



西安海天天线科技股份有限公司
Xi'an Haitian Antenna Technologies Co., Ltd.*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 8227)

2020

THIRD QUARTERLY REPORT

* for identification purposes only

CHARACTERISTICS OF GEM (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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*This report, for which the directors (the “**Directors**”) of Xi’an Haitian Antenna Technologies Co., Ltd.* (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

HIGHLIGHTS

- During the nine months ended 30 September 2020, unaudited gross profit was approximately RMB0.68 million and gross profit margin was 11.10%, compared to the gross profit margin of 3.03% for the corresponding period in the year of 2019.
- The Board does not recommend the payment of a dividend for the nine months ended 30 September 2020.

CONSOLIDATED RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020

The board of Directors (the “**Board**”) hereby submits the unaudited consolidated operating results of the Company and its subsidiaries (the “**Group**”) for the three months and nine months ended 30 September 2020, together with the unaudited comparative figures for the corresponding period in the year of 2019 as follows:

CONSOLIDATED BALANCE SHEET

		<i>Unit: RMB</i>	
Item	<i>Note</i>	30 September 2020	31 December 2019
Current assets:			
Cash at bank and on hand		3,290,917.47	5,675,029.60
Financial assets held for trading		8,656,811.24	12,805,610.08
Accounts receivable		1,810,602.14	911,289.64
Advance payments		1,743,986.05	2,555,414.14
Other receivables		2,191,532.94	2,233,310.05
Among: interest receivable		–	–
Dividends receivable		–	–
Inventories		4,701,265.04	3,427,665.42
Other current assets		545,710.01	819,188.33
Total current assets		22,940,824.89	28,427,507.26
Non-current assets:			
Fixed assets		5,868,920.21	6,815,669.29
Projects under construction		473,727.13	337,640.00
Right-of-use assets		1,062,972.51	2,496,860.54
Intangible assets		61,351,966.37	66,722,943.01
Long-term deferred expenses		591,789.98	1,976,094.58
Other non-current assets		18,546,000.00	18,546,000.00
Total non-current assets		87,895,376.20	96,895,207.42
Total assets		110,836,201.09	125,322,714.68

Item	Note	30 September 2020	31 December 2019
Current liabilities:			
Accounts payable		12,263,797.25	11,120,846.07
Advance receipts		721,623.30	180,639.40
Payroll payable		3,541,891.36	3,801,140.03
Taxes and fee payable		1,484,097.63	2,023,412.35
Other payables		32,409,942.43	26,364,463.25
Among: interest payable		–	–
Dividends payable		–	–
Non-current liabilities due within one year		1,559,984.62	2,121,746.95
Other current liabilities		–	42,000,000.00
Total current liabilities		51,981,336.59	87,612,248.05
Non-current liabilities:			
Lease liabilities		293,844.91	116,492.22
Total non-current liabilities		293,844.91	116,492.22
Total liabilities		52,275,181.50	87,728,740.27
Shareholders' equity:			
Capital stock	3	189,762,900.00	169,762,900.00
Capital reserves	4	182,569,046.27	160,569,046.27
Surplus reserves	5	16,435,819.34	16,435,819.34
Undistributed profits	6	(332,708,099.20)	(312,249,722.09)
Total shareholders' equity attributable to the parent company		56,059,666.41	34,518,043.52
Minority shareholders' equity		2,501,353.18	3,075,930.89
Total shareholders' equity		58,561,019.59	37,593,974.41
Total liabilities and shareholders' equity		110,836,201.09	125,322,714.68

CONSOLIDATED INCOME STATEMENT

Unit: RMB

Item	Note	1 July to 30 September 2020	1 July to 30 September 2019	1 January to 30 September 2020	1 January to 30 September 2019
I. Total operating revenue		2,474,945.02	3,834,011.63	6,154,780.25	26,881,249.96
Among: operating income	7	2,474,945.02	3,834,011.63	6,154,780.25	26,881,249.96
II. Total operating cost		10,538,397.97	8,975,918.01	29,489,138.18	44,863,617.75
Among: operating costs	7	1,782,979.49	3,325,847.35	5,471,574.84	26,065,581.01
Taxes and surcharges	8	19,799.46	31,219.00	57,747.78	36,795.46
Selling expenses	9	182,569.30	117,424.91	352,900.53	252,004.09
Administrative expenses	10	5,229,779.82	4,519,088.62	14,758,721.44	14,778,154.02
R&D expenses	11	3,296,796.11	535,979.77	8,653,353.36	764,172.51
Financial expenses	12	26,473.79	446,358.36	194,840.23	2,966,910.66
Among: interest expenses		26,267.62	433,333.33	101,924.18	3,066,666.66
Interest income		1,645.42	4,923.58	7,261.47	14,114.69
Plus: other income	13	133,318.60	70,000.00	462,676.19	70,000.00
Investment income ("-" for loss)	14	622,629.00	(224,394.50)	623,292.56	(775,775.12)
Among: income from investment in associates and joint ventures		-	(235,570.38)	-	(793,813.59)
Gain from changes in fair value ("-" for loss)	15	(1,748,400.92)	(1,828,801.44)	893,201.16	(1,981,201.56)
Credit impairment loss ("-" for loss)	16	365,373.27	(1,600.41)	365,373.27	932,711.72
Asset impairment loss ("-" for loss)	17	-	-	-	-
Gain from assets disposal ("-" for loss)	18	(23,482.78)	-	(23,482.78)	-
III. Operating profit ("-" for loss)		(8,714,015.78)	(7,126,702.73)	(21,013,297.53)	(19,736,632.75)
Plus: non-operating revenue	19	44,438.32	4,203,130.28	98,876.41	4,254,658.40
Less: non-operating expenses	20	-	-	-	645,391.31
IV. Total profit ("-" for total loss)		(8,669,577.46)	(2,923,572.45)	(20,914,421.12)	(16,127,365.66)
Less: income tax expenses	21	-	4,204.91	5,014.42	18,326.15

Item	Note	1 July to 30 September 2020	1 July to 30 September 2019	1 January to 30 September 2020	1 January to 30 September 2019
V. Net profit ("—" for net loss)		(8,669,577.46)	(2,927,777.36)	(20,919,435.54)	(16,145,691.81)
(I) By business continuity		(8,669,577.46)	(2,927,777.36)	(20,919,435.54)	(16,145,691.81)
1. Net profit from continuing operations ("—" for net loss)		(8,669,577.46)	(2,927,777.36)	(20,919,435.54)	(16,145,691.81)
2. Net profit from discontinued operations ("—" for net loss)		—	—	—	—
(II) By ownership		(8,669,577.46)	(2,927,777.36)	(20,919,435.54)	(16,145,691.81)
1. Net profit attributable to the shareholders of the parent company ("—" for net loss)		(8,514,134.06)	(3,089,732.72)	(20,458,377.11)	(16,309,577.45)
2. Minority profit and loss ("—" for net loss)		(155,443.40)	161,955.36	(461,058.43)	163,885.64
VI. Net of tax of other comprehensive income		—	—	—	—
Net of tax of other comprehensive income attributable to the shareholders of the parent company		—	—	—	—
Net of tax of other comprehensive income attributable to minority shareholders		—	—	—	—
VII. Total comprehensive income		(8,669,577.46)	(2,927,777.36)	(20,919,435.54)	(16,145,691.81)
Total comprehensive income attributable to shareholders of the parent company		(8,514,134.06)	(3,089,732.72)	(20,458,377.11)	(16,309,577.45)
Total comprehensive income attributable to minority shareholders		(155,443.40)	161,955.36	(461,058.43)	163,885.64
VIII. Earnings per share:					
(I) Basic earnings per share (RMB/share)	22	(0.00465)	(0.00202)	(0.01117)	(0.01065)
(II) Diluted earnings per share (RMB/share)	22	(0.00465)	(0.00202)	(0.01117)	(0.01065)

