



西安海天天綫科技股份有限公司

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)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2022

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*This announcement, 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 announcement 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 announcement misleading.*

* for identification purpose only

HIGHLIGHTS

- During the three months ended 31 March 2022, the Group recorded an unaudited net loss of approximately RMB5.94 million, compared to the unaudited net loss of approximately RMB2.79 million for the corresponding period in 2021.
- The unaudited total operating income for the three months ended 31 March 2022 was approximately RMB7.09 million, representing approximately 90% of the unaudited total operating income for the corresponding period in 2021.
- The Board does not recommend the payment of a dividend for the three months ended 31 March 2022.

CONSOLIDATED RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2022

The board of Directors (the “**Board**”) hereby submits the unaudited consolidated results of the Company and its subsidiaries (the “**Group**”) for the three months ended 31 March 2022, together with the unaudited comparative figures for the corresponding period in 2021 as follows:

CONSOLIDATED BALANCE SHEET

Item	Note	Unit: RMB	
		(Unaudited) 31 March 2022	(Audited) 31 December 2021
Current assets:			
Cash at bank and on hand		3,033,028.79	4,371,383.08
Financial assets held for trading		2,000.00	2,000.00
Accounts receivable		15,666,579.60	18,391,443.64
Advanced payments		628,811.89	377,684.42
Other receivables		2,610,077.53	2,220,494.70
Of which: Interest receivable		–	–
Dividends receivable		–	–
Inventories		12,177,931.06	14,106,472.20
Other current assets		982,088.30	813,415.26
Total current assets		35,100,517.17	40,282,893.30

Item	<i>Note</i>	(Unaudited) 31 March 2022	(Audited) 31 December 2021
Non-current assets:			
Fixed assets		6,267,884.56	6,517,570.17
Projects under construction		–	–
Right-of-use assets		6,081,458.26	6,803,796.48
Intangible assets		49,067,932.43	50,871,400.07
Long-term deferred expenses		–	–
Other non-current assets		13,042,225.16	13,042,225.16
		<u>13,042,225.16</u>	<u>13,042,225.16</u>
Total non-current assets		74,459,500.41	77,234,991.88
		<u>74,459,500.41</u>	<u>77,234,991.88</u>
Total assets		109,560,017.58	117,517,885.18
		<u>109,560,017.58</u>	<u>117,517,885.18</u>
 Current liabilities:			
Short-term borrowings		6,600,000.00	8,500,000.00
Accounts payable		13,996,781.63	16,339,298.78
Advanced receipts		–	–
Payroll payable		4,319,117.08	4,980,111.91
Taxes payable		2,483,675.25	1,985,843.98
Other payables		32,697,132.77	30,345,635.50
Of which: Interest payable		–	–
Dividends payable		–	–
Non-current liabilities due within one year		4,154,372.97	4,132,624.72
Other current liabilities		25,500,000.00	25,500,000.00
		<u>25,500,000.00</u>	<u>25,500,000.00</u>
Total current liabilities		89,751,079.70	91,783,514.89
		<u>89,751,079.70</u>	<u>91,783,514.89</u>
Non-current liabilities:			
Lease liabilities		3,477,477.58	3,466,177.46
		<u>3,477,477.58</u>	<u>3,466,177.46</u>
Total liabilities		93,228,557.28	95,249,692.35
		<u>93,228,557.28</u>	<u>95,249,692.35</u>

Item	<i>Note</i>	(Unaudited) 31 March 2022	(Audited) 31 December 2021
Shareholders' equity:			
Share capital	3	189,762,900.00	189,762,900.00
Capital reserves		182,569,046.27	182,569,046.27
Surplus reserves		16,435,819.34	16,435,819.34
Undistributed profits		(374,981,815.58)	(369,103,101.74)
Total shareholders' equity attributable to the parent company		13,785,950.03	19,664,663.87
Minority shareholders' equity		2,545,510.27	2,603,528.96
Total shareholders' equity		<u>16,331,460.30</u>	<u>22,268,192.83</u>
Total liabilities and shareholders' equity		<u>109,560,017.58</u>	<u>117,517,885.18</u>

