

HANGZHOU HIKVISION DIGITAL
TECHNOLOGY CO., LTD.



2019 Quarter 3 Report
July to September 2019

October 19th 2019

Section I Important Notes, Contents and Definitions

The Board of Directors, Board of Supervisors, directors, supervisors and senior management of Hangzhou Hikvision Digital Technology Co., Ltd. (hereinafter referred to as the “Company”) hereby guarantee that the information presented in this report shall be together be wholly liable for the truthfulness, accuracy and completeness of its contents and free of any false records, misleading statements or material omissions, and will undertake individual and joint legal liabilities.

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

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

Note:

This document is a translated version of the Chinese version 2019 Q3 Financial Report (“2019 年第三季度报告全文”), and the published Q3 report in the Chinese version shall prevail. The complete published Chinese 2019 Q3 Financial Report may be obtained at <http://www.cninfo.com.cn>.

Section II Corporate Profile

I. Key Accounting Data and Financial Indicators

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

Yes No

	At September 30 th 2019		At December 31 st 2018				Change(%) between December 31 st 2018 and September 30 th 2019	
			Before adjustments	After adjustments		After adjustments		
Total assets (RMB)	68,288,828,836.24		63,484,352,233.42		63,465,019,931.22		7.60%	
Net assets attributable to shareholders of the Company (RMB)	40,439,398,048.74		37,590,154,638.46		37,567,728,835.78		7.64%	
	2019 Q3	2018 Q3		YoY Change(%) between 2018 Q3 and 2019 Q3	2019 Q1~Q3	2018 Q1~Q3		YoY Change(%) between 2018 Q1~Q3 and 2019 Q1~Q3
		Before adjustments	After adjustments	After adjustments		Before adjustments	After adjustments	After adjustments
Operating income (RMB)	15,915,642,804.35	12,926,932,976.48	12,926,932,976.48	23.12%	39,838,916,228.85	33,802,691,201.11	33,802,691,201.11	17.86%
Net profits attributable to shareholders of the Company (RMB)	3,810,578,954.89	3,248,407,615.14	3,248,407,615.14	17.31%	8,027,334,165.13	7,395,803,151.00	7,395,803,151.00	8.54%
Net profits attributable to shareholders of the Company excluding non-recurring gains and losses (RMB)	3,667,114,061.94	3,142,725,705.56	3,142,725,705.56	16.69%	7,789,309,590.97	7,151,996,666.81	7,151,996,666.81	8.91%
Net cash flows from operating activities (RMB)	555,379,028.58	4,267,464,655.50	4,267,464,655.50	-86.99%	124,315,235.40	2,646,271,297.50	2,646,271,297.50	-95.30%
Basic earnings per share (RMB/share)	0.400	0.357	0.357	12.04%	0.860	0.806	0.806	6.70%
Diluted earnings per share (RMB/share)	0.400	0.353	0.353	13.31%	0.860	0.804	0.804	6.97%
Weighted average Return on Equity (ROE)	9.64%	10.25%	10.25%	-0.61%	20.44%	23.06%	23.06%	-2.62%

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

The total share capital of the Company as of the previous trading day of the financial report disclosure (share)	9,345,010,696.00
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Fully diluted earnings per share calculated using the latest share capital:

	2019 Q3	2019 Q1~Q3
Fully diluted earnings per share (RMB/share) calculated with the latest share capital	0.408	0.859

Items and Amounts of Non-recurring Gains and Losses

Applicable Inapplicable

Unit: RMB

Item	January 1 st –September 30 th 2019
Profit or loss from disposal of non-current assets (including the write-off for the impairment provision of assets)	1,199,556.27
The government subsidies included in the current profits and losses (excluding the government subsidy closely related to regular course of business of the Company and government subsidy based on standard quota or quantitative continuous application according to the state industrial policy.)	284,740,071.76
Net gains and losses from beginning of the reporting period to the merge date for the subsidiary merged involving enterprises under common control	-885,138.65
Profits and losses attributed to change in fair value for held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, and derivative financial liabilities; and investment income from disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other debt investments, excluding the effective hedging business related to the regular business operation of the Company.	21,799,481.93
Other non-operating income and expenditures except the items mentioned above	45,991,918.07
Less: Impact of income tax	82,768,374.18
Impact of the minority interests (after tax)	32,052,941.04
Total	238,024,574.16

Explain the reasons if the Company classifies an item as a non-recurring gain/loss according to the definition in the <Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Non-recurring Gains and Losses>, or classifies any non-recurring gain/loss item mentioned in the aforementioned note as a recurrent gain/loss item

Applicable Inapplicable

II. Total Number of Shareholders at the end of the reporting period and Information for Top 10 Shareholders

1. Total number of common shareholders and preferred shareholders with resumed voting rights and information about top 10 shareholders

Unit: Share

Total number of common shareholders at the end of the reporting period	217,240	Total number of preferred shareholders (if any) whose voting rights have been recovered at the end of the reporting period	0			
Particulars about top 10 shareholders						
Name of shareholder	Nature of shareholder	Share-holding percentage (%)	Total shares held at the period-end	The number of common shares held with trading restrictions	Pledged or frozen	
					Status	Amount
China Electronics Technology HIK Group Co., Ltd.	Domestic State-owned corporation	39.10%	3,653,674,956	0	Pledged	50,000,000
Gong Hongjia	Overseas individual	13.43%	1,255,056,700	941,292,525	Pledged	545,030,000
Hong Kong Securities Clearing Company Ltd.(HKSCC)	Overseas corporation	6.38%	595,977,036	0	-	
Xinjiang Weixun Investment Management Limited Partnership	Domestic non-state-owned corporation	4.82%	450,795,176	0	Pledged	127,612,000
Xinjiang Pukang Investment Limited Partnership	Domestic non-state-owned corporation	1.95%	182,510,174	0	Pledged	37,200,000
Hu Yangzhong	Domestic Individual	1.95%	182,186,477	136,639,858	Pledged	109,310,468
The 52nd Research Institute at China Electronics Technology Group Corporation	Domestic State-owned corporation	1.93%	180,775,044	0	-	
CITIC Securities Company Limited	Domestic State-owned corporation	1.04%	96,903,225	0	-	
Central Huijin Investment Ltd.	Domestic State-owned corporation	0.70%	65,818,800	0	-	
Guo Minfang	Domestic Individual	0.42%	39,474,700	0	-	

