

Securities Code: 002888
Securities abbreviation: HiVi Technology
Announcement Number: 2021-015

Guangzhou HiVi Electroacoustic Technology Co., Ltd. 2020 Annual Report Summary

I. Important notice

The summary of this annual report comes from the full text of the annual report. In order to fully understand the company's operating results, financial status and future development plans, investors should go to the media designated by the CSRC to read the full text of the annual report carefully.

Except for the following directors, other directors attended the board meeting for reviewing this annual report in person.

Name of the absent director	Title of the absent director	Reason for absence	Name of the delegate
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Non-standard audit opinion notification

Applicable Not applicable

The profit distribution plan for ordinary shares or the plan for converting public reserve into share capital during the reporting period reviewed by the board of directors.

Applicable Not applicable

Whether to implement capital reserve capitalization

Yes No

The profit distribution plan for common shares reviewed and approved by the company at this meeting of the board of directors is: Based on 124,676,400, a cash dividend of 0.8 yuan (tax included) will be distributed to all shareholders for every 10 shares, 0 bonus shares (tax included) will be distributed, and the capital reserve will be distributed to all shareholders. Shareholders will transfer 2 shares for every 10 shares.

Profit distribution plan for preference shares during the reporting period approved by the Board of Directors.

Applicable Not applicable

II. Company Profile

1. Company Profile

Stock abbreviation	HiVi Technology	Stock code	
Stock Exchange	Shenzhen Stock Exchange		
Contact information	Secretary of the board	Securities Affairs Representative	
Name	Xiaokang Zhang	Hui Ye	
Office address	No. 13, Sansha Road, Dongyong Town, Nansha District, Guangzhou	No. 13, Sansha Road, Dongyong Town, Nansha District, Guangzhou	
Telephone			
E-mail			

2. Main business or product introduction during the reporting period

(I) Main business scope, main products and uses, main business model

HiVi Technology is a high-tech enterprise with electronic equipment manufacturing as its core business field, mainly engaged in the research and development, production and sales of various audio equipment and speakers. It has a complete industrial chain from speaker units, audio to various electro-acoustic products. After more than 20 years of development, the company has combined electro-acoustic technology with precision manufacturing technology, and has become a world-renowned high-end audio manufacturing company, renowned in the industry for various outstanding electro-acoustic products.

The main products produced and operated by the company are multimedia audio series, home theater audio series, professional audio series, car audio series, public broadcasting series, speaker series and earphone series, as follows:

Multimedia Audio: Refers to an active audio system with built-in power amplifiers and precision-manufactured speaker units. Mainly used with desktop computers, notebook computers, tablet computers, TVs and various smart phones.

Home theater: It is a sound system that can create a theater effect in a home environment. It is divided into a stereo system and a multi-channel surround sound system.

Professional audio: refers to the audio system that includes audio source, control equipment, peripheral equipment and restoration equipment. It is widely used in stadiums, assembly halls, auditoriums, theaters, performance halls, conference halls and entertainment venues.

Car audio: It is an integral part of the car multimedia system and an important part of the car entertainment system.

Public broadcasting: refers to a sound system that integrates the functions of playing background music, publicity, paging broadcasting and emergency broadcasting of fire accidents. The market demand is wide and it is used in various public places.

Speaker: refers to a transducer device that converts electrical signals into sound signals, mainly used for DIY by electronic enthusiasts and sold to other audio companies.

Earphone: refers to a pair of conversion units, which accept the electrical signals sent by the media player or receiver, and use the speakers close to the ears to convert them into audible sound waves. With the prevalence of portable electronic devices, they are mostly used for Mobile phones, Walkmans, radios, portable video games and digital audio players, etc.

The company independently develops, produces and sells various audio equipment and speaker units, mainly including design and development, procurement, production and processing, sales and after-sales service. Among them, the sales mode mainly includes two modes: independent sales and distribution. Independent sales refers to the sales method in which the company directly sells products to consumers through the company's exclusive stores, and the distribution model refers to the company selling products to dealers, and then the dealers sell the products to consumers. The company's products have many end customers, all over the country. As the main source of the company's operating income, the distribution business mainly relies on local distribution channels to operate, and the sales network basically covers the whole country.