CONSOLIDATED CASH FLOW STATEMENT

Unit: RMB

Item	Note	1 January to 30 September 2020	1 January to 30 September 2019
I. Cash flows from operating activities:			
Cash received from sales of goods or rendering of services		6,174,949.44	28,861,275.70
Net increase in deposits from customers and other financial institutions		-	-
Net increase of borrowings from the central bank		-	-
Net increase in loans from other financial institutions		-	-
Cash received from premiums of original insurance contract		-	-
Net cash received reinsurance business		-	-
Net increase in deposits and investment amount from policyholders		-	-
Cash received from interests, fees and commissions		-	-
Net increase in loans from other banks and financial institutions		-	-
Net increase in funds for repurchase business		-	-
Net cash from vicariously traded securities		-	-
Refund of taxes and surcharges		34,414.27	677,390.41
Other cash received relating to operating activities		7,382,363.90	63,142,354.29
Subtotal of cash inflows from operating activities		13,591,727.61	92,681,020.40

Item	Note	1 January to 30 September 2020	1 January to 30 September 2019
Cash paid for purchase of goods and receipt of services		(4,665,080.02)	(75,399,256.64)
Net increase in loans and advances to customers		-	-
Net increase in deposits with the central bank and other banks		-	-
Cash paid for claim settlements on original insurance contract		-	-
Net increase in financial assets held for trading purposes		-	-
Net increase in lendings to banks and other financial institutions		-	-
Cash paid for interests, fees and commissions		-	-
Cash paid for policy dividends		-	-
Cash paid to and for employees		(8,623,653.63)	(7,140,521.21)
Taxes and fee paid		(287,507.22)	(276,286.79)
Other cash paid relating to operating activities		(10,916,956.31)	(11,972,646.40)
Subtotal of cash outflows for operating activities		(24,493,197.18)	(94,788,711.04)
Net cash flows from operating activities		(10,901,469.57)	(2,107,690.64)
II. Cash flows from investing activities:			
Cash received from recouping investment		7,745,401.09	25,627.61
Cash received from investment income		-	-
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		-	-
Net cash received from disposal of subsidiaries and other business entities		-	-
Other cash received relating to investing activities		-	-
Subtotal of cash inflows from investing activities		7,745,401.09	25,627.61

Item	Note	1 January to 30 September 2020	1 January to 30 September 2019
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets		(374,499.00)	(901,380.14)
Cash paid to acquire investments		–	(4,513,465.00)
Net increase in pledge loans		–	–
Net cash paid for acquisition of subsidiaries and other business entities		–	–
Other cash paid relating to investing activities		(3,000.00)	(3,260.00)
Subtotal of cash outflows for investing activities		(377,499.00)	(5,418,105.14)
Net cash flows from investing activities		7,367,902.09	(5,392,477.53)
III. Cash flows from financing activities:			
Cash received from absorbing investment		–	–
Among: cash received from minority shareholders' investment in subsidiaries		–	–
Cash received from borrowings		1,519,798.55	59,573,417.10
Cash received from insurance of bonds		–	–
Other cash received relating to financing activities		–	–
Subtotal of cash inflows from financing activities		1,519,798.55	59,573,417.10
Cash paid for repayment of debts		(252,668.66)	(51,050,000.00)
Cash paid for distribution of dividends, profits or repayment of interests		(113,519.28)	(3,066,666.66)
Among: dividends and profits paid to minority shareholders by subsidiaries		(113,519.28)	–
Other cash paid relating to financing activities		–	–
Subtotal of cash outflows for financing activities		(366,187.94)	(54,116,666.66)
Net cash flows from financing activities		1,153,610.61	5,456,750.44

Item	<i>Note</i>	1 January to 30 September 2020	1 January to 30 September 2019
IV. Effect of foreign exchange rate changes on cash and cash equivalents		(4,155.26)	17,389.48
V. Net increase in cash and cash equivalents		(2,384,112.13)	(2,026,028.25)
Plus: opening balance of cash and cash equivalents		5,675,029.60	6,893,833.34
VI. Closing balance of cash and cash equivalents		3,290,917.47	4,867,805.09

Notes:

1. BASIC INFORMATION OF THE COMPANY

Established on 13 October 1999, the Company is a limited company by shares (and a listed joint venture co-funded by investors from Taiwan, Hong Kong, Macao and Mainland China), holding a Business License for Legal Person with a unified credit code numbered as 916101317101664434, issued by the Xi'an Administration for Industry and Commerce, which domicile is located at No. 25 Shuoshi Road, Hi-tech Industrial Development Zone, Xi'an, legally represented by XIAO Bing, with the registered capital of RMB189,762,900, including paid-in capital of RMB189,762,900.

The H shares issued by the Company have been listed on the GEM of the Stock Exchange from 5 November 2003.

The Company's business scope mainly includes: mobile communication system antennas and antenna engineering products, microwave technology products, communication electronics products, data communication products, underwater/underground engineering and monitoring equipment, aerospace products, aircraft parts & components (except for those subject to special entry administration and control measures taken as per national regulations); R&D, production, sales, installation, testing and service of office automation equipment, instruments & meters, electronic industrial equipment and corresponding systemic works (any of the above business items, if requires any permit, shall not be conducted unless so permitted) (except for those requiring national approval).

2. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

On the going-concern basis, the financial statements of the Company have been prepared in accordance with actually-occurring transactions and items, the Accounting Standards for Business Enterprises issued by the Ministry of Finance and other relevant regulations, and disclosure requirements in the GEM Listing Rules, and accounting policies and accounting estimates adopted in the annual financial statements of the Group for the year ended 31 December 2019.

RMB is the recording currency for the Group.