Particulars about shares held by the Top 10 common shareholders holding shares that are not subject to trading restriction(s)			
Name of shareholder	Number of common shares without trading restrictions held at the period-end	Type of shares	
		Type	Number
China Electronics Technology HIK Group Co., Ltd.	3,653,674,956	RMB ordinary shares	3,653,674,956
Hong Kong Securities Clearing Company Ltd.(HKSCC)	595,977,036	RMB ordinary shares	595,977,036
Xinjiang Weixun Investment Management Limited Partnership	450,795,176		450,795,176
Gong Hongjia	313,764,175	RMB ordinary shares	313,764,175
Xinjiang Pukang Investment Limited Partnership	182,510,174	RMB ordinary shares	182,510,174
The 52nd Research Institute at China Electronics Technology Group Co. Ltd.	180,775,044	RMB ordinary shares	180,775,044
CITIC Securities Company Limited	96,903,225	RMB ordinary shares	96,903,225
Central Huijin Investment Ltd.	65,818,800	RMB ordinary shares	65,818,800
Hu Yangzhong	45,546,619	RMB ordinary shares	45,546,619
Guo Minfang	39,474,700	RMB ordinary shares	39,474,700
Explanation on associated relationship and concerted actions among above shareholders	<p>China Electronics Technology HIK Group Co., Ltd. and The 52nd Research Institute at China Electronics Technology Group are all subject to control of China Electronics Technology Group Corporation. Ms. Chen Chunmei, limited partner of Xinjiang Pukang Investment Limited Partnership, is the spouse of Mr. Gong Hongjia, foreign individual shareholder of the Company. Hu Yangzhong, domestic individual, is holding shares in both Xinjiang Weixun Investment Management Limited Partnership and Xinjiang Pukang Investment Limited Partnership.</p> <p>Except for these, the Company does not know whether the other shareholders are related parties or whether they are acting-in-concert parties in accordance with the <i>Measures for Management of the Disclosure of the Shareholding Changes of Shareholders of the Listed Company</i>.</p>		

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

Applicable Inapplicable

No such cases in the reporting period.

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

Applicable Inapplicable

Section III Significant Events

1. Information and explanation about variations in key financial statement items and financial indicators during the reporting period.

√Applicable □Inapplicable

1.1 Explanation for variations in balance sheet items

Item	Balance at September 30 th 2019 (RMB)	Balance at January 1 st 2019 (RMB)	YoY change (%)	Note of Changes
Accounts receivable	22,263,835,274.52	16,619,441,281.18	33.96%	Increase as sales revenue grows
Long-term receivables	938,509,869.57	705,512,368.17	33.03%	
Receipts in advance	845,999,565.36	641,430,490.22	31.89%	
Receivables for financing	1,198,257,901.65	2,247,357,583.28	-46.68%	Bank acceptance bills endorsed for payment
Prepayments	698,836,396.28	460,304,219.65	51.82%	Increase in stock-ups
Inventories	9,844,634,655.15	5,725,104,153.41	71.96%	
Notes payable	1,082,080,179.53	463,479,760.54	133.47%	
Construction in process	658,376,204.58	416,092,413.42	58.23%	Increase in construction investment on Chengdu Science and Technology Base and Chongqing Science and Technology Base
Long-term borrowings	4,530,620,000.00	440,000,000.00	929.69%	Increase in foreign currency loans for long-term asset investment
Other payables	880,158,563.93	2,953,454,987.95	-70.20%	The shares for 2018 Restricted Incentive Stock Scheme were granted, and the investment funds were converted into share capital and capital reserve, which led to a decrease in other payables and an increase in capital reserve. Other current liabilities and treasury shares increased according to the increase in the number of shares subject to sale restrictions.
Other current liabilities	2,299,380,825.08	364,984,759.94	529.99%	
Share capital	4,225,822,036.36	1,960,939,660.52	115.50%	
Treasury shares	2,299,380,825.08	364,984,759.94	529.99%	

1.2 Explanation for variations in income statement items

Item	2019 Q1~Q3 (RMB)	2018 Q1~Q3 (RMB)	YoY Change (%)	Note of changes
R&D expenses	4,007,277,010.81	3,077,722,956.20	30.20%	Continue to increase investments in R&D
Financial expense	-626,571,624.15	-367,680,813.03	-70.41%	Increase in foreign exchange gains subject to exchange rate fluctuations.

1.3 Explanation for variations in cash flow statement items

Item	2019 Q1~Q3 (RMB)	2018 Q1~Q3 (RMB)	YoY Change (%)	Note of changes
Net cash flows from operating activities	124,315,235.40	2,646,271,297.50	-95.30%	Increase in stock-ups in the current reporting period
Net cash flows from investing activities	-1,257,968,335.26	1,296,366,271.60	-197.04%	The previous bank's principal-guaranteed wealth management investment was withdrawn
Net cash flows from financing activities	-4,477,259,135.63	-2,606,239,170.94	-71.79%	Due to the current EURO debt repayment and the increase in distribution of dividends

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

Applicable Inapplicable

Implementation progress of share repurchase

Applicable Inapplicable

Progress in the implementation of the reduction of repurchased shares by means of centralized bidding

Applicable Inapplicable

3. Unfulfilled and overdue commitments from the related committed parties such as the Company's actual controller, shareholders, related parties, acquirer(s), and the Company during the reporting period

Applicable Inapplicable

No such case during the reporting period.

4. Guidance on the Company’s 2019 full year operational results.

The estimated year-over-year change (%) range of the net profits attributable to shareholders of the Company for 2019 is from 5% to 20%.

5. Financial Assets measured at fair value

Applicable Inapplicable

Unit: RMB

Category	Initial investment cost	Current profits or losses on the changes in fair value	Accumulated fair value changes included in equity	Purchase during the reporting period	Amount sold during the reporting period	Cumulative investment income	Closing balance	Source of funds
Derivative instruments	1,013,306,062.25	-1,573,852.92		318,303,388.25		8,769,414.59	369,559.03	Company's own funds
Other non-current financial assets	290,966,813.00	12,788,786.31		2,884,220.00			306,639,819.31	Company's own funds
Receivables for financing	2,247,357,583.28		15,490,388.65				1,198,257,901.65	Company's own funds
Total	3,551,630,458.53	11,214,933.39	15,490,388.65	321,187,608.25		8,769,414.59	1,505,267,279.99	--

6. Illegal provision of guarantees for external parties

Applicable Inapplicable

No such case in the reporting period.

7. The Company’s funds used by the controlling shareholder or its related parties for non-operating purposes

Applicable Inapplicable

No such case in the reporting period.

8. Entrusted financial management

Applicable Inapplicable

No such case in the reporting period.

9. Schedule for the reception activities including research, communication and interviews during the report period

Applicable Inapplicable

9.1 Reception of research activities during 2019 Q3

Time of reception	Method of reception	Type of reception object	Index of basic situation of the research
July 20 th 2019	Performance Result-Conference Call	Institutional and individual investors	CNINF, <i>Investor Relations Activity Record: July 20th 2019</i>
From July 22 nd 2019 to August 2 nd 2019	Site Research and telephone communication	Institutional investors	CNINF, <i>Investor Relations Activity Record: From July 22nd 2019 to August 2nd 2019</i>
From August 5 th 2019 to August 16 th 2019	Site Research and telephone communication	Institutional investors	CNINF, <i>Investor Relations Activity Record: From August 5th 2019 to August 16th 2019</i>
From August 19 th 2019 to September 9 th 2019	Site Research and telephone communication	Institutional investors	CNINF, <i>Investor Relations Activity Record: From August 19th 2019 to September 9th 2019</i>
From September 10 th 2019 to September 23 rd 2019	Site Research and telephone communication	Institutional investors	CNINF, <i>Investor Relations Activity Record: From September 10th 2019 to September 23rd 2019</i>

