

ZHEJIANG DAHUA TECHNOLOGY CO., LTD.

**PRELIMINARY FINANCIAL DATA
FOR THE FIRST HALF 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 financial data for the first half year of 2019 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 interim report. Investors are advised to take note of the investment risks.

I. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS FOR THE FIRST HALF YEAR OF 2019

(in RMB, except per share data, unaudited)

Item Name	The current reporting period	The corresponding period of last year	Increase/Decrease
Total operating revenue	10,806,566,370.89	9,814,041,352.48	10.11%
Operating Profit	1,360,678,823.45	1,251,445,994.06	8.73%
Total Profit	1,367,835,559.96	1,254,485,405.80	9.04%
Net profits attributable to shareholders of the Company	1,238,880,948.74	1,081,916,886.52	14.51%
Basic earnings per share (RMB)	0.42	0.37	13.51%
Weighted average ROE	9.40%	9.91%	-0.51%
	At the end of the current reporting period	At the beginning of the current reporting period	Increase/Decrease
Total assets	27,427,525,950.44	26,350,599,778.15	4.09%
Owners' equity attributable to shareholders of the Company	13,557,642,896.49	12,618,758,918.48	7.44%
Share Capital	2,997,577,730.00	2,997,621,930.00	0.00%
Net asset per share attributable to shareholders of the Company	4.52	4.21	7.36%

Note: (1)The above figures are at consolidated level of the Company.

(2)During the reporting period, the company made corresponding accounting treatment on the repurchase and cancellation of partial restricted share, and the total share capital of the company changed from 2,997,621,930 shares to 2,997,577,730 shares.

II. INFORMATION ABOUT OPERATING RESULTS AND FINANCIAL POSITION

1. During the reporting period, the Company achieved operating revenue of RMB10,806,566,370.89, representing an increase of 10.11% as compared to the corresponding period of last year. Operating Profit amounted to RMB1,360,678,823.45, representing an increase of 8.73% as compared to the corresponding period of last year. The Company achieved total Profit of RMB1,367,835,559.96, representing an increase of 9.04% as compared to the corresponding period of last year. Net profits attributable to shareholders of the Company amounted to RMB1,238,880,948.74, representing an increase of 14.51% as compared to the corresponding period of last year. The main driving factors behind company's lasting growth are generated from the continuous increase of investment in research and development, the improvement of core technical capability, deep commitment to domestic market, the steady progress in overseas markets and the improvement of fine management level.
2. During the reporting period, the Company' total asset increased by 4.09% and net asset increased by 7.44% as compared to the beginning of the current reporting period, mainly due to the expansion of the business scale and the increase of the profit.
3. During the reporting period, the Company's net asset value per share increased by 7.36%, mainly due to the increase in net profit attributable to shareholders of company.

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 the first quarter report of 2019.

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.

30 July 2019