3. CAPITAL STOCK

Items	Opening balance		Increase/decrease in the period (+/-)		Closing balance	
	Capital stock	Ratio (%)	Issuance of new share	Sub-total	Capital stock	Ratio (%)
Xi'an Tian An Corporate Management Consulting Co., Ltd.	32,836,363.70	19.34	0.00	0.00	32,836,363.70	17.30
Shanghai Gaoxiang Investment Management Co., Ltd.	18,984,480.40	11.18	6,500,000.00	6,500,000.00	25,484,480.40	13.43
Xi'an Xiao's Antenna Technologies Co., Ltd.	15,746,869.80	9.28	0.00	0.00	15,746,869.80	8.30
Xi'an International Medical Investment Co., Ltd.	10,000,000.00	5.89	0.00	0.00	10,000,000.00	5.27
Shenzhen Huitai Investment Development Co., Ltd.	7,506,470.60	4.42	0.00	0.00	7,506,470.60	3.96
Xi'an Haorun Investment Ltd.	7,000,000.00	4.12	0.00	0.00	7,000,000.00	3.69
Beijing Holdings Investment Management Co., Ltd.	5,407,794.10	3.19	0.00	0.00	5,407,794.10	2.85
Shaanxi Yinji Investment Ltd.	2,000,000.00	1.18	0.00	0.00	2,000,000.00	1.05
Shanghai Hongzhen Ningshang Investment Management Partnership (Limited Partnership)	1,850,000.00	1.09	0.00	0.00	1,850,000.00	0.97
Shanghai Ruikou Commerce and Trading Ltd.	1,850,000.00	1.09	0.00	0.00	1,850,000.00	0.97
Jiao Chengyi	1,094,303.00	0.64	0.00	0.00	1,094,303.00	0.58
Liao Kang	910,147.80	0.54	0.00	0.00	910,147.80	0.48
Xiao Bing	0.00	0.00	6,500,000.00	6,500,000.00	6,500,000.00	3.43
Jin Rongfei	0.00	0.00	5,000,000.00	5,000,000.00	5,000,000.00	2.64
Zhang Jiandong	0.00	0.00	2,000,000.00	2,000,000.00	2,000,000.00	1.05
Sub-total of domestic shares	105,186,429.40	61.96	20,000,000.00	20,000,000.00	125,186,429.40	65.97
Xiao Bing	1,000,000.00	0.59	0.00	0.00	1,000,000.00	0.53
Chen Ji	977,100.00	0.58	0.00	0.00	977,100.00	0.51
Public shares	62,599,370.60	36.87	0.00	0.00	62,599,370.60	32.99
Sub-total of H shares	64,576,470.60	38.04	0.00	0.00	64,576,470.60	34.03
Total	169,762,900.00	100.00	20,000,000.00	20,000,000.00	189,762,900.00	100.00

The newly increased capital stock of RMB20,000,000.00 in the current period was formed by the allotment and issuance of 200,000,000 domestic shares to subscribers at RMB0.21 per share under the specific mandate approved at the general meeting of the Company on 19 March 2018. The total issuance amount was RMB42,000,000.00, of which RMB20,000,000.00 was credited to the capital stock and RMB22,000,000.00 was credited to capital reserve. The issuance of domestic shares was completed on 12 March 2020.

4. CAPITAL RESERVES

Items	Opening balance	Increase for the period	Decrease for the period	Closing balance
Equity premium	133,712,767.48	22,000,000.00	0.00	155,712,767.48
Other capital reserves	26,856,278.79	0.00	0.00	26,856,278.79
Total	160,569,046.27	22,000,000.00	0.00	182,569,046.27

For the newly increased capital reserves in the current period, please refer to Note 3 Capital Stock for the reasons.

5. SURPLUS RESERVES

Items	Opening balance	Increase for the period	Decrease for the period	Closing balance
Statutory surplus reserves	16,435,819.34	0.00	0.00	16,435,819.34
Total	16,435,819.34	0.00	0.00	16,435,819.34

6. UNDISTRIBUTED PROFITS

Items	1 January to 30 September 2020	1 January to 30 September 2019
Closing balance of last year	(312,249,722.09)	(276,731,945.55)
Plus: Adjustment of undistributed profits at the beginning of the year	0.00	(11,282,590.00)
Among: Changes in accounting policies	0.00	(11,282,590.00)
Other adjustment factors	0.00	0.00
Opening balance	(312,249,722.09)	(288,014,535.55)
Plus: Net profit attributable to shareholders of the parent company for the period	(20,458,377.11)	(16,309,577.45)
Less: Appropriation of statutory surplus reserves	0.00	0.00
Appropriation of discretionary surplus reserves	0.00	0.00
Closing balance	(332,708,099.20)	(304,324,113.00)

7. OPERATING INCOME, OPERATING COSTS

Items	1 July to 30 September 2020		1 July to 30 September 2019	
	Income	Costs	Income	Costs
Main business	2,509,333.60	1,782,979.49	3,834,011.63	3,325,847.35
Other businesses	(34,388.58)	-	-	-
Total	2,474,945.02	1,782,979.49	3,834,011.63	3,325,847.35

Items	1 January to 30 September 2020		1 January to 30 September 2019	
	Income	Costs	Income	Costs
Main business	6,025,637.40	5,471,574.84	26,881,249.96	26,065,581.01
Other businesses	129,142.85	-	-	-
Total	6,154,780.25	5,471,574.84	26,881,249.96	26,065,581.01

Composition of income and costs

	Main business income from 1 January to 30 September 2020	Main business costs from 1 January to 30 September 2020	Main business income from 1 January to 30 September 2019	Main business costs from 1 January to 30 September 2019
Sales of goods				
Construction related products	-	-	19,377,232.96	19,294,630.87
Agricultural products	3,383,317.82	4,125,796.18	5,487,041.00	4,966,790.32
Antenna products	1,112,720.37	535,795.76	1,880,347.68	1,752,422.20
Underwater monitoring and related products	68,230.09	27,019.08	136,628.32	51,737.62
UAV products	1,461,369.12	782,963.82	-	-
Total	6,025,637.40	5,471,574.84	26,881,249.96	26,065,581.01

8. TAXES AND SURCHARGES

Items	1 July to 30 September 2020	1 July to 30 September 2019	1 January to 30 September 2020	1 January to 30 September 2019
Urban maintenance and construction tax	2,515.41	–	3,154.65	5,576.46
Education surcharge	979.20	–	1,521.58	–
Stamp duty	(505.33)	–	11,254.37	–
Water conservancy fund	284.21	–	472.56	–
Environmental protection tax	16,525.97	31,219.00	41,344.62	31,219.00
Total	19,799.46	31,219.00	57,747.78	36,795.46

9. SELLING EXPENSES

Items	1 July to 30 September 2020	1 July to 30 September 2019	1 January to 30 September 2020	1 January to 30 September 2019
Technical service fee	–	–	–	–
Payroll	31,984.89	35,365.72	135,317.20	108,167.32
Transport charge	11,700.45	11,961.10	19,042.90	11,961.10
Travelling fees	73,855.65	33,227.82	102,971.14	56,975.42
Business entertainment expenses	59,638.50	28,388.00	89,081.50	34,207.00
Publicity expenses	–	–	(3,840.10)	11,248.00
After-sales service charge	–	12,869.37	–	12,869.37
Office fees	4,898.40	(6,187.10)	9,514.15	10,461.60
Sample expenses	–	–	–	3,949.00
Product testing fee	–	1,792.45	–	1,792.45
Equipment depreciation charge	491.41	7.55	1,474.24	372.83
Others	–	–	(660.50)	–
Total	182,569.30	117,424.91	352,900.53	252,004.09

10. ADMINISTRATIVE EXPENSES

Items	1 July to 30 September 2020	1 July to 30 September 2019	1 January to 30 September 2020	1 January to 30 September 2019
Payroll	2,142,078.52	1,925,432.22	6,201,595.04	6,569,348.83
Intermediation fee	672,464.59	606,588.19	1,049,978.66	1,683,118.10
Decoration costs	411,599.48	404,316.16	1,366,101.83	1,212,948.48
Travelling fees	181,016.77	316,023.63	443,513.20	980,838.77
Depreciation of right-of-use assets	662,900.80	–	2,069,943.96	–
Depreciation costs	219,878.44	267,963.20	722,074.59	778,378.84
Business entertainment expenses	193,244.98	155,229.85	376,287.58	351,495.48
Vehicle expenses	187,691.13	214,300.18	407,833.89	602,631.48
Office fees	130,302.90	172,699.13	955,047.85	380,734.43
Leasing fee	129,840.00	248,591.13	200,340.00	1,588,432.03
Utilities	42,970.68	52,322.25	144,266.28	192,164.04
Property management fee	111,082.42	17,151.43	256,166.48	45,742.02
Farming commission	–	–	–	–
Expenses of the board of directors	26,700.00	20,650.00	76,950.00	75,000.00
Disabled security fund	142.86	–	481.16	–
Transport fees	20,492.35	–	62,161.00	–
Communication fee	11,701.20	–	29,990.10	–
Amortisation of intangible assets	5,825.96	3,705.00	17,182.88	11,115.00
Auditor's remunerations	(35,754.72)	–	133,555.60	8,737.86
– Audit service fee	(17,830.19)	–	133,555.60	–
– Other service fee	(17,924.53)	–	–	8,737.86
Others	115,601.46	114,116.25	245,251.34	297,468.66
Total	5,229,779.82	4,519,088.62	14,758,721.44	14,778,154.02