9.2 Participation of conferences for investor relationship activities during 2019 Q3

Time of conference	Location	Conference Name	Type of reception object	Method of reception
July 2019	Tokyo	Daiwa Hong Kong China Investment Seminar Tokyo 2019	All kinds of investors	One-on-One, One-on-multi, small group Meetings, and etc.
July 2019	Shanghai	Guotai Junan Information Industry Summit	All kinds of investors	One-on-One, One-on-multi, small group Meetings, and etc.
July 2019	Hongkong-Taiwan	Hongkong Taiwan NDR-via HSBC	All kinds of investors	One-on-One, One-on-multi, small group Meetings, and etc.
September 2019	Taipei	Credit Suisse Asian Technology Conference	All kinds of investors	One-on-One, One-on-multi, small group Meetings, and etc.
September 2019	Paris-Stockholm	Europe NDR-Via CICC	All kinds of investors	One-on-One, One-on-multi, small group Meetings, and etc.
September 2019	London	CICC Forum (UK) 2019	All kinds of investors	One-on-One, One-on-multi, small group Meetings, and etc.
September 2019	Suzhou	Citic Securities Thematic Investment Forum--Looking for Core Assets	All kinds of investors	One-on-One, One-on-multi, small group Meetings, and etc.

9.3 Investor relations activity statistics during 2019 Q3

Number of daily research received (On-site and telephone conference, times)	64
Number of institutional investors received (ppl)	946
Number of individual investors received (ppl)	12
Number of investor relations conference participated	7

Section IV Financial Reports

4.1 Financial Reports

1. Consolidated Balance Sheet

Prepared by Hangzhou Hikvision Digital Technology Co., Ltd.

September 30th 2019

Unit: RMB

Item	September 30 th 2019	January 1 st 2019
Current Assets:		
Cash and bank balances	21,170,573,356.45	26,559,675,452.93
Held-for-trading financial assets	525.40	1,860,050.59
Notes receivable	295,486,490.54	295,598,790.07
Accounts receivable	22,263,835,274.52	16,619,441,281.18
Receivables for financing	1,198,257,901.65	2,247,357,583.28
Prepayments	698,836,396.28	460,304,219.65
Other receivables	604,327,565.47	586,594,721.43
Including: Interests receivable		
Dividends receivable	17,357,220.31	
Inventories	9,844,634,655.15	5,725,104,153.41
Non-current assets due within one year	416,237,783.60	380,795,020.47
Other current assets	799,413,172.78	730,720,129.59
Total Current Assets	57,291,603,121.84	53,607,451,402.60
Non-current Assets:		
Long-term receivables	938,509,869.57	705,512,368.17
Long-term equity investment	182,712,073.98	163,301,844.56
Other non-current financial assets	306,639,819.31	290,966,813.00
Fixed assets	5,574,963,274.09	5,082,415,160.10
Construction in progress	658,376,204.58	416,092,413.42
Intangible assets	935,308,665.25	869,913,050.09
Goodwill	267,284,401.74	212,269,337.23
Long-term deferred expenses	61,440,882.50	
Deferred tax assets	601,705,744.04	534,346,941.25
Other non-current assets	1,470,284,779.34	1,582,750,600.80
Total Non-current Assets	10,997,225,714.40	9,857,568,528.62
Total Assets	68,288,828,836.24	63,465,019,931.22

Item	September 30 th 2019	January 1 st 2019
Current Liabilities:		
Short-term borrowings	3,653,373,875.43	3,465,655,688.29
Held-for-trading financial liabilities		290,998.43
Notes payable	1,082,080,179.53	463,479,760.54
Accounts payable	10,117,196,410.23	10,301,665,725.20
Receipts in advance	845,999,565.36	641,430,490.22
Payroll payable	1,759,801,508.61	1,921,741,131.63
Taxes payable	1,564,532,913.98	1,418,921,664.57
Other payables	880,158,563.93	2,953,454,987.95
Including : Interests payable		
Dividends payable	143,274,043.24	119,917,640.92
Non-current liabilities due within one year	81,429,583.47	3,178,171,147.16
Other current liabilities	2,299,380,825.08	364,984,759.94
Total Current Liabilities	22,283,953,425.62	24,709,796,353.93
Non-current Liabilities:		
Long-term borrowings	4,530,620,000.00	440,000,000.00
Long-term payables	41,727,878.55	
Provisions	83,507,109.84	77,625,238.49
Deferred income	334,186,881.02	293,179,089.13
Total non-current liabilities	4,990,041,869.41	810,804,327.62
Total liabilities	27,273,995,295.03	25,520,600,681.55
Owners' Equity		
Share capital	9,345,010,696.00	9,227,270,473.00
Capital reserves	4,225,822,036.36	1,960,939,660.52
Less: Treasury shares	2,299,380,825.08	364,984,759.94
Other comprehensive income	-76,304,567.44	-76,065,167.67
Surplus reserves	4,460,712,358.45	4,460,712,358.45
Retained earnings	24,783,538,350.45	22,359,856,271.42
Total owners' equity attributable to owner of the Company	40,439,398,048.74	37,567,728,835.78
Minority equity	575,435,492.47	376,690,413.89
Total owners' equity	41,014,833,541.21	37,944,419,249.67
Total liabilities and owners' equity	68,288,828,836.24	63,465,019,931.22

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

Person in Charge of Accounting Institution: Zhan Junhua

2. Balance Sheet of the Parent Company

Unit: RMB

Item	September 30 th 2019	January 1 st 2019
Current Assets:		
Cash and bank balances	15,592,582,543.73	19,192,461,228.22
Notes receivable	5,982,155.46	121,404,793.77
Accounts receivable	23,425,928,122.32	15,204,519,161.71
Receivables for financing	96,303,923.54	228,210,299.95
Prepayments	118,454,356.84	132,344,929.55
Other receivables	1,527,682,843.72	522,987,955.34
Including: Interests receivable		
Dividends receivable	19,907,220.31	2,550,000.00
Inventories	138,631,630.98	168,885,723.93
Non-current liabilities due within one year	7,413,343.79	
Other current assets	26,742,647.34	93,661,315.14
Total Current Assets	40,939,721,567.72	35,664,475,407.61
Non-current Assets:		
Long-term receivables	1,025,843.03	
Long-term equity investment	4,810,090,414.55	4,361,147,395.90
Other non-current financial assets	303,745,599.31	290,956,813.00
Fixed assets	2,867,764,981.55	2,844,176,300.34
Construction in progress	93,057,845.99	65,156,482.70
Intangible assets	196,367,070.52	197,147,608.73
Long-term deferred expenses	30,280,331.17	
Deferred tax assets	134,005,079.74	221,779,547.02
Other non-current assets	10,314,513.26	14,601,579.55
Total Non-current Assets	8,446,651,679.12	7,994,965,727.24
Total Assets	49,386,373,246.84	43,659,441,134.85
Current Liabilities:		
Short-term borrowings	600,000,000.00	
Accounts payable	310,445,377.57	356,787,605.91
Receipts in advance	228,294,965.91	204,337,524.21
Payroll payable	1,289,630,946.65	1,272,626,004.95
Taxes payable	1,113,797,730.35	987,057,652.70

