



**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)

2022  
2022  
INTERIM 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.*

*\* for identification purpose only*

## HIGHLIGHTS

- During the six months ended 30 June 2022, the Group recorded an unaudited net loss of approximately RMB11.41 million, compared to the unaudited net loss of approximately RMB8.41 million for the corresponding period in 2021.
- The unaudited total operating income for the six months ended 30 June 2022 was approximately RMB11.87 million, representing approximately 72% of the unaudited total operating income for the corresponding period in 2021.
- The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2022.

## CONSOLIDATED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

The board of Directors (the “**Board**”) hereby submits the unaudited condensed consolidated financial statements of the Company and its subsidiaries (the “**Group**”) for the three months and six months ended 30 June 2022, together with the unaudited comparative figures for the corresponding period in the year of 2021 as follows:

### CONSOLIDATED BALANCE SHEET

*Unit: RMB*

Item	Note	(Unaudited) 30 June 2022	(Audited) 31 December 2021
<b>Current assets:</b>			
Cash at bank and on hand		<b>3,829,908.86</b>	4,371,383.08
Financial assets held for trading	3	–	2,000.00
Accounts receivable	4	<b>18,471,914.56</b>	18,391,443.64
Advanced payments		<b>930,975.58</b>	377,684.42
Other receivables		<b>1,799,929.01</b>	2,220,494.70
Of which: Interest receivable		–	–
Dividends receivable		–	–
Inventories		<b>11,476,247.42</b>	14,106,472.20
Other current assets		<b>247,017.41</b>	813,415.26
<b>Total current assets</b>		<b>36,755,992.84</b>	40,282,893.30
<b>Non-current assets:</b>			
Fixed assets	5	<b>5,999,386.97</b>	6,517,570.17
Projects under construction		–	–
Right-of-use assets		<b>5,334,312.16</b>	6,803,796.48
Intangible assets	6	<b>47,264,464.79</b>	50,871,400.07
Long-term deferred expenses		–	–
Other non-current assets	7	<b>13,042,225.16</b>	13,042,225.16
<b>Total non-current assets</b>		<b>71,640,389.08</b>	77,234,991.88
<b>Total assets</b>		<b>108,396,381.92</b>	117,517,885.18

Item	Note	(Unaudited) 30 June 2022	(Audited) 31 December 2021
<b>Current liabilities:</b>			
Short-term borrowings		6,600,000.00	8,500,000.00
Accounts payable	8	13,747,645.98	16,339,298.78
Advanced receipts		-	-
Payroll payable		6,278,119.06	4,980,111.91
Taxes payable		2,689,308.47	1,985,843.98
Other payables		35,072,681.56	30,345,635.50
Of which: Interest payable		-	-
Dividends payable		-	-
Non-current liabilities due within one year		4,169,860.21	4,132,624.72
Other current liabilities	9	25,500,000.00	25,500,000.00
<b>Total current liabilities</b>		<b>94,057,615.28</b>	<b>91,783,514.89</b>
<b>Non-current liabilities:</b>			
Lease liabilities		3,481,152.49	3,466,177.46
<b>Total liabilities</b>		<b>97,538,767.77</b>	<b>95,249,692.35</b>
<b>Shareholders' equity:</b>			
Share capital	10	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		(380,371,050.09)	(369,103,101.74)
Total shareholders' equity attributable to the parent company		8,396,715.52	19,664,663.87
Minority shareholders' equity		2,460,898.63	2,603,528.96
<b>Total shareholders' equity</b>		<b>10,857,614.15</b>	<b>22,268,192.83</b>
<b>Total liabilities and shareholders' equity</b>		<b>108,396,381.92</b>	<b>117,517,885.18</b>

