

**Guangzhou HiVi Electroacoustic
Technology Co., Ltd.
First quarter 2021 report**

April 2021

Part I Important Notes

The board of directors, board of supervisors, directors, supervisors, and senior management personnel of the company guarantee that the content of the quarterly report is true, accurate and complete, and that there are no false records, misleading statements or major omissions, and bear individual and joint legal responsibilities.

All directors have attended the board meeting to review this quarterly report.

HONGBO YAO, the person in charge of the company, Jiang Ning, the person in charge of accounting work, and Jiang Ning, the person in charge of the accounting organization (accounting supervisor), hereby declare that they guarantee the truthfulness, accuracy and completeness of the financial statements in the quarterly report.

Part II Key Corporate Information

I. Main Accounting Data and Financial Indicators

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

☐ Yes ☒ No

	Current Period	same period last year	Changes of this period over same period of last year
Operating Income (RMB)			
Net income attributable to shareholders of the listed company (RMB)			
Net income attributable to shareholders of the listed company before nonrecurring gains and losses (RMB)			
Net cash flows from operating activities (RMB)			
Basic EPS (RMB /share)			
Diluted EPS (RMB/share)			
Weighted average ROE			
Total assets (RMB)			
	At the end of the reporting	At the end of last year	Changes of this period-end over same period-end of last year
Equity attributable to shareholders of the listed company (RMB)			

Nonrecurring gains and losses: ☐ Applicable ☒ Not applicable

Unit: RMB

Item	Amount from year-begin to period-end	Note
Gains and losses on disposal of non-current assets (including the write-off part of the provision for impairment of assets)		
Government subsidies included in the current profit and loss (closely related to the business of the enterprise, except for the government subsidies that are enjoyed in a fixed or quantitative manner according to the unified national standard)		
Except for the effective hedging business related to the normal operation of the company, the fair value changes arising from the holding of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, and derivative financial liabilities, and the disposal of held-for-trading financial assets, derivative financial Investment income from assets, held-for-trading financial liabilities, derivative financial liabilities and other debt investments		
Other non-operating income and expenses other than the above		
Less: Amount of income tax impact		
Total		

For the company's non-recurring profit and loss items defined in accordance with the definition of "Interpretative Announcement No. 1 on Information Disclosure of Companies Offering Securities to the Public - Non-recurring Profits and Losses", and the "Explanatory Announcement on Information Disclosure of Companies Offering Securities to the Public No. 1 - Non-recurring Profits and Losses" The non-recurring profit and loss items listed in "Recurring Profit and Loss" are defined as items of recurring profit and loss, and the reasons shall be explained.

☐ Applicable ☒ Not applicable

During the reporting period, the company did not define the non-recurring profit and loss items as defined and enumerated in the Explanatory Announcement on Information Disclosure of Companies Offering Securities to the Public No. 1 - Non-recurring Profit and Loss as recurring profit and loss items.

II. Total Number of Shareholders and Top 10 Shareholders' Holdings at Period-End

1. Numbers of Common Shareholders and Preferred Shareholders with Resumed Voting Rights as well as Holdings of Top 10 Shareholders

Unit: share

Common shareholders at period-end		Preferred shareholders with resumed voting rights at period-end (if any))				
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					
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					
Guangzhou Zhuomao Enterprise Management Consulting Co., Ltd.	Domestic non-state-owned legal person					
You Wang	Domestic natural person					
Societe Generale	Overseas legal person					
Quanwei Han	Domestic natural person					
Mucheng Zhang	Domestic natural person					
China International Capital Corporation Hong Kong Asset Management Limited - CICCFT8	Overseas legal person					
Top 10 non-restricted shareholders						

Name of shareholder			Non-restricted shares held at period-end		Type of shares	
					Type	shares
Guangzhou Yaoqi Business Consulting Co., Ltd.					RMB common stock	
Guangzhou Anhongying Enterprise Management Consulting Co., Ltd.					RMB common stock	
Guangzhou Zhuomao Enterprise Management Consulting Co., Ltd.					RMB common stock	
You Wang					RMB common stock	
Societe Generale					RMB common stock	
Quanwei Han					RMB common stock	
Mucheng Zhang					RMB common stock	
China International Capital Corporation Hong Kong Asset Management Limited - CICCFT8					RMB common stock	
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, HONGBO YAO 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>					
Explanation on the participation of the top 10 shareholders in the 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 239,500 shares through the customer credit transaction guarantee securities account of Founder Securities Co., Ltd., and actually holds 239,500 shares in total.</p>					

Indicate by tick mark whether any of the top 10 common shareholders or the top 10 non-restricted common shareholders of the Company conducted any promissory repo during the Reporting Period.