Other payables	3,421,127,887.72	2,529,600,057.31
Including : Interests payable		
Dividends payable	140,824,043.24	117,467,640.92
Non-current liabilities due within one year		3,172,727,888.37
Other current liabilities	2,299,380,825.08	364,984,759.94
Total Current Liabilities	9,262,677,733.28	8,888,121,493.39
Non-current Liabilities:		
Long-term borrowings	3,101,520,000.00	
Provisions	61,415,503.32	52,956,535.09
Deferred Income	182,057,460.95	186,747,708.01
Total non-current liabilities	3,344,992,964.27	239,704,243.10
Total liabilities	12,607,670,697.55	9,127,825,736.49
Owners' Equity		
Share capital	9,345,010,696.00	9,227,270,473.00
Capital reserves	4,171,716,829.11	1,883,262,407.46
Less: Treasury shares	2,299,380,825.08	364,984,759.94
Other comprehensive income	-774,633.17	-2,178,538.52
Surplus reserves	4,460,712,358.45	4,460,712,358.45
Retained earnings	21,101,418,123.98	19,327,533,457.91
Total owners' equity	36,778,702,549.29	34,531,615,398.36
Total liabilities and owners' equity	49,386,373,246.84	43,659,441,134.85

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

Person in Charge of Accounting Institution: Zhan Junhua

3. Consolidated Income Statement

Unit: RMB

Item	2019 Q3	2018 Q3
I. Total operating income	15,915,642,804.35	12,926,932,976.48
II. Total operating costs		
Including: Total operating costs	8,496,804,444.94	7,036,005,384.29
Business taxes and surcharges	96,963,076.85	104,050,722.65
Selling expenses	1,940,139,966.75	1,526,549,345.93
Administrative expenses	446,580,701.06	369,444,844.78
Research and Development (R&D) expenses	1,502,476,961.10	1,165,040,356.96
Financial expenses	-496,628,196.89	-209,159,495.22
Including: Interest expenses	74,410,747.56	69,037,602.29
Interest income	161,426,059.65	121,478,786.49
Add: Other Income	580,970,230.04	579,805,136.62
Investment income (loss)	8,327,642.30	-17,084,846.81
Including: Investment gains (losses) in associated enterprise and joint-venture enterprise	5,825,385.04	-4,156,308.97
Gains (losses) from changes in fair values	9,348,538.93	11,293,693.95
Credit impairment losses (“-“)	-144,256,060.56	
Impairment losses (“-“) of assets	-69,340,091.15	-138,919,268.98
Asset disposal income (loss)	389,512.37	208,920.36
III. Operating profit (loss)	4,314,745,622.47	3,370,305,452.23
Add: Non-operating income	20,153,328.90	42,218,791.84
Less: Non-operating expenses	3,644,173.04	2,129,007.88
IV. Total profit (loss)	4,331,254,778.33	3,410,395,236.19
Less: Income tax expenses	460,924,198.11	170,291,201.09
V. Net profit (loss)	3,870,330,580.22	3,240,104,035.10
4.1 Classification by operation continuity		
(a) Net profit (loss) on continuous operation	3,870,330,580.22	3,240,104,035.10
(b) Net profit (loss) on terminated operation		
4.2 Classification by attribution of ownership		
(a) Net profit attributable to owners of parent company	3,810,578,954.89	3,248,407,615.14
(b) Profit or loss attributable to minority shareholders	59,751,625.33	-8,303,580.04
VI. Other comprehensive income, net of income tax	-5,267,606.68	-12,993,816.04
Other comprehensive income attributable to owners of the Company, net of tax	-5,162,206.61	-12,822,856.59

Item	2019 Q3	2018 Q3
(I) Items that will not be reclassified subsequently to profit or loss		
1. Changes in re-measurement of defined benefit obligation		
2. Amounts of other comprehensive income that cannot be transferred into profit or loss under equity method		
3. Changes in fair value of other equity instruments investment		
4. Changes in the fair value of the Company's own credit risk		
5. Others		
(II) Other comprehensive income to be reclassified to profit or loss in subsequent periods	-5,162,206.61	-12,822,856.59
1. Amounts of other comprehensive income that are able to be transferred into profit or loss under equity method		
2. Changes in fair value of other debt investments		
3. Gain or losses attributes to the changes in fair value of available-for-sale financial assets		
4. The amount of financial assets reclassified into other comprehensive income		
5. Gains or losses through reclassifying held-to-maturity financial assets to available-for-sale financial assets		
6. Credit impairment provisions for other credit investment		
7. Cash flow hedge reserve		
8. Exchange differences arising on conversion of financial statements denominated in foreign currencies	-6,527,620.17	-12,822,856.59
9. Gains and losses from changes in fair value of other current assets	1,365,413.56	
Other comprehensive income attributable to minority interests, net of tax	-105,400.07	-170,959.45
VII. Total comprehensive income	3,865,062,973.54	3,227,110,219.06
Total comprehensive income attributable to owners of the parent company	3,805,416,748.28	3,235,584,758.55
Total comprehensive income attributable to minority shareholders	59,646,225.26	-8,474,539.49
VIII. Earnings per share		
(I) Basic earnings per share	0.400	0.357
(II) Diluted earnings per share	0.400	0.353

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

Person in Charge of Accounting Institution: Zhan Junhua

4. Income Statement of the Parent Company

Unit: RMB

Item	2019 Q3	2018 Q3
I. Total operating income	6,920,272,660.94	6,326,855,356.62
Less: Total operating Cost	2,180,260,453.52	1,806,308,761.49
Business taxes and surcharges	67,760,722.14	76,813,412.34
Selling expenses	852,081,852.19	722,750,073.68
Administrative expenses	184,623,515.65	178,443,955.39
Research and Development (R&D) expenses	1,095,442,523.12	704,150,930.84
Financial expenses	-361,435,536.59	-85,249,908.65
Including : Interest expenses	6,808,200.57	35,733,846.62
Interest income	124,514,655.05	101,754,084.35
Add: Other income	434,811,042.75	463,491,035.44
Investment income (loss)	2,102,615.50	18,078,624.24
Including: Investment gain (loss) in associated enterprise and joint-venture enterprise	2,102,615.50	-2,018,558.50
Gains (losses) from changes in fair values	10,635,547.81	
Credit impairment losses (“-“)	-30,515,452.66	
Impairment losses (“-“) of assets	1,753,720.58	298,410.00
Asset disposal income (loss)	10,098.01	62,691.36
II. Operating profit (loss)	3,320,336,702.90	3,405,568,892.57
Add: Non-operating income	4,577,655.07	14,684,291.45
Less: Non-operating expenses	1,684,190.05	281,527.25
III. Total profit (loss)	3,323,230,167.92	3,419,971,656.77
Less: Income tax expenses	151,477,969.94	87,517,500.57
IV. Net profit (loss)	3,171,752,197.98	3,332,454,156.20
(a) Net profit (loss) on continuous operation	3,171,752,197.98	3,332,454,156.20
(b) Net profit (loss) on terminated operation		
V. Other comprehensive income, net of income tax	-1,937,862.58	
(I) Items that will not be reclassified subsequently to profit or loss		
1. Changes in re-measurement of defined benefit obligation		
2. Amounts of other comprehensive income that cannot be transferred into profit or loss under equity method		
3. Changes in fair value of other equity instruments investment		
4. Changes in the fair value of the Company's own credit risk		
5. Others		

