by the higher of 1) net amount of fair value of the asset or asset group deducted by the disposal expenses; or 2) the present value of the expected future cash flows of the asset or asset group.

If the recoverable amount of an asset or an asset group is less than its carrying amount, the deficit is accounted as an impairment provision and is recognized in profit or loss for the period.

Goodwill impairment test shall be conducted at the end of each year at least. Goodwill impairment test shall be conducted in accordance with the concerned asset group or asset portfolio. That is to allocate the book value of goodwill to the asset group or asset portfolio that is expected to benefit from the synergies of the combination in a reasonable way from the date of purchasing. When recoverable amount of apportion-included asset group or asset portfolio of goodwill is less than book value of goodwill, impairment loss shall be recognized. Firstly, amount of impairment loss shall be apportioned to the book value of goodwill of the said asset group or asset portfolio, and then book value of other assets, except for goodwill, in asset group or asset portfolio shall be abated in proportion.

Once the impairment loss of such assets is recognized, it cannot be reversed in any subsequent period.

24. Long-term Deferred Expenses

Long-term deferred expenses are the expenses that are already incurred but will be shared in the current reporting period and later periods with amortization term of more than one year. Long-term deferred expenses are evenly amortized during the expected benefit period.

25. Contract Liabilities

Contract liabilities refer to the obligation of the Group to transfer goods or services to customers for consideration received or receivable from customers. Contract assets and contract liabilities under the same contract are presented in net terms.

26. Employee Compensation

26.1 Accountant Arrangement Method of Short-term Remuneration

During accounting period when the Group's employees provide services, actual short-term remuneration shall be recognized as the liabilities and current profit and loss or relevant asset cost. The Group's employee benefits and welfare are included into current profit and loss or relevant asset cost according to actual amount occurred during the period. If the employee benefits and welfare is non-monetary, it shall be measured according to its fair value.

During the accounting period that the employees service the Group, the Group pays social insurance premiums such as medical insurance premium, industrial injury insurance premium, maternity insurance premium and housing accumulation fund for its employees, as well as labor union expenditure and employee education expenses calculated and withdrawn

according to the regulations, corresponding employee remuneration amount shall be calculated and determined in accordance with specified calculation and withdrawal basis and proportion to recognize corresponding liabilities and included into the current profit and loss or relevant asset cost.

26.2 Accountant Arrangement Method of Post-employment Benefits

All post-employment benefits shall be considered as the defined contribution plan.

In the accounting period when the employee serves for the Group, the deposited amount calculated based on defined contribution plan shall be recognized as liabilities and included in the current profit and loss or relevant asset cost.

26.3 Accountant Arrangement Method of the Termination Benefits

Where the Group provides termination benefits, the employee remuneration liabilities caused by such termination benefits will be determined as the following date, whichever is earlier, and will be included in the current profit and loss: 1) When the Group cannot unilaterally withdraw the termination benefits provided due to labor relation cancellation plan or employee lay-off suggestion; or 2) when the Group determines costs or expenses in relation with the restructuring of the paid termination benefits.

27. Provisions

Provisions are recognized when the Group has a present obligation related to a contingency such as products quality assurance, etc. And it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money. Where the effect of the time value of money is material, the amount of the provision is determined by discounting the related future cash outflows.

The Group estimates product quality guarantee deposits based on expected claim rates, maintenance and replacement costs, etc.

28. Share-based Payment

Share-based payment refers to a transaction in which the Group grants the equity instruments or undertakes the equity-instrument-based liabilities in return for services from employees. The Group's share-based payment is an equity-settled share-based payment.

28.1 Equity-settled share-based payments

Equity-settled share-based payments in exchange for services rendered by employees are measured at the fair value of the equity instruments granted to employees at the grant date. Such amount is recognized as related costs or expenses on a straight-line basis over the vesting period, with a corresponding increase in capital reserve.

At each balance sheet date during the vesting period, the Group makes the best estimate according to the subsequent latest information of change in the number of employees who are granted with options that may vest, etc. and revises the number of equity instruments expected to vest. The effect of the above estimate is recognized as related costs or expenses, with a corresponding adjustment to capital reserve.

28.2. Accounting treatment related to implementation, modification and termination of share-based payment arrangement

In case the Group modifies a share-based payment arrangement, if the modification increases the fair value of the equity instruments granted, the Group will include the incremental fair value of the equity instruments granted in the measurement of the amount recognized for services received. If the modification increases the number of the equity instruments granted, the Group will include the fair value of additional equity instruments granted in the measurement of the amount recognized for services received. The increase in the fair value of the equity instruments granted is the difference between fair value of the equity instruments before and after the modification on the date of the modification. If the Group modifies the terms or conditions of the share-based payment arrangement in a manner that reduces the total fair value of the share-based payment arrangement, or is not otherwise beneficial to the employee, the Group will continue to account for the services received as if that modification had not occurred, other than a cancellation of some or all the equity instruments granted.

If cancellation of the equity instruments granted occurs during the vesting period, the Group will account for the cancellation of the equity instruments granted as an acceleration of vesting, and recognize immediately the amount that otherwise would have been recognized over the remainder of the vesting period in profit or loss for the period, with a corresponding recognition in capital reserve. When the employee or counterparty can choose whether to meet the non-vesting condition but the condition is not met during the vesting period, the Group treats it as a cancellation of the equity instruments granted.

29. Revenue

The Group's revenue consists of product sales revenue, engineering construction revenue and cloud services and other service revenue.

When (or as) a performance obligation in a contract was satisfied, i.e., when (or as) the customer obtains control of relevant goods or services, the Group recognizes as revenue the amount of the transaction price that is allocated to that performance obligation. A performance obligation is the Group's commitment to transfer to a customer a good or service (or a bundle of goods or services) that is distinct, in a contract with the customer.

The Group evaluates the contract on the commencement date of the contract, identifies the individual performance obligations contained in the contract and determines whether each individual performance obligation is to be performed over a certain period of time or at a certain point in time. Revenue is recognized over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met: (1) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; (2) the Group's performance creates or enhances an asset that the customer controls as the Group performs; or (3) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time when the customer obtains control of the distinct good or service.

If the contract contains two or more performance obligations, the Group allocates the transaction price to each single performance obligation on the contract start date in accordance with the relative proportion of the individual selling price of the goods or services promised by each single performance obligation. However, if there is strong evidence that the contract discount or variable consideration is only related to one or more (but not all) performance obligations in the contract, the Group allocates the contract discount or variable consideration to the relevant one or more performances obligation. Individual selling price refers to the price at which the Group sells goods or services to customers separately. Where the individual selling price cannot be directly observed, the Group comprehensively considers all relevant information that can be reasonably obtained, and uses the observable input value to the maximum to estimate the individual selling price.

The Group judges whether the Group's identity is the principal or agent when engaging in transactions based on whether it has control over the goods or services before transferring the goods or services to customers. If the Group is able to control the goods or services before transferring them to customers, the Group is the principal responsible person, and revenue is recognized based on the total amount of consideration received or receivable. Otherwise, the Group acts as an agent and recognizes revenue based on the amount of commission or handling fee to which it is expected to be entitled, which is determined based on the net amount of the total consideration received or receivable less the consideration payable to other related parties, or based on a predetermined commission amount or proportion, etc.

29.1 Revenue from sale of products

Product sales revenue is the revenue from sales of video surveillance products, smart home products, robotics products and other products of the Group.

According to the contract, the Group recognizes revenue when the control of the product is transferred, that is, when the product is handed over to the agreed carrier or delivered to the place designated by the other party for receipt. As the delivery of the products to the customer represents the right to receive the contract consideration unconditionally, and the maturity of the payment is only subject to the passage of time, the Group recognises a receivable when the product is delivered to the customer. When a customer prepays for a purchase, the Group recognises the transaction amount received as a contractual liability until revenue is recognized when the product is delivered to the customer.

There is variable consideration in the product sales contracts between the Group and its distributors. The Group determines the best estimate of the variable consideration based on the expected delivery time, quantity and price of the products. The transaction price, including variable consideration, does not exceed the amount by which the accrued recognized revenue is unlikely to be materially reversed at the time the relevant uncertainty is eliminated. At each balance sheet date, the Group re-estimates the amount of variable consideration that should be included in the transaction price.

When the Group sells products to distributors, it provides an additional purchase option under sales incentives, i.e., the Group's distributors can accumulate sales rebates when purchasing specific products from the Group and use them to offset the price of goods in future purchases. These sales rebates provide resellers with discounts on their future purchases that are not available to similar customers. As a result, the commitment to provide the dealer with a credit for future purchases is a separate performance obligation that is recognized as a contractual liability at the time of the sale transaction at the transaction price apportioned to the fair value of the rebate, and revenue is recognized when the reseller uses the sales rebate offset.

The Group provides quality assurance for the products sold, and the quality assurance related to the products sold by the Group cannot be purchased separately, but is to assure customers that the products sold meet the established standards, so the Group carries out accounting treatment in accordance with the provisions of *Accounting Standard for Business Enterprises No. 13 - Contingencies*.

For product sales of the Group with sales return terms attached, as the customer obtains ownership of related products, the Group recognizes revenue in accordance with the consideration (excluding expected refund amounts due to sales returns) that the Group is expected to receive due to the transfer of products or services to the customer, and recognizes expected liabilities in accordance with expected refund amounts due to sales returns. The remaining amount, subsequent to deduction of expected costs from collecting the products (including the decrease in value of the returned products), is recognized as an asset in accordance with the carrying amount during the expected transfer of returned products after deducting the costs of the above net assets carried forward.

Some of the Group's product sales contracts have instalment payment clauses, and there is a significant financing component in the contract, the Group determines the transaction price based on the amount payable in cash when the customer assumes control of the products. The difference between the transaction price and the contract consideration is amortized using the effective interest rate method during the contract period. On the contract commencement date, the Group does not consider the significant financing components in the contract if the interval between the customer obtaining control of the products and the price being paid by the customer is not more than one year.

29.2 Project construction revenue

Project construction revenue is the revenue from constructions related to intelligent security solution projects and PPP Projects provided by the Group.

For project construction, the customer is able to control the assets under construction in the course of the Group's performance, and the Group regards them as a performance obligation to be performed within a certain period of time, and the revenue is recognized according to the performance progress, unless the performance progress cannot be reasonably determined.

The Group uses the output method to determine the progress of performance, which is to determine the progress of performance based on the value of engineering construction services transferred to customers. If the progress of performance cannot be reasonably determined and the costs incurred by the Group are expected to be compensated, revenue is recognized according to the amount of costs incurred until the progress of performance can be reasonably determined.

The Group's customers make milestone payments with the Group in respect of projects in accordance with the terms of the contract. The Group first recognizes the completed performance obligations as contract assets and reclassifies them as accounts receivable when the payment milestone is reached; if the contract price received or receivable by the Group exceeds the accumulated performance obligations completed, the excess part is recognized as a contract liability. The Group's contract assets and contractual liabilities under the same contract are presented on a net basis.

Some of the Group's construction contracts have long-term payment clauses, and there are significant financing elements in the contracts. The Group determines the transaction price on the basis of the amount payable in cash on the assumption that the customer will take control of the asset-building. The difference between the transaction price and the contract consideration is amortized over the life of the contract using the effective interest method. At the commencement date of the contract, the Group expects that the interval between the customer obtaining control of the service and the customer paying the price will not exceed one year, regardless of the significant financing component existing in the contract.

The Group, as a private capital, entered into a PPP project contract with the government and provided construction, operation, maintenance and other services. The Group identifies construction services, operation services and maintenance

services as individual performance obligations in the contract, and allocates the transaction price to each performance obligation based on the relative proportion of the stand-alone selling price of each performance obligation. When providing construction services or outsourcing projects to other parties, The identity of the Group is the principal responsible person, and then accounting for construction revenue to confirm the contract assets is made. After the PPP project is ready for use, the Group recognizes revenue related to operation and maintenance services.

29.3 Cloud service and other service revenue

Revenue from cloud services and other services refers to cloud services such as storage services, video services, and telephone services provided by the Group, maintenance services related to security projects, and other services, etc.

For cloud services and other services, the economic benefits brought by the customer are obtained and consumed at the time of the Group's performance, and the Group regards them as a performance obligation to be performed within a certain period, and the revenue is recognized according to the performance progress during the period of providing services. The Group adopts the output approach to determine the performance progress, i.e. the performance progress is determined based on the value of the services transferred to the customer to the customer. The customer paid for the cloud services in advance at the time of purchase, so the Group recognized the cloud service payment received at the time of the transaction as a contractual liability, and recognized the revenue according to the performance progress during the period of the provision of the services. The Group presents contract assets and contract liabilities under the same contract on a net basis.

For the provision of operation and maintenance services to customers, the economic benefits obtained and consumed by the customers at the same time as the performance of the contract by the Group shall be regarded as the performance obligation to be performed within a certain period of time, and the revenue shall be recognized according to the performance progress. The Group's customers make milestone payments with the Group for O&M services in accordance with the terms of the contract. The Group first recognizes completed performance obligations as contract assets and reclassifies them as accounts receivable when payment milestones are reached, and if the contract price received or receivable by the Group exceeds the accumulated performance obligations completed, the excess part is recognized as a contract liability. The Group's contract assets and contractual liabilities under the same contract are presented on a net basis.

For the provision of operation and maintenance services to customers, the economic benefits obtained and consumed by the customers at the same time as the performance of the contract by the Group shall be regarded as the performance obligation to be performed within a certain period of time, and the revenue shall be recognized according to the performance progress. The Group's customers make milestone payments with the Group for O&M services in accordance with the terms of the contract. The part of the Group that has obtained the unconditional right to receive payment is recognized as accounts receivable, and the remainder is recognized as contract assets, and if the contract price received or receivable by the Group exceeds the accumulated performance obligations completed, the excess part is recognized as a contract liability. The Group's contract assets and contractual liabilities under the same contract are presented on a net basis.

30. Cost of Contract

30.1 Cost of obtaining a contract

Incremental costs incurred by the Group to obtain a contract (that is, costs that would not have occurred without a contract) and expected to be recovered are recognized as an asset, and amortized using the same basis as revenue recognition for the goods or services to which the asset relates, and included in current profit or loss. If the amortization period of the asset does not exceed one year, it is included in current profit or loss when it occurs. Other expenses incurred by the Group in order to obtain the contract shall be included in current profit or loss when incurred, unless it is clearly borne by the customer.

30.2 Cost of contract fulfillment

The cost of the Group's performance of a contract that does not fall within the scope of accounting standards other than the revenue standard and meets the following conditions is recognized as an asset: (1) The cost is directly related to a current or anticipated contract; (2) The cost increases the Group's resources for fulfilling performance obligations in the future; (3) The cost is expected to be recovered. The aforesaid assets are amortized on the same basis as the recognition of income from goods or services related to the assets, and are included in the current profit or loss.

The Group's asset in relation to contract costs are mainly contract performance costs, and they are included in inventories based on their current nature.

30.3 Impairment losses on assets related to contract costs

In determining impairment losses on assets related to contract costs, impairment losses are first determined for other assets recognized in accordance with other relevant ASBEs and related to the contract. Then, for assets related to contract costs whose carrying value is higher than the difference between the following two items, the Group makes provision for impairment for the excess to be recognized as asset impairment losses: (1) the remaining amount of consideration expected to be obtained by the Group for the transfer of goods or services related to the asset; (2) the estimated costs to be incurred in connection with the transfer of such relevant goods or services.

After provision for impairment is made for the asset related to contract costs, if the difference between the above two items is higher than the carrying value of the asset due to changes in the factors of impairment in previous periods, the original provision for impairment of the asset is reversed and included in the current profit or loss, but the carrying value of the asset after the reversal shall not exceed the carrying value of the asset on the reversal date assuming no provision for impairment is made.

31. Governmental Subsidies

Government subsidies refer to the monetary and non-monetary assets obtained by the Group from the government for free. Government subsidies are recognized when they can meet the conditions attached to the government subsidies and can be received.

If a government subsidy is a monetary asset, it shall be measured at the amount received or receivable.

31.1 Judgment basis and Accountant treatment of government subsidy related to assets

The government subsidies for some special subsidies and etc. are used for constructions and forms long-term assets, and therefore are categorized as government subsidy related to assets.

A government grant related to an asset is recognized as deferred income, and it should be evenly amortized to profit or loss over the useful life of the related asset.

31.2 Judgment basis and accountant treatment of government subsidy related to income

The Group receives government subsidies including subsidies for special projects and Value-Added-Tax refund, etc. which are used to compensate the group-related costs or losses, and therefore are categorized as government subsidy related to income.

For a government grant related to income, if the subsidy is a compensation for related expenses or losses to be incurred in subsequent periods, it is recognized as deferred income, and recognized in profit or loss over the periods in which the related costs or losses are recognized; If the subsidy, such as VAT refund, is a compensation for related expenses or losses already incurred, it is recognized immediately in profit or loss for the period.

For government subsidies related to the Group's daily operations shall be booked into other income; for those not related to the Group's daily operations, shall be booked into non-operating income/expense.

The policy-based preferential loan interest subsidy obtained by our group is directly allocated by the government to our group, and the corresponding interest subsidy offsets the relevant borrowing costs.

32. Deferred Tax Assets / Deferred Tax Liabilities

The income tax expenses include current income tax and deferred income tax.

32.1. Current Income Tax

At the balance sheet date, current income tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid (or recovered) according to the requirements of tax laws.

32.2 Deferred Tax Assets and Deferred Tax Liabilities

For temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between the nil carrying amount of those items that are not recognized as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognized through the balance sheet liability method.

In general, all temporary differences are recognized as the relevant deferred income tax. However, for deductible temporary differences, the Group recognizes the relevant deferred tax assets to the extent that it is likely to obtain the taxable income to offset the deductible temporary differences. In addition, deferred tax assets or liabilities relating to the initial recognition of goodwill, as well as those arising from transactions that are neither a business combination nor affect accounting profits and taxable income (or deductible losses) and do not result in equal taxable and deductible temporary differences, are not recognized.

For deductible losses and tax credits that can be carried forward, deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

On the balance sheet date, the deferred income tax assets and deferred income tax liabilities are measured at the applicable tax rates in the period in which the related assets are recovered or the related liabilities are recovered in accordance with the tax laws.

Current and deferred tax expenses or income are recognized in profit or loss for the period, except when they arise from transactions or events that are directly recognized in other comprehensive income or in shareholders' equity, in which case they are recognized in other comprehensive income or in shareholders' equity; and when they arise from business combinations, in which case they adjust the carrying amount of goodwill.

At the balance sheet date, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable profits will be available in the future to allow the benefit of deferred tax assets to be utilized. Such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

32.3 Offset of Income Tax

When the Group has a legal right to settle on a net basis and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously, current tax assets and current tax liabilities are offset and presented on a net basis.

When the Group has a legal right to settle current tax assets and liabilities on a net basis, and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be reversed, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.

33. Lease

Lease refers to a contract that conveys the right to use an asset for a period of time in exchange for consideration.

The Group assesses whether a contract is, or contains, a lease at the inception date. The Group does not re-assess whether a contract contains a lease unless the terms and conditions of the contract are changed.

33.1 The Group as the lessee

33.1.1 Separating components of lease

In case the contract contains one or more lease and non-lease components, the Group separates each lease component and non-lease component, and allocates the consideration to the lease and non-lease components based on the proportion of relative stand-alone prices of the components.

33.1.2 Right-of-use assets

The Group recognizes the right-of-use assets for leases on the commencement date of the lease term, except for short-term lease and lease of low-value assets. The commencement date of the lease term refers to the date from which the lessor makes the leased assets available for use by the Group. Right-of-use assets are initially measured at cost. The cost includes:

- Initial measurement amount of lease liabilities;
- Amount of lease payment made at or before the commencement date of the lease, less any lease incentives received;
- Initial direct costs incurred by the Group;
- An estimate of any costs to be incurred by the Group in dismantling and removing the underlying asset, or restoring the site on which it is located, or restoring the leased assets to the conditions as agreed under the terms of the lease, excluding costs incurred to produce inventories.

The Group calculates depreciation of the right-of-use assets in accordance with the relevant depreciation provisions of *Accounting Standards for Business Enterprises No. 4 - Fixed Assets*. The right-of-use asset is depreciated over the shorter of the lease term and the useful life of the right-of-use asset, unless there is a transfer of ownership or purchase option which is reasonably certain to be exercised at the end of the lease term.

The Group determines whether the right-of-use assets are impaired and accounts for the identified impairment loss in accordance with the provisions of *Accounting Standards for Business Enterprises No. 8 - Impairment of Assets*.

33.1.3 Lease liabilities

The Group initially measures the lease liability on the commencement date at an amount equal to the present value of the lease payments during the lease term that are not paid at that date, except short-term lease and lease of low-value assets. In calculating the present value of the lease payments, the Group adopts the interest rate implicit in the lease as the discount rate. The Group uses its incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined.

Lease payments refer to the payments made by the Group to the lessor in connection with the right to use the leased asset during the lease term, including:

- Fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- The exercise price of a purchase option, if the Group is reasonably certain to exercise that option;

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- Payments for terminating the lease, if the lease term reflects the lessee exercising the option to terminate the lease;
- Amounts expected to be payable by the Group under residual value guarantees.

After the commencement date of the lease term, the Group calculates interest expense of lease liabilities in each period of lease term at fixed periodic rate and recognizes in the current loss and profit or relevant asset costs.

After the commencement date of the lease term, the Group remeasures the lease liability and adjusts the corresponding right-of-use assets under the following circumstances. If the carrying value of the right-of-use assets has been reduced to zero while the lease liability needs to be further reduced, the Group will recognize the difference into the current loss and profit:

- In case of any change of the lease term or any change in the valuation of the purchase option, the Group remeasures the lease liability at the present value calculated based on the modified lease payments and the revised discount rate;
- In the event of any change in the amount expected to be payable based on the residual value guarantees, the Group remeasures the lease liability at the present value calculated based on the changed lease payments and the original discount rate.

33.1.4 Basis for judgment and accounting treatment of the lessee's simplified treatment of short-term leases and leases of low-value assets

The Group has elected not to recognize the right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. Short-term lease refers to lease with a term no more than 12 months from the commencement date of lease term and without purchase option. Lease of low-value assets refers to lease for single lease asset with low value when it is new. The Group recognizes lease payments under short-term leases and leases of low-value assets as the current loss and profit or the relevant asset costs on a straight-line basis over each period during the lease term.

33.1.5 Lease modification

In case of lease modification, the Group makes accounting treatment of such lease change as a separate lease if all of the following conditions are met:

- Such lease modification increases the scope of the lease by adding the right to use one or more lease assets;
- The increased consideration is commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to reflect the circumstances of the particular contract.

Where accounting treatment is not made for lease modification as a separate lease, at the effective date of lease modification, the Group reallocates the contract consideration after the modification, redetermines the lease term, and remeasures the lease liability based on the present value calculated according to the modified lease payments and the revised discount rate.

In the event that the lease scope is decreased or the lease term is shortened as a result of the lease modification, the Group reduces the carrying amount of the right-of-use assets, and recognizes the relevant gains or losses relating to the partial or full termination of the lease in the income statement; for the lease liabilities remeasured due to other lease modifications, the Group adjusts the carrying amount of the right-of-use assets accordingly.

33.2 The Group as the lessor

33.2.1 Separating components of lease

In case the contract contains both lease and non-lease components, the Group allocates the contract consideration in accordance with the provisions of Accounting Standards for Business Enterprises No. 14 - Revenue on portion of transaction prices, based on the respective stand-alone prices of the lease component and the non-lease component.

33.2.2 Classification criteria and accounting treatment for leases as lessors

Finance lease is a lease that substantially transfers all the risks and rewards of incidental to ownership of an underlying asset. Operating lease refers to the leases other than finance lease.

33.2.2.1 The Group records the operating lease business as the lessor

The Group recognizes the lease payments from operating leases as rental income on a straight-line basis for all periods over the lease term. The Group's initial direct costs incurred in connection with operating leases is capitalized as incurred, recognized in the income statement over the lease term on the same basis as the lease income.

33.2.2.2 The Group records the finance lease business as the lessor

On the commencement date of the lease term, the Group uses the net lease investment as the carrying value of the finance lease receivables and derecognizes the finance lease assets. Net lease investment is the sum of present value of unguaranteed residual value and lease payments receivable discounted at the interest rate implicit in lease on the commencement date of the lease term.

Lease payments receivable, which refer to amounts receivable by the Group from the lessee for conveying the right to use the leased assets during the lease term, include:

- Fixed payment including in-substance fixed payments by the lessee, less any lease incentives payable;
- The exercise price of a purchase option, if the lessee is reasonably certain to exercise that option;
- Payments for terminating the lease (if the lease term reflects the lessee exercising the option to terminate the lease);

- Residual value guarantees provided to the Group by the lessee, a party related to the lessee, or a third party unrelated to the lessor that is capable of discharging the obligations under the guarantee.

The Group calculates and recognizes the interest income in each period of the lease term according to the fixed periodic interest rate.

In financial leases in which the Group acts as a manufacturer or distributor as the lessor, on the commencement date of the lease term, the Group recognizes revenue based on the lower of the fair value of the leased assets and the present value of the lease receipts discounted at the market rate, and carries forward the cost of sales based on the balance of the carrying amount of the leased assets after deducting the present value of the unsecured residual value.

The costs incurred by the Group acting as a manufacturer or distributor as a lessor to obtain a financial lease are recognized in profit or loss for the current period on the commencement date of the lease term.