11. R&D EXPENSES

Items	1 July to 30 September 2020	1 July to 30 September 2019	1 January to 30 September 2020	1 January to 30 September 2019
Salary	618,173.99	77,403.40	1,681,318.38	231,256.20
Depreciation costs	49,904.54	34,456.17	143,911.89	103,368.51
Amortisation of intangible assets	1,785,187.89	–	5,355,563.67	–
Development service fee	–	414,341.28	–	414,341.28
Material fee	612,910.84	9,778.92	1,021,757.69	11,275.22
Travelling expenses	102,591.18	–	195,949.53	3,931.30
Others	128,027.67	–	254,852.20	–
Total	3,296,796.11	535,979.77	8,653,353.36	764,172.51

12. FINANCIAL EXPENSES

Items	1 July to 30 September 2020	1 July to 30 September 2019	1 January to 30 September 2020	1 January to 30 September 2019
Interest expenditures	26,267.62	433,333.33	101,924.18	3,066,666.66
Less: Interest income	1,645.42	4,923.58	7,261.47	14,114.69
Less: Exchange gain	6,438.85	3,270.41	8,504.72	122,400.25
Plus: Exchange loss	3,876.99	–	91,909.03	–
Plus: Other expenditures	4,413.45	21,219.02	16,773.21	36,758.94
Total	26,473.79	446,358.36	194,840.23	2,966,910.66

13. OTHER INCOME

Source of other gain	1 July to 30 September 2020	1 July to 30 September 2019	1 January to 30 September 2020	1 January to 30 September 2019
Government subsidies	133,079.75	70,000.00	461,595.48	70,000.00
Others	238.85	–	1,080.71	–
Total	133,318.60	70,000.00	462,676.19	70,000.00

14. INVESTMENT INCOME

Items	1 July to 30 September 2020	1 July to 30 September 2019	1 January to 30 September 2020	1 January to 30 September 2019
Long-term equity investment income accounted in equity method	-	(235,570.37)	-	(793,813.58)
Investment gain from disposal of financial assets measured at fair value through profit or loss	622,629.00	11,175.87	623,292.56	18,038.46
Others	-	-	-	-
Total	622,629.00	(224,394.50)	623,292.56	(775,775.12)

15. GAIN FROM CHANGES IN FAIR VALUE

Source of gain from changes in fair value	1 July to 30 September 2020	1 July to 30 September 2019	1 January to 30 September 2020	1 January to 30 September 2019
Financial assets measured at fair value through profit or loss	(1,748,400.92)	(1,828,801.44)	893,201.16	(1,981,201.56)
Total	(1,748,400.92)	(1,828,801.44)	893,201.16	(1,981,201.56)

16. CREDIT IMPAIRMENT LOSS

Items	1 July to 30 September 2020	1 July to 30 September 2019	1 January to 30 September 2020	1 January to 30 September 2019
Bad debt loss of accounts receivable	(17,662.59)	0.41	(17,662.59)	(934,311.72)
Bad debt loss of other receivables	(253,710.68)	1,600.00	(253,710.68)	1,600.00
Bad debt loss of advance payments	(94,000.00)	-	(94,000.00)	-
Total	(365,373.27)	1,600.41	(365,373.27)	(932,711.72)

17. ASSET IMPAIRMENT LOSS

Items	1 July to 30 September 2020	1 July to 30 September 2019	1 January to 30 September 2020	1 January to 30 September 2019
Impairment loss of projects under construction	-	-	-	-
Impairment loss of intangible assets	-	-	-	-
Total	-	-	-	-

18. GAIN FROM ASSETS DISPOSAL (“-” FOR LOSS)

Items	1 July to 30 September 2020	1 July to 30 September 2019	1 January to 30 September 2020	1 January to 30 September 2019
Gain from disposal of non-current assets	(23,482.78)	-	(23,482.78)	-
Among: Gain from disposal of fixed assets	(23,482.78)	-	(23,482.78)	-
Total	(23,482.78)	-	(23,482.78)	-

19. NON-OPERATING REVENUE

Items	1 July to 30 September 2020	1 July to 30 September 2019	1 January to 30 September 2020	1 January to 30 September 2019
Gains from debts restructuring	44,337.67	-	44,337.67	37,142.97
Default compensation incomes	-	3,120,000.00	-	3,120,000.00
Payments that cannot be paid	100.65	405,739.87	547.80	405,739.87
Others	-	677,390.41	53,990.94	691,775.56
Total	44,438.32	4,203,130.28	98,876.41	4,254,658.40

20. NON-OPERATING EXPENSES

Items	1 July to 30 September 2020	1 July to 30 September 2019	1 January to 30 September 2020	1 January to 30 September 2019
Losses from debts restructuring	-	-	-	500,000.00
Donations	-	-	-	19,014.00
Expenditures of fines	-	-	-	541.06
Others	-	-	-	125,836.25
Total	-	-	-	645,391.31

21. INCOME TAX EXPENSES

Items	1 July to 30 September 2020	1 July to 30 September 2019	1 January to 30 September 2020	1 January to 30 September 2019
Current income tax calculated according to tax law and relevant regulations	-	4,204.91	5,014.42	18,326.15
– PRC corporate income tax	-	4,204.91	5,014.42	18,326.15
– Hong Kong income tax	-	-	-	-
Deferred income tax expenses	-	-	-	-
Total	-	4,204.91	5,014.42	18,326.15

22. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the unaudited total comprehensive income for the three months and nine months ended 30 September 2020 attributable to shareholders of the parent company of (RMB8,514,134.06) and (RMB20,458,377.11) respectively (2019: (RMB3,089,732.72) and (RMB16,309,577.45)) and the weighted average number of 1,830,962,333 (2019: 1,531,058,824) shares in issue during the period. The weighted average number of ordinary shares is the number of shares in issue at the beginning of the period, adjusted by the number of shares issued during the period multiplied by a time-weighting factor.

The diluted earnings per share is equal to the basic earnings per share as calculated above since the Company does not have any potential shares outstanding for the both periods.

23. DIVIDENDS

The Board does not recommend the payment of a dividend for the nine months ended 30 September 2020 (2019: nil).