(II) Other comprehensive income to be reclassified to profit or loss in subsequent periods	-1,937,862.58	
1. Amounts of other comprehensive income that are able to be transferred into profit or loss under equity method		
2. Changes in fair value of other debt investments		
3. Gain or losses attributes to the changes in fair value of available-for-sale financial assets		
4. The amount of financial assets reclassified into other comprehensive income		
5. Gains or losses through reclassifying held-to-maturity financial assets to available-for-sale financial assets		
6. Credit impairment provisions for other credit investment		
7. Cash flow hedge reserve		
8. Exchange differences arising on conversion of financial statements denominated in foreign currencies		
9. Gains and losses from changes in fair value of other current assets	-1,937,862.58	
VI. Total comprehensive income	3,169,814,335.40	3,332,454,156.20
VIII. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

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

Person in Charge of Accounting Institution: Zhan Junhua

5. Consolidated Income Statement from January 1st 2019 to September 30th 2019

Unit: RMB

Item	2019 Q1-Q3	2018 Q1-Q3
I. Total operating income	39,838,916,228.85	33,802,691,201.11
II. Total operating costs		
Including: Total operating costs	21,337,310,778.62	18,622,304,210.36
Business taxes and surcharges	264,510,982.77	281,941,341.25
Selling expenses	5,153,400,075.91	4,175,942,610.35
Administrative expenses	1,177,690,944.82	960,293,296.63
Research and Development (R&D) expenses	4,007,277,010.81	3,077,722,956.20
Financial expenses	-626,571,624.15	-367,680,813.03
Including: Interest expenses	167,413,125.18	131,591,884.36
Interest income	454,438,589.00	323,231,227.64
Add: Other Income	1,303,536,451.58	1,417,431,530.21
Investment income (loss)	29,551,998.27	61,182,269.35
Including: Investment gains (losses) in associated enterprise and joint-venture enterprise	1,610,229.42	-1,618,218.28

Item	2019 Q1-Q3	2018 Q1-Q3
Gains (losses) from changes in fair values	11,214,933.39	5,191,145.93
Credit impairment losses (“-”) of assets	-278,782,493.13	
Impairment losses (“-”) of assets	-149,483,833.80	-464,816,967.17
Asset disposal income (loss)	1,199,556.27	3,972,499.20
III. Operating profit (loss)	9,442,534,672.65	8,075,128,076.87
Add: Non-operating income	58,460,407.50	115,369,165.70
Less: Non-operating expenses	12,058,354.95	6,713,135.08
IV. Total profit (loss)	9,488,936,725.20	8,183,784,107.49
Less: Income tax expenses	1,394,844,854.79	836,093,959.57
V. Net profit (loss)	8,094,091,870.41	7,347,690,147.92
4.1 Classification by operation continuity		
(c) Net profit (loss) on continuous operation	8,094,091,870.41	7,347,690,147.92
(d) Net profit (loss) on terminated operation		
4.2 Classification by attribution of ownership		
(c) Net profit attributable to owners of parent company	8,027,334,165.13	7,395,803,151.00
(d) Profit or loss attributable to minority shareholders	66,757,705.28	-48,113,003.08
VI. Other comprehensive income, net of income tax	224,061.25	-27,278,644.78
Other comprehensive income attributable to owners of the Company, net of tax	-239,399.77	-25,721,402.30
(I) Items that will not be reclassified subsequently to profit or loss		
1. Changes in re-measurement of defined benefit obligation		
2. Amounts of other comprehensive income that cannot be transferred into profit or loss under equity method		
3. Changes in fair value of other equity instruments investment		
4. Changes in the fair value of the Company's own credit risk		
5. Others		
(II) Other comprehensive income to be reclassified to profit or loss in subsequent periods	-239,399.77	-25,721,402.30
1. Amounts of other comprehensive income that are able to be transferred into profit or loss under equity method		
2. Changes in fair value of other debt investments		
3. Gain or losses attributes to the changes in fair value of available-for-sale financial assets		
4. The amount of financial assets reclassified into other comprehensive income		
5. Gains or losses through reclassifying held-to-maturity financial assets to available-for-sale financial assets		
6. Credit impairment provisions for other credit investment		
7. Cash flow hedge reserve		
8. Exchange differences arising on conversion of financial statements denominated in foreign currencies	-15,729,788.42	-25,721,402.30

Item	2019 Q1-Q3	2018 Q1-Q3
9.Gains and losses from changes in fair value of other current assets	15,490,388.65	
Other comprehensive income attributable to minority interests, net of tax	463,461.02	-1,557,242.48
VII. Total comprehensive income	8,094,315,931.66	7,320,411,503.14
Total comprehensive income attributable to owners of the parent company	8,027,094,765.36	7,370,081,748.70
Total comprehensive income attributable to minority shareholders	67,221,166.30	-49,670,245.56
VIII. Earnings per share		
(I) Basic earnings per share	0.860	0.806
(II) Diluted earnings per share	0.860	0.804

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

Person in Charge of Accounting Institution: Zhan Junhua

6. Income Statement of the Parent Company from January 1st 2019 to September 30th 2019

Unit: RMB

Item	2019 Q1-Q3	2018 Q1-Q3
I. Total operating income	17,354,516,639.53	15,464,499,573.18
Less: Total operating Cost	5,260,041,102.44	4,417,272,352.25
Business taxes and surcharges	179,363,153.88	199,390,389.05
Selling expenses	2,352,469,006.14	1,961,637,326.64
Administrative expenses	531,467,438.33	452,964,347.64
Research and Development (R&D) expenses	2,875,427,888.71	2,233,528,649.02
Financial expenses	-436,020,048.92	-94,069,779.21
Including : Interest expenses	49,350,390.76	60,724,467.42
Interest income	392,680,476.99	288,800,852.06
Add: Other income	1,070,578,767.20	1,230,024,234.53
Investment income (loss)	19,153,543.65	86,657,634.81
Including: Investment gain (loss) in associated enterprise and joint-venture enterprise	-772,376.22	-387,572.76
Gains (losses) from changes in fair values	12,788,786.31	
Credit impairment losses (“-“)	622,905,019.26	
Impairment losses (“-“) of assets	51,323,003.42	-280,144,626.30
Asset disposal income (loss)	191,846.66	3,807,041.30
II. Operating profit (loss)	8,368,709,065.45	7,334,120,572.13
Add: Non-operating income	12,793,513.71	55,046,967.74
Less: Non-operating expenses	6,921,272.37	1,137,844.51