33.2.3 Lease modification

In case of modification of the operating lease, the Group accounts for it as a new lease as of the effective date of the modification, any prepaid or accrued lease payments relating to the original lease are considered as payments for the new lease .

In case of modification of the finance lease, the Group accounts for the modification of a finance lease as a separate lease if all of the following conditions are met:

- The modification increases the scope of the lease by adding the right to use one or more lease assets;
- The consideration for the lease increases by an amount that is commensurate with the stand-alone price for the increase in scope, and any appropriate adjustments to that price to reflect the circumstances of the particular contract.

If a modification of finance lease is not accounted for as a separate lease, the Group accounts for the changed lease under the following circumstances:

- If the modification becomes effective on the commencement date of the lease and the lease is classified as an operating lease, the Group accounts for it as a new lease from the effective date of the lease modification and measures as the net lease investment prior to the effective date of the lease modification as the carrying value of the leased asset.
- If the modification becomes effective on the commencement date of the lease and the lease is classified as a finance lease, the Group accounts for it in accordance with the provisions of Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments regarding the modification or renegotiation of contracts.

34. Debt Restructuring

34.1 Recognize debt restructuring obligation as a creditor

For debt restructuring carried out by modifying other terms, the Group recognizes and measures the restructured claims in accordance with the provisions of ASBE No. 22 - Recognition and Measurement of Financial Instruments.

35. Important Judgments while Applying Accounting Policy, and Key Assumptions and Uncertainty Factors Applied for Accounting Estimate

During the process of using accounting policy described in note (III), due to the uncertainty in operation activities, the group should judge, estimate and assume the book value of the report items which may not be metered reliably. These judgments, estimates and assumptions are based on the historical experience of the Group's management and other related factors. Differences may exist between the actual results and the Group's estimate.

The Group regularly reviews the above judgments, assumptions and estimations on the basis of continuous operation. If the changes of accounting estimate only influence current period, the influence amount will be affirmed during the changing period; if it influences the current period and subsequent periods, the influence amount will be recognized in the current period and future period.

- Key assumptions and uncertainties used in accounting estimate

On balance sheet date, key assumptions and uncertainties for performing accounting estimates on book value of assets and liabilities in subsequent future periods are:

Impairment provision for inventories

Except for contract performance costs, inventories are measured at the lower of cost or net realizable value. For raw materials, the latest or future actual purchase price is used as the basis for determining the net realizable value; For products in progress, the net realizable value is determined by the actual selling price of the most recent or post-period finished product, less the estimated costs of the current similar type at the time of completion of the product, the estimated sales expenses and related taxes; For finished products, the actual selling price of the latest or future finished product minus the estimated selling expenses and related taxes will be incurred, is used as the basis for determining the net realizable value. The Group will regularly conduct a comprehensive stocktaking to review the impairment circumstances on defective, obsoleted or slow-moving inventory if any; in addition, the Group's management will regularly review the impairment circumstance of inventory with long storage time according to the inventory aging.. Based on the above procedure, the Group's management deems that the full provision amounts have been withdrawn for inventory. For details, please refer to Note (V) 9.

Impairment of accounts receivable

Except for accounts receivable whose credit losses are determined on the basis of individual basis, the Group adopts an impairment matrix on a portfolio basis to determine its expected credit loss of the relevant accounts receivable. The Group divides the risk characteristics according to the region and object of its business, and divides the relevant accounts receivable into different portfolios. Based on the historical loss rate and consider reasonable and well-founded forward-looking information in the industry, the Group determines the proportion of corresponding loss reserves for different portfolios of various types of accounts receivable. As of December 31, 2025, based on the historically loss rate and consider reasonable and well-founded forward-looking information in the industry, the Group determines the corresponding proportion of loss provision for accounts receivable. The amount of the provision for expected credit losses will change as the estimation of the Group. The details on the provision for expected credit losses of the accounts receivable of the Group are given in Note (V) 4.

Useful life and predicted net residual value of fixed asset

The Group's estimation of fixed assets useful life is based on the historical experience of actual usable term of fixed assets with similar properties and functions, the estimation of predicted net residual value is the amount obtained currently by the Group from the assets after deducting the anticipated disposal expense based on the anticipated status assuming the conditions that fixed assets' predicted useful life expires and fixed assets are at the end of useful life. The Group shall conduct the review on the predicted service life and predicted net residual value of fixed assets at least annually. For the current reporting period, the Group's management did not see signs either indicating a shortened or extended useful life of the Group's fixed asset or indicating a change in predicted net residual value.

Accrued liabilities of product quality warranty

Accrued liabilities of product quality assurance are costs and expenses incurred to meet the established standards of product quality assurance obligations to customers in accordance with the product contract; the Group made such an estimation according to the predicted claim rate, repair and replacement cost of relevant products. The management deems that the current estimation on accrued liabilities of product quality warranty is reasonable, however, the Group will continue to review the conditions of product repairs, and will conduct adjustment if any sign indicating the need to make adjustments on accounting estimates.

Deferred tax assets and deferred tax liabilities

Deferred income tax assets and deferred income tax liabilities are measured at the applicable income tax rate during the period when the relevant asset is expected to be recovered or the relevant debt is expected to be paid off. The expected applicable income tax rate is determined according to the relevant current tax regulations and the actual situation of the Group. If the estimated income tax rate is different from the original estimate, the management of the Group will adjust it.

The realization of deferred income tax assets mainly depends on the actual future taxable income, taxable temporary differences, and the effective tax rate of temporary difference in the future applicable years. If the actual taxable income and taxable temporary differences in the future is less than the estimation, or actual tax rate is lower than the estimation, then the confirmed deferred income tax assets will be reversed and confirmed in the income statement during the corresponding period. If the actual taxable income and taxable temporary differences in the future is more than the estimation, or actual tax rate is higher than the estimation, then the deferred tax assets that are partially unrecognized deductible losses and deductible temporary differences will be recognized and confirmed in the income statement during the corresponding period.

Goodwill impairment

When testing goodwill for impairment, a pre-tax interest discount rate that appropriately reflects the current market time value of money and asset-specific risk is determined and the present value of the projected future cash flows of the relevant asset group or combination of asset groups containing goodwill is calculated. When the future actual result is different from the original estimation, the result of the goodwill impairment test will alter.

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

IV. Taxes

Major Categories of Taxes and Tax Rates

Category of tax	Basis of tax computation	Tax rate
Enterprise income tax	Taxable income	25% (Note 1)
VAT	For the taxable product sales revenue or taxable labor revenue, the Company and its domestic subsidiaries are ordinary Value-added Tax payers; the VAT payable is the balance of input tax after deducting the deductible output tax.	6%, 9%, 13% and simple collection rate of 5%, 3% (Note 2-3)
City maintenance and construction tax	Actual payable turnover tax	7%, 5%
Education surcharges	Actual payable turnover tax	3%
Local education surcharges	Actual payable turnover tax	2%

Note 1: Except that this Company and subsidiaries in China are applicable to the following tax preference, this Company's other subsidiaries in China are applicable to 25% of enterprise income tax rate, the overseas subsidiaries are applicable to corresponding local tax rate.

- (1) In accordance with the *list of High-tech Enterprises Identified and Reported by the Zhejiang Provincial Accreditation Agency in 2023* issued by the Leading Group Office of National High-tech Enterprise Identification Management on December 28, 2023, the Company was identified as the high-tech enterprise, and valid term is 3 years, and the preferential tax period is from 2023 to 2025. Therefore, the enterprise income tax is calculated and paid on the basis of a reduced tax rate of 15% in the current reporting period (2024:15%).

According to the *Announcement on the Enterprise Income Tax Policies for Promoting the High-quality Development of Integrated Circuit Industry and Software Industry* (Ministry of Finance, State Administration of Taxation, National Development and Reform Commission, Ministry of Industry and Information Technology Announcement [2020] No. 45) (hereinafter referred to as "Preferential Tax Policies for Integrated Circuit and Software Industries"), the Company was approved by the tax authorities in May 2025 to pay the 2024 annual corporate income tax at the rate of 10%. As of the approval date of this report, the Company's preferential income tax in 2025 has not been verified and approved. Therefore, the Company's enterprise income tax in 2025 is calculated and paid at the rate of 15% (2024: 10%).

- (2) According to the *Announcement on Continuation of the Corporate Income Tax Policy for the Western Development* (Ministry of Finance, State Administration of Taxation, National Development and Reform Commission Announcement [2020] No.23), the subsidiaries of the Company, Chongqing Hikvision Technology Co., Ltd. (hereinafter referred to as "Chongqing Technology"), Chongqing Hikvision System Technology Co., Ltd. (hereinafter referred to as "Chongqing System"), and Chongqing EZVIZ Electronics Co., Ltd. have enjoyed preferential tax policies for the development of the western region. Therefore, the current enterprise income tax is calculated and paid on the basis of a reduced tax rate of 15% in the current reporting period (2024:15%).

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

- (3) According to the *list of High-tech Enterprises Identified and Reported by the Zhejiang Provincial Accreditation Agency in 2024* issued by the Leading Group Office of National High-tech Enterprise Identification Management Work on December 26, 2024, Hangzhou Hikstorage Technology Co., Ltd. ("Hikstorage Technology"), a subsidiary of the Company, was identified as high-tech enterprises, and the valid term of the identification is 3 years and the preferential tax period is from 2024 to 2026. Therefore, the enterprise income tax is calculated and paid on the basis of a reduced tax rate of 15% in the current reporting period (2024:15%).
- (4) In accordance with the *List of High-tech Enterprises Identified by the Zhejiang Provincial Accreditation Agency in 2022* and the *List of High-tech Enterprises Certified by Zhejiang Certification Institutions in 2025* issued by the Leading Group Office of National High-tech Enterprise Identification Management Work on January 17, 2023 and January 9, 2026, the Company's subsidiaries, Hangzhou Hikvision System Technology Co., Ltd. (hereinafter referred to as "Hangzhou System"), Hangzhou Rayin Technology Co., Ltd. (hereinafter referred to as "Hangzhou Rayin Technology"), and Hangzhou Hikfire Technology Co., Ltd. (hereinafter referred to as "HikFire Technology") were recognized as high-tech enterprises with both valid term of 3 years, and the preferential tax periods are from 2022 to 2024 and from 2025 to 2027. Therefore, the enterprise income tax is calculated and paid on the basis of a reduced tax rate of 15% in the current reporting period (2024:15%).
- (5) In accordance with the *List of Second Batch of High-tech Enterprises Identified and Reported by Shanghai Accreditation Agency in 2023* issued by Shanghai High-tech Enterprise Identification Office on January 4, 2024, the Company's subsidiary, Shanghai Goldway Intelligent Transportation System Co., Ltd was identified as the high-tech enterprise, and valid term is 3 years, and the preferential tax period is from 2023 to 2025. In 2025, Shanghai Goldway Intelligent Transportation System Ltd. is no longer meets the certification criteria for high-tech enterprises, and the applicable income tax rate is 25% (2024: 15%).
- (6) In accordance with the *list of High-tech Enterprises Identified and Reported by the Zhejiang Provincial Accreditation Agency in 2023* issued by the Leading Group Office of National High-tech Enterprise Identification Management on December 28, 2023, the Company's subsidiaries, Hangzhou HikAuto Software Co., Ltd. (hereinafter referred to as "HikAuto Software") and Hangzhou Hikimaging Technology Co., Ltd. (hereinafter referred to as "HikImaging Technology") were identified as the high-tech enterprise, and valid term is 3 years, and the preferential tax period is from 2023 to 2025. Therefore, the enterprise income tax is calculated and paid on the basis of a reduced tax rate of 15% in the current reporting period (2024:15%).
- (7) In accordance with the *list of High-tech Enterprises Identified and Reported by the Zhejiang Provincial Accreditation Agency in 2023* issued by the Leading Group Office of National High-tech Enterprise Identification Management on December 28, 2023, the Company's subsidiary, Hangzhou Hikrobot Co., Ltd. (hereinafter referred to as "HikRobot") was identified as the high-tech enterprises, and valid term is 3 years, and the preferential tax period is from 2023 to 2025.

According to the preferential tax policies for the integrated circuit industry and the software industry and the *Announcement No. 10 of 2021 of the Ministry of Industry and Information Technology of the People's Republic of China, the National Development and Reform Commission, the Ministry of Finance and the State Administration of Taxation*, Hikrobot is a qualified software enterprise., and is exempted from enterprise income tax in the first and second years after start of profiting and pays enterprise income tax at half of the 25% statutory tax rate in the third to fifth years. The year of 2025 is the third year of HikRobot making profits and enterprise income tax is levied at a halved rate of 25% (2024: tax-

exempted).

- (8) In accordance with the *list of High-tech Enterprises Identified and Reported by the Zhejiang Provincial Accreditation Agency in 2022* and the *List of High-tech Enterprises Certified by Zhejiang Certification Institutions in 2025* issued by the Leading Group Office of National High-tech Enterprise Identification Management on January 17, 2023 and January 9, 2026, the Company's subsidiary, Hangzhou Hikmicro Sensing Technology Co., Ltd. (hereinafter referred to as "Hikmicro Sensing") was identified as the high-tech enterprise with both valid terms of 3 years and the preferential tax period is from 2022 to 2024 and from 2025 to 2027.

In accordance with the preferential tax policies for the integrated circuit and the software industries and the *Announcement No. 9 of 2021 of the Ministry of Industry and Information Technology of the People's Republic of China, the National Development and Reform Commission, the Ministry of Finance and the State Administration of Taxation*, Hikmicro Sensing is a qualified intergrated circuit company, and is exempted from enterprise income tax in the first and second years after start of profiting and pays enterprise income tax at half of the statutory tax rate of 25% for the the third to fifth years. The year of 2025 is the fifth year of Hikmicro Sensing making profits and enjoyed enterprise income tax at half of the 25% statutory tax rate.

In accordance with the tax preferential policies for the integrated circuit and the software industries, Hikmicro Sensing was approved by the tax authority in May 2025 to be exempt from enterprise income tax for the year 2024.

- (9) In accordance with the *Announcement on the Filing of High-tech Enterprises Recognized by Zhejiang Provincial Identification Institution in 2022* and the *List of High-tech Enterprises Certified by Zhejiang Certification Institutions in 2025* issued by the Leading Group Office of National High-tech Enterprise Identification Management on January 17, 2023 and January 9, 2026, the Company's subsidiary, Hangzhou Microimage Software Co., Ltd. (hereinafter referred to as "Hangzhou Hikmicro Software") was identified as the high-tech enterprise with both valid term of 3 years and the preferential tax period is from 2022 to 2024 and from 2025 to 2027.

According to the preferential tax policies for the integrated circuit industry and the software industry, Hangzhou Hikmicro Software obtained approval from the tax authorities in May 2025 for exemption from corporate income tax for the year 2024. As of the date of approval of this report, the 2025 enterprise income tax preferential matter for Hangzhou Hikmicro Software has not yet been verified and approved. Therefore, Hangzhou Hikmicro Software enterprise income tax is calculated and paid at a tax rate of 15% for the year 2025.

- (10) In accordance with the *Recording List of the Second Batch of identified High-tech Enterprises of Hebei Province in 2022* and the *Recording List of the Third Batch of identified High-tech Enterprises of Hebei Province in 2025* issued by the Leading Group Office of Hebei Province's High-tech Enterprise Identification Management on December 26, 2022 and December 19, 2025, the Company's subsidiary, Whst Hebei Co., Ltd. (hereinafter referred to as "Whst Hebei") was identified as the high-tech enterprises with both valid term of 3 years and the preferential tax period is from 2022 to 2024 and from 2025 to 2027. Therefore, the enterprise income tax is calculated and paid on the basis of a reduced tax rate of 15% in the current reporting period. (2024:15%)

- (11) In accordance with the preferential tax policies for the integrated circuit and the software industries and the *Announcement No. 10 of 2021 of the Ministry of Industry and Information*

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

Technology of the People's Republic of China, the National Development and Reform Commission, the Ministry of Finance and the State Administration of Taxation, the Company's subsidiary, Hangzhou Ezviz Software Co., Ltd. (hereinafter referred to as "EZVIZ Software") is a qualified software company, and is exempted from enterprise income tax in the first and second years after start of profiting and pays enterprise income tax at half of the statutory tax rate of 25% for the third to fifth years. The year 2024 is the fifth profitable year, and the enterprise income tax is levied at half of the statutory tax rate of 25%.

In accordance with the *List of High-tech Enterprises Identified and Reported by the Zhejiang Provincial Accreditation Agency in 2023* issued by the Leading Group Office of National High-tech Enterprise Identification Management on December 28, 2023, EZVIZ Software was identified as the high-tech enterprise, and valid term is 3 years, and the preferential tax period is from 2023 to 2025. Therefore, the enterprise income tax for this year is levied at a reduced rate of 15%.

(12) According to the *List of High-tech Enterprises Identified and Reported by the Zhejiang Provincial Accreditation Agency in 2024* issued by the Leading Group Office of National High-tech Enterprise Identification Management Work on December 26, 2024, Hangzhou Fuyang Haikang Baotai Security Technology Services Co., Ltd. (hereinafter referred to as "Fuyang Baotai"), a subsidiary of the Company, was identified as high-tech enterprises, and the valid term of the identification is 3 years and the preferential tax period is from 2024 to 2026. In 2025, Fuyang Baotai is no longer meet the criteria for high-tech enterprise recognition, and the applicable income tax rate is 25% (2024:15%).

(13) In accordance with the *Provisions of the Announcement on Further Supporting the Development of Small and Micro-sized Enterprises and Individual Businesses* (Announcement No. 12 of 2023 by the Ministry of Finance and the State Taxation Administration), Hangzhou Furui Technology Co., Ltd. ("Furui Technology"), Henan Hua'an Security Services Co., Ltd. (hereinafter referred to as "Henan Hua'an Security Services"), Anhui Hikvision City Operations Services Co., Ltd., Shijiazhuang Haishi Digital Technology Co., Ltd., Hangzhou Xingrong Information Technology Co., Ltd., Xinjiang CET Yihai Information Technology Co., Ltd., Guizhou Haikang Transportation Big Data Co., Ltd., and Guangzhou Hikvision Digital Technology Co., Ltd. are qualified small and micro-sized profitable enterprises and are eligible for the preferential corporate income tax policy for small and micro-sized enterprises. The taxable income up to CNY 3 million is reduced to 25% of the taxable income and is subject to a corporate income tax rate of 20%. Therefore, the corporate income tax for this year is calculated and paid at a reduced rate of 5%.

Note 2: In accordance with the requirements of the *Notice on Software Product Value-added Tax Policy* (Cai Shui [2011] No. 100) promulgated by the Ministry of Finance and the State Administration of Taxation, as for self-developed software products sales of the Company, Hangzhou System, HikRobot, HikAuto Software, Hangzhou EZVIZ Software, Hikstorage Technology, Hikimaging Technology, HikFire Technology, Hangzhou Rayin Technology, Hangzhou Microimage Software, Henan Haikang Huaan Baoquan Electronics Co., Ltd. (hereinafter referred to as "Hua'An BaoQuan Electronics"), Hangzhou Hikvision Yuanwuzhi Technology Co., Ltd. (formerly Hangzhou Kuangxin Technology Ltd.), Fuyang Baotai, Shijiazhuang Sensor-Tech Intelligence Technology Co., Ltd. and HikAuto, the VAT shall be calculated and paid with tax rate of 13% at first, then the portion with actual tax bearing excess 3% shall be refunded after State Administration of Taxation reviews.

Note 3: In accordance with the *Notice of the State Administration of Taxation of the Ministry of Finance on the Additional VAT Deduction Policy for Integrated Circuit Enterprises* (Finance and Taxation [2023] No. 17), from January 1, 2023 to December 31, 2027, enterprises in integrated circuit design, production, packaging and testing, equipment and materials are allowed to deduct an additional 15% of the current deductible input tax to deduct the tax payable. The Company's subsidiary, Hikmicro Sensing complies with the provisions of the policy and deducts an additional 15% of the current deductible input tax to deduct the tax payable.

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

V. Notes to Items in the Consolidated Financial Statements

1. Cash and Bank Balances

Unit: RMB

Item	Closing balance			Opening balance		
	Foreign currency amount	Exchange rate for conversion	RMB amount	Foreign currency amount	Exchange rate for conversion	RMB amount
Cash:						
RMB	-	-	40,046.62	-	-	2,759.07
USD	12,308.04	7.0288	86,510.78	19,048.11	7.1884	136,926.36
EUR	19,019.33	8.2355	156,633.66	32,977.56	7.5257	248,180.23
Other currencies	-	-	151,336.55	-	-	294,157.68
Bank balance:						
RMB	-	-	41,662,970,268.99	-	-	30,906,055,381.57
USD	416,985,025.74	7.0288	2,930,904,348.90	525,069,475.29	7.1884	3,774,409,416.15
EUR	72,496,081.46	8.2355	597,041,478.86	71,544,059.18	7.5257	538,419,126.19
Other currencies	-	-	970,739,325.06	-	-	715,042,893.37
Other currency funds:						
RMB	-	-	278,482,161.52	-	-	293,311,312.74
USD	1,754,333.35	7.0288	12,330,858.24	1,925,634.95	7.1884	13,842,234.25
EUR	196,043.74	8.2355	1,614,518.21	159,997.07	7.5257	1,204,089.92
Other currencies	-	-	53,811,171.05	-	-	28,521,859.50
Total			46,508,328,658.44			36,271,488,337.03
Including: deposited in overseas banks			1,207,043,600.93			796,652,984.09

Details of other currency funds:

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

Unit: RMB

Item	Closing balance			Opening balance		
	Foreign currency amount	Exchange rate for conversion	RMB amount	Foreign currency amount	Exchange rate for conversion	RMB amount
Capitals with limitations:						
Bank acceptance bill	-	-	2,403,999.93	-	-	4,342,362.58
Deposits for letter of guarantee	-	-	242,108,162.73	-	-	187,030,125.71
Other security deposits	-	-	23,148,552.81	-	-	15,572,718.45
Other capitals with limitations	-	-	36,329,248.54	-	-	11,500,750.00
Subtotal			303,989,964.01			218,445,956.74
Capitals without limitations:						
Third-party payment tools, securities account deposits, and other funds	-	-	42,248,745.01	-	-	118,433,539.67
Subtotal			42,248,745.01			118,433,539.67
Total			346,238,709.02			336,879,496.41

2. Derivative Financial Assets

Unit: RMB

Item	Closing balance	Opening balance
Forward foreign exchange contract	4,792,243.40	26,775,923.93
Total	4,792,243.40	26,775,923.93

On December 31, 2025, derivative financial assets are forward foreign exchange contracts, and they are not designated as hedging instruments, and the gains or losses arising from changes in their fair values are directly included in the current profit and loss.

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

3. Notes Receivable

(1) Categories of notes receivable

Unit: RMB		
Category	Closing balance	Opening balance
Bank acceptance bill	2,699,892,246.30	2,365,648,400.91
Finance company acceptance bill	117,842,770.93	150,839,104.68
Commercial acceptance bill	233,621,545.41	206,108,636.87
Total	3,051,356,562.64	2,722,596,142.46

(2) At the end of the current reporting period, the Group had no pledged notes receivable.

(3) At the end of the current reporting period, notes receivable endorsed or discounted by the Group but not yet due at the balance sheet day

Unit: RMB	
Item	Amount not derecognized as of December 31, 2025
Bank acceptance bill	1,473,594,781.80
Finance company acceptance bill	52,337,889.28
Total	1,525,932,671.08

As of December 31, 2025, the Group gave RMB1,391,479,195.60, (2024: RMB1,193,485,939.57) undue bank acceptance bills to suppliers for endorsement, RMB52,337,889.28 (2024: RMB46,990,625.40) undue acceptance bill of the finance company to suppliers for endorsement, and no (2024: RMB45,274.00) undue commercial acceptance bill to suppliers for endorsement. Discounted RMB82,115,586.20 (2024: RMB34,410,142.39) undue bank acceptance to banks. Since the Group has not transferred almost all the risks and rewards of ownership of financial assets, the Group has not terminated its confirmation. For details, please refer to Note (V) 24 and Note (V) 31.3.

(4) Classified disclosure by method of provision for bad debts.

Unit: RMB					
Category	Closing balance				
	Account balance		Credit loss provision		Book value
	Amount	Proportion (%)	Amount	Proportion (%)	Amount
Provision for bad debts of notes receivables on a single basis	-	-	-	-	-

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

Provision for bad debts of notes receivables by portfolios	3,053,000,478.83	100.00	1,643,916.19	0.05	3,051,356,562.64
Total	3,053,000,478.83	100.00	1,643,916.19	0.05	3,051,356,562.64

Unit: RMB

Category	Opening balance				
	Account balance		Credit loss provision		Book value
	Amount	Proportion (%)	Amount	Proportion (%)	Amount
Provision for bad debts of notes receivables on a single basis	-	-	-	-	-
Provision for bad debts of notes receivables by portfolios	2,725,650,950.56	100.00	3,054,808.10	0.11	2,722,596,142.46
Total	2,725,650,950.56	100.00	3,054,808.10	0.11	2,722,596,142.46

Provision for bad debts of notes receivables by portfolios

Unit: RMB

Category	Closing balance		
	Account balance	Credit loss provision	Proportion (%)
Bank acceptance bill	2,699,892,246.30	-	-
Non-bank acceptance bill	353,108,232.53	1,643,916.19	0.47
Total	3,053,000,478.83	1,643,916.19	0.05

Explanation of provision for bad debts of notes receivables by portfolios:

The Group classifies notes receivable into different portfolios based on the characteristics of the acceptors. The Group believes that there is no significant credit risk to the acceptors of bank acceptance bills held by the Group, so no loss provision is made.