CONSOLIDATED INCOME STATEMENT

Unit: RMB

Item	Note	(Unaudited)	
		1 January to 31 March 2022	2021
I. Total operating income		7,092,484.82	7,841,018.43
Of which: Operating income	4	7,092,484.82	7,841,018.43
II. Total operating costs		13,058,105.62	11,045,044.03
Of which: Operating costs	4	4,866,335.11	3,604,278.25
Taxes and surcharges	5	35,975.97	29,825.91
Selling expenses	6	1,794,982.43	625,123.18
Administrative expenses	7	4,519,547.26	3,754,510.21
Research and development expenses	8	1,645,277.06	2,909,547.85
Financial expenses	9	195,987.79	121,758.63
Of which: Interest expenses		206,026.98	153,524.84
Interest income		2,756.59	2,274.09
Add: Other gain	10	15,714.72	315,275.27
Investment gain (“()” for loss)	11	–	–
Of which: Gain from investment in associates and joint ventures		–	–
Gain from changes in fair value (“()” for loss)	12	–	96,800.44
Credit impairment loss (“()” for loss)	13	2,457.15	–
Assets impairment loss (“()” for loss)	14	–	–
Gain from assets disposal (“()” for loss)	15	–	–
III. Operating profit (“()” for loss)		(5,947,448.93)	(2,791,949.89)
Add: Non-operating income	16	20,000.00	62,588.69
Less: Non-operating expenditure	17	–	60,452.27
IV. Total profit (“()” for total loss)		(5,927,448.93)	(2,789,813.47)
Less: Income tax expenses	18	9,283.60	–
V. Net profit (“()” for net loss)		(5,936,732.53)	(2,789,813.47)
(I) By business continuity (“()” for net loss)		(5,936,732.53)	(2,789,813.47)
1. Net profit from continuing operations		(5,936,732.53)	(2,789,813.47)
2. Net profit from discontinued operations		–	–
(II) By ownership (“()” for net loss)		(5,936,732.53)	(2,789,813.47)
1. Net profit attributable to owners of the parent company		(5,878,713.84)	(2,767,107.24)
2. Minority shareholders’ profit and loss		(58,018.69)	(22,706.23)
VI. Net of tax of other comprehensive income		–	–
Net of tax of other comprehensive income attributable to owners of the parent company		–	–
Net of tax of other comprehensive income attributable to minority shareholders		–	–
VII. Total comprehensive income		(5,936,732.53)	(2,789,813.47)
Total comprehensive income attributable to shareholders of the parent company		(5,878,713.84)	(2,767,107.24)
Total comprehensive income attributable to minority shareholders		(58,018.69)	(22,706.23)
VIII. Earnings per share			
(I) Basic earnings per share (Yuan/share)	20	(0.00310)	(0.00146)
(II) Diluted earnings per share (Yuan/share)	20	(0.00310)	(0.00146)

CONSOLIDATED CASH FLOW STATEMENT

Unit: RMB

Item	Note	(Unaudited)	
		1 January to 31 March 2022	2021
I. Cash flows from operating activities:			
Cash received from sales of goods or rendering of services		10,170,008.20	3,141,610.29
Taxes and surcharges refunded		—	—
Other cash received relating to operating activities		41,151.60	819,575.43
Subtotal of cash inflows from operating activities		10,211,159.80	3,961,185.72
Cash paid for purchase of goods and receipt of services		3,617,647.98	6,031,166.56
Cash paid to and for employees		4,607,979.00	3,608,734.49
Taxes and surcharges paid		68,914.59	92,962.31
Other cash paid relating to operating activities		3,315,900.47	3,395,972.20
Subtotal of cash outflows for operating activities		11,610,442.04	13,128,835.56
Net cash flows from operating activities		(1,399,282.24)	(9,167,649.84)
II. Cash flows from investing activities:			
Cash received from disposal of investment		—	—
Cash received from investment gain		—	—
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		—	—
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets		326,900.00	120,837.00
Cash paid for acquisition of investments		—	—
Net cash paid for acquisition of subsidiaries and other business entities		—	—
Other cash paid relating to investing activities		—	—
Subtotal of cash outflows for investing activities		326,900.00	120,837.00
Net cash flows from investing activities		(326,900.00)	(120,837.00)

Item	<i>Note</i>	(Unaudited)	
		1 January to 31 March	
		2022	2021
III. Cash flows from financing activities:			
Cash received from capital injection		–	12,000,000.00
Of which: Cash received from capital injection by minority shareholders of subsidiaries		–	–
Cash received from borrowings		–	–
Other cash received relating to financing activities		<u>2,737,290.62</u>	<u>2,200,000.00</u>
Subtotal of cash inflows from financing activities		<u>2,737,290.62</u>	<u>14,200,000.00</u>
Cash paid for repayment of debts		1,900,000.00	–
Cash paid for distribution of dividends, profits or repayment of interests		113,702.77	–
Of which: Dividends and profits paid to minority shareholders by subsidiaries		–	–
Other cash paid relating to financing activities		<u>351,525.18</u>	<u>3,430,739.30</u>
Subtotal of cash outflows for financing activities		<u>2,365,227.95</u>	<u>3,430,739.30</u>
Net cash flows from financing activities		<u>372,062.67</u>	<u>10,769,260.70</u>
IV. Effect of foreign exchange rate changes on cash and cash equivalents		<u>15,636.24</u>	<u>34,674.72</u>
V. Net increase in cash and cash equivalents		(1,338,483.33)	1,515,448.58
Add: Beginning balance of cash and cash equivalents		<u>4,189,014.30</u>	<u>2,065,197.50</u>
VI. Ending balance of cash and cash equivalents	22	<u>2,850,530.97</u>	<u>3,580,646.08</u>