III. Total profit (loss)	8,374,581,306.79	7,388,029,695.36
Less: Income tax expenses	997,044,554.62	635,642,395.80
IV. Net profit (loss)	7,377,536,752.17	6,752,387,299.56
(c) Net profit (loss) on continuous operation	7,377,536,752.17	6,752,387,299.56
(d) Net profit (loss) on terminated operation		
V. Other comprehensive income, net of income tax	-774,633.17	
(I) Items that will not be reclassified subsequently to profit or loss		
1. Changes in re-measurement of defined benefit obligation		
2. Amounts of other comprehensive income that cannot be transferred into profit or loss under equity method		
3. Changes in fair value of other equity instruments investment		
4. Changes in the fair value of the Company's own credit risk		
5. Others		
(II) Other comprehensive income to be reclassified to profit or loss in subsequent periods	-774,633.17	
1. Amounts of other comprehensive income that are able to be transferred into profit or loss under equity method		
2. Changes in fair value of other debt investments		
3. Gain or losses attributes to the changes in fair value of available-for-sale financial assets		
4. The amount of financial assets reclassified into other comprehensive income		
5. Gains or losses through reclassifying held-to-maturity financial assets to available-for-sale financial assets		
6. Credit impairment provisions for other credit investment		
7. Cash flow hedge reserve		
8. Exchange differences arising on conversion of financial statements denominated in foreign currencies		
9. Gains and losses from changes in fair value of other current assets	-774,633.17	
VI. Total comprehensive income	7,376,762,119.00	6,752,387,299.56
VIII. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

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

Person in Charge of Accounting Institution: Zhan Junhua

7. Consolidated Cash Flow Statement from January 1st 2019 to September 30th 2019

Unit: RMB

Item	2019 Q1-Q3	2018 Q1-Q3
I. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	39,797,920,691.39	36,015,579,775.66
Receipts of tax refunds	2,205,856,683.57	2,665,907,552.39
Other cash receipts relating to operating activities	1,108,671,779.38	765,226,775.70
Sub-total of cash inflows from operating activities	43,112,449,154.34	39,446,714,103.75
Cash payments for goods purchased and services received	29,259,780,105.41	24,879,653,623.03
Cash paid to and on behalf of employees	6,690,990,896.32	5,182,379,464.21
Payments of various types of taxes	3,748,604,004.24	3,379,293,442.87
Other cash payments relating to operating activities	3,288,758,912.97	3,359,116,276.14
Sub-total of cash outflows from operating activities	42,988,133,918.94	36,800,442,806.25
Net Cash flows from Operating Activities	124,315,235.40	2,646,271,297.50
II. Cash flows from Investing Activities:		
Cash receipts from recovery of investments		4,390,000,000.00
Cash receipts from investment income	10,579,222.38	63,310,521.07
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	56,062,267.50	7,061,204.25
Net cash received from disposal of subsidiaries and other business units		
Other cash receipts relating to investing activities	18,166,664.71	21,501,640.52
Sub-total of cash inflows from investing activities	84,808,154.59	4,481,873,365.84
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	1,274,540,687.78	2,045,279,305.07
Cash paid to acquire investments	2,884,220.00	1,100,000,000.00
Net cash paid to acquire subsidiaries and other business units	65,351,582.07	31,900,000.00
Other cash payments relating to investing activities		8,327,789.17
Sub-total of cash outflows from investing activities	1,342,776,489.85	3,185,507,094.24
Net cash flows from Investing Activities	-1,257,968,335.26	1,296,366,271.60
III. Cash flows from financing activities:		
Cash receipts from capital contributions	113,220,262.15	93,009,000.00
Including: cash receipts from capital contributions from minority owners of subsidiaries	113,220,262.15	93,009,000.00
Cash receipts from borrowings	7,150,799,943.42	6,848,374,132.18
Other cash receipts relating to financing activities		
Sub-total of cash inflows from financing activities	7,264,020,205.57	6,941,383,132.18
Cash repayments of borrowings	2,826,949,887.78	4,796,975,777.05

Cash repayments of bonds	3,079,240,000.00	
Cash payments for distribution of dividends or profits or settlement of interest expenses	5,808,192,337.22	4,744,090,779.74
Including : Dividends and profits paid by subsidiaries to minority shareholders		
Other cash payments relating to financing activities	26,897,116.20	6,555,746.33
Sub-total of cash outflows from financing activities	11,741,279,341.20	9,547,622,303.12
Net cash flows from Financing Activities	-4,477,259,135.63	-2,606,239,170.94
IV. Effect of foreign exchange rate changes on Cash and Cash Equivalents	314,124,262.83	190,798,684.33
V. Net Increase in Cash and Cash Equivalents	-5,296,787,972.66	1,527,197,082.49
Add: Opening balance of Cash and Cash Equivalents	26,031,011,733.89	16,029,185,269.17
VI. Closing Balance of Cash and Cash Equivalents	20,734,223,761.23	17,556,382,351.66

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

Person in Charge of Accounting Institution: Zhan Junhua

8. Cash Flow Statement of the Parent Company from January 1st 2019 to September 30th 2019

Unit: RMB

Item	2019 Q1-Q3	2018 Q1-Q3
I. Cash flows from Operating Activities::		
Cash receipts from the sale of goods and the rendering of services	12,029,215,025.03	14,907,717,914.68
Receipts of tax refunds	934,577,449.38	1,230,024,234.53
Other cash receipts relating to operating activities	596,615,907.62	432,099,258.49
Sub-total of cash inflows from operating activities	13,560,408,382.03	16,569,841,407.70
Cash payments for goods acquired and services received	6,141,625,941.11	5,186,391,543.22
Cash payments to and on behalf of employees	3,826,354,338.41	2,728,678,859.56
Payments of various types of taxes	2,274,516,905.16	2,515,330,361.54
Other cash payments relating to operating activities	1,374,026,139.24	1,862,352,721.51
Sub-total of cash outflows from operating activities	13,616,523,323.92	12,292,753,485.83
Net Cash flows from Operating Activities	-56,114,941.89	4,277,087,921.87
II. Cash flows from Investing Activities:		
Cash receipts from recovery of investments		4,350,000,000.00
Cash receipts from investment income	2,568,699.00	97,039,236.04
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	3,976,093.24	9,584,879.25
Net cash receipts from disposals of subsidiaries and other business units		5,971.53

Other cash receipts relating to investing activities	3,066,451,513.72	920,896,354.89
Sub-total of cash inflows from investing activities	3,072,996,305.96	5,377,526,441.71
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	264,771,882.74	434,905,794.49
Cash payments to acquire investments		1,100,000,000.00
Net cash paid to acquire subsidiaries and other business units	414,400,000.00	765,183,014.00
Other cash payments relating to investing activities	982,391,211.78	775,777,777.23
Sub-total of cash outflows from investing activities	1,661,563,094.52	3,075,866,585.72
Net Cash flows from Investing Activities	1,411,433,211.44	2,301,659,855.99
III. Cash flows from Financing Activities		
Cash receipts from capital contributions		
Cash receipts from borrowings	3,679,240,000.00	900,000,000.00
Other cash receipts relating to financing activities		
Sub-total of cash inflows from financing activities	3,679,240,000.00	900,000,000.00
Cash repayments of borrowings		900,000,000.00
Cash repayments of bonds	3,079,240,000.00	
Cash payments for distribution of dividends or profits or settlement of interest expenses	5,669,311,652.85	4,668,001,510.29
Other cash payments relating to financing activities	26,897,116.20	6,555,746.33
Sub-total of cash outflows from financing activities	8,775,448,769.05	5,574,557,256.62
Net Cash flows from Financing Activities	-5,096,208,769.05	-4,674,557,256.62
IV. Effect of foreign exchange rate changes on Cash and Cash Equivalents	140,012,598.62	100,499,959.08
V. Net increase in cash and cash equivalents	-3,600,877,900.88	2,004,690,480.32
Add: Beginning balance of cash and cash equivalents	18,998,934,287.59	12,304,082,533.11
VI. Closing Balance of Cash and Cash Equivalents	15,398,056,386.71	14,308,773,013.43

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

Person in Charge of Accounting Institution: Zhan Junhua

4.2 Notes on financial statement adjustment

(1) Adjustments to the relevant items of the financial statements at the beginning of the year due to the implementation of the New Financial Instruments Standards, New Income Standards or New Lease Standards since 2019.