(5) Provision for bad debts of notes receivables.

Unit: RMB

Provision for bad debts	Expected credit loss for the entire duration
Balance as of January 1, 2025	3,054,808.10
Provision / (Reversal) for the current year	(1,410,891.91)
Balance as at December 31, 2025	1,643,916.19

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

(6) Situation of provision

Unit: RMB

Category	Opening balance	Amount of changes changed in the current reporting period		Closing balance
		Provision/(Reversal)	Transfer or write-off	
Notes receivable	3,054,808.10	(1,410,891.91)	-	1,643,916.19
Total	3,054,808.10	(1,410,891.91)	-	1,643,916.19

4. Accounts Receivable

(1) Disclosure by aging

Unit: RMB

Aging	Closing balance	Opening balance
Within credit period	17,879,899,419.40	21,885,251,680.47
Within 1 year after exceeding credit period	9,698,902,758.53	13,413,302,524.64
1-2 years after exceeding credit period	2,953,806,491.84	3,351,710,793.78
2-3 years after exceeding credit period	1,491,649,171.29	1,353,841,038.81
3-4 years after exceeding credit period	805,609,570.01	664,972,595.95
Over 4 years after exceeding credit period	1,424,040,952.65	1,155,004,826.72
Total	34,253,908,363.72	41,824,083,460.37
Less: Credit impairment provision	4,441,529,417.95	3,913,954,724.95
Book value	29,812,378,945.77	37,910,128,735.42

(2) Classified disclosure of credit loss by provision methods

Unit: RMB

Category	Closing balance				Book value Amount
	Account balance		Credit loss provision		
	Amount	Proportion (%)	Amount	Proportion (%)	
Provision for credit loss on a single basis	-	-	-	-	-
Provision for credit loss by portfolios	34,253,908,363.72	100.00	4,441,529,417.95	12.97	29,812,378,945.77

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

Total	34,253,908,363.72	100.00	4,441,529,417.95	12.97	29,812,378,945.77
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Unit: RMB

Category	Opening balance				
	Account balance		Credit loss provision		Book value
	Amount	Proportion (%)	Amount	Proportion (%)	Amount
Provision for credit loss on a single basis	-	-	-	-	-
Provision for credit loss by portfolios	41,824,083,460.37	100.00	3,913,954,724.95	9.36	37,910,128,735.42
Total	41,824,083,460.37	100.00	3,913,954,724.95	9.36	37,910,128,735.42

Provision for credit loss by portfolios for accounts receivable

Unit: RMB

Customer	Closing balance		
	Account balance	Credit loss provision	Proportion (%)
Portfolio A	796,156,102.44	9,030,821.83	1.13
Portfolio B	23,278,003,460.91	4,111,353,462.92	17.66
Portfolio C	10,179,748,800.37	321,145,133.20	3.15
Total	34,253,908,363.72	4,441,529,417.95	12.97

Description of credit loss provision by portfolios for accounts receivable

As part of the Group's credit risk management, the Group uses an impairment matrix to determine expected credit losses based on the ageing of accounts receivable beyond the credit period, and divides the risk characteristics account receivables into portfolio A, portfolio B and portfolio C according to the risk characteristics of business areas and objects. And the Company uses an impairment matrix to determine expected credit losses of each portfolio based on the ageing of accounts receivable beyond the credit period. These three portfolios involve a large number of customers with the same risk characteristics. Aging information is able to reflect the solvency of these three types of customers when the accounts receivable are due.

As of December 31, 2025 and January 1, 2025, the credit risk and expected credit losses during the duration of accounts receivable from portfolio A are as follows:

Unit: RMB

Aging	Closing balance				Opening balance			
	Expected average loss rate (%)	Account balance	Bad debt provision	Book value	Expected average loss rate (%)	Account balance	Bad debt provision	Book value
Within credit period	0.08	700,977,270.42	581,245.92	700,396,024.50	0.07	2,705,323,605.53	1,944,444.46	2,703,379,161.07

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

Within 1 year after exceeding credit period	4.85	88,802,399.96	4,308,945.51	84,493,454.45	2.26	554,426,756.05	12,545,412.20	541,881,343.85
1-2 years after exceeding credit period	52.03	4,404,961.12	2,291,860.58	2,113,100.54	32.98	71,438,423.74	23,559,515.25	47,878,908.49
2-3 years after exceeding credit period	85.87	868,260.63	745,559.51	122,701.12	70.25	13,320,979.94	9,358,292.92	3,962,687.02
3-4 years after exceeding credit period	100.00	444,584.88	444,584.88	-	100.00	11,703,561.65	11,703,561.65	-
Over 4 years after exceeding credit period	100.00	658,625.43	658,625.43	-	100.00	25,824,241.87	25,824,241.87	-
Total	1.13	796,156,102.44	9,030,821.83	787,125,280.61	2.51	3,382,037,568.78	84,935,468.35	3,297,102,100.43

As of December 31, 2025 and January 1, 2025, the credit risk and expected credit losses during the duration of accounts receivable from portfolio B are as follows:

Unit: RMB

Aging	Closing balance				Opening balance			
	Expected average loss rate (%)	Account balance	Bad debt provision	Book value	Expected average loss rate (%)	Account balance	Bad debt provision	Book value
Within credit period	0.83	8,547,437,049.73	70,531,462.92	8,476,905,586.81	0.88	10,826,359,201.03	94,976,583.91	10,731,382,617.12
Within 1 year after exceeding credit period	6.08	8,385,596,475.43	510,021,038.50	7,875,575,436.93	5.21	11,759,406,126.15	612,261,723.49	11,147,144,402.66
1-2 years after exceeding credit period	29.43	2,782,056,980.55	818,721,351.31	1,963,335,629.24	21.84	3,187,571,282.52	696,103,763.26	2,491,467,519.26
2-3 years after exceeding credit period	50.75	1,422,279,828.17	721,771,963.35	700,507,864.82	48.51	1,321,386,954.11	640,970,300.26	680,416,653.85
3-4 years after exceeding credit period	81.03	792,586,527.86	642,261,047.67	150,325,480.19	76.24	632,604,288.10	482,311,146.65	150,293,141.45
Over 4 years after exceeding credit period	100.00	1,348,046,599.17	1,348,046,599.17	-	100.00	1,036,221,663.88	1,036,221,663.88	-
Total	17.66	23,278,003,460.91	4,111,353,462.92	19,166,649,997.99	12.39	28,763,549,515.79	3,562,845,181.45	25,200,704,334.34

As of December 31, 2025 and January 1, 2025, the credit risk and expected credit losses during the duration of accounts receivable from portfolio C are as follows:

Unit: RMB

Aging	Closing balance				Opening balance			
	Expected average loss rate (%)	Account balance	Bad debt provision	Book value	Expected average loss rate (%)	Account balance	Bad debt provision	Book value
Within credit period	0.24	8,631,485,099.25	21,121,800.43	8,610,363,298.82	0.25	8,353,568,873.91	21,130,742.84	8,332,438,131.07
Within 1 year after exceeding credit period	5.60	1,224,503,883.14	68,603,942.32	1,155,899,940.82	6.05	1,099,469,642.44	66,495,406.43	1,032,974,236.01
1-2 years after exceeding credit period	49.04	167,344,550.17	82,073,964.60	85,270,585.57	51.18	92,701,087.52	47,448,581.31	45,252,506.21
2-3 years after exceeding credit period	89.68	68,501,082.49	61,431,240.53	7,069,841.96	91.34	19,133,104.76	17,475,677.40	1,657,427.36

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

3-4 years after exceeding credit period	100.00	12,578,457.27	12,578,457.27	-	100.00	20,664,746.20	20,664,746.20	-
Over 4 years after exceeding credit period	100.00	75,335,728.05	75,335,728.05	-	100.00	92,958,920.97	92,958,920.97	-
Total	3.15	10,179,748,800.37	321,145,133.20	9,858,603,667.17	2.75	9,678,496,375.80	266,174,075.15	9,412,322,300.65

(3) Bad debt provision

Unit: RMB

Category	Opening balance	Amount of changes changed in the current reporting period		Difference due to foreign currency statement translation	Closing balance
		Provision/(Reversal)	Transfer or write-off		
Accounts receivable	3,913,954,724.95	728,815,826.60	200,034,830.25	(1,206,303.35)	4,441,529,417.95
Total	3,913,954,724.95	728,815,826.60	200,034,830.25	(1,206,303.35)	4,441,529,417.95

(4) Top five debtors based on corresponding closing balance of accounts receivable and contract assets (including the part included in other non-current assets)

At the end of the current period, the aggregate amount of the Group's accounts receivable and contract assets (including the part included in other non-current assets) of top five companies amounted to RMB2,662,691,284.51 (of which the total amount of accounts receivable is RMB1,379,143,601.17 and the amount of contract assets is RMB1,283,547,683.34), accounting for 7.17% of the total year-end balance of accounts receivable and contract assets (including the part included in other non-current assets), and the amount of provision for bad debts was RMB590,537,844.36.

5. Contract Assets

(1) Details of contract assets

Unit: RMB

Item	Closing balance			Opening balance		
	Account balance	Provisions for impairment	Book value	Account balance	Provisions for impairment	Book value
Constructions	2,654,065,218.18	38,616,295.08	2,615,448,923.10	2,821,485,040.98	23,550,579.80	2,797,934,461.18
Maintenance services	218,076,445.33	2,902,784.81	215,173,660.52	253,714,700.92	2,071,050.36	251,643,650.56
Less: Contract assets that are included in other non-current assets (Note (V) 22)	1,882,161,712.48	25,989,288.57	1,856,172,423.91	2,081,248,707.05	17,493,381.00	2,063,755,326.05
Total	989,979,951.03	15,529,791.32	974,450,159.71	993,951,034.85	8,128,249.16	985,822,785.69

(2) The classification and disclosure of the method of provision for impairment of contract assets (including the part included in other non-current assets)

Unit: RMB

Item	Closing balance				
	Account balance		Provisions for impairment		Book value
	Amount	Proportion (%)	Amount	Provision proportion (%)	Amount
Provision for impairment on a single item	-	-	-	-	-
Provision for impairment by portfolio	2,872,141,663.51	100.00	41,519,079.89	1.45	2,830,622,583.62
Total	2,872,141,663.51	100.00	41,519,079.89	1.45	2,830,622,583.62

Item	Opening balance				
	Account balance		Provisions for impairment		Book value
	Amount	Proportion (%)	Amount	Provision proportion (%)	Amount
Provision for impairment on a single item	-	-	-	-	-
Provision for impairment by portfolio	3,075,199,741.90	100.00	25,621,630.16	0.83	3,049,578,111.74
Total	3,075,199,741.90	100.00	25,621,630.16	0.83	3,049,578,111.74

(3) Provision for bad debts of contract assets (including the part included in other non-current assets) in the current period

Unit: RMB

Category	Opening balance	Amount of changes changed in the current reporting period	Difference due to foreign currency statement translation	Closing balance
		Provision/(Reversal)		
Contract assets	25,621,630.16	15,583,328.19	314,121.54	41,519,079.89
Total	25,621,630.16	15,583,328.19	314,121.54	41,519,079.89

6. Receivables for Financing

(1) Receivables for financing by categories

Unit: RMB

Item	Closing balance	Opening balance
Bank acceptance bill	2,398,744,727.65	2,128,242,910.57
Certificates of accounts receivable claims	31,285,935.00	163,405,333.48
Total	2,430,030,662.65	2,291,648,244.05

(2) At the end of the reporting period, the Group had no pledged receivables for financing.

(3) At the end of the reporting period, receivables for financing endorsed or discounted by the Group that have not yet expired on the balance sheet date.

Unit: RMB

Item	Derecognized amount as of December 31, 2025
Bank acceptance bill	2,654,379,460.74
Certificates of accounts receivable claims	15,555,925.83
Total	2,669,935,386.57

As of December 31, 2025, the Group endorsed to suppliers bank acceptance bills amounting to RMB1,489,607,586.68 that had not yet matured, and certificates of accounts receivable claims amounting to RMB15,555,925.83 that had not yet matured, and discounted to banks bank acceptance bills amounting to RMB1,164,771,874.06 that had not yet matured.

(4) The Group believes that the likelihood of non-payment upon maturity of the bank acceptance bills and certificates of accounts receivable claims it holds to be very low, and there is no significant credit risk, so no loss provision is made.

7. Prepayment

(1) Prepayments by aging analysis

Unit: RMB

Aging	Closing balance		Opening balance	
	Carrying amount	Proportion (%)	Carrying amount	Proportion (%)
Within 1 year	801,575,657.63	93.56	624,943,424.42	94.03
1-2 years	47,006,372.40	5.49	24,319,470.26	3.66
2-3 years	4,379,747.49	0.51	11,026,833.66	1.66
Over 3 years	3,787,550.82	0.44	4,312,864.67	0.65
Total	856,749,328.34	100.00	664,602,593.01	100.00

(2) Closing balances of top five prepayments parties

At the end of current period, the Group's top five balances of prepayments amounted to RMB279,828,055.41, accounting for 32.66% of total closing balance of prepayments.

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

8. Other Receivables

(1) Other receivables by aging

Unit: RMB		
Aging	Closing balance	Opening balance
Within contract period	352,404,363.64	438,536,805.11
Within 1 year	81,152,944.87	71,996,644.17
1-2 years	10,547,331.50	19,987,742.95
2-3 years	8,480,111.86	14,942,465.41
3-4 years	6,045,745.71	3,327,986.69
Over 4 years	13,079,470.64	15,860,010.64
Total	471,709,968.22	564,651,654.97
Less: Credit impairment provision	29,207,179.88	33,307,048.47
Book value	442,502,788.34	531,344,606.50

(2) Other receivables by nature of the payment

Unit: RMB		
Item	Closing balance of account balance	Opening balance of account balance
Guarantee deposits	226,597,614.18	240,519,111.89
Temporary payments for receivables	136,985,334.21	116,667,509.52
Tax rebates	1,745,720.62	130,609,720.61
Others	106,381,299.21	76,855,312.95
Total	471,709,968.22	564,651,654.97

(3) Accrual for bad debts of other receivables

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

Unit: RMB

Bad debts allowance	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses in the next 12 months	Expected credit loss for the entire duration (No credit impairment occurred)	Expected credit loss for the entire duration (Credit Impairment Occurred)	
Balance on January 1, 2025	1,587,353.47	7,276,075.63	24,443,619.37	33,307,048.47
Balance on January 1, 2025				
In the current reporting period:				
--Transfer into stage 2	(293,745.95)	293,745.95	-	-
-- Transfer into stage 3	-	(1,685,846.24)	1,685,846.24	-
--Accrual/(reverse) in the current reporting period	534,396.60	(125,961.63)	(5,014,107.06)	(4,605,672.09)
Derecognition of financial assets (including direct write-downs) and transfer out	-	-	180,728.00	180,728.00
Other changes	686,531.50	-	-	686,531.50
Balance on December 31, 2025	2,514,535.62	5,758,013.71	20,934,630.55	29,207,179.88

(4) Provision for bad debts of other receivables

Unit: RMB

Category	Opening balance	Amount of changes in the current reporting period		Difference resulted from foreign currency statements conversion	Closing balance
		Provision/(Reversal)	Transfer or write-off		
Other receivables	33,307,048.47	(4,605,672.09)	180,728.00	686,531.50	29,207,179.88
Total	33,307,048.47	(4,605,672.09)	180,728.00	686,531.50	29,207,179.88

Top five debtors based on corresponding closing balance of other receivables

At the end of current period, the aggregate amount of other receivables of the top five debtors of the Group was RMB32,312,826.91, accounting for 6.85% of the total balance of other receivables at the end of the year, and the provision for bad debts amounted to RMB160,652.35.

9. Inventories

(1) Categories of inventories

Unit: RMB

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

Category	Closing balance			Opening balance(restated)		
	Account balance	Provision for decline in value of inventories/ Impairment provision for contract performance cost	Book value	Account balance	Provision for decline in value of inventories/ Impairment provision for contract performance cost	Book value
Raw materials	6,237,904,706.69	296,228,917.54	5,941,675,789.15	6,112,813,706.01	321,520,672.33	5,791,293,033.68
Work-in-progress	756,148,362.21	-	756,148,362.21	722,550,293.30	-	722,550,293.30
Finished goods	14,307,019,021.95	1,134,318,931.50	13,172,700,090.45	13,151,518,051.53	990,672,547.73	12,160,845,503.80
Contract performance cost	614,190,942.61	12,521,325.62	601,669,616.99	444,030,393.50	8,007,266.17	436,023,127.33
Total	21,915,263,033.46	1,443,069,174.66	20,472,193,858.80	20,430,912,444.34	1,320,200,486.23	19,110,711,958.11

(2) Provision for decline in value of inventories

Unit: RMB

Category	Opening balance	The amount accrued in the current reporting period	The amount reversed or resold in the current reporting period	Effect on conversion of financial statements denominated in foreign currencies	Closing balance
Raw materials	321,520,672.33	54,595,968.67	79,984,012.24	96,288.78	296,228,917.54
Finished goods	990,672,547.73	361,489,066.90	256,129,598.30	38,286,915.17	1,134,318,931.50
Contract performance cost	8,007,266.17	5,925,579.86	1,411,520.41	-	12,521,325.62
Subtotal	1,320,200,486.23	422,010,615.43	337,525,130.95	38,383,203.95	1,443,069,174.66

The write-offs of provision for inventories in the current reporting period are due to use or sale of inventories.

(3) Descriptions of the amortization amount of the contract performance cost for the current reporting period

For the contract performance cost recognized as an asset, the Group adopts the same basis as the recognition of revenue related to the asset, and includes it in the profit or loss for the current period when commercial goods or service have been transferred in accordance with the contract requirements and the acceptance certificate of the other party has been obtained. The amount included in profit or loss for the current period in 2025 is RMB571,408,895.75.

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

10. Non-current Assets Due within One Year

Unit: RMB

Item	Closing balance	Opening balance
Long-term receivables due within one year (Note (V) 12)	603,989,194.29	894,327,647.82
Total	603,989,194.29	894,327,647.82

11. Other Current Assets

Unit: RMB

Item	Closing balance	Opening balance
Deductible VAT input	1,090,966,736.78	901,841,078.74
Prepaid corporate income tax	76,852,469.25	90,832,918.17
Prepaid tariff	8,607,773.88	18,347,927.67
Others	75,261,120.63	60,044,728.52
Total	1,251,688,100.54	1,071,066,653.10

12. Long-term Receivables

(1) Details of long-term receivables

Unit: RMB

Item	Closing balance			Opening balance		
	Account balance	Provision for impairment	Book value	Account balance	Provision for impairment	Book value
Financial leases receivables	231,571,457.16	81,252,461.81	150,318,995.35	286,093,285.46	77,540,673.10	208,552,612.36
Including: Unrealized income from financing	4,616,037.69	-	4,616,037.69	5,907,102.54	-	5,907,102.54
Installments business	842,518,725.55	415,002,667.59	427,516,057.96	1,051,389,224.08	349,486,719.21	701,902,504.87
Including: Unrealized income from financing	4,671,485.86	-	4,671,485.86	13,619,170.58	-	13,619,170.58

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

Item	Closing balance			Opening balance		
	Account balance	Provision for impairment	Book value	Account balance	Provision for impairment	Book value
Employee housing loan	252,011,920.75	-	252,011,920.75	364,325,718.68	-	364,325,718.68
Including: Unrealized income from financing	20,378,696.85	-	20,378,696.85	31,285,136.32	-	31,285,136.32
Subtotal	1,326,102,103.46	496,255,129.40	829,846,974.06	1,701,808,228.22	427,027,392.31	1,274,780,835.91
Less: Non-current assets due within one year (Note (V) 10)	1,099,686,524.74	495,697,330.45	603,989,194.29	1,320,172,837.77	425,845,189.95	894,327,647.82
Total	226,415,578.72	557,798.95	225,857,779.77	381,635,390.45	1,182,202.36	380,453,188.09

(2) Disclosure by method of provision for bad debts

Unit: RMB

Item	Closing balance			Opening balance		
	Carrying amount	Provision for impairment	Book value	Carrying amount	Provision for impairment	Book value
Provision for bad debts by portfolio (including the portion due within one year)	1,326,102,103.46	496,255,129.40	829,846,974.06	1,701,808,228.22	427,027,392.31	1,274,780,835.91
Including: portfolio of employees	252,011,920.75	-	252,011,920.75	364,325,718.68	-	364,325,718.68
Portfolio of financial leasing and installment collection customers	1,074,090,182.71	496,255,129.40	577,835,053.31	1,337,482,509.54	427,027,392.31	910,455,117.23
Total	1,326,102,103.46	496,255,129.40	829,846,974.06	1,701,808,228.22	427,027,392.31	1,274,780,835.91

Portfolio of employees

The Group believes that the employees corresponding to the long-term receivable employee housing loans held by the Group all have labor relations with the Group and the Group assesses that the relevant debtors have good credit records, and the Group believes that there is no significant credit risk and therefore no loss of provision is made.

Portfolio of financial leasing and installment collection customers

As of December 31, 2025, the credit risk and expected credit losses of long-term receivables relevant to financial leasing and installment collection customers are as follows:

Unit: RMB

Aging	Closing balance		
	Amounts	Credit loss provision	Estimated average loss rate (%)
Within credit period	182,033,670.02	1,295,350.31	0.71
Within 1 year after exceeding credit period	144,702,458.19	7,162,773.00	4.95

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For the reporting period from January 1, 2025 to December 31, 2025

Aging	Closing balance		
	Amounts	Credit loss provision	Estimated average loss rate (%)
1-2 years after exceeding credit period	146,038,556.53	30,303,000.47	20.75
2-3 years after exceeding credit period	156,899,042.46	66,682,093.04	42.50
3-4 years after exceeding credit period	189,081,280.18	135,476,737.25	71.65
Over 4 years after exceeding credit period	255,335,175.33	255,335,175.33	100.00
Total	1,074,090,182.71	496,255,129.40	46.20

(3) Provision for bad debts

Unit: RMB

Category	Opening balance	Amount of changes in the current reporting period		Difference resulted from foreign currency statements conversion	Closing balance
		Provision (Reversal)	Transfer or write-off		
Long term receivables	427,027,392.31	77,762,694.30	8,534,957.21	-	496,255,129.40
Total	427,027,392.31	77,762,694.30	8,534,957.21	-	496,255,129.40

13. Long-term Equity Investment

Unit: RMB

The invested entity	Opening balance (Book value)	Increase/ Decrease in the current reporting period								Closing balance (Book value)	Closing balance for impairment provision
		Additional investment	Investment reduction	Investment profit (loss) recognized under the equity Method	Adjustment to other comprehensive income	Other changes in equity (note1)	Declaration of cash dividends or profit distribution	Impairment provision	others		
1. Joint venture companies											
Hangzhou Haikang Intelligent Industrial Equity Investment Fund Partnership (L.P.)	868,063,887.91	-	-	168,077,206.04	-	21,868,095.92	70,863,281.24	-	-	987,145,908.63	-

Notes to Financial Statements

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The invested entity	Opening balance (Book value)	Increase/ Decrease in the current reporting period								Closing balance (Book value)	Closing balance for impairment provision
		Additional investment	Investment reduction	Investment profit (loss) recognized under the equity Method	Adjustment to other comprehensive income	Other changes in equity (note1)	Declaration of cash dividends or profit distribution	Impairment provision	others		
Zhejiang City Digital Technology Ltd.	20,077,377.04	-	21,433,292.65	1,355,915.61	-	-	-	-	-	-	-
Zhejiang Haishi Huayue Digital Technology Co., Ltd. (hereafter referred to as Haishihuayue, note 2)	13,704,580.92	-	-	449,832.08	-	-	-	-	(14,154,413.00)	-	-
Guangxi Haishi Urban Operation Management Ltd.	11,449,482.39	-	-	(2,032,296.87)	-	-	-	-	-	9,417,185.52	-
Xuzhou Kangbo Urban Operation Management Service Ltd.	10,845,746.31	-	-	(1,700,435.07)	-	-	-	-	-	9,145,311.24	-
Others	4,516,484.96	-	-	(720,259.58)	-	-	-	-	-	3,796,225.38	-
Subtotal	928,657,559.53	-	21,433,292.65	165,429,962.21	-	21,868,095.92	70,863,281.24	-	(14,154,413.00)	1,009,504,630.77	-

2. Associated companies

Taifang Zhigan (Chongqing) Technology Co. Ltd. (originally named as Beijing Taifang Technology Co. Ltd.)	33,609,511.60	-	-	(3,057,485.73)	-	574,613.25	-	-	-	31,126,639.12	-
Jiixin Haishi JiaAn Zhicheng Technology Ltd.	29,062,368.34	-	-	(321,629.98)	-	-	-	-	-	28,740,738.36	-
Zhiguang Hailian Big Data Technology Ltd.	24,397,944.42	-	-	3,987,667.65	-	-	400,000.00	-	-	27,985,612.07	-

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

The invested entity	Opening balance (Book value)	Increase/ Decrease in the current reporting period								Closing balance (Book value)	Closing balance for impairment provision
		Additional investment	Investment reduction	Investment profit (loss) recognized under the equity Method	Adjustment to other comprehensive income	Other changes in equity (note1)	Declaration of cash dividends or profit distribution	Impairment provision	others		
Terapark (Nanjing) Ltd.	17,541,679.23	-	-	(1,928,982.74)	-	-	-	5,129,141.16	-	10,483,555.33	5,129,141.16
Others	493,954,327.67	-	576,599.12	52,142,141.78	-	15,713,554.77	-	-	-	561,233,425.10	-
Subtotal	598,565,831.26	-	576,599.12	50,821,710.98	-	16,288,168.02	400,000.00	5,129,141.16	-	659,569,969.98	5,129,141.16
Total	1,527,223,390.79	-	22,009,891.77	216,251,673.19	-	38,156,263.94	71,263,281.24	5,129,141.16	(14,154,413.00)	1,669,074,600.75	5,129,141.16

Note 1: Changes in other equities during the reporting period was due to the changes in equity caused by increasing or decreasing capital of the investee by other shareholders.