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Unit: RMB

(Unaudited) 1 January to 31 March 2022						
Item	Shareholders' equity attributable to the parent company				Minority shareholders' equity	Total shareholders' equity
	Share capital	Capital reserves	Surplus reserves	Undistributed profits		
I. Closing balance of last year	189,762,900.00	182,569,046.27	16,435,819.34	(369,103,101.74)	2,603,528.96	22,268,192.83
Changes in accounting policies	-	-	-	-	-	-
Correction of prior period errors	-	-	-	-	-	-
Merger of business under same control	-	-	-	-	-	-
Others	-	-	-	-	-	-
II. Beginning balance of the period	189,762,900.00	182,569,046.27	16,435,819.34	(369,103,101.74)	2,603,528.96	22,268,192.83
III. Changes for the period (" ") for decrease)	-	-	-	(5,878,713.84)	(58,018.69)	(5,936,732.53)
(I) Total comprehensive income	-	-	-	(5,878,713.84)	(58,018.69)	(5,936,732.53)
(II) Capital invested and reduced by shareholders	-	-	-	-	-	-
1. Common shares invested by shareholders	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	-
(IV) Internal structure of shareholders' equity	-	-	-	-	-	-
(V) Special reserves	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-
IV. Ending balance of the period	189,762,900.00	182,569,046.27	16,435,819.34	(374,981,815.58)	2,545,510.27	16,331,460.30

(Unaudited) 1 January to 31 March 2021						
Item	Shareholders' equity attributable to the parent company				Minority shareholders' equity	Total shareholders' equity
	Share capital	Capital reserves	Surplus reserves	Undistributed profits		
I. Closing balance of last year	189,762,900.00	182,569,046.27	16,435,819.34	(346,442,138.02)	2,615,923.87	44,941,551.46
Changes in accounting policies	-	-	-	-	-	-
Correction of prior period errors	-	-	-	-	-	-
Merger of business under same control	-	-	-	-	-	-
Others	-	-	-	-	-	-
II. Beginning balance of the period	189,762,900.00	182,569,046.27	16,435,819.34	(346,442,138.02)	2,615,923.87	44,941,551.46
III. Changes for the period (" ") for decrease)	-	-	-	(2,767,107.24)	(22,706.23)	(2,789,813.47)
(I) Total comprehensive income	-	-	-	(2,767,107.24)	(22,706.23)	(2,789,813.47)
(II) Capital invested and reduced by shareholders	-	-	-	-	-	-
1. Common shares invested by shareholders	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	-
(IV) Internal structure of shareholders' equity	-	-	-	-	-	-
(V) Special reserves	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-
IV. Ending balance of the period	189,762,900.00	182,569,046.27	16,435,819.34	(349,209,245.26)	2,593,217.64	42,151,737.99

1. BASIC INFORMATION OF THE COMPANY

The Company, incorporated and established on 13 October 1999, is a joint stock limited company with limited liabilities (and a listed joint venture co-funded by investors from both 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, located at No. 25 Shuoshi Road, High-tech Industrial Development Zone, Xi'an, and legally represented by Xiao Bing, with both registered capital and paid-in capital of RMB189,762,900.

The H shares issued by the Company have been listed on GEM 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 and components (except for those subject to special entry administration and control measures taken as per national regulations); research and development, production, sales, installation, testing and service of office automation equipment, instruments and 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. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS, SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The financial statements of the Group have been prepared on a going-concern basis, based on actual transactions and events, in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance and other relevant regulations, and disclosure requirements in Companies Ordinance of Hong Kong and the GEM Listing Rules, and accounting policies and accounting estimates adopted in the consolidated financial statements of the Group for the year ended 31 December 2021.

The Group has adopted the accounting policies and accounting estimates specific to the characteristics of its actual production and operation, including the business cycle, recognition and measurement of the bad debts provision for receivables, measurement of inventory dispatched, classification and depreciation of fixed assets, amortisation of intangible assets, recognition and measurement of revenue.

RMB is the recording currency for the Group.