During the reporting period, the company's main business, main products and business model remained unchanged.

(II) The company's main performance drivers

1. Factors driving industry development

Under the background of the continuous impact of the epidemic, the continuous international trade friction, and the increasing uncertainty of the global macro environment, my country's audio industry is generally stable, and the overall transformation and upgrading of the industry is accelerating. After years of development, the electronics manufacturing industry has become an important industry in the national economy. In order to encourage and support the development of the domestic electronics manufacturing industry, relevant state departments have issued a series of policies in recent years. As an important part of the electronics manufacturing industry, the audio product manufacturing industry has also gained certain policy support. In recent years,

on the one hand, technologies represented by wireless transmission, active noise reduction, high fidelity, and voice recognition have greatly improved the performance of electro-acoustic products and stimulated the needs of downstream end consumers; on the other hand, e-sports games, Downstream industries such as digital music further drive the rapid development of the electro-acoustic industry, and the demand of the downstream market has become an influence on the electro-acoustic industry. One of the main factors in the development of the sound industry. At the same time, the competition among enterprises is also becoming increasingly fierce. Although the market size of the industry is expanding, the profit margin is declining, and the development of enterprises faces more difficulties and challenges.

2. The company's own factors

The company has all kinds of advanced electro-acoustic research and development equipment and design software, and is a high-tech enterprise. The company's product positioning is mainly mid-to-high-end. Since its establishment, it has been focusing on the research and development of various audio products, constantly enriching and expanding product categories and series, and owning core brands "HiVi" and "HiVi". After years of technology accumulation and brand precipitation, the company has developed into one of the leading brands in the audio industry. The company has obvious competitive advantages in brand awareness, R&D design, marketing network, comprehensive services, etc., and has strong market influence. The company's products have been rated as famous brand products in Guangdong Province, and have won honors at the International Consumer Electronics Show for many times, and each segmented product has also won high market evaluation.

According to the speaker brand attention ranking and changes provided by the ZDC Internet Consumer Research Center, the "HiVi" brand has been in the top three of the list for a long time, occupying the mainstream position in the speaker market. According to the list of popular speakers provided by it, among the top ten products, the company has a number of products on the list, which have received high attention. At the same time, after years of production and operation, the company has accumulated its own unique competitive advantages, and has an excellent management team, using a sound operation and management mechanism, combined with market demand, actively innovating, and continuously improving the company's product market competitiveness and company operation capabilities, to promote the company's sustainable and stable development.

3. Main accounting data and financial indicators

(1) Major accounting data and financial indicators in the past three years

Whether the company needs to retrospectively adjust or restate accounting data for previous years.

Yes No

Unit:RMB

	2020	2019	This year's increase or decrease compared to the previous year	2018
Operating income				
Net profit attributable to shareholders of listed companies				
Net profit attributable to shareholders of				

listed companies after deducting non-recurring gains and losses				
Net cash flow from operating activities				
Basic EPS (RMB/share)				
Diluted EPS (RMB /share)				
Weighted average ROE				
	At the end of 2020	At the end of 2019	Increase or decrease at the end of this year compared to the end of the previous year	At the end of 2018
Total Assets				
Net assets attributable to shareholders of listed company				

(2) Major accounting data by quarter

Unit: RMB

	Q1	Q2	Q3	Q4
Operating income				
Net profit attributable to shareholders of listed companies				
Net profit attributable to shareholders of listed companies after deducting non-recurring gains and losses				
Net cash flow from operating activities				

Whether the above financial indicators or their totals are significantly different from the relevant financial indicators in the quarterly and semi-annual reports disclosed by the company.

Yes No

4.Share capital and shareholders

(1) Number of ordinary shareholders and preferred shareholders with restored voting rights and the shareholding situation of the top 10 shareholders.