Note 2: During the current year, the Group obtained control of Haishihuayue and included it within the consolidated financial statements, no longer accounting for it as a joint venture. For further details, see Note VI (1).

14. Other Non-current Financial Assets

Unit: RMB

Item	Closing balance	Opening balance
Investments in equity instruments (Note)	589,955,315.74	472,000,082.76
Total	589,955,315.74	472,000,082.76

Note: It refers to the Group's equity investments. The Group has no control, joint control or significant influence over these invested companies. During the current reporting period, the Group received a cash dividend of RMB45,304,820.73 from the investees (2024: RMB61,241,171.99) and recognized it as current profit and loss. Please refer to Note (V) 52 for details.

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

15. Fixed Assets

(1) Details of fixed assets

Unit: RMB

Item	Buildings and constructions	General-purpose equipment	Special-purpose equipment	Transportation vehicles	Total
I. Total original carrying amount					
1. Opening balance	14,302,410,545.25	2,465,005,573.96	4,517,493,939.26	106,765,174.82	21,391,675,233.29
2. Increase in the current reporting period	5,452,666,698.53	535,177,463.03	832,598,059.41	6,477,185.56	6,826,919,406.53
1) purchase	286,193,641.81	524,811,708.60	252,119,738.20	6,477,185.56	1,069,602,274.17
2) transferred to construction in progress	5,166,473,056.72	10,180,570.43	576,943,199.67	-	5,753,596,826.82
3) transferred from inventory	-	-	3,535,121.54	-	3,535,121.54
4) Increase from business combination	-	185,184.00	-	-	185,184.00
3. Decrease in the current reporting period	155,951,131.33	75,269,979.28	49,914,362.48	6,237,710.10	287,373,183.19
1) disposal or write-off	155,951,131.33	75,269,979.28	49,914,362.48	6,237,710.10	287,373,183.19
4. Effect on conversion of financial statements denominated in foreign currencies	29,541,124.57	17,209,914.25	(3,383,831.05)	2,655,527.91	46,022,735.68
5. Closing Balance	19,628,667,237.02	2,942,122,971.96	5,296,793,805.14	109,660,178.19	27,977,244,192.31
II. Accumulated depreciation					
1. Opening balance	2,424,520,975.54	1,333,180,015.45	2,494,483,298.03	75,738,647.78	6,327,922,936.80
2. Increase in the current reporting period	694,932,416.10	359,828,407.31	582,598,080.06	8,670,656.74	1,646,029,560.21
1) accrual	694,932,416.10	359,828,407.31	582,598,080.06	8,670,656.74	1,646,029,560.21
3. Decrease in the current reporting period	87,759,865.48	52,687,042.02	38,016,159.24	5,091,611.77	183,554,678.51
1) disposal or write-off	87,759,865.48	52,687,042.02	38,016,159.24	5,091,611.77	183,554,678.51
4. Effect on conversion of financial statements denominated in foreign currencies	3,905,093.29	7,188,118.69	(2,515,756.10)	1,335,303.48	9,912,759.36
5. Closing balance	3,035,598,619.45	1,647,509,499.43	3,036,549,462.75	80,652,996.23	7,800,310,577.86
III. Total book value					
1. Opening balance	-	-	-	-	-
2. Increase in the current reporting period	6,880,856.32	-	-	-	6,880,856.32
3. Decrease in the current reporting period	6,861,693.82	-	-	-	6,861,693.82
4. Closing balance	19,162.50	-	-	-	19,162.50
IV. Total book value					
Closing balance on book value	16,593,049,455.07	1,294,613,472.53	2,260,244,342.39	29,007,181.96	20,176,914,451.95
Opening balance on book value	11,877,889,569.71	1,131,825,558.51	2,023,010,641.23	31,026,527.04	15,063,752,296.49

(2) As of December 31, 2025, the book value of the special-purpose equipment rent out through operating leasing by the Group is RMB35,397,385.10.

(3) Fixed assets of which certificates of title have not been granted as of December 31, 2025

Unit: RMB

Item	Carrying amount	Reason for certificates of title not granted
Nanjing Science and Technology Park Project	439,748,142.28	In the process of obtaining the real estate certificates

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

Wuhan Science and Technology Park Project	136,181,928.84	In the process of obtaining the real estate certificates
Office space for branch office	10,535,262.61	In the process of obtaining the real estate certificates
Total	586,465,333.73	

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

16. Construction in Progress

(1) Details of construction in progress

Unit: RMB

Item	Closing balance			Opening balance		
	Account balance	Provision	Book value	Account balance	Provision	Book value
Wuhan Intelligence Industry Park Project (Phase II)	434,433,639.30	-	434,433,639.30	13,854,531.11	-	13,854,531.11
Infrared Thermal Imaging Complete Machine Products Industrial Base	370,404,921.99	-	370,404,921.99	166,668,535.02	-	166,668,535.02
HikRobot Product Industrial Base Construction Project	342,173,654.91	-	342,173,654.91	199,752,968.31	-	199,752,968.31
Wuhan Science and Technology Park Project	-	-	-	1,657,649,090.38	-	1,657,649,090.38
EZVIZ Intelligent Manufacturing Chongqing Base Project(Infrastructure Part)	-	-	-	1,144,333,377.23	-	1,144,333,377.23
HikRobot Intelligent Manufacturing (Tonglu) Base Project	-	-	-	498,800,343.68	-	498,800,343.68
Others	767,098,679.47	-	767,098,679.47	1,018,414,535.48	-	1,018,414,535.48
Total	1,914,110,895.67	-	1,914,110,895.67	4,699,473,381.21	-	4,699,473,381.21

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

(2) Changes in significant construction in progress during the current reporting period

Unit: RMB

Item	Budget (RMB 0,000)	Opening balance	Increase in the current reporting period	Transferred to fixed assets during the current reporting period	Closing balance	Amount invested as a proportion of budget amount (%)	Construction in Progress (%)	Accumulated amount of interest capitalization	Of which: amount of interest capitalized in the current year	Source of funds
Wuhan Intelligence Industry Park Project (Phase II)	117,172.00	13,854,531.11	420,579,108.19	-	434,433,639.30	37.08%	37.08%	-	-	Self-financing
Industrialization Base of Infrared Thermal Imaging Products	78,084.00	166,668,535.02	203,736,386.97	-	370,404,921.99	47.44%	47.44%	-	-	Self-financing
HikRobot Product Industrial Base Construction Project	101,346.00	199,752,968.31	142,420,686.60	-	342,173,654.91	33.76%	33.76%	3,522.58	3,522.58	Self-financing/ borrowing
Wuhan Science and Technology Park Project	187,393.00	1,657,649,090.38	119,940,726.28	1,777,589,816.66	-	94.86%	100.00%	-	-	Self-financing
EZVIZ Intelligent Manufacturing Chongqing Base Project (Infrastructure Part)	163,000.00	1,144,333,377.23	422,449,259.54	1,566,782,636.77	-	96.12%	100.00%	-	-	Self-financing/ raised fund
HikRobot Intelligent Manufacturing (Tonglu) Base Project	107,105.00	498,800,343.68	537,616,742.85	1,036,417,086.53	-	96.77%	100.00%	179,175.90	179,175.90	Self-financing/ borrowing

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

17. Right-of-use Assets

Unit: RMB

Items	Building and construction	General-purpose equipment	Special-purpose equipment	Transportation vehicles	Total
I. Total original carrying amount					
1. Opening balance	1,034,862,846.02	9,462,700.30	25,866,583.99	27,957,734.14	1,098,149,864.45
2. Increased	181,522,253.03	-	-	2,321,745.01	183,843,998.04
(1) New lease	181,522,253.03	-	-	2,321,745.01	183,843,998.04
3. Decreased	425,196,824.05	9,886,120.15	-	10,408,234.24	445,491,178.44
(1) The lease contract expires or terminates early	425,196,824.05	9,886,120.15	-	10,408,234.24	445,491,178.44
4. Effect on conversion of financial statements denominated in foreign currencies	12,986,599.84	537,945.33	-	2,055,980.46	15,580,525.63
5. Closing balance	804,174,874.84	114,525.48	25,866,583.99	21,927,225.37	852,083,209.68
II. Accumulated depreciation					
1. Opening balance	540,043,415.96	9,356,906.61	2,586,658.40	16,024,859.69	568,011,840.66
2. Increased	197,059,639.18	34,041.27	2,586,658.40	5,208,814.06	204,889,152.91
(1) Provisions	197,059,639.18	34,041.27	2,586,658.40	5,208,814.06	204,889,152.91
3. Decreased	352,109,090.77	9,886,120.15	-	10,408,234.23	372,403,445.15
(1) The lease contract expires or terminates early	352,109,090.77	9,886,120.15	-	10,408,234.23	372,403,445.15
4. Effect on conversion of financial statements denominated in foreign currencies	7,464,137.94	534,429.92	-	1,091,251.53	9,089,819.39
5. Closing balance	392,458,102.31	39,257.65	5,173,316.80	11,916,691.05	409,587,367.81
III. Total book value					
1. Closing balance on book value	411,716,772.53	75,267.83	20,693,267.19	10,010,534.32	442,495,841.87
2. Opening balance on book value	494,819,430.06	105,793.69	23,279,925.59	11,932,874.45	530,138,023.79

18. Intangible Assets

(1) Details of construction in progress

Unit: RMB

Item	Land use right	Intellectual property right	Application software	Franchise	Total
I. Total original carrying amount					
1. Opening balance	1,783,602,402.73	278,550,167.97	452,779,019.64	112,042,419.99	2,626,974,010.33
2. Increased	90,217,529.08	624,466.77	17,609,900.88	373,311.67	108,825,208.40
(1) Purchase	90,217,529.08	624,466.77	17,609,900.88	373,311.67	108,825,208.40
3. Decreased	-	30,798,357.37	55,067,046.55	138,874.97	86,004,278.89
(1) Disposal or write-off	-	30,798,357.37	55,067,046.55	138,874.97	86,004,278.89
4. Effect on conversion of financial statements denominated in foreign currencies	-	83,481.39	1,708,702.68	127,124.79	1,919,308.86
5. Closing balance	1,873,819,931.81	248,459,758.76	417,030,576.65	112,403,981.48	2,651,714,248.70
II. Total accumulated amortization					
1. Opening balance	207,962,228.63	133,776,630.29	384,418,987.10	30,494,964.83	756,652,810.85
2. Increased	39,418,680.92	36,078,761.77	24,371,931.84	6,924,918.99	106,794,293.52
(1) Accrual	39,418,680.92	36,078,761.77	24,371,931.84	6,924,918.99	106,794,293.52
3. Decreased	-	30,798,357.37	54,648,232.71	111,341.44	85,557,931.52

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

Item	Land use right	Intellectual property right	Application software	Franchise	Total
(1) Disposal or write-off	-	30,798,357.37	54,648,232.71	111,341.44	85,557,931.52
4. Effect on conversion of financial statements denominated in foreign currencies	-	74,172.52	1,621,376.24	21,258.58	1,716,807.34
5. Closing balance	247,380,909.55	139,131,207.21	355,764,062.47	37,329,800.96	779,605,980.19
III. loss provision					
1. Opening balance	-	-	-	42,034,063.49	42,034,063.49
2. Closing balance	-	-	-	42,034,063.49	42,034,063.49
IV. Total book value					
1. Closing balance on book value	1,626,439,022.26	109,328,551.55	61,266,514.18	33,040,117.03	1,830,074,205.02
2. Opening balance on book value	1,575,640,174.10	144,773,537.68	68,360,032.54	39,513,391.67	1,828,287,135.99

(2) At the end of the current reporting period, the land use right of the Group that has not completed the title certificate is nil.

19. Goodwill

(1) Goodwill book value

Unit: RMB

The name of the investee or the matter that forming a goodwill	Opening balance	Increased	Decreased	Effect on conversion of financial statements denominated in foreign currencies	Closing balance
Whst Co., Ltd. (hereinafter referred to as the " Whst ") and Whst Hebei	92,088,117.87	-	-	-	92,088,117.87
SISTEMAS Y SERVICIOS DE COMUNICACIÓN, S.A. DE C.V.	82,448,740.90	-	-	(1,830,562.99)	80,618,177.91
Henan Huan Baoquan Intelligent Development Co., Ltd.	61,322,871.63	-	-	-	61,322,871.63
Others	76,305,398.89	-	-	853,160.71	77,158,559.60
Total	312,165,129.29	-	-	(977,402.28)	311,187,727.01

(2) Information about the asset group or asset group combination to which the goodwill belongs

Name	The composition and basis of the asset group or portfolio to which it belongs	Whether it is consistent with previous years
Whst and Whst Hebei	The portfolio of the assets generates cash inflows independently.	Yes
SISTEMAS Y SERVICIOS DE COMUNICACIÓN, S.A. DE C.V.		Yes
Henan Huan Baoquan Intelligent Development Co., Ltd. and its subsidiaries		Yes
Others		Yes

(3) Goodwill impairment provision

When the Group conducts impairment test on goodwill at the end of the reporting period, the key assumptions adopted and their basis are as follows:

The recoverable amount of asset group portfolios containing apportioned goodwill is determined according to the present value of the estimated future cash flow of the relevant asset group portfolios. The forecast period for future cash flows is 5 years. The projection of future cash flows is based on management's estimate of sales revenue, cost of sales and operating expenses for the expected period based on past performance and expectations of market developments. The cash flow

growth rate over 5 years is 0-2%.

During the reporting period, the Group did not find that the recoverable amount of the relevant asset group portfolios including the apportioned goodwill was lower than its book value, so it is considered that there is no need to accrue impairment loss for goodwill.

20. Long-term Deferred Expenses

Unit: RMB

Invested unit	Opening Balance	Increased	Amortized	Other decreased amount	Difference of foreign currency translation	Closing balance
Improvement expenditure for assets	131,556,622.59	73,502,823.07	79,361,733.27	-	1,953,118.02	127,650,830.41
Employee housing loan deferred interest	31,285,136.32	6,750,228.15	17,328,157.68	328,509.94		20,378,696.85
Total	162,841,758.91	80,253,051.22	96,689,890.95	328,509.94	1,953,118.02	148,029,527.26

21. Deferred Tax Assets/ Deferred Tax Liabilities

(1) Deferred tax assets that are not presented on net off basis

Unit: RMB

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for impairment losses of assets	1,119,730,076.20	282,992,826.48	1,069,364,511.58	262,572,804.77
Provision for credit loss	4,311,999,173.90	908,397,631.86	4,124,476,014.55	871,658,710.55
Provisions	246,454,625.54	56,863,543.05	222,850,155.25	42,567,907.88
Accrued but unsettled liabilities	2,792,079,646.48	479,155,818.74	2,328,549,255.13	397,756,108.86
Unrealized profit from inter-group transactions	3,911,533,586.44	618,621,446.58	3,007,410,744.33	451,057,918.47
Changes in the fair value of derivative financial instruments	9,972,993.98	2,493,248.50	1,874,341.64	468,585.41
Deferred income	871,649,529.85	142,235,152.75	868,928,757.73	138,068,886.25
Changes in fair value of other non-current financial assets	57,188,296.74	8,578,244.51	64,034,397.24	9,605,159.59
Difference in depreciation of fixed assets and difference in amortization of intangible assets	148,158,096.44	28,174,763.38	186,042,413.56	30,689,292.90
Tax deductible losses	1,096,464,266.73	185,789,389.54	1,104,881,983.80	174,500,339.85
Lease liabilities	451,481,271.08	84,413,233.21	542,520,611.31	79,492,726.88
Others	146,461,328.98	40,825,157.12	151,226,802.47	47,687,727.75
Total	15,163,172,892.36	2,838,540,455.72	13,672,159,988.59	2,506,126,169.16

(2) Deferred tax liabilities that are not presented on net off basis

Unit: RMB

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities

Notes to Financial Statements

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Difference in depreciation of fixed assets and difference in amortization of intangible assets	1,816,873,539.85	329,791,740.84	1,404,309,520.48	245,623,102.73
Long term investment – partnership accounted by the equity method	380,230,989.39	57,034,648.41	268,063,887.91	40,209,583.19
Changes in the fair value of derivative financial instruments	4,753,565.60	1,188,391.40	26,775,923.93	6,693,980.98
Changes in the fair value of other non-current financial assets	18,099,354.27	4,524,838.57	19,420,700.00	4,855,175.00
Right-of-use assets	442,495,841.87	79,989,518.15	530,138,023.79	77,298,681.61
Valuation and appreciation of assets of business combinations not under common control	104,605,714.18	26,151,428.55	139,474,285.68	34,868,571.42
Others	59,978,380.99	18,820,576.86	11,688,743.69	3,097,280.69
Total	2,827,037,386.15	517,501,142.78	2,399,871,085.48	412,646,375.62

(3) Deferred tax assets or deferred tax liabilities that are presented at the net amount after offset

Unit: RMB

Item	Closing balance		Opening balance	
	Offset amount at the end of the reporting period	Deferred tax assets or liabilities at the net amount after offset	Offset amount at the beginning of the reporting period	Deferred tax assets or liabilities at the net amount after offset
Deferred tax assets	402,917,933.88	2,435,622,521.84	299,935,012.10	2,206,191,157.06
Deferred tax liabilities	402,917,933.88	114,583,208.90	299,935,012.10	112,711,363.52

(4) Details of unrecognized deferred tax assets

Unit: RMB

Item	Closing balance	Opening balance
Deductible temporary differences	639,638,514.77	348,425,118.87
Deductible loss	5,156,193,394.70	4,872,004,375.75
Total	5,795,831,909.47	5,220,429,494.62

(5) Deductible losses for unrecognized deferred tax assets will expire in the following years

Unit: RMB

Year	Closing balance	Opening balance
2025	-	5,064,844.90
2026	21,423,245.81	21,423,245.81
2027	33,535,700.07	33,535,700.07
2028	274,664,755.29	305,106,077.53
2029	286,165,654.96	296,441,730.62
2030 and beyond	4,540,404,038.57	4,210,432,776.82
Total	5,156,193,394.70	4,872,004,375.75

22. Other Non-current Assets

Unit: RMB

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

Item	Closing balance			Opening balance		
	Account balance	Provision	Book value	Account balance	Provision	Book value
Contract assets	1,882,161,712.48	25,989,288.57	1,856,172,423.91	2,081,248,707.05	17,493,381.00	2,063,755,326.05
Prepayments for equipment	41,015,731.41	-	41,015,731.41	61,129,209.00	-	61,129,209.00
Prepayments for infrastructure	485,067.24	-	485,067.24	3,122,181.73	-	3,122,181.73
Prepayments for real estate	-	-	-	135,783,923.33	-	135,783,923.33
Prepayments for acquisition of land	-	-	-	89,318,973.58	-	89,318,973.58
Others	198,742.26	-	198,742.26	51,370.95	-	51,370.95
Total	1,923,861,253.39	25,989,288.57	1,897,871,964.82	2,370,654,365.64	17,493,381.00	2,353,160,984.64

23. Assets with Restriction in Ownership or Use Rights

Unit: RMB

Item	Book value at the end of the current reporting period	Cause of restriction
Cash and bank balances	303,989,964.01	Various guarantee deposits and other restricted funds
Notes receivable	1,525,932,671.08	Endorsed to the supplier, or discounted to the bank
Accounts receivable	96,475,719.29	Pledged for long-term borrowings
Contract assets	57,422,774.91	Pledged for long-term borrowings
Fixed assets	35,397,385.10	Fixed assets leased out under operating leases
Intangible assets	10,735,168.93	Pledged for long-term borrowings
Other non-current assets	483,735,017.82	Pledge for long-term borrowings
Total	2,513,688,701.14	

Unit: RMB

Item	Book value at the beginning of the current reporting period	Cause of restriction
Cash and bank balances	218,445,956.74	Various guarantee deposits and other restricted funds
Notes receivable	1,274,931,981.36	Endorsed to the supplier, discounted to the bank, and pledged for issuing bank acceptance bills
Accounts receivable	352,621,694.25	Pledged for long-term borrowings
Contract assets	128,422,846.09	Pledged for long-term borrowings
Fixed assets	54,026,704.89	Fixed assets leased out under operating leases
Intangible assets	12,166,524.79	Pledged and mortgage for long-term borrowings
Other non-current assets	1,276,495,354.49	Pledge for long-term debts
Total	3,317,111,062.61	

24. Short-term Borrowings

(1) Categories of short-term borrowings

Unit: RMB

Item	Closing balance	Opening balance
Credit loan	2,603,750,650.74	997,485,670.23
Discounted but not expired notes (Note (V) 3)	82,115,586.20	34,410,142.39
Total	2,685,866,236.94	1,031,895,812.62

(2) As of December 31, 2025, the Group did not have any overdue short-term loans that were failed to repay.

25. Derivative Financial Liabilities

Unit: RMB

Item	Closing balance	Opening balance
Forward foreign exchange contracts	11,299,401.25	1,874,341.64
total	11,299,401.25	1,874,341.64

As of December 31, 2025, derivative financial liabilities are forward foreign exchange contracts, which are not designated as hedging instruments, measured at fair value and their changes are recognized in profit and loss for the current period.

26. Notes Payable

List of accounts payable

Unit: RMB

Item	Closing balance	Opening balance
Bank acceptance bill	783,778,534.95	1,197,128,746.56
Total	783,778,534.95	1,197,128,746.56

As of December 31, 2025, the Group did not have any unpaid matured notes payable.

27. Accounts Payable

(1) List of accounts payable

Unit: RMB

Item	Closing balance	Opening balance
Payments for goods	18,114,264,867.48	19,158,300,660.13
Payables on project equipment	1,729,684,708.39	1,027,002,447.56
Total	19,843,949,575.87	20,185,303,107.69

(2) As of December 31, 2025, the Group did not have any significant accounts payable with aging above one year.

28. Contract Liabilities

(1) List of contract liabilities

Unit: RMB

Item	Closing balance	Opening balance
Advanced receipts from product sales	3,300,237,974.03	2,541,743,559.81
Advanced receipts from construction settlement payment	332,383,382.90	342,197,373.57
Advanced receipts from other services payment	788,958,524.94	544,032,069.70
Subtotal	4,421,579,881.87	3,427,973,003.08
Less: Contract liabilities included in other non-current liabilities (Note (V) 38)	221,089,008.80	74,029,948.84
Total	4,200,490,873.07	3,353,943,054.24

(2) As of the end of the 2025, the Group has no significant contract liabilities with an aging period exceeding one year.

(3) Qualitative and Quantitative Analysis on the Above Contract Liabilities:

Advanced receipts from product sales are prepayments for goods by customers and sales rebates provided to distributors.

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

Revenue will be recognized when the goods are shipped to or delivered to the customer, and sales rebates provided to resellers will be recognized when resellers use sales rebates to offset the price.

Advanced receipts from construction settlement payment are the part of the contract price received or receivable from the customer for the construction project according to the contract provisions in excess of the cumulative completed performance obligations, and the revenue will be recognized according to the performance progress during the contract period.

Advanced receipts from other services payment are the cloud service fees paid in advance by some customers and the part of the contract price received or receivable from customers for operation and maintenance according to the contract provisions that exceeds the cumulative completed performance obligations, and the revenue will be recognized according to the performance progress during the service period.

(4) The amount of RMB 3,353,943,054.24 in the book value of contract liabilities at the beginning of the year was recognized as revenue during the year. An estimated amount of RMB 74,029,948.84 will be recognized as revenue in 2026 and thereafter. In the book value of contract liabilities at year end, an estimated amount of RMB 4,200,490,873.07 will be recognized as revenue within the next year, and an estimated amount of RMB 221,089,008.80 will be recognized as revenue in 2027 and thereafter.

29. Payroll Payable

(1) Details of payroll payable

Unit: RMB

Item	Opening balance	Increase in the current reporting period	Decrease in the current reporting period	Closing balance
1. Short-term remuneration	5,555,435,367.90	19,163,534,503.77	17,901,636,984.87	6,817,332,886.80
2. Termination benefits – defined contribution scheme	110,980,466.20	1,490,763,891.92	1,481,560,102.57	120,184,255.55
Total	5,666,415,834.10	20,654,298,395.69	19,383,197,087.44	6,937,517,142.35

(2) List of Short-term remuneration

Unit: RMB

Item	Opening balance	Increase in the current reporting period	Decrease in the current reporting period	Closing balance
1. Wages or salaries, bonuses, allowances and subsidies	4,953,267,881.53	16,209,905,288.85	15,065,085,114.05	6,098,088,056.33
2. Staff welfare	30,618,947.29	497,534,105.04	475,144,263.87	53,008,788.46
3. Social insurance contributions	46,851,555.55	739,909,466.54	740,623,569.34	46,137,452.75
Including:				
Medical insurance	43,743,625.50	697,921,247.84	699,643,247.92	42,021,625.42
Injury insurance	3,038,734.24	39,145,205.13	38,116,287.51	4,067,651.86
Maternity insurance	69,195.81	2,843,013.57	2,864,033.91	48,175.47
4. Housing funds	3,834,534.11	1,441,374,468.85	1,440,824,066.75	4,384,936.21
5. Labor union and education fund	520,862,449.42	274,811,174.49	179,959,970.86	615,713,653.05
Subtotal	5,555,435,367.90	19,163,534,503.77	17,901,636,984.87	6,817,332,886.80

(3) List of defined contribution plan

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
1. Basic pension insurance	106,982,320.41	1,438,695,845.72	1,429,815,675.57	115,862,490.56
2. Unemployment insurance	3,998,145.79	52,068,046.20	51,744,427.00	4,321,764.99
Subtotal	110,980,466.20	1,490,763,891.92	1,481,560,102.57	120,184,255.55

Note: The Group participates in pension insurance and unemployment insurance plans established by government agencies in accordance with regulations. According to these plans, the Group pays monthly fees to these plans in proportion to the payment base. The Group has no other material obligation for the payment of pension benefits beyond the contributions described above, and corresponding expenses were booked into current profits and losses or corresponding assets.