3. SHARE CAPITAL

Item	(Audited)		Issuance of new shares	(Unaudited)	
	31 December 2021	Ratio (%)		31 March 2022	Ratio (%)
Xi'an Tian An Corporate Management and Consulting Co., Ltd.	32,836,363.70	17.30	–	32,836,363.70	17.30
Shanghai Gaoxiang Investment Management Co., Ltd.	25,484,480.40	13.43	–	25,484,480.40	13.43
Xi'an Xiao's Antenna Technologies Co., Ltd.	15,746,869.80	8.30	–	15,746,869.80	8.30
Xi'an International Medical Investment Co., Ltd.	10,000,000.00	5.27	–	10,000,000.00	5.27
Shenzhen Huitai Investment Development Co., Ltd.	7,506,470.60	3.96	–	7,506,470.60	3.96
Xi'an Haorun Investment Ltd.	7,000,000.00	3.69	–	7,000,000.00	3.69
Xiao Bing	6,500,000.00	3.43	–	6,500,000.00	3.43
Beijing Holdings Investment Management Co., Ltd.	5,407,794.10	2.85	–	5,407,794.10	2.85
Jin Rongfei	5,000,000.00	2.64	–	5,000,000.00	2.64
Zhang Jiandong	2,000,000.00	1.05	–	2,000,000.00	1.05
Shaanxi Ying Investment Ltd.	2,000,000.00	1.05	–	2,000,000.00	1.05
Shanghai Ruikou Commerce and Trading Ltd.	1,850,000.00	0.97	–	1,850,000.00	0.97
Shanghai Hongzhen Ningshang Investment Management Partnership (limited partnership)	1,850,000.00	0.97	–	1,850,000.00	0.97
Jiao Chengyi	1,094,303.00	0.58	–	1,094,303.00	0.58
Liao Kang	910,147.80	0.48	–	910,147.80	0.48
Sub-total of domestic shares	<u>125,186,429.40</u>	<u>65.97</u>	–	<u>125,186,429.40</u>	<u>65.97</u>
Xiao Bing	1,000,000.00	0.53	–	1,000,000.00	0.53
Chen Ji	977,100.00	0.51	–	977,100.00	0.51
Public	<u>62,599,370.60</u>	<u>32.99</u>	–	<u>62,599,370.60</u>	<u>32.99</u>
Sub-total of H shares	<u>64,576,470.60</u>	<u>34.03</u>	–	<u>64,576,470.60</u>	<u>34.03</u>
Total	<u>189,762,900.00</u>	<u>100.00</u>	–	<u>189,762,900.00</u>	<u>100.00</u>

4. OPERATING INCOME, OPERATING COSTS

Item	(Unaudited) 1 January to 31 March 2022		(Unaudited) 1 January to 31 March 2021	
	Income	Costs	Income	Costs
Main business	6,748,325.11	4,820,291.83	7,711,875.58	3,604,278.25
Other business	344,159.71	46,043.28	129,142.85	–
Total	<u>7,092,484.82</u>	<u>4,866,335.11</u>	<u>7,841,018.43</u>	<u>3,604,278.25</u>

5. TAXES AND SURCHARGES

Item	(Unaudited) 1 January to 31 March	
	2022	2021
Urban maintenance and construction tax	2,152.17	3,109.89
Education surcharges	276.29	1,126.87
Stamp duty	19,173.36	4,860.95
Water conservancy fund	2,740.37	323.29
Environmental protection tax	11,633.78	20,404.91
Total	<u>35,975.97</u>	<u>29,825.91</u>

6. SELLING EXPENSES

Item	(Unaudited) 1 January to 31 March	
	2022	2021
Equipment depreciation expenses	827.75	491.41
Payroll	524,313.66	167,660.64
Office fees	19,652.72	11,107.30
Travelling expenses	73,566.18	84,535.61
Transportation charges	–	2,879.46
Business entertainment expenses	200,745.54	105,458.70
Delivery charges	169,985.04	241,570.08
Advertising expenses	–	1,300.00
Intermediation fees	25,381.13	10,119.98
Promotion and testing charges	780,510.41	–
Others	–	–
Total	<u>1,794,982.43</u>	<u>625,123.18</u>

7. ADMINISTRATIVE EXPENSES

Item	(Unaudited)	
	1 January to 31 March	
	2022	2021
Depreciation expenses	69,152.04	163,532.71
Depreciation of right-of-use assets	160,126.06	217,343.88
Amortisation of intangible assets	1,803,467.64	19,788.20
Amortisation of long-term deferred expenses	–	38,427.21
Payroll	1,697,804.15	1,966,421.75
Office fees	236,732.69	169,737.54
Communication fees	1,803.13	10,558.75
Travelling expenses	12,315.41	213,997.49
Transportation charges	15.57	15,368.80
Business entertainment expenses	81,854.67	113,408.41
Vehicle expenses	75,581.46	142,980.94
Repair fees	–	2,917.04
Intermediation fees	295,150.05	571,987.81
Auditor's remunerations		
– Audit service fees	–	(17,830.19)
– Other service fees	–	–
Expenses of the Board	25,500.00	27,600.00
Utilities	41,654.43	75,465.35
Leasing fees	–	–
Property management fees	17,836.98	17,675.40
Disabled security fund	47.17	142.86
Others	505.81	4,986.26
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Total	<u>4,519,547.26</u>	<u>3,754,510.21</u>

