Statement on Interim Rule for Section 889(a)(1)(A)
of the National Defense Authorization Act
August 16, 2019

Dahua Technology is a leading global provider of video surveillance solutions. We have been publicly traded on the Shenzhen Stock Exchange since 2008. Our shareholder base is large and diverse. We bring high-value, complete security solutions to the North American market with a customer-centric focus based on integrity and personal relationships.

As many of our customers are aware, the U.S. Department of Defense recently issued an interim rule to implement Section 889(a)(1)(A) of the National Defense Authorization Act for FY2019 (NDAA). The NDAA was passed by Congress in the summer of 2018. Section 889(a)(1)(A) includes language that prohibits federal agencies from purchasing certain Chinese-produced telecommunications and video surveillance products and services. The recently issued interim rule implements that purchasing prohibition, which takes effect August 13, 2019. We are disappointed that the U.S. government is moving forward with the purchasing prohibition. The prohibition was hastily enacted without any supporting evidentiary basis or due process. To be clear, the prohibition only relates to federal agencies. Commercial entities may continue to purchase Dahua products, as may state and local governments generally.

Dahua is dedicated to legal compliance, both in the U.S. and around the globe. The implementation of the federal purchasing prohibition notwithstanding, we remain focused on providing the best support possible to all our customers for their current applications, while also preparing for their future needs and demands. Dahua utilizes all its worldwide resources, including more than 6,000 R&D professionals and the support of our 3rd party partners in the industry, to continually evolve our offerings to meet our customers' demands and expectations.

We truly appreciate your trust in us. Our employees are here to support your business now and in the future.

Dahua Technology Co., Ltd