In 2025, the Group shall pay RMB1,438,695,845.72 and RMB52,068,046.20 to the pension insurance plan and unemployment insurance plan respectively (2024: RMB1,416,767,806.77 and RMB54,105,332.75). As of December 31, 2025, the Group had fees payables of RMB115,862,490.56 and RMB4,321,764.99 (December 31, 2024: RMB106,982,320.41 and RMB3,998,145.79), which were due but not paid during the reporting period for pension and unemployment insurance plans.

30. Taxes Payable

Unit: RMB

Item	Closing balance	Opening balance
Corporate income tax	1,198,882,556.42	913,040,846.83
Value-added tax	395,354,482.49	404,940,647.59
City construction and maintenance tax	23,179,267.57	26,303,950.83
Education surcharges	9,958,086.04	11,664,982.93
Local education surcharges	7,345,119.73	8,323,731.96
Others	159,371,990.82	171,661,935.88
Total	1,794,091,503.07	1,535,936,096.02

31. Other Payables

31.1 Categories

Unit: RMB

Item	Closing balance	Opening balance
Dividends payable	27,964,450.23	186,793.11
Other payables	3,356,055,644.70	3,528,172,251.37
Total	3,384,020,094.93	3,528,359,044.48

31.2 Dividends payable

Unit: RMB

Item	Closing balance	Opening balance
Dividends payable to minority shareholders	27,964,450.23	186,793.11
Total	27,964,450.23	186,793.11

31.3 Other payables

(1) List of other payables according to the nature of the payment

Unit: RMB

Item	Closing balance	Opening balance
Unexpired commercial acceptance bills that were endorsed (Note (V) 3)	1,443,817,084.88	1,240,521,838.97
Accrued expenses	1,139,501,014.09	1,527,405,326.55
Guarantee and deposit fees	507,880,795.13	477,797,205.49
Collection and payment on behalf	170,071,009.37	209,269,289.66
Other expense payable	94,785,741.23	73,178,590.70
Total	3,356,055,644.70	3,528,172,251.37

(2) As of December 31, 2025, the Group did not have any significant other payables aging over one year.

32. Non-current Liabilities Due within One Year

Unit: RMB

Item	Closing balance	Opening balance
Long-term borrowings due within one year (Note (V) 34)	3,610,693,121.74	586,589,318.45
Provisional liabilities due within one year (Note (V) 36)	172,076,792.55	-
Lease liabilities due within one year (Note (V) 35)	156,501,215.32	180,403,223.06
Long-term payables due within one year	-	38,147.40
Total	3,939,271,129.61	767,030,688.91

33. Other Current Liabilities

Unit: RMB

Item	Closing balance	Opening balance
Output VAT to be transferred	345,654,100.50	377,117,275.65
Product quality warranty	53,607,508.46	-
Others	16,169,273.44	-
Total	415,430,882.40	377,117,275.65

34. Long-term Borrowings

Unit: RMB

Item	Closing balance	Opening balance
Pledged loan (Note 1)	372,414,883.33	1,033,059,164.49
Credit loan (Note 2)	4,448,843,052.80	4,672,715,153.96
Less: Long-term loans due within one year (Note (V) 32)	3,610,693,121.74	586,589,318.45
Total	1,210,564,814.39	5,119,185,000.00

Note 1: As of the end of this year, the pledged loan was mainly obtained by the Group through pledging all rights and benefits under relevant PPP projects, with a maturity date of November 5, 2031. The loan bears a floating annual interest

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

rate, which adjusts in line with changes to the benchmark RMB loan rate for five-year terms published by the People's Bank of China.

Note 2: As of December 31, 2025, the maturity period of credit loan is from June 18, 2026 to September 21, 2030, and the annual interest rate ranges from 1.50% to 2.51%

35. Lease Liabilities

Unit: RMB

Item	Closing balance	Opening balance
Lease liabilities	455,892,181.48	555,835,972.74
Less: Lease liabilities due within one year (Note (V) 32)	156,501,215.32	180,403,223.06
Total	299,390,966.16	375,432,749.68

The Group's lease liabilities are analysed according to the maturity period of the remaining undiscounted contractual obligations as follows:

Unit: RMB

Item	Closing balance	Opening balance
Within 1 year	168,621,695.65	191,378,600.65
1- 5 years	308,224,648.69	375,285,265.86
Over 5 years	16,064,615.52	29,402,566.24
Total	492,910,959.86	596,066,432.75

36. Provisions

Unit: RMB

Item	Closing balance	Opening balance
Product quality warranty	284,494,495.50	283,376,593.23
Others	6,017,672.26	21,873,456.48
Less: Provisional liabilities due within one year (Note (V) 32)	172,076,792.55	-
Total	118,435,375.21	305,250,049.71

37. Deferred Income

Unit: RMB

Item	Opening balance	Increase in current reporting period	Decrease in current reporting period	Closing balance
Government Subsidies (Note (VIII) 1)	874,512,073.53	436,372,673.73	447,621,084.73	863,263,662.53
Total	874,512,073.53	436,372,673.73	447,621,084.73	863,263,662.53

38. Other Non-current Liabilities

Unit: RMB

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

Item	Closing balance	Opening balance
Contract liabilities (Note (V), 28)	221,089,008.80	74,029,948.84
Total	221,089,008.80	74,029,948.84

39. Share Capital

Unit: RMB

	Opening balance	Changes for the current reporting period					Closing balance
		New issue of shares	Bonus issue	Housing provident fund to equity conversion	Others	Subtotal	
Total shares	9,233,198,326.00	-	-		(68,326,776.00)	(68,326,776.00)	9,164,871,550.00

Note:

According to the resolutions of the 4th Meeting of the 6th Board of Directors and the 2nd Extraordinary General Meeting of Shareholders in 2024, the Company cumulatively repurchased 68,326,776 shares of its outstanding stock through a dedicated securities account for share repurchases using a centralized bidding transaction method. The cancellation registration was completed on September 4, 2025, resulting in a reduction of registered capital by RMB68,326,776.00 and a reduction of capital reserve by RMB1,960,199,389.23.

40. Capital Reserves

Unit: RMB

Item	Opening balance	Increase in the current reporting period (Note 1)	Decrease in the current reporting period (Note 2)	Closing balance
Share capital premium	5,560,159,545.00	181,892,786.50	1,960,199,389.23	3,781,852,942.27
Other capital reserves	621,484,720.06	163,929,603.39	181,892,786.50	603,521,536.95
Total	6,181,644,265.06	345,822,389.89	2,142,092,175.73	4,385,374,479.22

Note 1: The increase of RMB181,892,786.50 in the share capital premium in the current period was due to the transfer of other capital reserves to share capital premiums due to the exercise of equity-settled share-based payments.

The increase in other capital reserves in the current reporting period of RMB129,245,072.44 is due to the equity-settled share-based payment; RMB34,684,530.95 was due to changes in other equity of the investees in the long-term equity investments accounted for by the equity method.

Note 2: The decrease of RMB1,960,199,389.23 in share capital premium in the current reporting period was due to the repurchase and cancellation of 68,326,776 shares by the Company. Please refer to Note (V) 39.

41. Treasury Shares

Unit: RMB

Item	Opening balance	Increase in the current reporting period	Decrease in the current reporting period	Closing balance
Outstanding shares	310,044,296.12	1,718,481,869.11	2,028,526,165.23	-
Total	310,044,296.12	1,718,481,869.11	2,028,526,165.23	-

Note: The increase in shares in treasury shares during the current reporting period, is due to the repurchase of 58,326,557

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

shares through centralized bidding using its own funds. The decrease is due to the repurchase and cancellation of 68,326,776 shares, see Note (V) 39.

42. Other Comprehensive Income

Unit: RMB

Item	Opening balance	Amounts occurred in the current reporting period					Closing balance
		The before-income-tax amount incurred during the current reporting period	Less: transfer to current period P/L from previous other comprehensive income	Less : income tax expense	Attributable to the parent company (after tax)	Attributable to minority shareholders (after tax)	
Other incomes that may be reclassified subsequently to profit or loss	(111,510,486.21)	213,607,327.41	-	-	134,895,303.04	78,712,024.37	23,384,816.83
Including: Effect on conversion of financial statements denominated in foreign currencies	(111,510,486.21)	213,607,327.41	-	-	134,895,303.04	78,712,024.37	23,384,816.83
Other comprehensive income	(111,510,486.21)	213,607,327.41	-	-	134,895,303.04	78,712,024.37	23,384,816.83

43. Surplus Reserves

Unit: RMB

Item	Opening balance	Increase in the current reporting period	Decrease in the current reporting period	Closing balance
Statutory surplus reserves	4,715,460,312.00	-	-	4,715,460,312.00
Total	4,715,460,312.00	-	-	4,715,460,312.00

Note: According to the *Company Law of the People's Republic of China* and the *Articles of Association* of the Company, The Company shall withdraw the statutory surplus reserve fund at 10% of the annual net profit of the parent company, and when the accumulated amount of the statutory surplus reserve fund reaches more than 50% of the registered capital, it may not be withdrawn. The statutory surplus reserve can be used to make up for losses or increase the share capital after approval. The accumulated amount of the Company's statutory surplus reserve is RMB 4,715,460,312.00, which exceeds 50% of the Company's share capital.

44. Retained Earnings

Unit: RMB

Item	2025	2024
Retained Earnings at the close of the prior reporting period	60,959,912,942.15	57,136,620,244.01

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For the reporting period from January 1, 2025 to December 31, 2025

Item	2025	2024
Add: Net profit attributable to the parent company for the reporting period	14,195,371,894.42	11,977,327,023.54
Less: withdraws on the statutory surplus reserve	-	-
Dividends payable on common shares (Note 1)	10,096,190,109.00	8,154,034,325.40
Retained earnings at the end of the current reporting period	65,059,094,727.57	60,959,912,942.15

Note 1: According to the resolution of 2024 Annual General Meeting of Shareholders dated on May 9, 2025, based upon the total capital share of the Company on the equity distribution date, for each 10 ordinary shares, the Company distributed cash dividends of RMB7 (tax inclusive), the rest of retained earnings were carried forward for future distributions.

According to the resolution adopted at the Company's 1st Extraordinary General Meeting of Shareholders held on September 23, 2025, the Company distributed a cash dividend of RMB4 (tax inclusive) for every 10 shares to all shareholders based on the total number of shares entitled to profit distribution on the record date for the 2025 interim dividend distribution. The undistributed profits remaining will be carried over for distribution in future years.

45. Revenue / cost of sales and services

(1) Revenue and cost of sales and services

Unit: RMB

Item	2025		2024	
	Revenue	Cost	Revenue	Cost
Major business	91,884,712,784.51	49,611,834,645.64	91,848,150,416.12	51,450,813,344.31
Other business	623,083,285.43	455,601,904.72	647,374,702.18	503,044,567.90
Total	92,507,796,069.94	50,067,436,550.36	92,495,525,118.30	51,953,857,912.21

(2) Revenue (by product or business type)

Unit: RMB

Item	2025	2024
Products and services for main business (Note)	65,012,347,191.96	67,963,258,099.83
Constructions of main business	2,049,207,766.03	2,048,116,006.90
Innovative businesses	25,446,241,111.95	22,484,151,011.57
Including: Robotic business	6,451,513,663.26	5,928,825,303.14
Smart home business	5,683,867,278.78	5,190,222,359.58
Auto electronics business	5,289,209,200.80	3,919,493,044.46
Thermal imaging business	4,442,928,348.49	4,191,132,575.45
Storage business	2,380,400,859.63	2,314,389,221.29
Other innovative businesses	1,198,321,760.99	940,088,507.65
Total	92,507,796,069.94	92,495,525,118.30

Note: Main business refers to the business parts other than the innovative businesses.

(3) Major business (by business type)

Unit: RMB

Item	2025	
	Revenue	Cost
Product sales	87,396,550,249.50	47,184,403,755.10
Construction contract	2,049,207,766.03	1,461,451,806.53
Provide services	2,438,954,768.98	965,979,084.01

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

Total	91,884,712,784.51	49,611,834,645.64
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(4) Major business (by the time of revenue recognition)

Unit: RMB

Item	2025	
	Revenue	Cost
Recognized at a point in time	87,396,550,249.50	47,184,403,755.10
Recognized over time	4,488,162,535.01	2,427,430,890.54
Total	91,884,712,784.51	49,611,834,645.64

46. Business Taxes and Surcharges

Unit: RMB

Item	2025	2024
City construction and maintenance tax	305,583,671.55	289,723,169.24
Education surcharges	133,017,971.11	127,072,888.33
Real estate tax	136,664,870.69	93,318,578.98
Local education surcharges	88,678,647.70	84,715,259.14
Stamp duty	83,956,562.85	78,856,150.38
Tax on use of land	15,813,147.59	14,983,870.80
Vehicle and vessel tax	127,300.44	133,510.29
Others	3,656,307.91	3,482,500.20
Total	767,498,479.84	692,285,927.36

47. Selling Expenses

Unit: RMB

Item	2025	2024
Payroll	7,486,340,283.24	7,332,316,817.36
Marketing Expenses	2,093,654,863.20	1,925,239,948.86
Travelling expenses	613,274,329.01	629,945,028.62
Shipping, transportation, and vehicle expense	412,127,914.74	442,927,059.62
Office expenses	390,492,998.84	360,077,188.10
Professional Intermediary expenses	374,315,060.39	293,901,523.38
Depreciation and amortization expenses	274,890,844.72	323,848,822.04
Business hospitality expenses	224,990,936.80	306,984,860.46
Rental expenses	89,610,807.80	55,316,900.89
Others	388,190,838.96	380,659,953.29
Total	12,347,888,877.70	12,051,218,102.62

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

48. Administrative Expenses

Item	2025	2024
Payroll	1,777,036,811.98	1,896,569,807.90
Depreciation and amortization expenses	521,743,798.96	435,391,420.72
Office expenses	293,197,213.14	308,564,147.69
Professional Intermediary expenses	80,591,287.11	97,689,845.38
Travelling expenses	47,237,212.20	57,416,967.08
Shipping, transportation, car expense	41,581,783.42	63,738,885.26
Business hospitality expenses	9,053,186.60	14,512,396.60
Others	224,070,758.61	222,056,173.29
Total	2,994,512,052.02	3,095,939,643.92

49. R&D Expenses

Unit: RMB

Item	2025	2024
Payroll	9,358,884,770.72	9,199,042,429.59
Consumables and service fees	943,263,820.54	1,080,897,304.01
Depreciation and amortization expenses	488,459,114.18	420,528,831.63
Office expenses	322,810,529.04	316,503,443.21
Intermediate testing fees	311,384,471.74	378,195,302.14
Travelling expenses	169,446,988.01	197,483,910.19
New product design fees	34,467,697.43	172,623,502.86
Others	123,907,345.14	98,738,668.64
Total	11,752,624,736.80	11,864,013,392.27

50. Financial Expenses

Unit: RMB

Item	2025	2024
Interest expenses	177,814,711.78	355,616,402.34
Interest expense on lease liabilities	23,072,089.23	41,603,299.47
Less: Interest income	550,539,471.08	878,035,430.32
Foreign exchange losses (gains)	(274,976,524.70)	291,278,463.86
Less: Capitalized specific loan interests	182,698.48	5,815,514.68
Others	99,180,574.11	80,535,286.17
Total	(525,631,319.14)	(114,817,493.16)

51. Other Income

Unit: RMB

Item	2025	2024
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Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

VAT refund	1,937,264,907.42	1,874,624,340.02
Special subsidies	823,306,512.02	688,670,655.22
Others	79,728,725.35	90,387,815.63
Total	2,840,300,144.79	2,653,682,810.87

52. Investment Income

Unit: RMB

Item	2025	2024
Long-term equity investment gains based on the equity method	216,251,673.19	30,668,990.87
Investment income from the disposal of long-term equity investments	9,933,580.31	-
Investment income from other non-current financial assets during the holding period	45,304,820.73	61,241,171.99
Investment income (losses) from disposal of derivative financial assets	(54,593,919.57)	(5,998,577.35)
Investment income from the termination of recognition of financial assets measured at amortized cost	89,740.00	-
Income from debt restructuring	28,305,484.54	101,109,433.26
Others	2,393,505.16	-
Total	247,684,884.36	187,021,018.77

53. Gains (Losses) from Changes in Fair Values

Unit: RMB

Sources of gains (losses) from changes in fair values	2025	2024
Gains (losses) from changes in fair value of derivative financial assets	(21,983,191.93)	26,738,543.93
Gains (losses) from changes in fair value of other non-current financial assets	13,509,905.74	(15,184,854.90)
Gains (losses) on the changes in fair value of derivative financial liabilities	(9,441,815.55)	36,205,413.40
Total	(17,915,101.74)	47,759,102.43

54. Credit Impairment Gains (Losses)

Unit: RMB

Item	2025	2024
Credit impairment gains (losses) on notes receivable	1,410,891.91	(562,417.45)
Credit impairment gains (losses) on accounts receivable	(728,815,826.60)	(928,758,599.26)
Credit impairment gains (losses) on other receivables	4,605,672.09	(1,816,609.21)
Credit impairment gains (losses) on long-term receivables	(77,762,694.30)	(137,651,879.82)
Total	(800,561,956.90)	(1,068,789,505.74)

55. Impairment Gains (Losses) of Assets

Unit: RMB

Item	2025	2024
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Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

Gains (losses) on inventory depreciation and gains (loss) from impairment of contract performance costs	(409,212,092.39)	(444,233,922.43)
Impairment gain (loss) on fixed assets	(6,880,856.32)	-
Gain (losses) on long-term equity investment impairment	(5,129,141.16)	-
Gains (losses) on impairment of contract assets (including the portion recognized in other non-current assets)	(15,583,328.19)	(1,680,465.16)
Total	(436,805,418.06)	(445,914,387.59)

56. Non-operating Income

Unit: RMB

Item	2025	2024	The amount booked into current period non-recurring profits and losses
Fines and confiscations	57,386,540.37	45,474,188.29	57,386,540.37
Government subsidies	1,589,604.72	829,499.67	1,589,604.72
Others	21,244,941.64	17,433,894.39	21,244,941.64
Total	80,221,086.73	63,737,582.35	80,221,086.73

57. Non-operating Expenses

Unit: RMB

Item	2025	2024	The amount booked into current period non-recurring profits and losses
Local water conservancy construction fund	2,833,363.62	2,862,778.24	-
Donation expenses	1,589,927.42	2,796,454.31	1,589,927.42
Losses on disposal of non-current assets	111,507.13	322,794.37	111,507.13
Others	25,331,024.66	26,508,611.94	25,331,024.66
Total	29,865,822.83	32,490,638.86	27,032,459.21

58. Income Tax Expenses

(1) Details of income tax expenses

Unit: RMB

Item	2025	2024
Income tax for the current reporting period	2,143,405,380.25	1,797,231,764.17
Deferred income tax expenses	(217,476,508.90)	(262,111,502.20)
Differences in filing and payment of income tax in previous reporting years	(346,145,672.56)	(332,648,682.48)
Total	1,579,783,198.79	1,202,471,579.49

(2) Reconciliation of income tax expenses to the accounting profit

Unit: RMB

Item	2025	2024
Total profit	17,013,438,438.62	14,343,493,640.00

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

Income tax expenses calculated at applicable tax rates of 15%	2,552,015,765.79	2,151,524,046.00
Impact of non-deductible costs, expenses and losses	49,981,500.34	191,981,349.17
Tax effect of non-taxable income	(1,147,036.21)	(1,504,602.82)
Impact of deductible temporary differences or deductible losses for which no deferred income tax assets is recognized for the current period	278,483,669.17	294,369,183.13
Impact of using deductible temporary differences or deductible losses for which no deferred income tax assets was recognized for the prior periods	(139,874,436.68)	(33,438,275.11)
Differences of income tax annual filing	(346,145,672.56)	(332,648,682.48)
Impact by different tax rates applicable to different subsidiaries	318,087,537.46	273,802,509.46
Impact of additional deduction of R&D expenses	(1,155,908,497.00)	(1,327,003,879.64)
Others	24,290,368.48	(14,610,068.22)
Income tax expenses	1,579,783,198.79	1,202,471,579.49

The Group falls under the scope of the global anti-base erosion rule legislative template (hereinafter referred to as "pillar two"). According to this regulation, if the effective tax rate of the Group in the relevant jurisdictions is lower than the 15% minimum tax rate, additional tax must be paid for the difference. As of the end of this year, the pillar two rules have taken effect in several jurisdictions where the Group operates (such as Hong Kong, Singapore, etc.). The Group has recognized the relevant income tax expenses in accordance with the regulation. The Group will continue to assess the impact of this regulation.

59. Notes to Consolidated Cash Flow Statement Items

(1) Cash flow from operating activities

Other cash receipts relating to operating activities

Unit: RMB

Item	2025	2024
Government subsidies	813,647,705.74	597,752,636.08
Interest income	429,926,887.09	750,781,420.97
Withdrawal of restricted currency funds	203,795,493.63	234,681,725.23
Others	220,817,840.40	177,629,415.85
Total	1,668,187,926.86	1,760,845,198.13

Other cash payments relating to operating activities

Unit: RMB

Item	2025	2024
Office expenses and business expenses	2,056,316,293.89	2,022,766,137.12
Advertising and selling service	1,359,096,454.04	1,295,809,508.16
R&D expense	1,289,115,989.71	1,631,755,731.65
Travelling expense	829,958,529.22	884,845,905.89
Outsourcing service fees, fees for hiring intermediaries, etc.	563,089,842.52	514,516,193.91
Shipping and transportation expense	453,709,698.16	506,665,944.88
Deposits to restricted monetary funds	287,358,202.15	242,936,375.21
Rental expense	90,660,851.47	59,220,236.26
Others	464,198,061.72	370,710,380.02
Total	7,393,503,922.88	7,529,226,413.10

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

(2) Cash flow from investing activities

Cash receipts relating to important investing activities

Unit: RMB

Item	2025	2024
Forward foreign exchange contract	4,701,594,032.62	3,002,416,092.15
Principal-protected floating return structured deposit	2,500,000,000.00	-
Total	7,201,594,032.62	3,002,416,092.15

Cash payments relating to important investing activities

Unit: RMB

Item	2025	2024
Forward foreign exchange contract payments	4,756,187,952.19	3,017,921,031.55
Proceeds from the construction of long-term assets	3,622,046,664.67	4,665,742,203.72
Principal-protected floating return structured deposit	2,500,000,000.00	-
Total	10,878,234,616.86	7,683,663,235.27

Other cash receipts relating to investing activities

Unit: RMB

Item	2025	2024
Receipts of financing lease payments	69,244,032.44	84,419,763.14
Net cash received from acquiring subsidiaries and other operating units (notes (V) 60(2))	22,949,177.71	-
Total	92,193,210.15	84,419,763.14

Payments of other cash related to investing activities

Item	2025	2024
Investment intent deposit	10,000,000.00	-
Total	10,000,000.00	-

(3) Cash flow from financing activities

Other cash receipts relating to financing activities

Unit: RMB

Item	2025	2024
Cash receipts from project fund (refer to XI 5(4) for details)	-	2,007,056.47
Total	-	2,007,056.47

Other cash payments relating to financing activities

Unit: RMB

Item	2025	2024
Repurchase of outstanding shares	1,718,481,869.11	310,044,296.12
Repayment of lease liabilities	234,056,678.63	332,488,237.61
Repurchase of restricted shares	-	2,723,810,978.11
Others	1,726,018.83	10,380,041.54
Total	1,954,264,566.57	3,376,723,553.38

Changes in liabilities from financing activities

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

Unit: RMB

Item	December 31, 2024	Changes During the Year		December 31, 2025
		Cash changes	Non-cash changes	
Lease liabilities (including lease liabilities due within one year)	555,835,972.74	(234,056,678.63)	134,112,887.37	455,892,181.48
Long-term borrowings (including loan due within one year) and short-term borrowings	6,737,670,131.07	587,753,040.00	181,701,002.00	7,507,124,173.07
Dividend payables	186,793.11	(10,396,040,254.35)	10,423,817,911.47	27,964,450.23
Total	7,293,692,896.92	(10,042,343,892.98)	10,739,631,800.84	7,990,980,804.78