8. RESEARCH AND DEVELOPMENT EXPENSES

Item	(Unaudited)	
	1 January to 31 March	
	2022	2021
Depreciation expenses	113,916.28	49,054.70
Amortisation of intangible assets	–	1,785,187.89
Payroll	1,302,344.94	780,891.86
Office fees	65,172.18	4,517.87
Travelling expenses	41,289.17	113,326.01
Material fees	122,254.49	68,394.20
Testing charges	–	78,033.32
Development service fees	–	23,000.00
Shipping fees	300.00	–
Others	–	7,142.00
	<hr/>	<hr/>
Total	1,645,277.06	2,909,547.85

9. FINANCIAL EXPENSES

Item	(Unaudited)	
	1 January to 31 March	
	2022	2021
Interest expenses	206,026.98	153,524.84
Less: Interest income	2,756.59	2,274.09
Less: Exchange gain	16,505.62	42,622.37
Add: Exchange loss	212.91	1,838.85
Other expenditure	9,010.11	11,291.40
	<hr/>	<hr/>
Total	195,987.79	121,758.63

10. OTHER GAIN

Source of other gain	(Unaudited)	
	1 January to 31 March	
	2022	2021
Government subsidy	5,551.41	312,726.92
Income tax handling fee refunded	9,883.31	2,548.35
Others	280.00	—
	<u> </u>	<u> </u>
Total	<u><u>15,714.72</u></u>	<u><u>315,275.27</u></u>

11. INVESTMENT GAIN (“()” FOR LOSS)

Item	(Unaudited)	
	1 January to 31 March	
	2022	2021
Investment gain from disposal of financial assets held for trading	—	—
Others	—	—
	<u> </u>	<u> </u>
Total	<u><u>—</u></u>	<u><u>—</u></u>

12. GAIN FROM CHANGES IN FAIR VALUE (“()” FOR LOSS)

Source of gain from changes in fair value	(Unaudited)	
	1 January to 31 March	
	2022	2021
Financial assets measured at fair value through profit or loss	—	96,800.44
	<u> </u>	<u> </u>
Total	<u><u>—</u></u>	<u><u>96,800.44</u></u>

13. CREDIT IMPAIRMENT LOSS (“()” FOR LOSS)

Item	(Unaudited)	
	1 January to 31 March	
	2022	2021
Bad debts of accounts receivable	2,457.15	—
Bad debts of other receivables	—	—
	<u> </u>	<u> </u>
Total	<u><u>2,457.15</u></u>	<u><u>—</u></u>

14. ASSETS IMPAIRMENT LOSS (“()” FOR LOSS)

Item	(Unaudited)	
	1 January to 31 March	
	2022	2021
Impairment loss of inventories and contract performance cost	<u>-</u>	<u>-</u>

15. GAIN FROM ASSETS DISPOSAL (“()” FOR LOSS)

Item	(Unaudited)	
	1 January to 31 March	
	2022	2021
Gain from disposal of non-current assets	<u>-</u>	<u>-</u>

16. NON-OPERATING INCOME

Item	(Unaudited)	
	1 January to 31 March	
	2022	2021
Gain from debts restructuring	20,000.00	62,308.69
Other income	<u>-</u>	<u>280.00</u>
Total	<u>20,000.00</u>	<u>62,588.69</u>

17. NON-OPERATING EXPENDITURE

Item	(Unaudited)	
	1 January to 31 March	
	2022	2021
Loss from damage and scrap of non-current assets	-	55,452.27
Compensation, liquidated damages and fine expenditure	-	5,000.00
Other expenditure	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>60,452.27</u>

18. INCOME TAX EXPENSES

Item	(Unaudited)	
	1 January to 31 March	
	2022	2021
Current income tax calculated according to tax law and relevant regulations		
– Mainland China corporate income tax	9,283.60	–
– China Hong Kong profits tax	–	–
	<hr/>	<hr/>
Total	<u>9,283.60</u>	<u>–</u>

19. SEGMENT INFORMATION

Item	(Unaudited)	
	1 January to 31 March	
	2022	2021
Main business income:		
Sales of antenna products and provision of related services	5,428,500.37	6,032,137.89
Sales of underwater monitoring products and related products	–	–
Sales of aircraft products	–	–
Sales of agricultural products	<u>1,319,824.74</u>	<u>1,679,737.69</u>
	<hr/>	<hr/>
Total main business income	<u>6,748,325.11</u>	<u>7,711,875.58</u>
Segment profit (loss):		
Sales of antenna products and provision of related services	(3,159,771.12)	472,103.09
Sales of underwater monitoring products and related products	(118,626.08)	(85,776.83)
Sales of aircraft products	(65,247.55)	(163,493.63)
Sales of agricultural products	<u>(82,111.85)</u>	<u>(3,887.11)</u>
	<hr/>	<hr/>
Total segment profit (loss)	(3,425,756.60)	218,945.52
Unallocated income and gain	379,874.43	603,807.25
Unallocated costs, expenses, loss and expenditure	<u>(2,881,566.76)</u>	<u>(3,612,566.24)</u>
	<hr/>	<hr/>
Total profit (“()” for total loss)	<u>(5,927,448.93)</u>	<u>(2,789,813.47)</u>

20. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the unaudited net profit attributable to owners of the parent company for the three months ended 31 March 2022 of RMB(5,878,713.84) (2021: RMB(2,767,107.24)) and the weighted average number of 1,897,629,000 shares (2021: 1,897,629,000 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.

21. DIVIDENDS

The Board does not recommend the payment of a dividend for the three months ended 31 March 2022 (2021: nil).

22. ENDING BALANCE OF CASH AND CASH EQUIVALENTS

Item	(Unaudited) 31 March 2022	(Unaudited) 31 March 2021
Cash at bank and on hand	3,033,028.79	3,580,646.08
Less: Restrictions on usage of cash at bank and on hand	182,497.82	—
Total	<u>2,850,530.97</u>	<u>3,580,646.08</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Total Operating Income

The unaudited total operating income for the three months ended 31 March 2022 was approximately RMB7.09 million, representing approximately 90% of the unaudited total operating income for the corresponding period in 2021.

In response to the spread of COVID-19 in mainland China, various levels of temporary control measures were implemented during the period, which not only caused delay in the production process and affected operating income, but also prolonged production time and increased production costs. For agricultural products, the temporary control measures also resulted in the failure of the agricultural products to be supplied to the market at the most suitable time, which affected the sales price.

Artificial dielectric lens antenna products (the “**Dielectric Lens Antennas**”) of the Company were introduced to the market since 2019, after which the Company concentrated all available resources to develop and promote the Dielectric Lens Antennas. Approximately RMB5.43 million was generated from sales of the Dielectric Lens Antennas, which accounted for approximately 80% of main business operating income of the Group in the first quarter of 2022.

The Group carried out the production and sales of agricultural products, mainly live chicken, chicken meat and related non-staple foods, since 2016 in order to actively respond to the national policy on poverty alleviation and fulfil its social responsibilities. Approximately RMB1.32 million was generated from sales of agricultural products, which accounted for approximately 20% of main business operating income of the Group in the first quarter of 2022.

No operating income was recorded for both operating segments of sales of underwater surveillance and related products, and sales of aircraft products in the first quarter of 2022 as the Group did not actively carry out any promotion.

Gross Profit

During the three months ended 31 March 2022, an unaudited gross profit of approximately RMB2.23 million was recorded which represented gross profit margin of approximately 31.39%, compared to the unaudited gross profit margin of approximately 54.03% for the corresponding period in 2021. The decline in gross profit margin was mainly attributable to a decrease in sales price of the Dielectric Lens Antennas in order to expand sales scale of the Company to major communication network operators, and mobile communication suppliers of system integration and system equipment. At the same time, the temporary control measures in the first quarter of 2022 not only restricted sales price of agricultural products, but also raised breeding costs of live chicken. The gross profit margin for the period is still within reasonable range as when comparing to the gross profit margin of approximately 31.96% for the whole year of 2021.

Segment Performance

Segment performance was evaluated after considering gross profit, selling expenses, depreciation and amortisation expenses under administrative expenses, research and development expenses, credit and assets impairment loss of each operating segment.

Selling expenses increased from approximately RMB0.63 million for the corresponding period in 2021 to approximately RMB1.79 million for the three months ended 31 March 2022 due to an increase in payroll of sales force of approximately RMB0.36 million and network field test expenses of approximately RMB0.73 million.

Research and development expenses decreased from approximately RMB2.91 million for the corresponding period in 2021 to approximately RMB1.65 million for the three months ended 31 March 2022 which were solely used for further development of the Dielectric Lens Antennas.

No material impairment loss was recognised for receivables and assets for the three months ended 31 March 2022.

Despite ever-increasing sales orders for the Dielectric Lens Antennas, the production capacity was operated below normal level in the first quarter of 2022 due to temporary control measures and greater working capital requirement. The operating segment of sales of antenna products and the provision of related services recorded a segment loss of approximately RMB3.16 million.

The supply and sales price of agricultural products was affected by temporary control measures, the operating segment of sales of agricultural products recorded a segment loss of approximately RMB0.08 million.

Since no operating income was generated from the operating segments of sales of underwater surveillance and related products, and sales of aircraft products, segment losses were recorded.