Applicable Inapplicable

Consolidated Balance Sheet

Unit: RMB

Item	December 31 st 2018	January 1 st 2019	Adjustments
Current Assets:			
Cash and bank balances	26,559,675,452.93	26,559,675,452.93	0.00
Balances with clearing agencies			
Lending with banks and other financial institutions			
Held-for-trading financial assets		1,860,050.59	1,860,050.59
Financial assets at fair value through current profit and loss	1,860,050.59		-1,860,050.59
Derivative financial assets			
Notes receivable	2,569,445,189.92	295,598,790.07	-2,273,846,399.85
Accounts receivable	16,619,441,281.18	16,619,441,281.18	0.00
Receivables for financing		2,247,357,583.28	2,247,357,583.28
Prepayments	460,304,219.65	460,304,219.65	0.00
Premiums receivable			
Amounts receivable under reinsurance contracts			
Reinsurer's share of insurance contract reserves			
Other receivables	586,594,721.43	586,594,721.43	0.00
Including: Interests receivable			
Dividends receivable			
Financial assets purchased under resale agreements			
Inventories	5,725,104,153.41	5,725,104,153.41	0.00
Contract assets			
Held-for-sale assets			
Non-current assets due within one year	380,795,020.47	380,795,020.47	0.00
Other current assets	730,720,129.59	730,720,129.59	0.00
Total Current Assets	53,633,940,219.17	53,607,451,402.60	-26,488,816.57
Non-current Assets:			
Loans and advances to customers			
Debt investments			
Available-for-sale financial assets	290,966,813.00		-290,966,813.00
Other debt investments			
Held-to-maturity investments			
Long-term receivables	705,512,368.17	705,512,368.17	0.00
Long-term equity investment	163,301,844.56	163,301,844.56	0.00
Other equity investments			

Other non-current financial assets		290,966,813.00	290,966,813.00
Investment real estate			
Fixed assets	5,082,415,160.10	5,082,415,160.10	0.00
Construction in progress	416,092,413.42	416,092,413.42	0.00
Productive biological assets			
Oil and gas assets			
Right-to-use assets			
Intangible assets	869,913,050.09	869,913,050.09	0.00
Development expenditures			
Goodwill	212,269,337.23	212,269,337.23	0.00
Long-term deferred expenses			
Deferred tax assets	534,346,941.25	534,346,941.25	0.00
Other non-current assets	1,582,750,600.80	1,582,750,600.80	0.00
Total Non-current Assets	9,857,568,528.62	9,857,568,528.62	0.00
Total Assets	63,491,508,747.79	63,465,019,931.22	-26,488,816.57
Current Liabilities:			
Short-term borrowings	3,465,655,688.29	3,465,655,688.29	0.00
Borrowings from the central bank			
Capitals borrowed from banks and other financial institutions			
Held-for-trading financial liabilities		290,998.43	290,998.43
Financial liabilities at fair value through current profit and loss	290,998.43		-290,998.43
Derivative financial liabilities			
Notes payable	463,479,760.54	463,479,760.54	0.00
Accounts payable	10,301,665,725.20	10,301,665,725.20	0.00
Receipts in advance	641,430,490.22	641,430,490.22	0.00
Contract liabilities			
Financial assets sold under repurchase agreements			
Customer deposits and deposits from banks and other financial institutions			
Funds from securities trading agency			
Funds from underwriting securities agency			
Payroll payable	1,921,741,131.63	1,921,741,131.63	0.00
Taxes payable	1,418,921,664.57	1,418,921,664.57	0.00
Other payables	2,953,454,987.95	2,953,454,987.95	0.00
Including : Interests payable			
Dividends payable	119,917,640.92	119,917,640.92	0.00

Fees and commissions payable			
Amounts payable under reinsurance contracts			
Held-for-sale liabilities			
Non-current liabilities due within one year	3,178,171,147.16	3,178,171,147.16	0.00
Other current liabilities	364,984,759.94	364,984,759.94	0.00
Total Current Liabilities	24,709,796,353.93	24,709,796,353.93	0.00
Non-current Liabilities:			
Insurance contract reserves			
Long-term borrowings	440,000,000.00	440,000,000.00	0.00
Bonds payable			
Including: Preferred share			
Perpetual bond			
Leasing liabilities			
Long-term payables			
Long-term payroll payable			
Provisions	77,625,238.49	77,625,238.49	0.00
Deferred income	293,179,089.13	293,179,089.13	0.00
Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities	810,804,327.62	810,804,327.62	0.00
Total liabilities	25,520,600,681.55	25,520,600,681.55	0.00
Owners' Equity			
Share capital	9,227,270,473.00	9,227,270,473.00	0.00
Other equity instruments			
Including: Preferred share			
Perpetual debt			
Capital reserves	1,960,939,660.52	1,960,939,660.52	0.00
Less: Treasury shares	364,984,759.94	364,984,759.94	0.00
Other comprehensive income	-49,576,351.10	-76,065,167.67	-26,488,816.57
Special reserves			
Surplus reserves	4,460,712,358.45	4,460,712,358.45	0.00
General risk reserve			
Retained earnings	22,359,856,271.42	22,359,856,271.42	0.00

Total owners' equity attributable to owner of the Company	37,594,217,652.35	37,567,728,835.78	-26,488,816.57
Minority equity	376,690,413.89	376,690,413.89	0.00
Total owners' equity	37,970,908,066.24	37,944,419,249.67	-26,488,816.57
Total liabilities and owners' equity	63,491,508,747.79	63,465,019,931.22	-26,488,816.57

Balance Sheet of the Parent Company

Unit: RMB

Item	December 31 st 2018	January 1 st 2019	Adjustments
Current Assets:			
Cash and bank balances	19,192,461,228.22	19,192,461,228.22	0.00
Balances with clearing agencies			
Financial assets at fair value through current profit and loss			
Derivative financial assets			
Notes receivable	351,793,632.24	121,404,793.77	-230,388,838.47
Accounts receivable	15,204,519,161.71	15,204,519,161.71	0.00
Receivables for financing		228,210,299.95	228,210,299.95
Prepayments	132,344,929.55	132,344,929.55	0.00
Other receivables	522,987,955.34	522,987,955.34	0.00
Including: Interests receivable			
Dividends receivable	2,550,000.00	2,550,000.00	0.00
Inventories	168,885,723.93	168,885,723.93	0.00
Contract assets			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets	93,661,315.14	93,661,315.14	0.00
Total Current Assets	35,666,653,946.13	35,664,475,407.61	-2,178,538.52
Non-current Assets:			
Debt investments			
Available-for-sale financial assets	290,956,813.00		-290,956,813.00
Other debt investments			
Held-to-maturity investments			
Long-term receivables			
Long-term equity investment	4,361,147,395.90	4,361,147,395.90	0.00
Other equity investments			
Other non-current financial assets	0.00	290,956,813.00	290,956,813.00
Investment real estate			
Fixed assets	2,844,176,300.34	2,844,176,300.34	0.00
Construction in progress	65,156,482.70	65,156,482.70	0.00