60. Supplementary Information about Cash Flow Statement

(1) Supplementary information about cash flow statement

Unit: RMB

Supplementary information	2025	2024
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	15,433,655,239.83	13,141,022,060.51
Add: Impairment of assets	436,805,418.06	445,914,387.59
Provision for credit losses	800,561,956.90	1,068,789,505.74
Fixed assets depreciation	1,646,029,560.21	1,491,731,725.01
Amortization of right-of-use assets	204,889,152.91	295,082,848.33
Amortization of intangible assets	106,794,293.52	99,999,893.62
Long-term deferred expenses amortization	96,689,890.95	97,115,766.37
Losses (gains) on disposal of fixed assets, intangible assets and other long-term assets	(26,913,929.91)	14,539,975.31
Fixed asset scrapping losses	111,507.13	322,794.37
Losses (gains) from changes in fair value	17,915,101.74	(47,759,102.43)
Financial expenses	71,877,702.83	256,441,388.18
Investment losses (gains)	(219,289,659.82)	(85,911,585.51)
Share-based payment based on equity settlement	161,910,835.98	865,428,572.59
Decrease (increase) of restricted funds	(83,562,708.52)	(8,254,649.98)
Decrease (increase) in deferred tax assets	(219,035,388.89)	(236,371,472.37)
Increase (decrease) in deferred tax liabilities	1,558,879.99	(17,155,614.66)
Decrease (increase) in inventories	(1,804,456,641.20)	(299,985,733.29)
Decrease (increase) in operating receivables	8,011,882,904.98	(4,204,715,982.09)
Increase (decrease) in operating payables	713,235,377.41	479,604,764.25
Increase (decrease) in deferred income	(11,248,411.00)	(91,747,518.81)
Net cash flows from operating activities	25,339,411,083.10	13,264,092,022.73
2. Net changes in cash and cash equivalents:		
Closing balance of cash	46,204,338,694.43	36,053,042,380.29
Less: Opening balance of cash	36,053,042,380.29	49,427,967,355.78
Add: Closing balance of cash equivalents	-	-
Less: Opening balance of cash equivalents	-	-
Net Increase (decrease) in cash and cash equivalents	10,151,296,314.14	(13,374,924,975.49)

(2) Net cash paid for obtaining subsidiaries during the current year

Unit: RMB

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

	Amounts
Cash or cash equivalents paid for the business combination in the reporting year	-
Including: Haishihuayue	-
Less: Cash or cash equivalents held by subsidiary on the combination day	22,949,177.71
Including: Haishihuayue	22,949,177.71
Add: Cash or cash equivalents paid for the business combination in previous years	680,000.00
Net cash paid for obtaining the subsidiary	(22,269,177.71)
Including: Cash received from other investing activities	22,949,177.71

(3) Constituents of cash and cash equivalents

Unit: RMB

Item	Closing balance	Opening balance
Cash	46,204,338,694.43	36,053,042,380.29
Including: Cash on hand	434,527.61	682,023.34
Bank deposit for payment at any time	46,161,655,421.81	35,933,926,817.28
Other monetary capital for payment at any time	42,248,745.01	118,433,539.67
Cash equivalents	-	-
Closing balance of cash and cash equivalents	46,204,338,694.43	36,053,042,380.29

61. Monetary Items of Foreign Currencies

Unit: RMB

Item	Balance in foreign currency at the end of the reporting period	Exchange rate for conversion	Balance of RMB converted at the end of the reporting period
Cash and bank balances			
Including: USD	411,831,238.17	7.0288	2,894,679,406.85
EUR	53,004,835.20	8.2355	436,521,320.29
Accounts receivable			
Including: USD	409,203,668.83	7.0288	2,876,210,747.47
EUR	134,052,884.19	8.2355	1,103,992,527.75
Short-term borrowing			
Including: EUR	100,142,587.50	8.2355	824,724,279.36
Accounts payable			
Including: USD	160,085,870.87	7.0288	1,125,211,569.17
EUR	239,672.03	8.2355	1,973,819.00

62. Lease

(1) As lessee

The company leases a number of assets, including houses and buildings, general equipment, special purpose equipment and transport vehicles, ranging from 1 month to 13 years. Such assets cannot be used for loan, mortgage, guarantee and other purposes.

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

The total amount of short-term lease expenses and lease expenses of low-value assets included in profit or loss for the period was RMB111,470,253.76 (2024: RMB80,310,605.02).

Total lease-related cash outflows for the year is RMB345,526,932.39 (2024: RMB 412,798,842.63)

(2) As a lessor

Operating lease as a lessor

,Unit: RMB

Item	Lease income	Among which: income related to variable lease payments not included in lease collections
Special-purpose equipment lease	93,355,662.93	-
Total	93,355,662.93	-

The Company's operating leases as a lessor relate to special-purpose equipment.

Financial lease as a lessor

,Unit: RMB

Item	Profit or loss on sales	Financing proceeds	Income related to variable lease payments that are not included in net lease investments
Special-purpose equipment lease	9,864,216.23	3,959,188.86	-
Total	9,864,216.23	3,959,188.86	-

As a lessor, the Group entered into financial lease contracts with customers in relation to special-purpose equipment.

VI. Changes in Consolidation Scope

1. Business Combination of Enterprises under Non-Common Control

(1) Business combination of enterprises under non-common control

Haishihuayue

On January 14, 2020, the Group, together with Taizhou Huangyan Radio and Television Network Co., Ltd. (hereinafter referred to as "Huangyan RT"), and Taizhou Huangyan Science and Technology Innovation Investment Co., Ltd. (hereinafter referred to as "Huangyan STI"), jointly established Haishihuayue, with respective equity holdings of 51%, 29%, and 20%. The voting rights at the shareholders' meeting were consistent with these equity percentages. According to the articles of association of Haishihuayue, all matters required approval by shareholders representing more than two-thirds of the voting rights. Therefore, the Group, together with Huangyan RT and Huangyan STI, jointly controlled Haishihuayue. On February 14, 2025, the shareholders' meeting of Haishihuayue passed a resolution to amend the Articles of Association, changing the requirement that major matters concerning the company's development strategy and long-term planning must be approved by shareholders representing more than two-thirds of the voting rights, to approval by shareholders representing more than half of the voting rights. As a result, the Group can control the financial and operational decisions of Haishihuayue, exercising substantial control over it and including it within the consolidated scope.

Unit: RMB

Name of the acquiree	Date of acquisition	Consolidation Cost	Merge ratio (%)	Merging method	Merge date	Merger day basis for determination	Date of merging at the end of the year of the acquiree Revenue	Consolidation date net profit of the acquiree at year-end
Haishihuayue.	February 14, 2025	14,154,413.00	51.00	Voting right change	February 14, 2025	Gain control	62,774,136.41	2,578,838.22

(2) Cost of business combination and goodwill

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

Unit: RMB

Cost of business combination	Haishihuayue
- Fair value of equity held before the merger date on the merger date	14,154,413.00
Total Combined Cost	14,154,413.00
Less: Fair Value Share of Identifiable Net Assets Acquired	14,154,413.00
Goodwill	-

(3) The book value of assets and liabilities of the acquiree on the date of purchase

Unit: RMB

	Haishihuayue	
	Fair value on the date of acquisition	Book value on the date of acquisition
Assets:		
Cash and bank balances	24,930,476.46	24,930,476.46
Accounts receivable	40,297,545.82	40,297,545.82
Contract assets	45,861,982.11	45,861,982.11
Others	13,968,294.32	13,968,294.32
Total assets	125,058,298.71	125,058,298.71
Liabilities:		
Accounts payable	78,999,910.54	78,999,910.54
Others	18,304,637.18	18,304,637.18
Total liabilities	97,304,547.72	97,304,547.72
Net assets:	27,753,750.99	27,753,750.99
Less: non-controlling interests	13,599,337.99	13,599,337.99
Net assets acquired	14,154,413.00	14,154,413.00

Note: The management of this Group considers that the fair value of the identifiable assets and liabilities of Haishihuayue is close to their book value, and therefore recognizes the fair value of the relevant identifiable assets and liabilities at their carrying amount. The Group does not have any contingent liabilities of the acquiree that need to be assumed in this merger.

2. Changes of Consolidation Scope due to Other Causes
(1) The subsidiaries newly established and incorporated in the consolidation scope during the current reporting period as follows:

Company name	Time of establishment	Registered capital
Guangzhou Hikvision Digital Technology Co., Ltd.,	April 2025	RMB 20 million
Hangzhou Microimage Intelligent Control Technology Co., Ltd.	May 2025	RMB 100 million
Hikvision Kyrgyzstan Limited Liability Company	May 2025	KGS 8,740,000
Hikvision System Limited	August 2025	HKD 10,000

Note: As of the end of this year, Hangzhou Microimage Intelligent Control Technology Co., Ltd. and Hikvision System Limited have not yet completed their paid-in capital.

(2) The subsidiaries that were deregistered and no longer included in the consolidated scope this year are as follows:

Company name	Logout time	Ownership ratio (%)
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Shijiazhuang Haishi Digital Technology Co., Ltd.	August 2025	65.00
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VII. Interest in Other Entities

1. Equity in Subsidiaries

(1) Composition of the corporate group

Name of subsidiaries	Location of operation	Place of registration	Nature of business	Acquisition method
Hangzhou Hikvision System Technology Co., Ltd.	Hangzhou	Hangzhou, Zhejiang	System integration, Technology development	Establishment
Hangzhou Hikvision Technology Co., Ltd.	Hangzhou	Hangzhou, Zhejiang	Manufacture	Establishment
Hangzhou EZVIZ Network Co., Ltd.	Hangzhou	Hangzhou, Zhejiang	Technology development	Establishment
Hangzhou Hikrobot Co., Ltd.	Hangzhou	Hangzhou, Zhejiang	Technology development	Establishment

2. Equity in Joint Ventures or Associates

(1) Aggregated financial information of insignificant joint-ventures and associates

Unit: RMB

	Closing balance / Amount for 2025	Opening balance / Amount for 2024
Associates:		
The aggregate book value of investments in associates	659,569,969.98	598,565,831.26
The aggregate amount of the following items calculated based on the Company's equity share percentage of the associates		
- Net income	50,821,710.98	27,475,447.67
- Other comprehensive income	-	-
--Total comprehensive income	50,821,710.98	27,475,447.67
Joint Ventures:		
Total investment book value	1,009,504,630.77	928,657,559.53
The sum of the following items calculated according to the shareholding ratio		
- Net income	165,429,962.21	3,193,543.20
- Other comprehensive income	-	-
- Total comprehensive income	165,429,962.21	3,193,543.20

(2) There are no significant restrictions on the ability of the joint ventures or associates to transfer funds to the Group.

(3) The Group has no unrecognized commitments relating to investments in joint ventures.

(4) The Group has no contingent liabilities related to investments in joint ventures or associates.

VIII. Government subsidy

1. Liabilities relating to government subsidy

Unit: RMB

Liabilities	Amount at the open of 2025	Increase in 2025	Other income 2025	Amount at the close of 2025	Asset-related /revenue-related
Special subsidy	814,219,130.60	231,018,119.75	186,898,872.68	858,338,377.67	Asset-related
Special subsidy	60,292,942.93	205,354,553.98	260,722,212.05	4,925,284.86	Revenue-related
Total	874,512,073.53	436,372,673.73	447,621,084.73	863,263,662.53	

2. Government subsidy recognized as gain or loss in the reporting period

Unit: RMB

Subsidy item	2025	2024
VAT collected and refunded	1,937,264,907.42	1,874,624,340.02
Special subsidy	824,896,116.74	689,500,154.89
Total	2,762,161,024.16	2,564,124,494.91

IX. Risks Associated with Financial Instrument

The Company's principal financial instruments include cash and bank balances, other non-current financial assets, notes receivable, accounts receivable, receivables for financing, other receivables, long-term receivables, part of the other non-current assets, borrowings, notes payable, accounts payable, other payables, long-term payables, derivative financial instruments, etc. Details of these financial instruments are set out in Note (V). Below are the risks associated with such financial instruments and the risk management policies adopted by the Group to mitigate such risks. The management of the Group manages and monitors such risk exposures to ensure such risks are contained within a prescribed scope.

Unit: RMB

Item	Closing balance of 2025	Closing balance of 2024
Financial assets:		
Measured at fair value through current profit and loss		
Derivative financial assets	4,792,243.40	26,775,923.93
Other non-current financial assets	589,955,315.74	472,000,082.76
Measured at fair value through other comprehensive income		
Receivables for financing	2,430,030,662.65	2,291,648,244.05
Measured at amortized cost		
Cash and bank balances	46,508,328,658.44	36,271,488,337.03
Notes receivable	3,051,356,562.64	2,722,596,142.46
Accounts receivable	29,812,378,945.77	37,910,128,735.42
Other receivables	442,502,788.34	531,344,606.50
Other non-current assets	198,742.26	51,370.95
Long-term receivables (including those due within one year)	829,846,974.06	1,274,780,835.91

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

Financial liabilities		
Measured at fair value through current profit and loss		
Derivative financial liabilities	11,299,401.25	1,874,341.64
Measured at amortized cost		
Short-term borrowings	2,685,866,236.94	1,031,895,812.62
Notes payable	783,778,534.95	1,197,128,746.56
Accounts payable	19,843,949,575.87	20,185,303,107.69
Other payables	3,384,020,094.93	3,528,359,044.48
Long-term borrowings (including those due within one year)	4,821,257,936.13	5,705,774,318.45
Long-term payables (including those due within one year)	9,749,569.60	9,818,368.20

The Group adopts sensitivity analysis techniques to analyze the possible effects of rational and probable changes in risk variables to profit or loss for the period or to the interests of shareholders. Since risk variables seldom change on a stand-alone basis, while the correlation between variables may have significant influence to the ultimate amount of change effected by the change in a single risk variable, the analysis below is based on the assumption that the changes in each variable occurred separately.

1. Objectives, Policies and Procedures of Risk Management, and changes in the reporting period

The Group engages in risk management with the aim of achieving an appropriate balance between risk and return, where the negative effects of risks against the Group's operating results are minimized, in order to maximize the benefits of shareholders and other stakeholders. Based on such objective in risk management, the underlying strategy of the Group's risk management is to ascertain and analyze all types of risks exposures of the Group, establish appropriate risk tolerance thresholds, carry out risk management procedures and perform risk monitoring on all kinds of risks in a timely and reliable manner, thus containing risk exposures within a prescribed scope.

1.1 Market risks

1.1.1 Foreign exchange risks

Foreign exchange risks refer to the risk that losses will occur because of changes in foreign exchange rates. The Company is primarily exposed to risks relating to the currencies such as USD, EUR and etc. The Group's subsidiaries in the mainland of China whose procurement, sales and financing are denominated in RMB, USD and EUR. Other principal activities are settled in RMB. The Group's subsidiaries in Hong Kong and outside China are principally engaged in procurement, sales, financing and other major business activities in local currencies such as USD, EUR and etc.

As of December 31, 2025, except for monetary items of foreign currencies set out in Note (V) 61, the Group mainly adopted the functional currency of each of its subsidiary to present the balance of its assets and liabilities. The foreign

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

exchange risks arising from assets and liabilities denominated in USD and EUR (which has been converted into RMB) as follows may generate significant impact on the operating results of the Group.

Unit: RMB

Currency	Assets		Liabilities	
	Closing balance	Opening balance	Closing balance	Opening balance
USD	5,770,890,154.32	6,115,192,672.24	1,125,211,569.17	491,667,514.41
EUR	1,540,513,848.04	1,636,384,469.30	826,698,098.36	6,610,732.62

The Group has been paying close attention to the effect of fluctuation in exchange rate on the foreign exchange risks of the Group, and has purchased various financial derivative instruments, such as forward foreign exchange contracts to mitigate the foreign exchange risk exposure.

Sensitivity analysis on exchange rate risk

The sensitivity analysis of the Group's foreign exchange risk includes only monetary items denominated in foreign currencies and does not consider the impact of the purchased derivative financial instruments.

With other variables unchanged, the exchange rate might float within a reasonable range, and has the following before-tax effect on profit or loss and shareholders' equity for the current period:

Unit: RMB

Change in foreign exchange rates	2025		2024	
	Effect on profit	Effect on shareholders' equity	Effect on profit	Effect on shareholders' equity
5% appreciation of USD against functional currency	232,283,929.26	232,283,929.26	281,176,257.89	281,176,257.89
5% depreciation of USD against functional currency	(232,283,929.26)	(232,283,929.26)	(281,176,257.89)	(281,176,257.89)
5% appreciation of EUR against functional currency	35,690,787.48	35,690,787.48	81,488,686.83	81,488,686.83
5% depreciation of EUR against functional currency	(35,690,787.48)	(35,690,787.48)	(81,488,686.83)	(81,488,686.83)

1.1.2. Interest rate risk

The risk of changes in cash flow of financial instruments due to changes in interest rates exposed to the Group are primarily related to bank borrowings bearing floating interest rate (please refer to Note (V) 24) and Note (V) 34) and bank deposits bearing floating interest rate. The Group's risks of changes in the fair value of financial instruments due to changes in interest rates are related to fixed-rate bank borrowings (please refer to Note (V) 24 and Note (V) 34) and fixed-rate bank deposits.

The Group determines the relative proportion of fixed interest rate contracts and floating interest rate contracts based on the prevailing market environment. On December 31, 2025, the Group's total long-term and short-term interest-bearing debts bearing fixed interest rates amounted to RMB 5,941,221,266.80 (December 31, 2024: RMB 5,538,078,464.46). The total amount of long-term and short-term interest-bearing debts bearing floating interest rates is RMB 1,483,787,320.07 (December 31, 2024: RMB1,165,181,524.22).

At present, the Group does not have any interest rate swap arrangements and will continue to pay close attention to the impact of changes in borrowing interest rates on the interest rate risk of the Group, and will make timely adjustments according to the latest market conditions.

The Group expects that the exposure to cash flow risk arising from floating-rate bank deposits and the exposure to changes in fair value arising from fixed-rate bank deposits are not significant.

1.1.3. Other price risks

The Group's price risk mainly arises from investments in held-for-trading equity instruments and derivative financial instruments.

The Group is exposed to price risk due to the holding of financial assets measured at fair value. The fair value of certain financial instruments is determined by the general pricing model based on discounted future cash flow method or other valuation techniques, while the valuation techniques are based on certain valuation assumptions. Therefore, the valuation results are highly sensitive to valuation assumptions. However, at the end of the current reporting period, the amount of investment in held-for-trading equity instruments and derivative financial instruments is not significant, and the changes of the amount due to changes in price of financial instruments as a result of change in valuation assumptions is limited, accordingly, no sensitivity analysis is conducted.

1.2 Credit Risk

As of December 31, 2025, the largest credit risk exposure that may result in financial losses of the Group is mainly due to the loss of the Group's financial assets arising from the failure of the counterparty to perform its obligations, including: cash and bank balances (Note (V) 1), notes receivable (Note (V) 3), accounts receivable (Note (V) 4), receivables for financing (Note (V) 6), other receivables (Note (V) 8), contract assets (Note (V) 5 and Note (V) 22), non-current assets due within one year (Note (V) 10), long-term receivables (Note (V) 12), etc., and derivative financial assets that are not included in the scope of impairment assessment and are measured at fair value through current profit or loss (Note (V) 2). As of the balance sheet date, the book value of the Group's financial assets represents its maximum credit risk exposure.

In order to reduce credit risk, the Group has arranged a team to determine the credit limit, conduct credit approval, and implement other monitoring procedures to ensure that necessary measures are taken to recover over-due debt. In addition, the Group reviews the recovery of financial assets on each balance sheet date to ensure that sufficient credit loss provisions are made for relevant financial assets. Therefore, the management of the Group believes that the credit risk exposure of the Group has been reduced significantly.

The credit risk on cash and bank balances of the Group is low as they are deposited with banks with high credit ratings.

For accounts receivable, contract assets and long-term receivables, the Group has put in place relevant policies to control credit risk exposure. The Group assesses credit quality of customers and sets corresponding credit period based on the customer's financial status, the possibility of obtaining guarantees from third parties, credit history and other factors such as current market conditions. The Group will regularly monitor the credit history of its customers. For customers with poor credit history, the Group takes various measures, such as written payment reminders, shorten or cancel the credit period, to ensure that the overall credit risk of the Group is maintained in a controllable range. For accounts receivable and contract assets, the Group uses a simplified method, that is, to measure the loss provision based on the amount equivalent to the expected credit loss for the entire duration. For details of the relevant expected credit loss measurement, see (Note (V) 4 & Note (V) 5). For long-term receivables, the Group calculates the expected credit losses based on the expected credit loss rate in the next 12 months or the entire duration based on the default risk exposure. For details of the related expected credit loss measurement, see (Note (V) 12).

For bank acceptance bills and certificates of accounts receivable claims, the Company believes that there is no significant credit risk and will not incur any significant losses. For financial company acceptance bills and commercial acceptance bills, the Company has set relevant policies to control credit risk exposure. The Company evaluates the credit status of the acceptor based on its financial position, credit history and other factors, such as current market conditions, and sets an internal credit rating for the acceptor. The Company regularly monitors the credit records of the acceptors, and for the acceptors with bad credit records, the Company adopts written reminders and other means to ensure that the overall credit risk is within a controllable range. For the acceptance bills and commercial acceptance bills receivable from financial companies, the Group calculates the expected credit loss based on the default risk exposure based on the expected credit loss ratio in the entire duration, and the relevant expected credit loss measurement is detailed in (Note (V) 3).

For other receivables, the Group regularly monitors the debtor's credit history. For debtors with poor credit history, the Group takes various measures such as written payment reminders to ensure that the Group's overall credit risk is maintained in a controllable range. For other receivables, the Group calculates the expected credit loss based on the expected credit loss ratio in the next 12 months or the entire duration based on the default risk exposure. For details of the relevant expected credit loss measurement, see (Note (V) 8).

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

The Group's risk exposure is distributed among multiple contractors and multiple customers, so the Group has no significant credit concentration risk.

1.3. Liquidity risk

The Group maintains and monitors a level of cash and cash equivalents deemed adequate by the management to meet the operation needs of the Group and to reduce the effect of cash flow movements when managing liquidity risk. The management of the Group monitors the usage of bank borrowings, and ensures compliance with borrowing agreements.

According to the term to maturity of non-discounted and remaining contract obligations, the financial liabilities held by the Group are analyzed as below:

Unit: RMB

	December 31, 2025			
	Within one year	1-5 years	More than 5 years	Total
Non-derivative financial liabilities				
Short-term borrowings	2,718,288,348.33	-	-	2,718,288,348.33
Notes payable	783,778,534.95	-	-	783,778,534.95
Accounts payable	19,843,949,575.87	-	-	19,843,949,575.87
Other payables	3,384,020,094.93	-	-	3,384,020,094.93
Long-term borrowings (including those due within one year)	3,676,724,652.76	1,219,344,053.16	40,536,937.50	4,936,605,643.42
Derivative financial liabilities	11,299,401.25	-	-	11,299,401.25

X. Fair Value Disclosure

1. The Financial Assets and Financial Liabilities Measured at Fair Value at the end of the Reporting Period

Unit: RMB

Item	Closing fair value			
	Level 1	Level 2	Level 3	Total
I. Continuous fair value measurement	-	2,423,523,504.80	589,955,315.74	3,013,478,820.54
(I) Derivative financial assets	-	4,792,243.40	-	4,792,243.40
1. Financial assets measured at fair value through profit and loss	-	4,792,243.40	-	4,792,243.40
(II) Other non-current financial assets	-	-	589,955,315.74	589,955,315.74
1. Financial assets at fair value through profit or loss	-	-	589,955,315.74	589,955,315.74
(III) Receivables for financing	-	2,430,030,662.65	-	2,430,030,662.65
1. Financial assets at fair value through other comprehensive income	-	2,430,030,662.65	-	2,430,030,662.65
Total assets measured continuously at fair value	-	2,434,822,906.05	589,955,315.74	3,024,778,221.79
(IV) Derivative financial liabilities	-	11,299,401.25	-	11,299,401.25
1. Financial liabilities measured at fair value through profit and loss	-	11,299,401.25	-	11,299,401.25
Total liabilities measured continuously at fair value	-	11,299,401.25	-	11,299,401.25

2. Information on the Estimation Technique and Important Parameters Adopted as for Continuous Level 2 Fair Value Measurement Items

Unit: RMB

	Fair value at December 31, 2025	Estimation technique	Inputs
Derivative financial assets	4,792,243.40	Discounted cash flow approach	Forward exchange rate Discounted rate that reflects the credit risk of counterparty
Derivative financial liabilities	11,299,401.25	Discounted cash flow approach	Forward exchange rate Discounted rate that reflects the credit risk of counterparty
Receivables for financing	2,430,030,662.65	Discounted cash flow approach	Discounted rate that reflects the credit risk of counterparty

3. The Third Level of Fair Value Measurement Item, the Valuation Techniques and Important Parameters Used

Unit: RMB

Items	Fair value on December 31, 2025	Valuation techniques	Inputs
Other non-current financial assets-- Investment in equity instruments of companies	589,955,315.74	Market approach /Income approach	Comparable public companies' PB (price/book value) ratio within the same industry /Future cash flows, Discount rate

4. The Third Level of Fair Value Measurement Item, Adjustment Information between the Opening and Closing Book Value

Unit: RMB

Other non-current financial assets	Amount
Book value on January 1, 2025	472,000,082.76
Increase in the current reporting period	105,000,000.00
Recovery of investments in the current reporting period	554,672.76
Changes in fair value booked into profit and loss during the current reporting period	13,509,905.74
Book value on December 31, 2025	589,955,315.74

The total amount of profit or loss in 2025 includes unrealized gains related to financial assets measured at fair value at the end of the year is RMB13,509,905.74 (2024 unrealized losses: RMB15,184,854.90) and such gains or losses are included in changes in fair value; the realized gains of financial assets measured at fair value at the end of the current reporting period which were included in investment income was RMB45,304,820.73 (2024: RMB61,241,171.99).