☐ Yes ☒ No

The top 10 shareholders of ordinary shares and the top 10 shareholders of ordinary shares not subject to selling restrictions of the company did not conduct agreed repurchase transactions during the reporting period.

2. The total number of preferred shareholders of the company and the shareholding situation of the top 10 preferred shareholders.

☐ Applicable ☒ Not applicable

Part III Significant Events

I. Changes and reasons for major financial data and financial indicators during the reporting period.

☐ Applicable ☒ Not applicable

Balance Sheet Items	Ending balance	Opening balance	Amount of variation	Change reason
Financial assets held for trading				Mainly due to the recovery of wealth management investment due to maturity
Prepayments				Mainly due to the increase in prepayments for materials
Other receivables				Mainly due to the increase in interest receivable on structured deposits and time deposits
Other current assets				Mainly due to the increase in structured deposits
Taxes payable				Mainly due to the decrease in unpaid value-added tax and income tax at the end of the period
Income Statement Items	Amount for this period	Amount of the previous period	Amount of variation	Change reason
Other income				Mainly due to the decrease in subsidies of the Zhuhai subsidiary
Investment income				Mainly due to the decrease in wealth management income
Income from changes in fair value				Mainly due to the income from holding-to-maturity financial assets held for trading at the beginning of the year
Asset impairment gain or loss				Mainly due to the decrease in bad debt

				losses in the current period
Net profit net of non-recurring gains and losses				Mainly due to the increase in revenue and gross profit in the current period
Cash Flow Statement Items	Amount for this period	Amount of the previous period	Amount of variation	Change reason
Net cash flow from operating activities				Mainly due to the increase in materials paid by the company in the current period
Net cash flows from investing activities				Mainly due to the decrease in the net recovery of wealth management funds of the company in the current period
Net increase in cash and cash equivalents				Mainly due to the decrease in cash flow from the company's investment activities

II. Progress, Influence and Solutions Associated with Significant Events

☐ Applicable ☒ Not applicable

The progress of the implementation of share repurchase

☐ Applicable ☒ Not applicable

Implementation progress of reducing share repurchased shares through centralized bidding

☐ Applicable ☒ Not applicable

III. Commitments that the Company's Actual Controller, Shareholders, Related Parties and Acquirers, as well as the Company and Other Commitment Makers, Failed to Fulfill on Time during Reporting Period.

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

IV. Financial Asset Investment

1. Securities investment

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

2. Derivatives investment

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

V. The progress of investment projects with raised funds

☐ Applicable ☒ Not applicable

VI. Prediction of operating performance for January-June 2021

Warnings and reasons for forecasting that the accumulated net profit from the beginning of the year to the end of the next reporting period may be a loss or have a substantial change compared with the same period of the previous year.

☐ Applicable ☒ Not applicable

VII. Major contracts for daily operation

☐ Applicable ☒ Not applicable

VIII. Entrusted financing

☐ Applicable ☒ Not applicable

Unit: Ten thousand Yuan

specific type	Source of funds for entrusted financing	Amount of entrusted financing	Outstanding balance	Amount not collected after the due date
Bank financial products	Private capital			
Bank financial products	Raise funds			
Total				

Specific circumstances of high-risk entrusted financial management with a single large amount or low security, poor liquidity, and no capital protection.

☐ Applicable ☒ Not applicable

Entrusted wealth management is expected to be unable to recover the principal or there are other circumstances that may lead to impairment.

☐ Applicable ☒ Not applicable

IX. Irregularities in Provision of Guarantees for External Parties.

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

X. Occupation of the Company's Money by Its Controlling Shareholder or Related Parties for Non-Operating Purposes.

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

XI. Visits Paid to the Company for Purposes of Research, Communication, Interview, etc. during Reporting Period.

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

Part IV Financial Statements

I. Financial Statements

1. Consolidated Balance Sheets

Prepared by: Guangzhou HiVi Electroacoustic Technology Co., Ltd.