Other Expenses, Expenditure, Gain and Income

Administrative expenses increased from approximately RMB3.75 million for the corresponding period in 2021 to approximately RMB4.52 million for the three months ended 31 March 2022 due to an increase in amortisation expenses in respect of intangible assets of approximately RMB1.78 million.

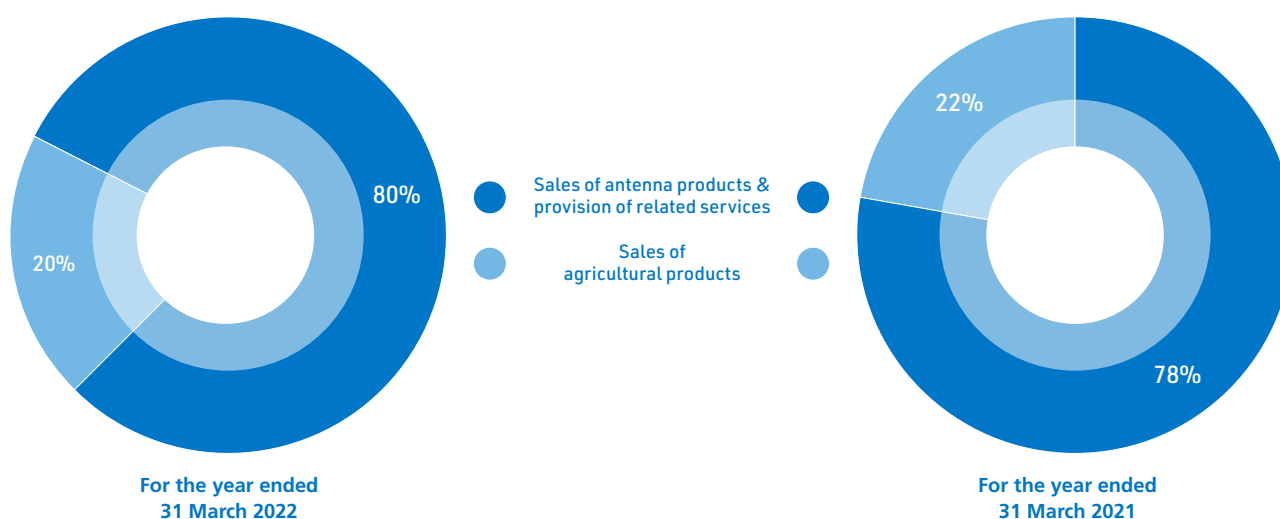
Financial expenses increased from approximately RMB0.12 million for the corresponding period in 2021 to approximately RMB0.20 million for the three months ended 31 March 2022 of which approximately RMB0.11 million was attributable to interest expenses of short-term borrowings. The working capital requirement for ever-increasing sales orders of the Dielectric Lens Antennas became greater, and the procedures for issuance of new shares were initiated but were not completed in the year of 2021. Accordingly, approximately RMB8.50 million short-term bank borrowings were raised by the end of 2021 and approximately RMB1.90 million were repaid during the period.

No gain was recognised as financial assets measured at fair value through profit or loss for the three months ended 31 March 2022, compared to approximately RMB0.10 million for the corresponding period in 2021. It was because all significant investment was disposed of in the year of 2021 in order to meet the working capital requirement of the Group.

Net Loss

As the decrease in sales price of the Dielectric Lens Antennas and the low sales price of agricultural products by the influence of temporary control measures in the first quarter of 2022, the Group recorded an unaudited net loss of approximately RMB5.94 million for the three months ended 31 March 2022, compared to the unaudited net loss of approximately RMB2.79 million for the corresponding period in 2021.

Composite of the Group's main business income by reportable and operating segments for the three months ended 31 March 2022, together with the comparative figures for the corresponding period in 2021 are as follows:



PROSPECTS

Due to the influence of COVID-19 in the year of 2021, certain procurement activities of major communication network operators, and mobile communication suppliers of system integration and system equipment were postponed to 2022. As the Group conducted a series of network field tests and technology exchanges previously, the Group has confidence to obtain a high share of bidding in various subsequent procurement activities.

Except for the production capacity of the Dielectric Lens Antennas has been increased to cope with ever-increasing sales orders, a private placement of no more than 124,466,666 domestic shares was approved by the China Securities Regulatory Commission on 23 March 2022. It is expected that the private placement would be completed in the second quarter of 2022 to provide sufficient working capital for ever-increasing sales orders.

The Group will focus on the development of the operating segment of sales of antenna products and provision of related services, and will pay close attention to the working capital requirement of ever-increasing sales orders of the Dielectric Lens Antennas. The Group will also consider further financing through bank borrowings, issuance of shares and bonds to ensure smooth operation and development.