Unit: share

Total number of ordinary shareholders at the end of the reporting period		The total number of ordinary shareholders at the end of the month before the disclosure date of the annual report		Total number of preferred shareholders whose voting rights have been restored at the end of the reporting period		The total number of preferred shareholders whose voting rights have been restored at the end of the month before the disclosure date of the annual report	
Top 10 shareholders							
Name of shareholder	Nature of the shareholders	Shareholding percentage at period-end (%)	Shares	Restricted shares	Pledged or frozen shares		
					Status	Shares	
	Foreign natural person						
	Foreign natural person						
Mubin Zhang	Domestic natural person						
Guangzhou Yaoqi Business Consulting Co., Ltd.	Domestic non-state-owned legal person						
Guangzhou Anhongying Enterprise Management Consulting Co., Ltd.	Domestic non-state-owned legal person						
Jiangsu Yuyue Technology Development Co., Ltd.	Domestic non-state-owned legal person						
Guangzhou Zhuomao Enterprise Management Consulting Co., Ltd.	Domestic non-state-owned legal person						
You Wang	Domestic natural person						
Quanwei Han	Domestic natural person						
Jianmin Bi	Domestic natural person						
Related or acting-in-concert parties among shareholders above	<p>1. Among the above shareholders, HONGBO YAO and HUIFANG CHEN are married and are the actual controllers of the company.</p> <p>2. Among the above-mentioned shareholders, the shareholders of Guangzhou Anhongying Enterprise Management Consulting Co., Ltd. are relatives of the actual controllers of the company, HONGBOYAO and HUIFANG CHEN.</p> <p>In addition to the above circumstances, the company does not know whether there is an associated relationship among other shareholders, nor whether they are persons acting in concert.</p>						

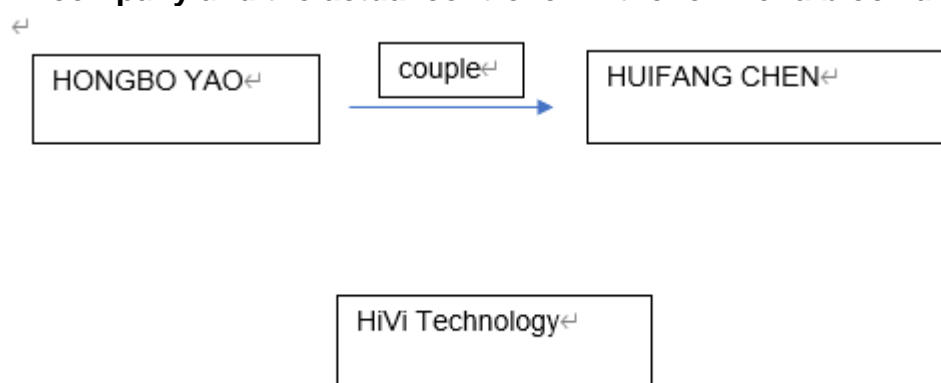
Description of shareholders participating in margin financing and securities lending business (if any)	<p>1. Shareholder Wang You holds 0 shares in the ordinary securities account, and holds 327,800 shares through the client credit transaction guarantee securities account of Guotai Junan Securities Co., Ltd., and actually holds 327,800 shares in total;</p> <p>2. Shareholder Han Quanwei holds 0 shares in the ordinary securities account, and holds 208,500 shares through the customer credit transaction guarantee securities account of Founder Securities Co., Ltd., and actually holds 208,500 shares in total;</p> <p>3. Shareholder Bi Jianmin holds 0 shares in the ordinary securities account, and holds 191,500 shares through the client credit transaction guarantee securities account of Dongguan Securities Co., Ltd., and actually holds 191,500 shares in total.</p>
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(2) The total number of preferred shareholders of the company and the shareholding situation of the top 10 preferred shareholders.

Applicable Not applicable

No such cases in the Reporting Period.

(3) Disclose the property rights and control relationship between the company and the actual controller in the form of a block diagram.



5. Corporate bonds

Whether the company has publicly issued and listed on the stock exchange, and has not expired or failed to pay in full on the date of approval of the annual report

No

III. Discussion and analysis of operating conditions

1. Brief introduction to the operation in the reporting period

In 2020, with the domestic epidemic under effective control, all parts of the country are actively promoting the resumption of work and production, and economic development will gradually resume. The company's management continues to steadily advance the established business policy and strategy, overcome difficulties, dare to innovate, and actively through organizational and human resource system changes, continue to promote the company's product research and development and technological innovation, and continuously improve the company's product market competitiveness and company operation capabilities. Expanding the company's brand influence and channel development capabilities has further laid a solid foundation for the company's development pattern in a new era.