Unit: yuan

Item	March 31, 2021	December 31, 2020
Current assets:		
Cash and cash equivalents		
Provision of settlement fund		
Funds lent		
Financial assets held for trading		
Financial derivative		
Notes receivable		
Accounts receivable		
Receivables Financing		
Advances to suppliers		
Insurance premiums receivable		
Cession premiums receivable		
Provision of cession receivable		
Other receivables		
Including: Interest receivable		
Dividends receivable		
Recoursable financial assets acquired		
Inventories		
Contract Assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets		
Total Current Asset		
Non-current assets:		
Disbursement of loans and advances		
Debt investment		
Other Debt Investments		
Long-term receivables		
Long-term equity investments		
Other Equity Instrument Investments		
Other non-current assets		
Investment real estate		
Fixed Assets		
Construction in progress		
Productive Biological Assets		

Oil and gas assets		
Right-of-use assets		
Intangible Assets		
Development costs		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets		
Other non-current assets		
Total Non-Current Assets		
Total assets		
Current liabilities:		
Short-term borrowing		
Borrow from the Central Bank		
Deposit funds		
Financial assets held for liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable		
Payments received in advance		
Contract liabilities		
Financial assets sold for repurchase		
Deposits from customers and interbank		
Funds received as agent of stock exchange		
Funds received as stock underwrite		
Employee benefits payable		
Taxes and surcharges payable		
Other payables		
Including: Interests payable		
Dividends Payable		
Handling charges and commissions payable		
Cession insurance premiums payable		
Held-for-sale liabilities ^c		
Non-current liabilities maturing within one year		
Other current liabilities		
Total current liabilities		
Non-current liabilities:		
Insurance Reserves		
Long-term borrowing		
Debt securities issued		
Including: Preferred shares		
Perpetual debts		
Lease liability		
Long-term payables		
Long-term employee remunerations payable		
Estimated liabilities		
Deferred profits		
Deferred tax liabilities		

Other Non-Current liabilities		
Total Non-Current liabilities		
Total Liabilities		
Owner's Equity:		
Share capital		
Other Equity Instruments		
Including:Preferred shares		
Perpetual debts		
Capital Reserve		
Treasury stock		
Other comprehensive income		
Special reserves		
Surplus reserves		
General risk provisions		
Retained profit		
Total equity attributable to shareholdersthe parent		
Minority Interests		
Total shareholds' equity		
Total Liabilities and shareholds' equity		

Legal representative: HongboYAO

Person in charge of accounting work: Ning Jiang

Head of accounting organization: Ning Jiang

2.Parent company balance sheet

Unit: yuan

Item	March 31, 2021	December 31, 2020
Current assets:		
Cash and cash equivalents		
Financial assets held for trading		
Financial derivative		
Notes receivable		
Accounts receivable		
Receivables Financing		
Advances to suppliers		
Other receivables		
Including: Interest receivable		
Dividends receivable		
Inventories		
Contract Assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets		
Total Current Asset		
Non-current assets:		
Debt investment		
Other Debt Investments		
Long-term receivables		

Long-term equity investments		
Other Equity Instrument Investments		
Other non-current assets		
Investment real estate		
Fixed Assets		
Construction in progress		
Productive Biological Assets		
Oil and gas assets		
Right-of-use assets		
Intangible Assets		
Development costs		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets		
Other non-current assets		
Total Non-Current Assets		
Total assets		
Current liabilities:		
Short-term borrowing		
Financial assets held for liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable		
Payments received in advance		
Contract liabilities		
Employee benefits payable		
Taxes and surcharges payable		
Other payables		
Including: Interests payable		
Dividends Payable		
Held-for-sale liabilities		
Non-current liabilities maturing within one year		
Other current liabilities		
Total current liabilities		
Non-current liabilities:		
Long-term borrowing		
Debt securities issued		
Including: Preferred shares		
Perpetual debts		
Lease liability		
Long-term payables		
Long-term employee remunerations payable		
Estimated liabilities		
Deferred profits		
Deferred tax liabilities		
Other Non-Current liabilities		

Total Non-Current liabilities		
Total Liabilities		
Owner's Equity:		
Share capital		
Other Equity Instruments		
Including: Preferred shares		
Perpetual debts		
Capital Reserve		
Treasury stock		
Other comprehensive income		
Special reserves		
Surplus reserves		
General risk provisions		
Total shareholds' equity		
Total Liabilities and shareholds' equity		

1. Consolidated Income Statement

Unit: yuan

Item	Amount for this period	Amount of last period
I. Total operating revenue		
Including: Operating revenue		
Interests income		
Insurance premiums earned		
Handling charges and commissions income		
II. Overall costs		
Including: Costs of operations		
Interests expenses		
Handling charges and commissions expenses		
Refund of insurance premiums		
Net payments for insurance claims		
Net provision for insurance contracts		
Commissions on insurance policies		
Cession charges		
Taxes and surcharges on operations		
Selling and distribution expenses		
General and administrative expenses		
Research and development costs		
Financial expenses		
Including: Interests expense		
interest income		
Add: Other Income		