Productive biological assets			
Oil and gas assets			
Right-to-use assets			
Intangible assets	197,147,608.73	197,147,608.73	0.00
Development expenditures			
Goodwill			
Long-term deferred expenses			
Deferred tax assets	221,779,547.02	221,779,547.02	0.00
Other non-current assets	14,601,579.55	14,601,579.55	0.00
Total Non-current Assets	7,994,965,727.24	7,994,965,727.24	0.00
Total Assets	43,661,619,673.37	43,659,441,134.85	-2,178,538.52
Current Liabilities:			
Short-term borrowings			
Held-for-trading financial liabilities			
Financial liabilities at fair value through current profit and loss			
Derivative financial liabilities			
Notes payable			
Accounts payable	356,787,605.91	356,787,605.91	0.00
Receipts in advance	204,337,524.21	204,337,524.21	0.00
Contract liabilities			
Payroll payable	1,272,626,004.95	1,272,626,004.95	0.00
Taxes payable	987,057,652.70	987,057,652.70	0.00
Other payables	2,529,600,057.31	2,529,600,057.31	0.00
Including : Interests payable			
Dividends payable	117,467,640.92	117,467,640.92	0.00
Held-for-sale liabilities			
Non-current liabilities due within one year	3,172,727,888.37	3,172,727,888.37	0.00
Other current liabilities	364,984,759.94	364,984,759.94	0.00
Total Current Liabilities	8,888,121,493.39	8,888,121,493.39	0.00
Non-current Liabilities:			
Long-term borrowings			
Bonds payable			
Including: Preferred share			
Perpetual bond			
Leasing liabilities			

Long-term payables			
Long-term payroll payable			
Provisions	52,956,535.09	52,956,535.09	0.00
Deferred income	186,747,708.01	186,747,708.01	0.00
Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities	239,704,243.10	239,704,243.10	0.00
Total liabilities	9,127,825,736.49	9,127,825,736.49	0.00
Owners' Equity			
Share capital	9,227,270,473.00	9,227,270,473.00	0.00
Other equity instruments			
Including: Preferred share			
Perpetual debt			
Capital reserves	1,883,262,407.46	1,883,262,407.46	0.00
Less: Treasury shares	364,984,759.94	364,984,759.94	0.00
Other comprehensive income		-2,178,538.52	-2,178,538.52
Special reserves			
Surplus reserves	4,460,712,358.45	4,460,712,358.45	0.00
Retained earnings	19,327,533,457.91	19,327,533,457.91	0.00
Total owners' equity	34,533,793,936.88	34,531,615,398.36	-2,178,538.52
Total liabilities and owners' equity	43,661,619,673.37	43,659,441,134.85	-2,178,538.52

(2) Description of retrospective adjustment to prior comparative data for the implementation of the new financial instrument guidelines or new lease criteria from 2019

√Applicable □Inapplicable

Consolidated Balance Sheet

Unit: RMB

	Book value presented according to former standard for financial instruments as at December 31 st 2018	Reclassification	Re-measurement	Book value presented according to the New Standards for Financial Instruments as at January 1 st 2019
Financial assets held for trading (Note 1)		1,860,050.59		1,860,050.59
Financial assets at fair value through profit and loss of current period (Note 1)	1,860,050.59	-1,860,050.59		
Notes receivable (Note 2)	2,569,445,189.92	-2,273,846,399.85		295,598,790.07
Receivables for financing (Note 2)		2,273,846,399.85	-26,488,816.57	2,247,357,583.28
Other comprehensive income (Note 2)	-49,576,351.10		-26,488,816.57	-76,065,167.67
Available-for-sale financial assets (Note 3)	290,966,813.00	-290,966,813.00		
Other non-current financial assets (Note 3)		290,966,813.00		290,966,813.00
Held-for-trading financial liabilities (Note 4)		290,998.43		290,998.43
Financial liabilities at fair value through profit and loss of current period (Note 4)	290,998.43	-290,998.43		

Balance Sheet of the Parent Company

Unit: RMB

	Book value presented according to former standard for financial instruments as at December 31 st 2018	Reclassification	Re-measurement	Book value presented according to the New Standards for Financial Instruments as at January 1 st 2019
Notes receivable (Note 2)	351,793,632.24	-230,388,838.47		121,404,793.77
Receivables for financing (Note 2)		230,388,838.47	-2,178,538.52	228,210,299.95
Other comprehensive income (Note 2)			-2,178,538.52	-2,178,538.52
Available-for-sale financial assets (Note 3)	290,956,813.00	-290,956,813.00		
Other non-current financial assets (Note 3)		290,956,813.00		290,956,813.00

Note 1: The derivative financial assets held by the Group include forward foreign exchange contracts, foreign exchange option contracts and interest rate swap contracts, which are not designated as hedging instruments.

Gains or losses arising from changes in fair value of the derivative financial assets were directly recognized in profit or loss of the current period. Financial assets measured at fair value through current profit and loss were reclassified to held-for-trading financial assets on January 1st 2019.

Note 2: In its daily capital management, the Group endorses or discounts some of its bank acceptance notes. The business model for managing the aforesaid notes receivable is for the purposes of obtaining contractual cash flows and sale. Therefore, on January 1st 2019, the Group reclassified such notes receivable as financial assets at fair value through other comprehensive income, and presented as receivables for financing.

Note 3: On January 1st 2019, some of the equity investments held by the Group were reclassified as financial assets at fair value through profit and loss of current period and presented as other non-current financial assets.

Note 4: The derivative financial liabilities held by the Group include forward foreign exchange contracts and foreign exchange option contracts, which are not designated as hedging instruments. Gains or losses arising from changes in fair value of the derivative financial liabilities were directly recognized in profit or loss of the current period. Financial liabilities measured at fair value through current profit and loss were reclassified to held-for-trading financial liabilities on January 1st 2019.

4.3 Audit Report

Whether audit has been performed on this 2019 3rd Quarter Report

Yes No

The Company's 2019 3rd Quarter report has not been audited

HANGZHOU HIKVISION DIGITAL TECHNOLOGY CO., LTD.

Chairman: Chen Zongnian

October 19th 2019

Note: This document is a translated version of the Chinese version 2019 Q3 Financial Report (“2019 年第三季度报告全文”), and the published Q3 report in the Chinese version shall prevail. The complete published Chinese 2019 Q3 Financial Report may be obtained at <http://www.cninfo.com.cn>.