24. SEGMENT INFORMATION

Analysis of Group's revenue and results by reportable and operating segments:

	1 July to 30 September 2020	1 July to 30 September 2019	1 January to 30 September 2020	1 January to 30 September 2019
Main business income				
Sales of antennas products and provision of related services	230,089.83	1,859,831.88	1,112,720.37	1,880,347.68
Sales of underwater monitoring products and related products	68,230.09	29,026.55	68,230.09	136,628.32
Sales of UAV products	653,857.62	-	1,461,369.12	-
Sales of construction related products	-	-	-	19,377,232.96
Sales of agricultural products	1,557,156.06	1,945,153.20	3,383,317.82	5,487,041.00
	2,509,333.60	3,834,011.63	6,025,637.40	26,881,249.96
Segment profit (loss)				
Sales of antennas products and provision of related services	(4,022,367.55)	3,216,036.23	(10,895,955.47)	2,946,902.31
Sales of underwater monitoring products and related products	40,551.08	17,525.25	39,936.20	68,669.18
Sales of UAV products	2,315,865.30	(40,888.12)	332,877.67	(132,432.52)
Sales of construction related products	-	(72,668.00)	-	(139,402.07)
Sales of agricultural products	(225,041.51)	300,249.30	(829,266.06)	354,118.46
	(1,890,992.68)	3,420,254.66	(11,352,407.66)	3,097,855.36
Unallocated corporate expenses for changes in the fair value of financial assets measured at fair value through profit and loss				
	(1,748,400.92)	(1,828,801.44)	893,201.16	(1,981,201.56)
Financial costs	(26,473.79)	(446,358.36)	(194,840.23)	(2,966,910.66)
Undistributed incomes	765,997.34	758,566.28	1,313,988.01	779,814.02
Undistributed expenditures	(5,769,707.41)	(4,591,663.22)	(11,574,362.40)	(14,263,109.24)
Investment incomes of joint ventures	-	(235,570.37)	-	(793,813.58)
	(8,669,577.46)	(2,923,572.45)	(20,914,421.12)	(16,127,365.66)

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Total Operating Revenue

Unaudited operating income of approximately RMB6.15 million was recorded for the nine months ended 30 September 2020 (the “**Review Period**”), representing approximately 23% of unaudited operating income for the corresponding period in the year of 2019. The significant decrease in income was mainly attributable to no income generated from the operating segment of sales of construction related products.

Approximately RMB6.02 million income was come from the main business of 5 operating segments and approximately RMB0.13 million income was come from properties rental.

Approximately RMB1.11 million income, representing approximately 19% of main business income, was recognised for antenna products of which approximately 80% was come from dielectric lens antennas during the Review Period. The market development and project bidding for dielectric lens antennas was continuously carried out in order to expand the market share. The remaining approximately RMB0.22 million was generated from network optimisation of existing communication network.

After product development and upgrading, approximately RMB1.46 million income and approximately RMB0.07 million income were come from unmanned aerial products and underwater monitoring products respectively during the Review Period. Technologies improvement was still carried out by the Group and the products with advance technologies would be introduced into the market subsequently.

No income was generated from the operating segment of sales of construction related products as certain resources were reallocated to other operating segments. In order to cope with the business development, the Group would not actively develop the market.

Approximately RMB3.38 million income was come from the sales of agricultural products, representing approximately 56% of main business income. Due to price decline and travel restriction during the Review Period, the income was decreased by approximately 38% as when comparing to approximately RMB5.49 million for the corresponding period in the year of 2019.

Gross Profit

Although there was price decline and travel restriction in the operating segment of sales of agricultural products, the profit margins of operating segments of sales of antennas products and provision of related services and sales of UAV products were sufficient to generate total gross profit of approximately RMB0.68 million with gross profit margin of 11.10% during the Review Period, compared to the gross profit margin of 3.03% for the corresponding period in the year of 2019.

Segment Performance

Selling expenses were increased from approximately RMB0.25 million in the corresponding period in the year of 2019 to approximately RMB0.35 million for the Review Period as the payroll and the travelling fees were increased for selling activities. Research and development expenses were approximately RMB8.65 million which were solely for the development of antenna products, representing approximately 11 times as when compared to approximately RMB0.76 million for the corresponding period in the year of 2019. It was mainly attributable to amortisation of intangible assets.

After allocation of taxes and surcharges, depreciation and amortisation costs under administrative expenses, credit impairment loss and gain from assets disposal, segment profits were reported for the operating segments of sales of underwater monitoring products and related products and sales of UAV products. Segment loss of the operating segment of sales of antenna products and provision of related services was attributable to insufficient operating income to cover all fundamental selling expenses, depreciation and amortisation costs during the Review Period. Segment loss of the operating segment of sales of agricultural products was mainly attributable to price decline and travel restriction.

Other Costs, Expenses, Gain and Income

Administrative expenses for the Review Period was approximately RMB14.76 million which was more or less the same as the amount for the corresponding period in the year of 2019. There was no material fluctuation in the fixed operating costs as strict cost control policies were adopted during the Review Period.

Interest expenses of short-term borrowings and interest elements of lease liabilities of approximately RMB0.01 million and approximately RMB0.09 million respectively were incurred during the Review Period.

Approximately RMB0.46 million was received from government as subsidies under unwell market environment during the Review Period.

No investment income accounted in equity method was recognised during the Review Period as the associate was became a wholly-owned subsidiary by the end of 2019. Certain financial assets measured at fair value through profit or loss were sold at approximately RMB5.67 million which were acquired at approximately RMB7.88 million. After taking into account the unrealised loss of fair value changes of approximately RMB2.83 million, approximately RMB0.62 million was recognised as investment gain.

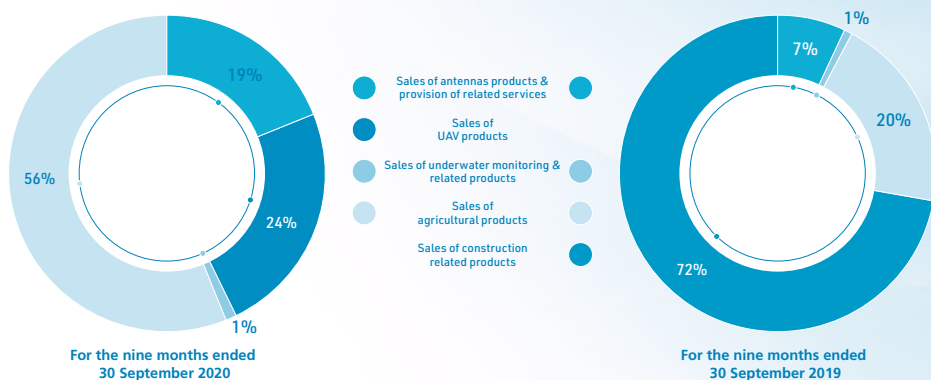
Unrealised gain from changes in fair value of financial assets measured at fair value through profit or loss was approximately RMB0.89 million. The financial assets were the investment in equity securities listed on the Shenzhen Stock Exchange. Accordingly, the fair value of financial assets measured at fair value through profit or loss as at 30 September 2020 was approximately 29% lower than the original acquisition costs.

Net Profit

As all expenses cannot be offset by low profit margin and low sales volume as a whole, loss of approximately RMB20.92 million was still reported for the Review Period. Loss for the Review Period was approximately 30% more than the loss of approximately RMB16.15 million for the corresponding period in the year of 2019.

Net loss attributable to the shareholders of the parent company was approximately RMB20.46 million after accounting for minority profit and loss in respect of sales of agricultural products.

Composite of the Group's total operating revenue from main business by reportable and operating segments for the nine months ended 30 September 2020, together with the comparative figures for the corresponding period in the year of 2019, are provided as follows:



PROSPECTS

The major mission of the Group in the third quarter of 2020 was still focusing on mobile communication business, continued to give full play and leveraged our market experience that accumulated in the mobile communication industry over the years. We accelerated our market facilitation of the new artificial dielectric lens multi-beam antenna (人工介質透鏡多波束天綫) (the "**Dielectric Lens Antenna**"), consolidated and upgraded our original network optimisation and patrol inspection businesses, expanded the mobile communication sector market and improved the performance of the Group.