Investment income (losses denoted by "-")		
Including: Investment income from joint ventures and affiliates		
Amortized cost AMC		
Gain or loss on foreign exchange transactions(losses denoted by "-")		
Fair value other comprehensive income FVOCI (losses denoted by "-")		
Gains from changes in fair value (losses denoted by "-")		
Credit impairment losses (losses denoted by "-")		
Asset impairment losses (losses denoted by "-")		
Asset disposal income (losses denoted by "-")		
III. Profit from operations ((losses denoted by "-")		
Plus:Non-operating profit		
Less:Non-operating expenses		
IV. Total profit (total loss denoted by "-")		
Less: Income tax expenses		
V. Net profit (net loss denoted by "-")		
(I) Classification by business continuity		
1. Net profit from continuing operations (net loss denoted by "-")		
2. Net profit from discontinued operations (net loss denoted by "-")		
(II) Classification by ownership		
1. Net profit attributable to shareholders of parent company		
2. Minority interest income		
VI. Other comprehensive income after tax,net		
Other comprehensive income after tax attributable to owners of the parent,net		
(I) Items not to be reclassified into profit or loss in subsequent preiods		
1.Changes arising from remeasurement of net liabilities or assets of defined benefit plan		
2. Share of other comprehensive income of the investee not to be reclassified into profit or loss under the equity method		

3. Changes in fair value of investments in other equity instruments		
4. Changes in the fair value of the company's own credit risk		
5. Others		
(II) Items to be reclassified into profit or loss in subsequent periods		
1. Other comprehensive income that can be transferred to profit or loss under the equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. The effective portion of gains or losses from cash flow hedges		
6. Differences on translation of foreign currency financial statements		
7. Others		
Other comprehensive income after tax attributable to minority interests, net		
VII. Total comprehensive income		
Total comprehensive income attributable to shareholders of the parent		
Total comprehensive income attributable to minority interests		
VIII. EPS:		
(I) Basic EPS		
(II) Diluted EPS		

In case of business combination under the same control in the current period, the net profit realized by the merged party before the merger is: yuan, and the net profit realized by the merged party in the previous period is: yuan.

Legal representative: HongboYAO
Person in charge of accounting work: Ning Jiang
Head of accounting organization: Ning Jiang

2. Income statement of parent company

Unit: yuan

Item	Amount for this period	Amount of last period
I. Operating revenue		

Less:Costs of operations		
Taxes and surcharges on operations		
Selling and distribution expenses		
General and administrative expenses		
Research and development costs		
Financial expenses		
Including: Interests expense		
interest income		
Add: Other Income		
Investment income (losses denoted by “-”)		
Including: Investment income from joint ventures and affiliates		
Amortized cost AMC		
Gain or loss on foreign exchange transactions(losses denoted by “-”)		
Fair value other comprehensive income FVOCI (losses denoted by “-”)		
Gains from changes in fair value (losses denoted by “-”)		
Credit impairment losses (losses denoted by “-”)		
Asset impairment losses (losses denoted by “-”)		
Asset disposal income (losses denoted by “-”)		
II.Profit from operations ((losses denoted by “-”)		
Plus:Non-operating profit		
Less:Non-operating expenses		
III. Total profit (total loss denoted by “-”)		
Less: Income tax expenses		
IV.Net profit (net loss denoted by “-”)		
(—) Classification by business continuity		
1. Net profit from continuing operations (net loss denoted by “-”)		
2. Net profit from discontinued operations (net loss denoted by “-”)		
V. Other comprehensive income after tax,net		
(I) Items not to be reclassified into profit or loss in subsequent preiods		
1.Changes arising from remeasurement of net liabilities or assets of defined benefit plan		

2. Share of other comprehensive income of the investee not to be reclassified into profit or loss under the equity method		
3. Changes in fair value of investments in other equity instruments		
4. Changes in the fair value of the company's own credit risk		
5. Others		
(II) Items to be reclassified into profit or loss in subsequent periods		
1. Other comprehensive income that can be transferred to profit or loss under the equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. The effective portion of gains or losses from cash flow hedges		
6. Differences on translation of foreign currency financial statements		
7. Others		
(I) Items not to be reclassified into profit or loss in subsequent periods		
VI. Total comprehensive income		
VII. EPS:		
(I) Basic EPS		
(II) Diluted EPS		

3. Consolidated Statement of Cash Flows

Unit: yuan

Item	Amount for this period	Amount of last period
1. Cash flow from operating activities:		
Cash received from sales of goods and rendering of services		

