

Dear Valued Partners and Customers:

Thank you for reaching out to us directly with questions or concerns regarding an article entitled “Surveillance Cameras Made by China Are Hanging All Over the U.S.” which appeared in the Wall Street Journal on Nov. 13th. We do appreciate the opportunity to provide you with more details and facts about the statements made in the article itself.

Hikvision has been very successful in the past decade because we partner with you, our customers, to win business together and, ultimately, to combat crime and terrorism and provide a safer society for communities, families and children.

Please take a moment to review the following information regarding statements in the Wall Street Journal article:

### **1. China Government Background**

Hikvision is completely transparent about its ownership structure and as of June 30, 2017 had less than 42% of its shares owned by a state-owned enterprise (SOE), with the rest of the stockholders being venture capitalists, A-shareholders, and overseas institutional investors such as Hong Kong Service Clearing Company Ltd. and UBS AG. HKSCC and UBS AG are currently among Hikvision’s top 10 shareholders.

### **2. GSA Listing**

The Wall Street Journal story mentions a December 2016 incident where two unauthorized distributors erroneously listed our product SKUs on a GSA website. The implication could be that Hikvision was involved in unethical conduct. Hikvision was not involved in any way. We never authorized the unaffiliated resellers to put the products on the GSA Schedule Advantage website nor did we claim that Hikvision products are made in the USA. Hikvision is proud to be a Chinese company and our products are clearly marked “Made in China.”

### **3. DHS Vulnerability**

A security researcher found a vulnerability and reported it to us the next day. Six days later, we released patched firmware. We notified our integrator partners via special bulletin and the public via notices on our website. All this happened before the vulnerability was disclosed to the public. The company followed the responsible disclosure process. Two months later, DHS released a report confirming that a vulnerability was found and that the updated firmware we released earlier actually resolved the issue. We notified our integrator partners and posted a notice on our website about the DHS report.

#### **4. Kabul (Afghan) Embassy**

Before a blog post brought this issue to our attention in August of 2016, Hikvision had no knowledge of any particulars regarding this project on the end-user level. To date, we have not been contacted by the end-user in regard to this project. As always, we would be happy to discuss any product details with the end-user if requested by them.

#### **5. Genetec**

Genetec, a VMS provider, had been a partner of Hikvision for many years. In the US, Canada, and the EMEA regions, Hikvision involved Genetec in numerous projects based on specific customer requirements. At the same time, Genetec is a competitor to Hikvision in several global markets. In late 2016, Genetec made a decision to only support Hikvision products if the user obtains a special license/waiver and pays extra fees. This has been an unfortunate decision for Genetec's security integrators and their end-users. We believe this decision is financially and politically motivated and designed to negatively influence perceptions about Hikvision and its approach to cybersecurity. Linking Hikvision with espionage is simply outrageous and completely unfounded. This crosses the line from an ethical as well as factual perspective.

#### **6. Comment from the Chairwoman of the U.S.-China Economic and Security Review Commission**

We have not been contacted by the U.S.-China Economic and Security Review Commission, or anyone associated with this commission. Therefore, we cannot comment on the Commission head's statements. It's important to understand that many U.S. and Canadian companies have long-standing, mutually beneficial business partnerships with Chinese companies, and many of those Chinese companies are state-owned enterprises (SOEs), or have some SOE ownership.

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Hikvision is the world's largest provider of video surveillance equipment and is on the forefront of emerging technologies such as artificial intelligence and deep learning. Hikvision is more determined than ever to continue our important work to fight criminal and terrorist activities. We are fully committed to our business partners and we want to thank you for your partnership.



We also emphasise that we are vigilant with regards to enhancing the security of our devices , and will continue to make them more robust in open networks.

Together, we've achieved much success over the past decade, but there's much more work to be done. We're looking forward to winning business together with you in coming years as Hikvision brings more advanced technology to the market.

Please do not hesitate to contact us with any further questions on these or other topics.

Kind Regards

A handwritten signature in black ink, reading "David Hwang". The signature is written in a cursive style and is positioned over a light red map of Australia and the surrounding regions.

Managing Director  
Hikvision Australia Pty Ltd

The HIKVISION logo, featuring the word "HIK" in red and "VISION" in black, both in a bold, sans-serif font.