During the reporting period, the company realized an operating income of 26,557,93 million yuan, a decrease of 3.36% compared with the same period of the previous year, and an operating profit of 3,677,30million yuan, an increase of 48.74% compared with the same period of the previous year.

The total realized profit was 3,620,19 million yuan, an increase of 26.17% compared with the same period of the previous year, and the net profit attributable to shareholders of the listed company was 3,063,35 million yuan, an increase of 17.10% compared with the same period of the previous year. As of December 31, 2020, the company's total assets were 49,751,46 million yuan, an increase of 5.38% over the same period of the previous year; the shareholders' equity attributable to the listed company was 42,728,49 million yuan, an increase of 1.36% over the same period of the previous year.

During the reporting period, the main operation and management of the company are as follows:

1. Development status of sales business: In the face of the complicated epidemic situation and economic environment at home and abroad, the company's management actively expands sales channels, enhances channel competitiveness and participation, actively maintains the strategic partnership between the company and key customers, and continues to deepen the original sales channels. Focus on key markets, actively explore emerging market areas, continuously introduce various new products to the market, meet customers' evolving product supporting needs, and improve the company's product competitiveness and market share.

2. Technology research and development and intellectual property protection: the company continues to increase research and development investment and new product development efforts to improve the company's product brand competitiveness. At the same time, the company, as always, pays attention to intellectual property protection, and insists on implementing the "Enterprise Intellectual Property Management System". The development and protection of intellectual property rights create prerequisites for improving the company's core competitiveness and market share.

3. Operation management: The company works closely around the annual business objectives, standardizes the corporate governance structure, improves the internal operation process, mobilizes the enthusiasm of all parties, effectively controls the company's operating costs and business risks, and promotes various projects in an orderly manner. The management process improves the operating efficiency of the company.

4. Human resource management: The company pays attention to the protection of employees' labor rights and interests, strictly abides by the national labor laws and regulations, and comprehensively considers various factors such as business performance to gradually improve the salary level of employees; strive to provide employees with a healthy and safe working environment, and continuously improve the working environment of employees ;Continuously strengthen the efficiency of the company's internal organization and the division of functions, and promote a series of organizational changes step by step, including the optimization of functional departments, the selection of the company's core management personnel, and the improvement of the speed and execution of the company's organizational operation and decision-making.

2. Whether there is any significant change in the main business during the reporting period

Yes No

3. Products accounting for more than 10% of the company's main business income or main business profit

Applicable Not applicable

Unit: RMB						
Product name	Operating income	Operating profit	Gross profit margin	Operating income increased or decreased compared with	Operating profit increased or decreased compared	Gross profit margin increased or decreased compared

				the same period of last year	with the same period of last year	with the same period of last year
Multimedia series						
Home theater series						
Professional audio series						
Public broadcasting series						

4. Whether there are seasonal or cyclical characteristics of operations that require special attention.

Yes No

5. The operating income, operating costs, total net profit attributable to ordinary shareholders of the listed company during the reporting period, or an explanation of the significant changes in the composition compared with the previous reporting period.

Applicable Not applicable

6. Facing delisting

Applicable Not applicable

7. Matters related to financial reporting

(1) Explanation of changes in accounting policies, accounting estimates and accounting methods compared with the financial report of the previous year.

Applicable Not applicable

As approved by the fourth meeting of the third session of the Board of Directors of the Company on April 14, 2020, the Company will begin to implement the new revenue standards from January 1, 2020.

The company applies the new revenue standard retrospectively, but the company chooses not to restate if the classification and measurement (including impairment) involving previous comparative financial statement data is inconsistent with the new revenue standard. Therefore, for the cumulative impact of the implementation of this standard for the first time, the company adjusted the amount of retained earnings or other related items in the financial statements at the beginning of 2020, and the financial statements for 2019 were not restated.

(2) Explanation of retrospective restatement for correction of major accounting errors during the reporting period.

Applicable Not applicable

No such cases in the Reporting Period.

(3) Compared with the financial report of the previous year, the description of the change in the scope of the consolidated statement.

Applicable Not applicable

No such cases in the Reporting Period.