Net increase in deposits from customers and placements from corporations in the same industry		
Net increase in loan from central bank		
Net increase in funds borrowed from other financial institutions		
Cash premiums received on original insurance contracts		
Cash received from re-insurance business		
Net increase in deposits and investments from insurers		
Interest, handling charges and commissions received		
Net increase in funds deposit		
Net increase in repurchasement business funds		
Receipts of tax refunds		
Other cash received relating to operating activities		
Sub-total of cash inflows from operating activities		
Cash payments for goods purchased and services received		
Net increase in loans and payments on behalf		
Net increase in deposits with centre bank and interbank		
Payments of claims for original insurance contracts		
Lendings to banks and other financial institutions		
Interests, handling charges and commissions paid		
Commissions on insurance policies paid		
Cash payments to and on behalf of employees		
Payments of all types of taxes		
Other cash payments relating to operating activities		
Sub-total of cash inflows from operating activities		
Cash flows from investing activities		
II. Cash flow from investing activities:		
Cash received from disposals and withdraw on investment		
Cash received from returns on investments		
Net cash received from disposals of fixed assets, intangible assets and other long-term assets		
Net cash received from disposals of subsidiaries		

Other cash received relating to investing activities		
Sub-total of cash inflows from investing activities		
Cash payments to acquire and construct fixed assets, intangible assets and other long-term assets		
Cash payments to acquire investments		
Net increase in secured loans		
Net cash payments for acquisitions of subsidiaries and other business units		
Other cash payments relating to investing activities		
Sub-total of cash outflows from investing activities		
Net cash flows from investing activities		
III. Cash flow from financing activities:		
Cash received from investors in making investment in the enterprise		
Including: Cash received from issuing shares of minority shareholders		
Cash received from borrowings		
Other cash received relating to financing activities		
Sub-total of cash outflows from financing activities		
Cash repayments of amounts borrowed		
Cash payments for distribution of dividends or profits, or cash payments for interest expenses		
Including: Subsidiary companies pay cash to minority shareholders for interest expenses and distribution of dividends or profit		
Other cash payments relating to financing activities		
Subtotal of cash outflows from financing activities		
Net cash flow from financing activities		
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents		
Add: Cash and cash equivalents at beginning of period		
VI. Cash and cash equivalents at end of period		

4. Parent company cash flow statement

Unit: yuan

Item	Amount for this period	Amount of last period
I. Cash flows from operating activities		
Cash received from the sales of goods and the rendering of services		
Receipts of tax refunds		
Other cash received relating to operating activities		
Sub-total of cash inflows from operating activities		
Cash payments for goods purchased and services received		
Cash payments to and on behalf of employees		
Payments of all types of taxes		
Other cash payments relating to operating activities		
Sub-total of cash outflows from operating activities		
Net cash flows from operating activities		
II. Cash flows from investing activities:		
Cash received from disposals and withdraw on investment		
Cash received from returns on investments		
Net cash received from disposals of fixed assets, intangible assets and other long-term assets		
Net cash received from disposals of subsidiaries		
Other cash received relating to investing activities		
Sub-total of cash inflows from investing activities		
Cash payments to acquire and construct fixed assets, intangible assets and other long-term assets		
Cash payments to acquire investments		
Net cash payments for acquisitions of subsidiaries and other business units		
Other cash payments relating to investing activities		
Sub-total of cash outflows from investing activities		
Net cash flows from investing activities		
III. Cash flow from financing activities:		
Cash received from investors in making investment in the enterprise		
Cash received from borrowings		
Other cash received relating to financing activities		

Sub-total of cash outflows from financing activities		
Cash repayments of amounts borrowed		
Cash payments for distribution of dividends or profits, or cash payments for interest expenses		
Other cash payments relating to financing activities		
Sub-total of cash outflows from financing activities		
Net cash flow from financing activities		
IV.Effect of foreign exchange rate changes on cash and cash equivalents		
V.Net increase in cash and cash equivalents		
Add: Cash and cash equivalents at beginning of period		
VI. Cash and cash equivalents at end of period		

2. Explanation of Adjustment of Financial Statements

1. The first implementation of the new lease standards from 2021 to adjust the financial statements at the beginning of the year of first implementation.

☐ Applicable ☒ Not applicable

2. Explanation on retrospective adjustment of previous comparative data for the first time under the new lease standards from 2021.

☐ Applicable ☒ Not applicable

Audit report

Is the first quarter report audited

☐ Applicable ☒ Not applicable

The company's first quarter report was unaudited.