Through the early testing and promotion activities with mobile communication operators in provinces and cities, the Dielectric Lens Antenna has achieved obvious effects. It is able to solve various difficult problems effectively, such as signal disconnection, weak road coverage, signal coverage attenuation under large space distancing scenario, large network capacity and emergency communication security. It is also able to reduce network construction cost significantly and can really reduce costs and improve efficiency for mobile communication operators. Therefore, the Dielectric Lens Antenna is warmly favoured by mobile communication operators. In the third quarter of 2020, China Mobile took the lead to conduct two procurement tenders nationwide for Dielectric Lens Antenna projects and the Group won the two tenders successfully. However, due to the impact of COVID-19, both the procurement activities of the entire communication market and the procurement tender plan of mobile communication operators have been delayed. However, by virtue of the market effect brought by Dielectric Lens Antenna, the Group endeavours with continuous efforts and has gradually participated in project tender activities in certain

provinces and cities and are progressing smoothly. Furthermore, the headquarters of China Mobile has also propelled the Dielectric Lens Antenna development nationwide, in which it will further improve the visibility of Dielectric Lens Antenna and expand the brand influence of Haitian Dielectric Lens Antenna. According to the cooperation results with several major mobile communication operators, the Dielectric Lens Antenna possesses significant features such as high efficiency, environmentally-friendly, low energy consumption, cost reduction and efficiency improvement and has broad market prospects. The Group will proactively accelerate the progress of market development to improve the Group's mobile communication performance.

By focusing on mobile communication business, the Group will continue the synergistic development of other businesses including aviation, marine and agricultural trade, and facilitate the overall business development of the Group through strengthening our research and development, and continue to leverage policy measures and channels to expand the market.

With regard to the capital required for operation diversification, the Company will also carry out financing activities when appropriate through financing channels such as additional issuance, bank borrowings and revitalising the Group's existing assets according to the development needs of our own businesses to secure the business development of the Company.

DIRECTORS', SUPERVISORY COMMITTEE MEMBERS' (THE "SUPERVISORS") AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 September 2020, the interests and short positions of the Directors, Supervisors (as if the requirements applicable to the Directors under the Securities and Futures Ordinance (the "**SFO**") (Chapter 571 of the Laws of Hong Kong) had applied to the Supervisors) and chief executives of the Company in the shares (the "**Shares**"), underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long positions in domestic shares of the Company (“Domestic Shares”)

Name of person	Capacity	Number of Domestic Shares	Approximate % in total issued Domestic Shares	Approximate % in total issued Shares
Mr. Xiao Bing (肖兵先生)	Beneficial owner, family member interest and interest in controlled corporation	550,832,335 (Note 1)	44.00%	29.03%
Mr. Chen Ji (陳繼先生)	Interest in controlled corporation	273,344,804 (Note 2)	21.84%	14.40%

Long positions in H shares of the Company (“H Shares”)

Name of person	Capacity	Number of H Shares	Approximate % in total issued H Shares	Approximate % in total issued Shares
Mr. Xiao Bing (肖兵先生)	Beneficial owner	10,000,000	1.55%	0.53%
Mr. Chen Ji (陳繼先生)	Beneficial owner and interest in controlled corporation	46,071,000 (Note 3)	7.13%	2.43%
Ms. Lu Lihua (陸麗華女士)	Beneficial owner	14,000 (Note 4)	<0.01%	<0.01%

Short positions in H Shares

Name of person	Capacity	Number of underlying H Shares	Approximate % in total issued H Shares	Approximate % in total issued Shares
Mr. Chen Ji (陳繼先生)	Interest in controlled corporation	36,300,000 (Note 5)	5.62%	1.91%

Notes:

- 328,363,637 Domestic Shares are held by Xi’an Tian An Corporate Management and Consulting Co., Ltd.* (西安天安企業管理諮詢有限公司) (“**Tian An Corporate**”), which is beneficially owned as to 60% by Mr. Xiao Bing (肖兵先生) and 40% by his spouse Ms. Chen Jing (陳靜女士). 157,468,698 Domestic Shares are held by Xi’an Xiao’s Antenna Technologies Co., Ltd.* (西安肖氏天綫科技有限公司) (“**Xiao Antenna**”), which is beneficially owned as to 31% by his father Professor Xiao Liangyong (肖良勇教授) and as to 30% by his spouse Ms. Chen Jing. By virtue of the SFO, Mr. Xiao Bing is deemed to be interested in the same 328,363,637 and 157,468,698 Domestic Shares. 65,000,000 Domestic Shares are held by Mr. Xiao Bing.

2. 254,844,804 Domestic Shares are held by Shanghai Gaoxiang Investment Management Co., Ltd.* (上海高湘投資管理有限公司) (“**Gaoxiang Investment**”), which is beneficially owned by Mr. Chen Ji (陳繼先生) and his spouse Ms. Sun Xiangjun (孫湘君女士) in equal share. 18,500,000 Domestic Shares are held by Shanghai Hongzhen Ningshang Investment Management Partnership (limited partnership)* (上海泓甄寧尚投資管理合夥企業(有限合夥)) (“**Shanghai Hongzhen Ningshang**”), which is beneficially owned as to 83.33% by Mr. Chen Ji and 16.67% by Shanghai Hongzhen Investment Management Co., Ltd.* (上海泓甄投資管理有限公司) (“**Shanghai Hongzhen Investment**”), and Shanghai Hongzhen Investment is beneficially owned as to 60% by Gaoxiang Investment. By virtue of the SFO, Mr. Chen Ji is deemed to be interested in the same 254,844,804 and 18,500,000 Domestic Shares.
3. 9,771,000 H Shares are held by Mr. Chen Ji. 36,300,000 H Shares are held in investment products issued by Guotai Junan Financial Products Limited (“**Guotai Junan Financial**”), which is beneficially owned by Guotai Junan International Holdings Limited (“**Guotai Junan International**”). Guotai Junan International is beneficially owned as to 65.74% by Guotai Junan Holdings Limited (“**Guotai Junan Holdings**”), which is beneficially owned by Guotai Junan Securities Co., Ltd (“**Guotai Junan Securities**”). Zhongrong International Trust Co., Ltd.* (中融國際信託有限公司) (“**Zhongrong International**”), an investment manager of Gaoxiang Investment, holds such investment products issued by Guotai Junan Financial, and Gaoxiang Investment is beneficially owned by Mr. Chen Ji and his spouse Ms. Sun Xiangjun in equal share. By virtue of the SFO, Mr. Chen Ji is deemed to be interested in the same 36,300,000 H Shares.
4. Ms. Lu Lihua (陸麗華女士) is a staff Supervisor.
5. Short position in 36,300,000 underlying H Shares are derived from unlisted and cash settled derivatives issued by Guotai Junan Financial, which is beneficially owned by Guotai Junan International. Guotai Junan International is beneficially owned as to 65.74% by Guotai Junan Holdings, which is beneficially owned by Guotai Junan Securities. Zhongrong International, an investment manager of Gaoxiang Investment, holds such unlisted and cash settled derivatives issued by Guotai Junan Financial, and Gaoxiang Investment is beneficially owned by Mr. Chen Ji and his spouse Ms. Sun Xiangjun in equal share. By virtue of the SFO, Mr. Chen Ji is deemed to have short position in the same 36,300,000 underlying H Shares.