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 31 March 2022, 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 spouse interest	10,071,000 (Note 3)	1.56%	0.53%
Ms. Lu Lihua (陸麗華女士)	Beneficial owner	14,000 (Note 4)	<0.01%	<0.01%

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.
- 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.
- 9,771,000 H Shares are held by Mr. Chen Ji and 300,000 H Shares are held by Ms. Sun Xiangjun. By virtue of the SFO, Mr. Chen Ji is deemed to be interested in the same 300,000 H Shares.
- Ms. Lu Lihua (陸麗華女士) is a staff Supervisor.

Saved as disclosed above, as at 31 March 2022, 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

As at 31 March 2022, 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%
Gaoxiang Investment	Beneficial owner	254,844,804 (Note 2)	20.36%	13.43%
Xiao Antenna	Beneficial owner	157,468,698 (Note 1)	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.* (深市匯泰投資發展有限公司)	Beneficial owner	75,064,706 (Note 3)	5.99%	3.96%
Mr. Xiao Feng (肖峰先生)	Interest in controlled corporation	75,064,706 (Note 3)	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 (Note 4)	5.59%	3.69%
Mr. Wang Yun (王贛先生)	Interest in controlled corporation	70,000,000 (Note 4)	5.59%	3.69%
Beijing Holdings Investment Management Co., Ltd.* (北京北控京泰投資管理有限公司)	Beneficial owner	54,077,941 (Note 5)	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 (Note 5)	4.32%	2.85%

Name of person/entity	Capacity	Number of Domestic Shares	Approximate % in total issued Domestic Shares	Approximate % in total issued Shares
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 (Note 2)	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%
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 (陳瑋女士)	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 (海祥控股有限公司)	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%
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 (黃偉汶)	Interest in controlled corporation	42,000,000 (Note 8)	6.50%	2.21%
Ms. Sun Xiangjun (孫湘君女士)	Beneficial owner and spouse interest	10,071,000 (Note 9)	1.56%	0.53%
Guotai Junan Financial	Issuer of investment products	23,500,000 (Note 10)	3.64%	1.24%
Guotai Junan International	Interest in controlled corporation	23,500,000 (Note 10)	3.64%	1.24%
Guotai Junan Holdings	Interest in controlled corporation	23,500,000 (Note 10)	3.64%	1.24%
Guotai Junan Securities	Interest in controlled corporation	23,500,000 (Note 10)	3.64%	1.24%

Short positions in H Shares

Name of person/entity	Capacity	Number of underlying H Shares (Note 6)	Approximate % in total issued H Shares	Approximate % in total issued Shares
Guotai Junan Financial	Issuer of unlisted and cash settled derivatives	23,500,000 (Note 11)	3.64%	1.24%
Guotai Junan International	Interest in controlled corporation	23,500,000 (Note 11)	3.64%	1.24%
Guotai Junan Holdings	Interest in controlled corporation	23,500,000 (Note 11)	3.64%	1.24%
Guotai Junan Securities	Interest in controlled corporation	23,500,000 (Note 11)	3.64%	1.24%

Notes:

- 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.
- 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.
- 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 as to 80% by Mr. Xiao Feng (肖峰先生). By virtue of the SFO, Mr. Xiao Feng is deemed to be interested in the same 75,064,706 Domestic Shares.
- 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 (王贛先生). By virtue of the SFO, Mr. Wang Yun is deemed to be interested in the same 70,000,000 Domestic Shares.
- 54,077,941 Domestic Shares are held by Beijing Holdings Investment Management Co., Ltd.* (北京北控京泰投資管理有限公司) (“**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.
- 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 and 300,000 H Shares are held by Ms. Sun Xiangjun. By virtue of the SFO, Ms. Sun Xiangjun is deemed to be interested in the same 9,771,000 H Shares.
10. 23,500,000 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**”). By virtue of the SFO, each of Guotai Junan International, Guotai Junan Holdings and Guotai Junan Securities is deemed to have short position in the same 23,500,000 H Shares.
11. Short positions in 23,500,000 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. By virtue of the SFO, each of Guotai Junan International, Guotai Junan Holdings and Guotai Junan Securities is deemed to have short position in the same 23,500,000 underlying H Shares.

Saved as disclosed above, as at 31 March 2022, 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 31 March 2022, 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 for the three months ended 31 March 2022.

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 three months ended 31 March 2022, the Company has complied with the requirements of the code provisions as set out in the Corporate Governance Code contained in Appendix 15 of the GEM Listing Rules.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

For the three months ended 31 March 2022, 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 of 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 31 March 2022, the Audit Committee comprised of Professor Shi Ping and Mr. Liu Lidong, independent non-executive Directors, and Mr. Xu Xiong, a non-executive Director. The Group’s unaudited consolidated results for the three months ended 31 March 2022 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 May 2022

As at the date of this announcement, 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 Mr. Liu Lidong (劉立東先生) being independent non-executive Directors.

This announcement 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 purpose only*