5. Items Measured at Continuous Fair Value. There Were No Transfers between Levels for the Current Reporting Period. There was No Estimation Technique Change for the Current Reporting Period

6. Fair Values of Financial Assets and Financial Liabilities that not Measured at Fair Value

The Group's management team believes that financial assets and financial liabilities measured at amortized cost mainly include cash and bank balances, notes receivable, accounts receivable, other receivables, some other non-current assets, non-current assets due within one year, long-term receivables, short-term borrowings, notes payable, accounts payable, other payables, part of non-current liabilities due within one year, long-term borrowings and long-term payables etc., book value of which approximates to its fair value.

XI. Related Party Relationships and Transactions

1. Information on Parent Company of the Company

Name of parent company	Place of registration	Nature of business	Registered capital	Shareholding ratio of parent company in the Company (%)	Percentage of voting rights of

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

					parent company to the Company (%)
CETHIK Group Co., Ltd. (CETHIK)	Hangzhou, Zhejiang	Industrial investment	RMB 945 million	37.28	37.28

The actual controlling party of the Company is China Electronics Technology Group Co., (hereafter referred to as CETC).

2. Information on the Subsidiaries of the Company

For details of the main subsidiaries of the Company, see Note (VII)1.

3. Information on the Joint Ventures and Associated Companies of the Company

Joint ventures and associates that had related party transactions with the Group in the current reporting period, or in the prior periods and formed balances are as follows:

Name of the associates or joint ventures	Relationship with the Group
Maxio Technology (Hangzhou) Co., Ltd. and its subsidiaries (Note1)	Associated company
Zhiguang Hailian Big Data Technology Co., Ltd. and its subsidiaries (Note1)	Associated company
Jiaxin Haishi JiaAn Zhicheng Technology Co., Ltd. (Note1)	Associated company
Sanmenxia Xiaoyun Vision Technology Co., Ltd. (Note1)	Associated company
Taifang Zhigan (Chongqing) Technology Co., Ltd. (originally named as Beijing Taifang Technology Co., Ltd., Note1)	Associated company
Jiangsu Haishi Kaitai Technology Co., Ltd. (Note1)	Associated company
Taijing Technology (Nanjing) Co., Ltd. (Note1)	Associated company
Guangxi Haishi Urban Operation Management Co., Ltd. and its subsidiaries (Note2)	Joint venture
Shenzhen Haishi Urban Service Operation Co., Ltd. and its subsidiaries (Note2)	Joint venture
Xuzhou Kangbo Urban Operation Management Service Co., Ltd. (Note2)	Joint venture
Yunnan Yinghai Parking Service Co., Ltd. (Note2)	Joint venture
Zhejiang City Digital Technology Co., Ltd. (Note3)	Joint venture
Haishihuayue (Note4)	Joint venture

Note 1: Those companies are collectively referred to as "associated companies" in the following disclosures of related party transactions, receivables from related parties, and payable from related parties.

Note 2: Those companies are collectively referred to as "joint venture" in the following disclosures of related party transactions, receivables from related parties, and payable from related parties.

Note 3: From July 2020 to November 2025, Zhejiang City Digital Technology Co., Ltd. was a joint venture of the Group. In November 2025, the Group completed the external transfer of its equity interest in Zhejiang City Digital Technology Co., Ltd, and therefore it was a related party of the Group from July 2020 to November 2025.

Note 4: From January 2020 to February 2025, Haishihuayue was a joint venture of the Group. In February 2025, the Group included Haishihuayue within the scope of its consolidated financial statements. During the period from January 2020 to February 2025, Haishihuayue was a related party of the Group.

4. Information on Other Related Parties

Name (Note1)	Relationship
Shanghai Fullhan Microelectronics Co., Ltd. and its subsidiaries	The related close family members of shareholder(s) that hold(s) more than 5% shares of the Company act in concert with the actual controller of the Company

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

Name (Note1)	Relationship
Guandong Hutong Technology Co., Ltd.	The related close family members of shareholder(s) that hold(s) more than 5% shares of the Company act as a director from board of this company.
Shenzhen Guotengan Vocational Education Technology Ltd.	Shareholder(s) that hold(s) more than 5% shares of the Company serve(s) as the director(s) of this company
Confirmware Technology (Hangzhou) Co., Ltd. and its subsidiaries	The Company's senior management serve(s) as director(s) of this company
Zhejiang Fast Line data fusion Information Technology Co., Ltd. and its subsidiaries (Note2)	The Company's senior management once serve(d) as director(s) of this company
Chengdu Guoshengtianfeng Network Technology Ltd. and its subsidiaries	The Company's senior management serve(s) as director(s) of this company
Shenzhen Wanyu Security Service Co., Ltd. and its subsidiaries	The Company's senior management serve(s) as director(s) of this company
Ningbo Industrial Internet Research Institute Co., Ltd.	The Company's independent director(s) serve(s) as director(s) of this company
INESA (Group) Ltd. and its subsidiaries (Note3)	The Company's previous chairman(chairmen) of Board of the Supervisors once serve(d) as director(s) of this company
Shanghai Vico Precision Mold & Plastics Co.,Ltd. (Note4)	The Company's previous chairman(chairmen) of Board of the Supervisors was(were) independent director(s) of this company
Bank of Tianjin Co., Ltd. and its subsidiaries (Note5)	The Company's previous chairman(chairmen) of Board of the Supervisors serve(s) as independent director(s) of this company
Subsidiaries of CETC (Note 6)	Under common control of the actual controlling party of the Company

Note 1: Those companies (excluding subsidiaries of CETC) are collectively referred to as "other related parties" in the following disclosures of related party transactions, receivables from related parties, and payable from related parties.

Note 2: Guo Xudong, the senior management of the Company, once served as a director of the corresponding company. As he departed from his position as a director of the corresponding company in March 2025, and this year marks his first year of departure. Therefore, the corresponding company is considered a related party to our Group for this year.

Note 3: Lu Jianzhong, the previous chairman of Board of the Supervisor of the Company, once served as a director of the corresponding company. As he departed from his position as a director of the corresponding company in September 2025, and departed from his position as the chairman of Board of the Supervisor of the Company in September 2025, and this year marks his first year of departure. Therefore, the corresponding company is considered a related party to our Group for this year.

Note 4: Lu Jianzhong, the previous chairman of Board of the Supervisor of the Company, once served as an independent director of the corresponding company. As he departed from his position as an independent director of the corresponding company in June 2024, and departed from the position as the chairman of Board of the Supervisor of the Company in September 2025. Therefore, the corresponding company was an affiliate of this group for the fiscal year 2024 and from January to June 2025.

Note 5: Lu Jianzhong, the previous chairman of Board of the Supervisor of the Company, serves as an independent director of the corresponding company. As he departed from the position as a chairman of Board of the Supervisor of the Company in September 2025, and this year marks his first year of departure. Therefore, the corresponding company is considered a related party to our Group for this year.

Note 6: Subsidiaries and affiliated research institutes of CETC, excluding Hikvision and its subsidiaries.

5. Related Party Transactions

(1) Related party transactions regarding sales and purchases of goods, provision of services and receiving services

Purchase of commodities / receiving of services:

Unit: RMB

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

Related party	Transaction type	2025	2024
Subsidiaries of CETC	Purchase of materials and receiving of services	2,308,602,513.23	1,897,826,757.19
Joint ventures	Purchase of materials and receiving of services	6,602,324.45	7,651,968.58
Associated companies	Purchase of materials and receiving of services	170,234,813.32	281,612,997.63
Other related parties	Purchase of materials and receiving of services	963,759,002.12	1,189,645,482.17
Total		3,449,198,653.12	3,376,737,205.57

Sales of commodities / rendering of services:

Unit: RMB

Related party	Transaction content	2025	2024
Subsidiaries of CETC	Sales of products and rendering of services	207,066,575.61	219,280,317.07
Joint ventures	Sales of products and rendering of services	12,593,806.91	34,879,502.21
Associated companies	Sales of products and rendering of services	24,695,257.74	34,474,131.86
Other related parties	Sales of products and rendering of services	20,436,820.06	22,004,352.43
Total		264,792,460.32	310,638,303.57

Fixed Asset Purchase and Sales:

Unit: RMB

Related party	Transaction content	2025	2024
Subsidiaries of CETC	Purchase of fixed assets	4,981,641.05	1,317,219.10
Total		4,981,641.05	1,317,219.10

Note: In 2024, the Group signed a low-voltage complete switchgear equipment procurement contract with a subsidiary of CETC. It provides the Group with power-related equipment for the industrial park. The total amount of the project excluding tax is RMB6,584,655.52. In this year, the procurement content included in this contract has changed, and the total amount of the project excluding tax has been revised to RMB6,298,860.15. As of this year, the cumulative settlement of the project is RMB4,981,641.05. As of December 31, 2025, the cumulative settlement of the project is RMB6,298,860.15.

(2) Related party lease

The Group as the lessor

Unit: RMB

Lessee	Type of leased assets	Rental income confirmed in 2025	Rental income confirmed in 2024
Subsidiaries of CETC	House	1,496,388.35	-
Total		1,496,388.35	-

The Group as the lessee

Unit: RMB

Lessor	Type of leased assets	Rental fee confirmed in 2025	Rental fee confirmed in 2024
Subsidiaries of CETC	House	-	1,670,579.23
Total		-	1,670,579.23

(3) Compensation for key managers

Unit: RMB

Item	2025	2024
Compensation for key managers	39,388,175.04	31,903,090.50

(4) Other related party transactions

Statement of capital deposits:

Unit: RMB

Related party	Content of related party transaction	Amount occurred in 2025	Balance at the end of the current reporting period	Amount occurred in 2024	Opening balance in 2025
Subsidiaries of CETC	Deposit (withdraw from)	2,295,926,223.32	6,296,109,949.06	(13,463,687.38)	4,000,183,725.74
Total		2,295,926,223.32	6,296,109,949.06	(13,463,687.38)	4,000,183,725.74

Note: This represents the deposits made by the Group with China Electronics Technology Finance Co., Ltd. The balance of time deposits at the end of this year is RMB50,000,000.00 (end of last year: RMB4,000,000,000.00), and the balance of demand deposits is RMB6,246,109,949.06 (end of last year: RMB183,725.74). The interest income from deposits for this year is RMB 62,677,233.66 (last year: RMB47,756,631.71) .

Information on entrusted loans:

In 2025, the Company issued entrusted loans to its subsidiaries through China Electronics Technology Finance Co., Ltd. in the amount of RMB4,041,000,000.00(last year: RMB4,156,000,000.00), and the amount of handling fees confirmed to China Electronics Technology Finance Co., Ltd. was RMB404,100.00 (last year: RMB415,600.00).

Information on Working Capital Borrowing:

In 2025, Hangzhou HikAuto Technology Co., Ltd., (hereafter referred to as HikAuto) a subsidiary of the Group, and Whst, borrowed RMB300,000,000.00 (last year: RMB150,000,000.00) and RMB187,000,000.00 (last year: nil) respectively, in working capital from China Electronics Technology Finance Co., Ltd.. The interest expense recognized for China Electronics Technology Finance Co., Ltd. was RMB 1,987,888.90 (last year: RMB128,333.33) and RMB76,721.94 (last year: nil) respectively.

Information on Related Entrusted Management

On April 10, 2024, EZVIZ Network, a subsidiary of the Group, signed an agreement with the parent company, CETHIK, for the entrustment management of Furui Technology. According to the agreement, EZVIS Network paid management fee to CETHIK. During the reporting year, the capital occupation fee of this transaction amounted to RMB 478,842.31 (last year: RMB380,731.68).

Others:

During the last reporting year, the Group received an international business subsidy of RMB 2,007,056.47 from the actual controlling party, CETC.

6. Receivables from Related Parties and Payables to Related Parties

(1) Receivables from related parties

Unit: RMB

Item	Related party	Closing balance		Opening balance	
		Account balance	Credit loss provision	Carrying balance	Credit loss provision
Note receivables and account receivables financing	Subsidiaries of CETC	119,145,263.13	486,011.50	52,626,277.73	374,735.27
Note receivables and account receivables financing	Joint ventures	598,804.83	-	13,352,890.19	-
Note receivables and account receivables financing	Associated companies	10,899,272.78	-	4,392,879.50	-
Note receivables and account receivables financing	Other related parties	3,233,621.00	-	1,908,892.17	-
Total		133,876,961.74	486,011.50	72,280,939.59	374,735.27

Unit: RMB

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

Item	Related Party	Closing balance		Opening balance	
		Account balance	Credit loss provision	Account balance	Credit loss provision
Account receivables	Subsidiaries of CETC	374,875,770.53	211,167,399.98	486,103,594.64	150,460,535.70
Account receivables	Joint ventures	13,379,632.75	1,337,322.50	26,582,054.99	2,439,410.80
Account receivables	Associated companies	41,456,884.77	11,006,962.31	67,058,711.03	10,008,346.67
Account receivables	Other related parties	5,743,013.53	272,584.64	5,254,943.87	209,669.50
Total		435,455,301.58	223,784,269.43	584,999,304.53	163,117,962.67

Unit: RMB

Item	Related Party	Closing balance		Opening balance	
		Account balance	Credit loss provision	Account balance	Credit loss provision
Contract Assets (Including the portion accounted in other non-current assets)	Subsidiaries of CETC	4,909,705.07	35,349.88	-	-
Contract Assets (Including the portion accounted in other non-current assets)	Joint ventures	6,753,209.12	48,623.11	-	-
Contract Assets (Including the portion accounted in other non-current assets)	Associated companies	188,075.00	1,354.14	-	-
Contract Assets (Including the portion accounted in other non-current assets)	Other related parties	17,100.00	123.12	-	-
Total		11,868,089.19	85,450.25	-	-

Unit: RMB

Item	Related party	Closing balance	Opening balance
Prepayments	Subsidiaries of CETC	772,646.46	1,357,188.83
Prepayments	Associated companies	-	667,500.73
Total		772,646.46	2,024,689.56

Unit: RMB

Item	Related party	Closing balance		Opening balance	
		Account balance	Credit loss provision	Account balance	Credit loss provision
Other receivables	Subsidiaries of CETC	181,934.70	786.29	675,015.40	503,901.99
Other receivables	Joint ventures	152,410.50	1,097.35	45,506.53	373.15
Total		334,345.20	1,883.64	720,521.93	504,275.14

Unit: RMB

Item	Related party	Closing balance		Opening balance	
		Account balance	Credit loss provision	Account balance	Credit loss provision
Long-term receivables (including those due within one year)	Subsidiaries of CETC	-	-	119,906.12	983.23
Long-term receivables (including	Joint ventures	19,048,495.64	617,949.42	27,457,234.23	1,153,621.48

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

Item	Related party	Closing balance		Opening balance	
		Account balance	Credit loss provision	Account balance	Credit loss provision
those due within one year)					
Total		19,048,495.64	617,949.42	27,577,140.35	1,154,604.71

(2) Payables to related parties

Unit: RMB

Item	Related party	Closing balance	Opening balance
Short-term borrowings	Subsidiaries of CETC	487,217,388.61	150,128,333.33
Total		487,217,388.61	150,128,333.33

Unit: RMB

Item	Related party	Closing balance	Opening balance
Notes payables	Subsidiaries of CETC	26,919,760.88	5,438,628.32
Notes payables	Other related parties	1,750,206.38	1,570,383.71
Total		28,669,967.26	7,009,012.03

Unit: RMB

Item	Related party	Closing balance	Opening balance
Account payables	Subsidiaries of CETC	732,509,260.10	593,917,797.74
Account payables	Joint ventures	1,301,743.39	1,224,799.99
Account payables	Associated companies	68,368,304.00	114,410,719.92
Account payables	Other related parties	398,382,295.10	442,181,100.83
Total		1,200,561,602.59	1,151,734,418.48

Unit: RMB

Item	Related party	Closing balance	Opening balance
Contract liabilities	Subsidiaries of CETC	24,718,252.58	4,070,684.79
Contract liabilities	Joint ventures	3,838,356.67	293,305.79
Contract liabilities	Associated companies	417,528.56	601,534.30
Contract liabilities	Other related parties	10,354.56	13,583.70
Total		28,984,492.37	4,979,108.58

Unit: RMB

Item	Related party	Closing balance	Opening balance
Other payables	Subsidiaries of CETC	7,870,382.71	6,619,267.43
Other payables	Joint ventures	33,000.00	59,892.75
Other payables	Associated companies	779,495.00	696,315.00
Other payables	Other related parties	372,000.00	413,000.00
Total		9,054,877.71	7,788,475.18

Unit: RMB

Item	Related Party	Closing balance	Opening balance
Long-term payables	Subsidiaries of CETC	9,749,569.60	9,749,569.60
Total		9,749,569.60	9,749,569.60

XII. Share-based Payments

1. Overview of Share-based Payments

Share Incentive Scheme of Staff Co-Investment in Innovative Businesses

On October 22, 2015, the Company considered and approved *Management Measures for Core Staff Co-Investment in Innovative Businesses (Draft)* (hereafter referred to as "Management Measures") at the 2nd extraordinary general meeting. On March 7, 2016, representative congress of labor union of Hikvision passed *Implementation Provisions for Management Measures for Core Staff Investment in Innovative Businesses* (hereafter referred to as "Provisions"), to initiate and implement the incentive mechanism of staff co-investment (hereafter referred to as "Staff Co-Investment Plan") in innovative business subsidiaries. Staff who participate in the Staff Co-Investment Plan (hereafter referred to as "Co-Investment Staff") signed an *Entrusted Investment Agreement* with the labor union committee of Hikvision (hereafter referred to as "Hikvision Labor Union"), to entrust Hikvision Labor Union to make investments. Hikvision Labor Union, as a principal, shall cooperate with a trust company, which shall be a limited partner (LP) of a partnership enterprise, to establish a trust plan, and to invest trust funds into innovative business subsidiaries. (Investment form described above is referred to as "Co-Investment Platform").

Staff Investment Plan is classified as plan A and plan B according to applicable grantees. Grantees of plan A are comprised of medium-and-senior level management personnel and core competent staff from the Company and its subsidiaries are able to invest in all innovative businesses. Grantees of plan B are comprised of core and full-time staff from innovative business subsidiaries, and could participate in investment on innovative business subsidiaries and their subsidiaries where they serve. The Co-Investment Platform will increase capitals annually, the corresponding increased equity of which will be distributed to core staff who meets investment conditions pursuant to particular rules. The waiting period shall be five years after equity of Co-Investment Platform is held by the staff. Within the waiting period, if the labor relationship between the grantees and the Company or its subsidiaries is released or terminated, equity of Co-Investment Platform held by the grantees shall be refunded and settled by the labor union at an agreed price pursuant to the Provisions.

The Co-Investment Platform grants Co-Investment Staff additional equity annually. The Company determines whether share-based payment shall be constituted based on the fair value of equity instruments newly obtained by the Group's staff in Co-Investment Platform on each granting date. On December 25, 2020, the Company held the 20th meetings of 4th session of the Board of Directors, which reviewed and approved the *Proposal on Revising Management Measures for Core Staff Co-Investment in Innovative Businesses*. The updated version of *Management Measures for Core Staff Co-Investment in Innovative Businesses* (hereinafter referred to as "updated version of *Management Measures*"), The new version adds rules relating to the confirmation of shares held directly by employees under Staff Co-Investment Plan and equities of innovative business subsidiaries held indirectly by employees, clarifies the treatment of shares under Co-Investment Plan after the disqualification about co-investment of employees, adds rules of management committee.

On December 31, 2020, the Executive management committee of the Co-Investment Plan approved the *Provisions for Management Measures for Core Staff Investment in Innovative Businesses* (hereafter referred to as "New Provisions". In accordance of the New Provisions, for the confirmed Plan A shares, the waiting period is five years since the employee has worked for the Company or its subsidiaries and for the confirmed share of Plan B, the waiting period is five years since the employee has worked for the innovative business subsidiary corresponding to the Plan B or its subsidiaries.

2. Information of the Share-based Payment through Equity Settlements

Share Incentive Scheme of Staff Co-Investment in Innovative Businesses

Unit: RMB

	Share Incentive Scheme of Staff Co-Investment in Innovative Businesses
Method of determining the fair value of equity instruments at the grant date	Evaluated and determined based on income method at the grant date
Recognition basis of the number of the equity instruments qualified for vesting	Estimated based on the turnover rate of each vesting period
Accumulative amount of share-based payment through equity settlement and further included in the capital reserve	1,081,136,679.70

Total amount of the expenses recognized according to share-based payment through equity settlement in the current reporting period	161,910,835.98
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RMB32,665,763.54 of the total expenses of paid and confirmed by equity settlements was shared by minority shareholders.

3. There is no share-based payment through cash settlements

XIII. Commitments and Contingencies

1. Significant Commitments

(1) Capital commitments

Unit: RMB'000

	Closing balance	Opening balance
Contracted but not yet recognized in financial statements		
- Commitment on construction of long-term assets	3,222,615	4,782,225
- Commitment on external investments	2,440	2,440
Total	3,225,055	4,784,665

2. Contingencies

There are no material contingencies that need to be disclosed by the Group.

XIV. Events after the Balance Sheet Date

1. Significant Unadjusted Events

As of April 16, 2026, the Company has no material post-balance sheet events to disclose.

2. Profit Distribution

Pursuant to the proposal of the 9th meeting of the 6th session of the Board of Directors on April 16, 2026, the Company proposed to distribute cash dividend of RMB7.50 (tax inclusive) per each 10 shares to all shareholders. The above dividend distribution plan is still subject to the approval of the General Meeting of Shareholders.

XV. Other Significant Events

1. Segment Information

1.1 Report segment determining and accounting policy

According to the Group's internal organization structure, management requirements and internal report principles, the Group has only one operating segment, which is the research and development, production and sales of AIoT products and services.

External revenue by geographical area & non-current assets by geographical location

Unit: RMB

Item	2025	2024
External revenue generated in domestic area	58,221,682,972.42	60,601,005,007.24

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

External revenue generated in overseas area	34,286,113,097.52	31,894,520,111.06
Total	92,507,796,069.94	92,495,525,118.30

Unit: RMB

Item (Note)	On December 31, 2025	On January 1, 2025
Non-current assets in domestic area	25,766,322,637.89	24,071,063,742.13
Non-current assets in overseas area	954,163,233.45	878,754,968.19
Total	26,720,485,871.34	24,949,818,710.32

Note: the non-current assets above did not include financial assets, long-term equity investment, and deferred tax assets.

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

XVI. Notes to Major Items of Financial Statements of the Parent Company

1. Accounts Receivable

(1) Disclosure by aging

Unit: RMB

	Account balance on December 31, 2025	Account balance on January 1, 2025
Within credit period	10,683,606,534.30	2,290,185,031.06
Within 1 year after exceeding credit period	4,855,584,328.79	22,956,416,334.33
1-2 years after exceeding credit period	386,386,949.46	445,308,144.39
2-3 years after exceeding credit period	197,514,494.40	276,803,705.22
3-4 years after exceeding credit period	168,115,362.26	220,698,222.82
Over 4 years after exceeding credit period	383,677,693.76	304,329,300.13
Subtotal	16,674,885,362.97	26,493,740,737.95
Less: bad debts provisions	745,972,089.32	760,119,868.00
Book value	15,928,913,273.65	25,733,620,869.95

(2) Classification and disclosure of by bad debts provision methods

Unit: RMB

Category	Closing balance					Opening balance				
	Account balance		Credit loss provision		Book value	Account balance		Credit loss provision		Book value
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Amount	Percentage (%)	Amount	Percentage (%)	Amount
Provision for bad debts on a	-	-	-	-	-	-	-	-	-	-

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

Category	Closing balance					Opening balance				
	Account balance		Credit loss provision		Book value	Account balance		Credit loss provision		Book value
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Amount	Percentage (%)	Amount	Percentage (%)	Amount
single basis										
Provision for bad debts by portfolios	16,674,885,362.97	100.00	745,972,089.32	4.47	15,928,913,273.65	26,493,740,737.95	100.00	760,119,868.00	2.87	25,733,620,869.95
Total	16,674,885,362.97	100.00	745,972,089.32	4.47	15,928,913,273.65	26,493,740,737.95	100.00	760,119,868.00	2.87	25,733,620,869.95

Accounts receivable provision for bad debts by portfolios

Unit: RMB

Customer	Closing balance		
	Account balance	Bad debts provision	Proportion (%)
Subsidiaries in the Group	13,617,421,861.91	-	-
Portfolio A	2,090.00	2,090.00	100.00
Portfolio B	3,057,339,630.07	745,848,218.33	24.40
Portfolio C	121,780.99	121,780.99	100.00
Total	16,674,885,362.97	745,972,089.32	4.47

Description of accounts receivable for bad debts provision by portfolios

As part of the Company's credit risk management, the Company's accounts receivable are divided into portfolio A, portfolio B and portfolio C according to the regional and object risk characteristics of the business, and the impairment matrix is used to determine the expected credit loss of each portfolio based on the aging of accounts receivable over credit period. For the accounts receivable generated by the Group's subsidiaries, because the payment time is arranged by the Group according to the cash flow of the companies in the Group, the Company believes that the credit risk is low and no provision for bad debts is required. The aging information can reflect

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

the solvency of these three types of customers when the accounts receivable are due.