Saved as disclosed above, as at 30 September 2020, none of the Directors, Supervisors and chief executives of the Company had any other interests or short positions in any Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2020, so far as is known to the Directors, the Supervisors or chief executive of the Company, the following persons/entities (other than the Directors, Supervisors or chief executive of the Company) who/which had, or are deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who/which were or are expected to be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company; or who/which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long positions in Domestic Shares

Name of person/entity	Capacity	Number of Domestic Shares	Approximate % in total issued Domestic Shares	Approximate % in total issued Shares
Ms. Chen Jing (陳靜女士)	Spouse interest and interest in controlled corporation	550,832,335 (Note 1)	44.00%	29.03%
Professor Xiao Liangyong (肖良勇教授)	Family member interest and interest in controlled corporation	550,832,335 (Note 1)	44.00%	29.03%
Tian An Corporate	Beneficial owner	328,363,637 (Note 1)	26.23%	17.30%
Ms. Sun Xiangjun (孫湘君女士)	Spouse interest and interest in controlled corporation	273,344,804 (Note 2)	21.84%	14.40%

Name of person/entity	Capacity	Number of Domestic Shares	Approximate % in total issued Domestic Shares	Approximate % in total issued Shares
Gaoxiang Investment	Beneficial owner	254,844,804 <i>(Note 2)</i>	20.36%	13.43%
Xiao Antenna	Beneficial owner	157,468,698 <i>(Note 1)</i>	12.58%	8.30%
Xi'an International Medical Investment Co., Ltd.* (西安國際醫學投資股份有限公司)	Beneficial owner	100,000,000	7.99%	5.27%
Shenzhen Huitai Investment Development Co., Ltd.* (深圳市匯泰投資發展有限公司)	Beneficial owner	75,064,706 <i>(Note 3)</i>	5.99%	3.96%
Ms. Wang Zengdi (王增娣女士)	Interest in controlled corporation	75,064,706 <i>(Note 3)</i>	5.99%	3.96%
Xi'an Haorun Investment Ltd.* (西安昊潤投資有限責任公司)	Beneficial owner	70,000,000 <i>(Note 4)</i>	5.59%	3.69%
Mr. Wang Yun (王贇先生)	Interest in controlled corporation	70,000,000 <i>(Note 4)</i>	5.59%	3.69%
Beijing Holdings Investment Management Co., Ltd.* (北京京泰投資管理中心)	Beneficial owner	54,077,941 <i>(Note 5)</i>	4.32%	2.85%
Beijing Holdings (Group) Ltd.* (京泰實業(集團)有限公司)	Interest in controlled corporation	54,077,941 <i>(Note 5)</i>	4.32%	2.85%
Ms. Jin Rongfei (金嶸霏女士)	Beneficial owner	50,000,000	3.99%	2.64%
Shaanxi Yinji Investment Ltd.* (陝西銀吉投資有限公司)	Beneficial owner	20,000,000	1.60%	1.05%
Mr. Zhang Jiandong (張建東先生)	Beneficial owner	20,000,000	1.60%	1.05%
Shanghai Hongzhen Ningshang	Beneficial owner	18,500,000 <i>(Note 2)</i>	1.48%	0.97%
Shanghai Ruikou Commerce and Trading Ltd.* (上海睿寇商貿有限公司)	Beneficial owner	18,500,000	1.48%	0.97%

Name of person/entity	Capacity	Number of Domestic Shares	Approximate % in total issued Domestic Shares	Approximate % in total issued Shares
Mr. Jiao Chengyi (焦成義先生)	Beneficial owner	10,943,030	0.87%	0.58%
Mr. Liao Kang (廖康先生)	Beneficial owner	9,101,478	0.73%	0.48%

Long positions in H Shares

Name of person/entity	Capacity	Number of H Shares (Note 6)	Approximate % in total issued H Shares	Approximate % in total issued Shares
Huang Li Hou (黃李厚)	Beneficial owner	85,100,000	13.18%	4.48%
Ms. Chen Wei (陳璋女士)	Beneficial owner and interest in controlled corporation	70,897,000 (Note 7)	10.98%	3.74%
Hongkong Jinsheng Enterprise Co., Limited (香港錦昇企業有限公司)	Beneficial owner	70,752,000 (Note 7)	10.96%	3.73%
Oceanic Bliss Holdings Limited (海洋控股有限公司)	Interest in controlled corporation	70,752,000 (Note 7)	10.96%	3.73%
Zeal Warrior Investments Limited	Interest in controlled corporation	70,752,000 (Note 7)	10.96%	3.73%
Ms. Sun Xiangjun (孫湘君女士)	Spouse interest and interest in controlled corporation	46,071,000 (Note 9)	7.13%	2.43%
Clear Renown Global Limited (朗譽環球有限公司)	Beneficial owner	42,000,000 (Note 8)	6.50%	2.21%
Huang Wei Wen (黃偉文)	Interest in controlled corporation	42,000,000 (Note 8)	6.50%	2.21%
Guotai Junan Financial	Issuer of investment products	36,300,000 (Note 9)	5.62%	1.91%
Guotai Junan International	Interest in controlled corporation	36,300,000 (Note 9)	5.62%	1.91%
Guotai Junan Holdings	Interest in controlled corporation	36,300,000 (Note 9)	5.62%	1.91%

Guotai Junan Securities	Interest in controlled corporation	36,300,000 <i>(Note 9)</i>	5.62%	1.91%
Zhongrong International	Investment manager	36,300,000 <i>(Note 9)</i>	5.62%	1.91%
Gaoxiang Investment	Beneficial owner	36,300,000 <i>(Note 9)</i>	5.62%	1.91%

Short positions in H Shares

Name of person/entity	Capacity	Number of underlying H Shares <i>(Note 6)</i>	Approximate % in total issued H Shares	Approximate % in total issued Shares
Guotai Junan Financial	Issuer of unlisted and cash settled derivatives	36,300,000 <i>(Note 10)</i>	5.62%	1.91%
Guotai Junan International	Interest in controlled corporation	36,300,000 <i>(Note 10)</i>	5.62%	1.91%
Guotai Junan Holdings	Interest in controlled corporation	36,300,000 <i>(Note 10)</i>	5.62%	1.91%
Guotai Junan Securities	Interest in controlled corporation	36,300,000 <i>(Note 10)</i>	5.62%	1.91%
Zhongrong International	Investment manager	36,300,000 <i>(Note 10)</i>	5.62%	1.91%
Gaoxiang Investment	Beneficial owner	36,300,000 <i>(Note 10)</i>	5.62%	1.91%
Ms. Sun Xiangjun (孫湘君女士)	Interest in controlled corporation	36,300,000 <i>(Note 10)</i>	5.62%	1.91%

Notes:

1. 328,363,637 Domestic Shares are held by Tian An Corporate, which is beneficially owned as to 60% by Mr. Xiao Bing and 40% by his spouse Ms. Chen Jing. 157,468,698 Domestic Shares are held by Xiao Antenna, which is beneficially owned as to 31% by his father Professor Xiao Liangyong and as to 30% by his spouse Ms. Chen Jing. 65,000,000 Domestic Shares are held by Mr. Xiao Bing. By virtue of the SFO, each of Ms. Chen Jing and Professor Xiao Liangyong is deemed to be interested in the same 328,363,637, 157,468,698 and 65,000,000 Domestic Shares.
2. 254,844,804 Domestic Shares are held by Gaoxiang Investment, which is beneficially owned by Mr. Chen Ji and his spouse Ms. Sun Xiangjun in equal share. 18,500,000 Domestic Shares are held by Shanghai Hongzhen Ningshang, which is beneficially owned as to 83.33% by Mr. Chen Ji and 16.67% by Shanghai Hongzhen Investment, and Shanghai Hongzhen Investment is beneficially owned as to 60% by Gaoxiang Investment. By virtue of the SFO, Ms. Sun Xiangjun is deemed to be interested in the same 254,844,804 and 18,500,000 Domestic Shares.
3. 75,064,706 Domestic Shares are held by Shenzhen Huitai Investment Development Co., Ltd.* (深圳市匯泰投資發展有限公司), which is beneficially owned by as to 60% by Ms. Wang Zengdi (王增娣女士). By virtue of the SFO, Ms. Wang Zengdi is deemed to be interested in the same 75,064,706 Domestic Shares.
4. 70,000,000 Domestic Shares are held by Xi'an Haorun Investment Ltd.* (西安昊潤投資有限責任公司), which is beneficially owned as to 50% by Mr. Wang Yun (王贇先生). By virtue of the SFO, Mr. Wang Yun is deemed to be interested in the same 70,000,000 Domestic Shares.
5. 54,077,941 Domestic Shares are held by Beijing Holdings Investment Management Co., Ltd.* (北京京泰投資管理中心) ("**Beijing Holdings**"). By virtue of the SFO, Beijing Holdings (Group) Ltd.* (京泰實業(集團)有限公司), which holds more than one third of voting rights of Beijing Holdings, is deemed to be interested in the same 54,077,941 Domestic Shares.
6. Details of these shareholders of the Company are based on information as set out in the website of the Stock Exchange and notified by the Disclosure of Interests Online System of the Stock Exchange.
7. 145,000 H Shares are held by Ms. Chen Wei (陳瑋女士) who is beneficial owner of Zeal Warrior Investments Limited ("**Zeal Warrior**"). 70,752,000 H Shares are held by Hongkong Jinsheng Enterprise Co., Limited (香港錦昇企業有限公司), which is beneficially owned by Oceanic Bliss Holdings Limited (海祥控股有限公司) ("**Oceanic Bliss**"), and Oceanic Bliss is beneficially owned by Zeal Warrior. By virtue of the SFO, each of Ms. Chen Wei, Oceanic Bliss and Zeal Warrior is deemed to be interested in the same 70,752,000 H Shares.
8. 42,000,000 H Shares are held by Clear Renown Global Limited (朗譽環球有限公司), which is beneficially owned by Huang Wei Wen (黃偉汶). By virtue of the SFO, Huang Wei Wen is deemed to be interested in the same 42,000,000 H Shares.

9. 9,771,000 H Shares are held by Mr. Chen Ji. 36,300,000 H Shares are held in investment products issued by Guotai Junan Financial, which is beneficially owned by Guotai Junan International. Guotai Junan International is beneficially owned as to 65.74% by Guotai Junan Holdings, which is beneficially owned by Guotai Junan Securities. Zhongrong International, an investment manager of Gaoxiang Investment, holds such investment products issued by Guotai Junan Financial, and Gaoxiang Investment is beneficially owned by Mr. Chen Ji and his spouse Ms. Sun Xiangjun in equal share. By virtue of the SFO, Ms. Sun Xiangjun is deemed to be interested in the same 9,771,000 and 36,300,000 H Shares, and each of Guotai Junan International, Guotai Junan Holdings, Guotai Junan Securities, Zhongrong International and Gaoxiang Investment is deemed to be interested in the same 36,300,000 H Shares.
10. Short position in 36,300,000 underlying H Shares are derived from unlisted and cash settled derivatives issued by Guotai Junan Financial, which is beneficially owned by Guotai Junan International. Guotai Junan International is beneficially owned as to 65.74% by Guotai Junan Holdings, which is beneficially owned by Guotai Junan Securities. Zhongrong International, an investment manager of Gaoxiang Investment, holds such unlisted and cash settled derivatives issued by Guotai Junan Financial, and Gaoxiang Investment is beneficially owned by Mr. Chen Ji and his spouse Ms. Sun Xiangjun in equal share. By virtue of the SFO, each of Guotai Junan International, Guotai Junan Holdings, Guotai Junan Securities, Zhongrong International, Gaoxiang Investment and Ms. Sun Xiangjun is deemed to have short position in the same 36,300,000 underlying H Shares.

Saved as disclosed above, as at 30 September 2020, the Directors, Supervisors and chief executives of the Company were not aware of any other person/entity (other than the Directors, Supervisors or chief executive of the Company) who/which had, or is deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who/which was or is expected to be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company; or who/which was recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' RIGHTS TO ACQUIRE H SHARES

As at 30 September 2020, so far as is known to the Directors, Supervisors and chief executives of the Company, none of the Directors, Supervisors or chief executives of the Company or any of their respective associates including spouses and children under 18 years of age had any interest in, or has been granted, or exercised, any rights to subscribe for H Shares (or warrants or debentures, if applicable) or to acquire H Shares.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the nine months ended 30 September 2020.

COMPETING INTERESTS

None of the Directors, the Supervisors or the management shareholders of the Company (as defined in the GEM Listing Rules) or their respective associates had an interest in any business which competes or may compete, directly or indirectly, with the business of the Group nor any conflicts of interest which has or may have with the Group.

CODE ON CORPORATE GOVERNANCE PRACTICES

For the nine months ended 30 September 2020, the Company has complied with the requirements of the code provisions as set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 15 of the GEM Listing Rules.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the nine months ended 30 September 2020, the Company adopted a code of conduct regarding securities transactions by Directors on terms which are same as the required standard of dealings as referred to in Rule 5.48 to 5.67 of the GEM Listing Rules. The Company has made specific enquiries of all the Directors and the Company was not aware of any non-compliance with the required standard for dealings and the code of conduct regarding securities transactions by the Directors.

AUDIT COMMITTEE

An audit committee of the Company (the “**Audit Committee**”) was established on 4 April 2003 with terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process, internal control systems, audit issues and operating risk management of the Group. As at 30 September 2020, the Audit Committee comprised of Professor Shi Ping and Professor Lei Zhenya, independent non-executive Directors, and Ms. Huang Jing (resigned on 23 October 2020), a non-executive Director. The Group’s unaudited consolidated results for the nine months ended 30 September 2020 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

By order of the Board
Xi’an Haitian Antenna Technologies Co., Ltd.*
Xiao Bing
Chairman

Xi’an, the People’s Republic of China, 6 November 2020

As at the date of this report, the Board comprises Mr. Xiao Bing (肖兵先生) and Mr. Chen Ji (陳繼先生) being executive Directors; Mr. Sun Wenguo (孫文國先生), Mr. Li Wenqi (李文琦先生), Mr. Zuo Hong (左宏先生), Mr. Yan Weimin (燕衛民先生) and Mr. Xu Xiong (徐雄先生) being non-executive Directors; and Mr. Zhang Jun (張鈞先生), Professor Shi Ping (師萍教授), Mr. Tu Jijun (涂繼軍先生) and Professor Lei Zhenya (雷振亞教授) being independent non-executive Directors.

This report will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting and be posted on the website of the Company at <http://www.xaht.com>.

* For identification purposes only