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HANGZHOU HIKVISION DIGITAL TECHNOLOGY CO., LTD.

2017 Fiscal Year Financial Preview

Hangzhou Hikvision Digital Technology Co., Ltd. (hereinafter referred to as the “Company”) and all members of the Board of Directors hereby guarantee that the information presented in this report shall be truthful, accurate and complete of its contents and shall be free of any false records, misleading statements or material omissions.

Note: The 2017 annual financial data provided in this announcement is preliminary accounting data, which has been reviewed by internal audit. The certified public accountants’ audit has not been performed yet. Differences may occur in the finalized audited financial report. Please pay attention to the potential investment risk.

I. Key Accounting Data and Financial Indicators for Fiscal Year 2017

	2017	2016	YoY Change (%)
Total Operating income (RMB)	41,894,581,990.65	31,934,544,088.82	31.19%
Total Operating Profit (RMB) ^{Note 3}	10,246,210,180.19	6,834,037,180.87	49.93%
Total Profit (RMB)	10,492,287,571.03	8,314,111,562.34	26.20%
Net profits attributable to shareholders of the Company (RMB)	9,399,657,428.23	7,424,631,946.08	26.60%
Basic earnings per share (RMB/share)	1.031	0.822	25.43%
Weighted average ROE (%)	34.96%	34.56%	0.40%
	At the end of 2017	At the end of 2016	YoY Change (%)
Total assets (RMB)	51,672,505,775.16	41,348,428,750.40	24.97%
Owners’ equity attributable to shareholders of the Company (RMB)	30,348,339,284.60	24,283,755,426.31	24.97%
Share Capital (RMB) ^{Note 4}	9,228,865,114.00	6,102,706,885.00	51.23%
Net asset per share attributable to shareholders of the Company (RMB)	3.29	2.65	24.15%

Note 1: The above financial data is filled in with the Company's consolidated statement data.

Note 2: The amount resulted in the same period of prior year and the beginning balances were retroactively adjusted for business merger under the common control.

Note 3: According to the *Accounting Standards for Enterprises No.16—Government Subsidies* executed on June 12th 2017, the Company booked government subsidies related to daily operations (Value-added Tax Rebate for Software Product) into other income (increase operating profit); for those not related to daily operations, were still booked into non-operating income. The standard requires that the prior year financial statements (all government subsidies were booked into the non-operating income) should not be retroactively adjusted; therefore, the operating profit of the current reporting period resulted in a relatively higher year-over-year increase over the prior year.

Note 4: During the reporting period, the total capital shares of the company altered from 6,102,706,885 shares to 9,228,865,114 shares due to the implementation of the 2016 annual equity allocation scheme, and the listing, repurchase and cancellation of the relative granted restricted shares.

II. Information about Preliminary Operational and Financial Results

In 2017, the Company maintained a high level input in Research and Development (R&D), accelerated the commercialization of technologies, and improved the management capabilities and operational efficiencies through consistent market development, and in hence promoted a steady growth of the Company's performance.

In 2017, the Company's total operating income was RMB 41,894,581,990.65, representing year-over-year growth of 31.19%; Total operating profit was RMB 10,246,210,180.19, indicating a year-over-year growth of 49.93%; Total profit was RMB 10,492,287,571.03, a 26.20% increase over 2016; Net profits attributable to shareholders of the Company amounted to RMB 9,399,657,428.23, a 26.60% increase over 2016.

III. Explanation for Any Deviation from Previous Operational Result Guidance

The business performance disclosed in this 2017 financial preview aligned with the 2017 operational result guidance disclosed in 2017 3rd quarter report.

IV. Documents Available for Reference

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. Internal audit report signed by the person in charge of the internal audit department.

HANGZHOU HIKVISION DIGITAL TECHNOLOGY CO., LTD.

The Board of Directors

February 27th, 2018

Note: This document is a translated version of the Chinese 2017 Fiscal Year Financial Preview (“2017 年度业绩快报”), and the published announcements in the Chinese version shall prevail. The Chinese 2017 Fiscal Year Financial Preview document may be obtained at <http://www.cninfo.com>.