(3) Bad debts provision

Unit: RMB

Item	Amount at the opening balance	Changes in the year		Translation differences for foreign currency statements	Amount at the closing balance
		Accrual or reverse	Transfer or write-off		
Account receivables	760,119,868.00	19,297,106.18	33,444,884.86	-	745,972,089.32
Total	760,119,868.00	19,297,106.18	33,444,884.86	-	745,972,089.32

(4) Top five debtors based on corresponding closing balance of accounts receivable and contract assets (including the part included in other non-current assets)

At the end of the year, the aggregate amount of the Company's top five accounts receivable and contract assets was RMB13,398,510,480.26 (including account receivables of RMB13,398,510,480.26), accounting for 80.13% of the total balance of accounts receivable and contract assets at the end of the year, and the provision for bad debts amounted to RMB67,306,871.61.

2. Other Receivables

2.1 By categories

Unit: RMB

Category	Closing balance	Opening balance
Dividends receivable	23,946,902.38	-
Other receivables	4,314,158,141.88	4,405,567,174.71
Total	4,338,105,044.26	4,405,567,174.71

2.2 Dividends receivable

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

Unit: RMB

Investees	Closing balance	Opening balance
Subsidiaries of Hikvision	23,946,902.38	-
Total	23,946,902.38	-

2.3 Other receivables

(1) Other receivables by aging

Unit: RMB

Aging	Closing balance	Opening balance
Within contract period	4,281,648,184.54	4,373,247,408.09
Within 1 year	31,784,056.44	24,122,882.75
1-2 years	1,388,490.85	7,395,888.61
2-3 years	1,728,137.72	6,172,540.83
3-4 years	1,191,358.75	1,215,236.36
Over 4 years	1,198,443.90	754,319.10
Subtotal	4,318,938,672.20	4,412,908,275.74
Less: bad debts provision	4,780,530.32	7,341,101.03
Book value	4,314,158,141.88	4,405,567,174.71

(2) Other receivables by nature of the payment

Unit: RMB

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

Nature	Closing balance	Opening balance
Payments of subsidiaries within the Group	4,207,441,180.79	4,305,122,194.83
Guarantee deposit	44,208,359.68	59,508,337.34
Temporary payments for receivables	45,844,316.12	38,710,852.68
Others	21,444,815.61	9,566,890.89
Total	4,318,938,672.20	4,412,908,275.74

(3) Provision for bad debts of other receivables

Unit: RMB

Item	Amount at the opening balance	Changes in the year		Translation differences for foreign currency statements	Amount at the closing balance
		Accrual or reverse	Transfer or write-off (recollect)		
Other receivables	7,341,101.03	(2,570,570.71)	(10,000.00)	-	4,780,530.32
total	7,341,101.03	(2,570,570.71)	(10,000.00)	-	4,780,530.32

(4) Top 5 debtors of other receivables in terms of closing balance

At the end of the year, the total amount of the top five other receivables of the Company was RMB3,470,506,095.94, accounting for 80.36% of the total balance of other receivables at the end of the year, without provision for bad debts.

3. Long-term Equity Investment

Unit: RMB

Item	Closing balance			Opening balance		
	Account balance	Provisions	Book value	Account balance	Provisions	Book value

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

Investment in subsidiaries	8,360,103,123.08	-	8,360,103,123.08	8,234,997,797.96	-	8,234,997,797.96
Investments in associated enterprises and joint ventures	1,375,755,052.47	-	1,375,755,052.47	1,251,972,687.05	-	1,251,972,687.05
Total	9,735,858,175.55	-	9,735,858,175.55	9,486,970,485.01	-	9,486,970,485.01

(1) Investment in main subsidiaries

Unit: RMB

Name of investee	Opening balance	Increase during the current reporting period	Decrease during the current reporting period	Closing balance	Write-off of impairment provision during the current reporting period	Balance of impairment loss provision at the end of the current reporting period
Hangzhou Hikvision System Technology Co., Ltd.	903,765,761.48	-	-	903,765,761.48	-	-
Hangzhou Hikvision Technology Co., Ltd.	1,116,114,606.67	-	-	1,116,114,606.67	-	-
Hangzhou EZVIZ Network Co., Ltd.	61,201,821.95	-	-	61,201,821.95	-	-
Hangzhou Hikrobot Co., Ltd.	139,418,539.03	-	204,346.40	139,214,192.63	-	-

(2) Investments in associated enterprises and joint ventures

Unit: RMB

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

Name of investee	Opening balance	Increase/ Decrease in the current reporting period								Closing balance	Balance of impairment loss provision at the end of the current reporting period
		Additio nal investm ents	Reduced investments	Investment income (losses) recognized under the equity method	Other comprehensive income adjustment	Other changes in equity	Declared cash dividends or profit distribution	Provision for impairment	Others		
1. Joint Ventures											
Hangzhou Haikang Intelligent Industrial Equity Investment Fund Partnership (L.P.)	868,063,887.91	-	-	168,077,206.04	-	21,868,095.92	70,863,281.24	-	-	987,145,908.63	-
Zhejiang City Digital Technology Ltd.	20,077,377.04	-	21,433,292.65	1,355,915.61	-	-	-	-	-	-	-
Haishihuayue (Note(V).13, note 2)	13,704,580.92	-	-	449,832.08	-	-	-	-	(14,154,413.00)	-	-
Guangxi Haishi Urban Operation Management Ltd.	11,449,482.39	-	-	(2,032,296.87)	-	-	-	-	-	9,417,185.52	-
Xuzhou Kangbo	10,845,746.31	-	-	(1,700,435.07)	-	-	-	-	-	9,145,311.24	-

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

Name of investee	Opening balance	Increase/ Decrease in the current reporting period								Closing balance	Balance of impairment loss provision at the end of the current reporting period
		Additio nal investm ents	Reduced investments	Investment income (losses) recognized under the equity method	Other comprehensive income adjustment	Other changes in equity	Declared cash dividends or profit distribution	Provision for impairment	Others		
Urban Operation Management Service Ltd.											
Others	4,516,484.96	-	-	(720,259.58)	-	-	-	-	-	3,796,225.38	-
Subtotal	928,657,559.53	-	21,433,292.65	165,429,962.21	-	21,868,095.92	70,863,281.24	-	(14,154,413.00)	1,009,504,630.77	-
2. Associated Companies											
Zhiguang Hailian Big Data Technology Ltd.	24,397,944.42	-	-	3,987,667.65	-	-	400,000.00	-	-	27,985,612.07	-
Others	298,917,183.10	-	-	29,919,042.51	-	9,428,584.02	-	-	-	338,264,809.63	-
Subtotal	323,315,127.52	-	-	33,906,710.16	-	9,428,584.02	400,000.00	-	-	366,250,421.70	-
Total	1,251,972,687.05	-	21,433,292.65	199,336,672.37	-	31,296,679.94	71,263,281.24	-	(14,154,413.00)	1,375,755,052.47	-

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

4. Revenue/cost of sales and services

Unit: RMB

Item	2025		2024	
	Revenue	Cost	Revenue	Cost
Major business	20,897,481,656.79	3,712,135,062.97	20,681,004,485.86	4,216,128,688.84
Other business	3,256,074,541.64	243,888,109.14	3,467,417,117.50	267,226,838.09
Total	24,153,556,198.43	3,956,023,172.11	24,148,421,603.36	4,483,355,526.93

5. Investment Income

Unit: RMB

Item	2025	2024
Long-term equity investment income calculated by the cost method	877,827,867.52	292,456,924.76
Long-term equity investment income measured by the equity method	199,336,672.37	26,003,020.74
Investment income from disposal of long-term equity investment	86,896,573.41	-
Investment income of other non-current financial assets during the holding period	44,403,920.73	61,241,171.99
Investment income from debt investments	42,443,301.51	45,379,372.42
Income (loss) from debt restructuring	(3,818.40)	3,878,687.69
Others	2,393,505.16	-
Total	1,253,298,022.30	428,959,177.60

6. Related Party Transactions

(1) Sales and purchase of goods, provision of services and receiving services

Purchase of goods/ receiving of services:

Unit: RMB

Related party	Transaction type	2025	2024
Subsidiaries of Hikvision (Note)	Purchase of materials and receiving of services	1,430,571,465.11	5,395,302,179.33
Subsidiaries of CETC	Purchase of materials and receiving of services	22,522,618.73	32,664,227.51
Joint ventures	Purchase of materials and receiving of services	837,766.97	807,264.14
Associated companies	Purchase of materials and receiving of services	-	469,026.55
Other related parties	Purchase of materials and receiving of services	169,070.05	17,127.81
Total		1,454,100,920.86	5,429,259,825.34

Note: Subsidiaries of Hikvision are subsidiaries of the Company.

Sales of goods/ rendering of services:

Unit: RMB

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

Related party	Transaction type	2025	2024
Subsidiaries of Hikvision	Sales of products and rendering of services	19,663,048,594.19	19,131,105,118.11
Subsidiaries of CETC	Sales of products and rendering of services	47,290,172.35	24,866,715.09
Joint ventures	Sales of products and rendering of services	10,587,848.80	1,673,502.60
Associated companies	Sales of products and rendering of services	1,760,000.00	-
Other related parties	Sales of products and rendering of services	5,033,826.14	5,753,689.86
Total		19,727,720,441.48	19,163,399,025.66

(2) Related party lease

The Company as lessor

Unit: RMB

Lessee	Lease type	Lease fee recognized in 2025	Lease fee recognized in 2024
Subsidiaries of CETC	House	159,634.86	-
Total		159,634.86	-

The Company as lessee

Unit: RMB

Lessor	Lease type	Lease fee recognized in 2025	Lease fee recognized in 2024
Subsidiaries of CETC	House	-	1,670,579.23
Total		-	1,670,579.23

(3) Guarantees with related parties

In the current reporting period, the Company has provided guarantees for its 26 subsidiaries in an amount not exceeding an equivalent of RMB12.49 billion (2024: RMB16.68 billion).

(4) Funding to related parties

To meet the funding needs for research and development, the Company, together with the Group's subsidiaries, HikMicro Sensing and Hangzhou Hikvision Technology Co., Ltd. (hereinafter referred to as the "loan user companies"), and several banks have signed a long-term loan agreement for unified borrowing and repayment. Under this loan arrangement, the Company acts as the borrower, the loan user companies act as the users, and several banks are the lenders. The loan user companies apply for loans through the Company based on their own

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

comprehensive funding needs including R&D projects, which are then approved by the banks. After approval, the loans are disbursed from the Company to the loan user companies. The loan term runs from December 31, 2021, to December 2, 2026. As of December 31, 2025, RMB997,000,000.00 (previous year: RMB1,066,600,000.00) of the Company's long-term receivables represents loans that have been applied for by the loan user companies. In 2025, interest income recognized was RMB24,705,629.85 (previous year: RMB56,565,166.27).

(5) Other related party transactions

Unit: RMB

Related party	Reason for relating	Amount occurred in 2025	Amount occurred in 2024
Subsidiaries of Hikvision	Purchasing intangible assets	349,496,000.00	-

(6) Other related party transactions

Statement of capital deposits

Unit: RMB

Related Party (Note)	Content of related party transaction	Amount occurred during the current reporting period	Closing balance at the end of the current reporting period	Amount occurred during the prior reporting period	Opening balance at the beginning of the current reporting period
Subsidiaries of CETC	Deposit into (withdraw from) current deposits	2,295,955,535.30	6,296,056,551.12	(4,918,334.06)	4,000,101,015.82
Total		2,295,955,535.30	6,296,056,551.12	(4,918,334.06)	4,000,101,015.82

Note: For the deposit that the Company deposited into China Electronics Technology Finance Co., Ltd., the total fixed deposit amount by the end of 2025 is RMB50,000,000.00 (2024: RMB4,000,000,000.00), the current deposit amount by the end of 2025 is RMB6,246,056,551.12 (2024: RMB101,015.82) and the deposit interest income is RMB62,675,093.05 in 2025 (2024: RMB47,752,259.82).

Statement of entrusted lending

In April 2025, the Company convened its 5th Meeting of the 6th Board of Directors and passed the *Proposal on Regarding Providing Financial Support to Subsidiaries*. The proposal authorizes granting related-party loan quotas to HikAuto, Wuhan Hikstorage Technology Co., Ltd., Hikstorage Technology, and Hangzhou Rayin Detection Technology Co., Ltd. for amounts not exceeding RMB1,500 million, RMB1,100 million, RMB100 million, and RMB200 million, respectively. These loans are intended to supplement the operating capital needs of each innovative business subsidiary. The specific loan amounts will be determined according to the actual business needs of the innovative business subsidiaries. This proposal was approved by the Company's shareholders' meeting on May 9, 2025. The validity period of the related-party loan quotas is three years from the date of approval by the shareholders' meeting. The quotas (balances) can be used in batches and recycled within the validity period. The

annual interest rates for the related-party loans will be negotiated by both parties to the agreement under the condition that they do not violate relevant laws and regulations. The interest rates will be determined in accordance with market principles, with specifics subject to the contract.

In April 2024, the Company convened the 20th meeting of the 5th Board of Directors, which deliberated and approved the *Proposal on Providing Financial Assistance to Subsidiaries*. The Company will provide related-party loan limits of up to RMB800 million each to Hangzhou Hikimaging Electronics Co., Ltd. and Zhejiang Hiksafety Technology Co., Ltd., (hereafter referred to as "Zhejiang Hikfire"). These loans are intended to meet the operating capital needs of each innovative business subsidiary, with specific loan amounts provided based on actual business requirements. The proposal was approved by the Company's shareholders' meeting on May 10, 2024. The validity period of the related-party loan limits is three years from the date of approval by the shareholders' meeting, and the limits (balances) can be used in batches and cycled within the validity period. The annual interest rate for related-party loans will be determined through negotiation between the parties, in compliance with relevant laws and regulations, and will be set according to market principles, with specific terms outlined in the contract. Upon the effectiveness of this proposal, any unused portion of the related-party loan limit obtained by Zhejiang HikFire on April 15, 2023, automatically become invalid

In April 2023, the Company convened the 17th meeting of the 5th Board of Directors, which reviewed and approved the *Proposal on Providing Financial Assistance to Subsidiaries*. The proposal includes providing affiliated loan limits of up to RMB600 million to HikImaging Technology, RMB600 million to Hangzhou Rayin Techonology, RMB400 million to Hikfire Technology, RMB200 million to Zhejiang HikFire, and RMB500 million to Whst. These funds are intended to meet the operational funding needs of each innovative business subsidiary, with specific loan amounts determined based on actual business requirements. The resolution was approved by the Company's shareholders on April 15, 2023. The validity period of the affiliated loan limits is three years from the date of approval by the shareholders, and the limits (balances) can be used in batches and recycled within the validity period. The annual interest rate for affiliated loans will be determined through negotiation between the parties in compliance with relevant laws and regulations, and will be set according to market principles, with specific terms specified in the contract. Upon the effectiveness of this resolution, any unused affiliated loan limits obtained by HikImagingTechnology, Hangzhou Rayin Technology, and HikFire Technology on May 13, 2022, automatically become invalid.

During the current reporting year, the Company issued entrusted loans to its subsidiaries through China Electronics Technology Finance Co., Ltd. in the amount of RMB4,041,000,000.00 (previous year: RMB4,156,000,000.00). The investment income recognized from entrusted loans was RMB42,443,301.51 (previous year: RMB 45,379,372.42), and the handling fees recognized for China Electronics Technology Finance Co., Ltd. were RMB404,100.00 (previous year: RMB 415,600.00). At the end of the reporting year, the balance of entrusted loans issued by the Company through China Electronics Technology Finance Co., Ltd. to its subsidiaries was RMB 2,052,000,000.00 (end of previous year: RMB1,705,000,000.00).

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

7. Receivables from Related Parties and Payables to Related Parties

(1) Receivables from related parties

Unit: RMB

Item	Related party	Closing balance		Opening balance	
		Account balance	Bad debts provision	Account balance	Bad debts provision
Notes receivable and receivables for financing	Subsidiaries of Hikvision	30,311,555.68	-	37,741,590.86	-
Notes receivable and receivables for financing	Subsidiaries of CETC	43,832,657.84	40,433.79	10,513,675.00	86,212.14
Notes receivable and receivables for financing	Associates	46,987.81	-	552,692.21	-
Total		74,191,201.33	40,433.79	48,807,958.07	86,212.14

Unit: RMB

Item	Related party	Closing balance		Opening balance	
		Account balance	Bad debts provision	Account balance	Bad debts provision
Accounts receivable	Subsidiaries of Hikvision	13,617,421,861.91	-	22,467,680,384.77	-
Accounts receivable	Subsidiaries of CETC	155,487,648.45	100,669,789.56	178,548,603.77	83,196,754.77
Accounts receivable	Joint ventures	10,263,746.52	712,180.01	6,892,208.90	902,328.46
Accounts receivable	Associates	9,302,521.72	7,484,557.02	9,332,521.72	6,872,408.87
Accounts receivable	Other related parties	1,584,235.00	123,482.50	3,223,980.57	82,171.25
Total		13,794,060,013.60	108,990,009.09	22,665,677,699.73	91,053,663.35

Unit: RMB

Item	Related party	Closing balance	Opening balance
Prepayments	Subsidiaries of Hikvision	285,373,625.27	168,075,014.96
Prepayments	Subsidiaries of CETC	-	546,123.27
Total		285,373,625.27	168,621,138.23

Unit: RMB

Item	Related party	Closing balance		Opening balance	
		Account balance	Bad debts provision	Account balance	Bad debts provision

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

Other receivables (not including dividend receivables)	Subsidiaries of Hikvision	4,207,441,180.79	-	4,305,122,194.83	-
Other receivables (not including dividend receivables)	Subsidiaries of CETC	181,934.70	786.29	125,015.40	1,256.99
Other receivables (not including dividend receivables)	Joint ventures	11,557.60	83.21	10,630.33	87.17
Total		4,207,634,673.09	869.50	4,305,257,840.56	1,344.16

Unit: RMB

Item	Related party	Closing balance		Opening balance	
		Account balance	Bad debts provision	Account balance	Bad debts provision
Dividends receivable	Subsidiaries of Hikvision	23,946,902.38	-	-	-
Total		23,946,902.38	-	-	-

Unit: RMB

Item	Related party	Closing balance	Opening balance
Other current assets	Subsidiaries of Hikvision	2,052,000,000.00	1,705,000,000.00
Total		2,052,000,000.00	1,705,000,000.00

Unit: RMB

Item	Related party	Closing balance		Opening balance	
		Account balance	Bad debts provision	Account balance	Bad debts provision
Long-term receivables (including those due within one year)	Subsidiaries of Hikvision	997,000,000.00	-	1,066,600,000.00	-
Long-term receivables (including those due within one year)	Subsidiaries of CETC	-	-	119,906.12	983.23
Total		997,000,000.00	-	1,066,719,906.12	983.23

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

(2) Payables to related parties

Unit: RMB

Item	Related party	Closing balance	Opening balance
Accounts payable	Subsidiaries of Hikvision	506,903,590.97	689,778,641.24
Accounts payable	Subsidiaries of CETC	8,979,393.08	10,610,293.12
Accounts payable	Joint ventures	80,188.68	-
Accounts payable	Associates	150.00	-
Total		515,963,322.73	700,388,934.36

Unit: RMB

Item	Related party	Closing balance	Opening balance
Contract liabilities	Subsidiaries of Hikvision	1,343,066.57	1,120,699.61
Contract liabilities	Subsidiaries of CETC	17,017,582.54	433,257.00
Contract liabilities	Other related parties	888.02	1,000.50
Total		18,361,537.13	1,554,957.11

Unit: RMB

Item	Related party	Closing balance	Opening balance
Other payables	Subsidiaries of Hikvision	1,434,229,870.17	247,950,838.31
Other payables	Subsidiaries of CETC	812,515.30	529,940.00
Other payables	Joint ventures	12,000.00	6,000.00
Other payables	Associates	10,000.00	10,000.00
Other payables	Other related parties	122,000.00	113,000.00
Total		1,435,186,385.47	248,609,778.31

8. Supplementary Information to the Cash Flow Statement

(1) Supplementary information to the cash flow statement

Unit: RMB

Supplementary information	2025	2024
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	11,246,784,128.48	9,484,641,144.09
Add: Assets impairment provision	5,884,915.24	98,433.91
Credit loss provision	16,224,809.46	114,296,061.01
Depreciation of fixed assets	439,529,147.85	400,803,736.88
Amortization of intangible assets	71,515,452.37	11,963,785.89
Depreciation of right of use assets	25,468,001.66	43,289,525.77

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

Supplementary information	2025	2024
Amortization of long-term deferred expenses	21,861,691.15	21,896,303.07
Losses (gains) on disposal of fixed assets, intangible assets and other long-term assets	(28,611,065.32)	7,215,529.29
Financial expenses (gains)	(60,201,198.99)	37,079,820.87
Losses(gains)from change in fair value	(6,700,773.26)	31,637,646.48
Investment losses(gains)	(1,253,301,840.70)	(425,080,489.91)
Share-based payment through equity settlement	54,558,433.83	465,571,241.07
Decrease (increase) in restricted funds	(12,410,059.28)	(11,358,859.44)
Decrease in deferred income tax assets	13,413,959.54	16,231,468.48
Decrease (increase) in inventories	(18,386,396.13)	55,453,299.85
Decrease (increase) in operating receivables	9,240,723,953.20	(7,821,898,315.65)
Increase (decrease) in operating payables	518,395,526.57	(703,839,540.74)
Increase (decrease) in deferred income	(48,608,551.54)	(44,429,536.28)
Net cash flow from operating activities	20,226,140,134.13	1,683,571,254.64
2. Net change in cash and cash equivalents:		
Closing balance of cash	33,379,572,349.73	22,790,271,523.04
Less: Opening balance of cash	22,790,271,523.04	36,354,702,554.38
Add: Closing balance of cash equivalents	-	-
Less: Opening balance of cash equivalents	-	-
Net increase (decrease) in cash and cash equivalents	10,589,300,826.69	(13,564,431,031.34)

(2) Composition of cash and cash equivalents

Unit: RMB

Item	Closing balance	Opening balance
I. Cash	33,379,572,349.73	22,790,271,523.04
Including: Cash on hand	114,103.06	252,041.30
Bank deposit for payment at any time	33,376,254,368.07	22,699,753,574.91
Other currency funds for payment at any time	3,203,878.60	90,265,906.83
II. Cash equivalents	-	-
III. Closing balance of cash and cash equivalents	33,379,572,349.73	22,790,271,523.04

On December 31, 2025, the Company's closing balance of other currency funds was RMB38,880,406.11 (December 31, 2024: RMB113,532,375.06), of which RMB35,676,527.51 (December 31, 2024: RMB23,266,468.23) were various guarantee deposits, other restricted funds, and etc., not cash or cash equivalents.

Notes to Financial Statements

For the reporting period from January 1, 2025 to December 31, 2025

XVII. Supplementary Information

1. Details of Non-Recurring Profit or Loss

Unit: RMB

Item	Amount	Description
Profit or loss from disposal of non-current assets	26,802,422.78	/
The government subsidies recognized in the current period's profit or loss, except for those closely related to the Company's normal operations, in compliance with national policy, and enjoyed according to established standards, which have a sustained impact on the Company's profit or loss.	637,997,244.06	/
Investment income generated from the disposal of long-term equity investments	9,933,580.31	
Apart from the effective hedging activities related to the Company's normal business operations, the fair value changes in financial assets and financial liabilities held by non-financial enterprises, as well as the gains or losses from the disposal of these financial assets and liabilities.	(70,025,776.15)	/
Income or loss from debt restructuring	28,305,484.54	/
Other non-operating income and expense except the items mentioned above	56,727,224.59	/
Impact of income tax	(88,819,017.89)	/
The impact of minority equity	(108,707,321.02)	/
Total	492,213,841.22	/

The Basis for Preparing the Schedule of Non-recurring Gains and Losses:

According to the provisions of the China Securities Regulatory Commission's "Announcement No. 1 on the Interpretation of Information Disclosure for Publicly Issued Securities - Non-recurring Gains and Losses (2023 Revision)," non-recurring gains and losses refer to the gains and losses arising from transactions and events that are not directly related to the Company's normal business operations, or although related to normal business operations, are of a special nature and occur infrequently, thereby affecting the ability of financial statement users to make correct judgments about the Company's operating performance and profitability.

2. Return on Net Assets and Earnings per Share

The return on net assets and earnings per share have been prepared by Hangzhou Hikvision Digital Technology Co., Ltd. in accordance with the Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share (Revised in 2010) issued by China Securities Regulatory Commission.

Unit: RMB

Profit for the reporting period	Weighted average return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	17.30%	1.546	1.546
Net profit excluding non-recurring items of profit or loss attributable to ordinary shareholders of the Company	16.70%	1.492	1.492

Section XI Documents Available for Reference

1. The financial report was signed and sealed by the person in charge of the Company, the person in charge of accounting work and person in charge of accounting organization (Accounting Supervisor);
2. The original audit report containing the seal of the accounting firm and the signature and seal of the certified public accountant;
3. Original versions and copies of all the Company's documents and announcements that were publicly disclosed on the website designated by CSRC during the reporting period.

The above documents are completely placed at the Company's board of directors' office.

Hangzhou Hikvision Digital Technology Co., Ltd.

Chairman: Hu Yangzhong

April 18, 2026

Note:

This document is a translated version of the Chinese version 2025 Annual Report ("2025 年年度报告"), and the published announcements in the Chinese version shall prevail. The complete published Chinese 2025 Annual Report may be obtained at www.cninfo.com.cn.