

ZHEJIANG DAHUA TECHNOLOGY CO., LTD.

**PRELIMINARY FINANCIAL DATA
FOR THE YEAR OF 2019**

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

Important: The 2019 annual financial data provided in this announcement are only preliminary accounting data and have been audited by internal audit department of the Company, but have not been audited by the certified public accountants. There may be discrepancies between the financial data published in this announcement and the final data disclosed in the 2019 annual report. Investors are advised to take note of the investment risks.

I. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS FOR FISCAL YEAR 2019

(in RMB, except per share data)

Item Name	The current reporting period	The corresponding period of last year	Increase/Decrease
Total operating revenue	26,090,399,522.85	23,665,688,106.22	10.25%
Operating Profit	3,441,851,268.58	2,700,069,991.57	27.47%
Total Profit	3,446,169,601.90	2,773,155,271.13	24.27%
Net profits attributable to shareholders of the Company	3,162,776,193.97	2,529,426,468.61	25.04%
Basic earnings per share (RMB)	1.09	0.87	25.29%
Weighted average ROE	22.57%	22.16%	0.41%
	At the end of the current reporting period	At the beginning of the current reporting period	Increase/Decrease
Total assets	29,434,000,923.22	26,350,599,778.15	11.70%
Owners' equity attributable to shareholders of the Company	15,511,264,024.45	12,618,758,918.48	22.92%
Share Capital	3,003,713,230.00	2,997,621,930.00	0.20%
Net asset per share attributable	5.16	4.21	22.57%

to shareholders of the Company			
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Note 1: The above figures are at consolidated level of the Company;

Note2: During the reporting period, the total share capital of the company altered from 2,997,621,930 shares to 3,003,713,230 shares due to partial restricted stock buyback write-offs and the grant of reserved shares to listed.

II. INFORMATION ABOUT OPERATING RESULTS AND FINANCIAL POSITION

1. During the reporting period, the Company achieved operating revenue of RMB 26,090,399,522.85, representing an increase of 10.25% as compared to the corresponding period of last year. Operating Profit amounted to RMB 3,441,851,268.58, representing an increase of 24.27% as compared to the corresponding period of last year. The Company achieved total Profit of RMB 3,446,169,601.90, representing an increase of 24.27% as compared to the corresponding period of last year. Net profits attributable to shareholders of the Company amounted to RMB 3,162,776,193.97, representing an increase 25.04% as compared to the corresponding period of last year. During the reporting period, facing complex domestic and international environment and challenges, the Company adhered to the technology innovation as the core, continuously improved its video-centric smart IOT solution capabilities, and actively grasped the development trend of the market and industry. At the same time, the Company further strengthened the fine management, continued to optimize the business structure, and promoted the steady growth of the Company's performance.
2. During the reporting period, the Company' total asset increased by 11.70% and net asset increased by 22.92%, mainly due to the expansion of the business scale and the increase of the profit.

III. EXPLANATION FOR DISCREPANCIES FROM PREVIOUS OPERATING RESULTS EXPECTATION

The business performance disclosed in this announcement is in line with the 2019 operating results expectation disclosed in 2019 3rd quarter report.

IV. DOCUMENTS AVAILABLE FOR INSPECTION

1. The comparative balance sheet and income statement that signed and sealed by the person in charge of the Company, the responsible person in charge of accounting work, and the person in charge of accounting organization.
2. The internal audit report signed by the person in charge of the internal audit department.

Board of Directors
ZHEJIANG DAHUA TECHNOLOGY CO., LTD.
February 28th, 2020