## CONSOLIDATED INCOME STATEMENT

Unit: RMB

Item	Note	(Unaudited)		(Unaudited)	
		1 April to 30 June 2022	2021	1 January to 30 June 2022	2021
<b>I. Total operating income</b>		<b>4,781,680.46</b>	8,612,852.51	<b>11,874,165.28</b>	16,453,870.94
Of which: Operating income	11	4,781,680.46	8,612,852.51	11,874,165.28	16,453,870.94
<b>II. Total operating costs</b>		<b>10,623,537.28</b>	14,562,180.76	<b>23,681,642.90</b>	25,607,224.79
Of which: Operating costs	11	3,077,971.69	6,399,983.50	7,944,306.80	10,004,261.75
Taxes and surcharges	12	16,505.38	28,590.88	52,481.35	58,416.79
Selling expenses	13	966,624.50	1,361,583.77	2,761,606.93	1,986,706.95
Administrative expenses	14	4,803,746.44	3,295,112.11	9,323,293.70	7,049,622.32
Research and development expenses	15	1,549,057.23	3,550,316.23	3,194,334.29	6,459,864.08
Financial expenses	16	209,632.04	(73,405.73)	405,619.83	48,352.90
Of which: Interest expenses		212,535.06	12,911.33	418,562.04	166,436.17
Interest income		2,775.31	1,555.04	5,531.90	3,829.13
Add: Other gain	17	136,029.01	163,853.14	151,743.73	479,128.41
Investment gain ("0" for loss)	18	793.80	269,414.99	793.80	269,414.99
Of which: Gain from investment in associates and joint ventures		-	-	-	-
Gain from changes in fair value ("0" for loss)	19	-	(96,800.44)	-	-
Credit impairment loss ("0" for loss)	20	(185,591.79)	-	(183,134.64)	-
Assets impairment loss ("0" for loss)	21	-	-	-	-
Gain from assets disposal ("0" for loss)	22	-	-	-	(55,452.27)
<b>III. Operating profit ("0" for loss)</b>		<b>(5,890,625.80)</b>	(5,612,860.56)	<b>(11,838,074.73)</b>	(8,460,262.72)
Add: Non-operating income	23	418,694.87	(280.00)	438,694.87	62,308.69
Less: Non-operating expenditure	24	1,431.69	52.15	1,431.69	5,052.15
<b>IV. Total profit ("0" for total loss)</b>		<b>(5,473,362.62)</b>	(5,613,192.71)	<b>(11,400,811.55)</b>	(8,403,006.18)
Less: Income tax expenses	25	483.53	9,710.42	9,767.13	9,710.42
<b>V. Net profit ("0" for net loss)</b>		<b>(5,473,846.15)</b>	(5,622,903.13)	<b>(11,410,578.68)</b>	(8,412,716.60)
(I) By business continuity ("0" for net loss)		<b>(5,473,846.15)</b>	(5,622,903.13)	<b>(11,410,578.68)</b>	(8,412,716.60)
1. Net profit from continuing operations		<b>(5,473,846.15)</b>	(5,622,903.13)	<b>(11,410,578.68)</b>	(8,412,716.60)
2. Net profit from discontinued operations		-	-	-	-
(II) By ownership ("0" for net loss)		<b>(5,473,846.15)</b>	(5,622,903.13)	<b>(11,410,578.68)</b>	(8,412,716.60)
1. Net profit attributable to owners of the parent company		<b>(5,389,234.51)</b>	(5,473,015.36)	<b>(11,267,948.35)</b>	(8,240,122.60)
2. Minority shareholders' profit and loss		<b>(84,611.64)</b>	(149,887.77)	<b>(142,630.33)</b>	(172,594.00)
<b>VI. Net of tax of other comprehensive income</b>		-	-	-	-
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		-	-	-	-
<b>VII. Total comprehensive income</b>		<b>(5,473,846.15)</b>	(5,622,903.13)	<b>(11,410,578.68)</b>	(8,412,716.60)
Total comprehensive income attributable to shareholders of the parent company		<b>(5,389,234.51)</b>	(5,473,015.36)	<b>(11,267,948.35)</b>	(8,240,122.60)
Total comprehensive income attributable to minority shareholders		<b>(84,611.64)</b>	(149,887.77)	<b>(142,630.33)</b>	(172,594.00)
<b>VIII. Earnings per share</b>					
(I) Basic earnings per share (Yuan/share)	27	<b>(0.00284)</b>	(0.00288)	<b>(0.00594)</b>	(0.00434)
(II) Diluted earnings per share (Yuan/share)	27	<b>(0.00284)</b>	(0.00288)	<b>(0.00594)</b>	(0.00434)

## CONSOLIDATED CASH FLOW STATEMENT

Unit: RMB

Item	Note	(Unaudited)	
		1 January to 30 June 2022	2021
<b>I. Cash flows from operating activities:</b>			
Cash received from sales of goods or rendering of services		<b>12,375,878.29</b>	9,364,218.07
Taxes and surcharges refunded		<b>1,062,707.13</b>	–
Other cash received relating to operating activities		<b>1,001,236.71</b>	500,799.13
Subtotal of cash inflows from operating activities		<b>14,439,822.13</b>	9,865,017.20
Cash paid for purchase of goods and receipt of services		<b>5,085,327.84</b>	10,458,692.18
Cash paid to and for employees		<b>6,631,560.69</b>	6,923,498.39
Taxes and surcharges paid		<b>150,410.08</b>	138,892.60
Other cash paid relating to operating activities		<b>5,400,059.87</b>	6,517,522.64
Subtotal of cash outflows for operating activities		<b>17,267,358.48</b>	24,038,605.81
Net cash flows from operating activities		<b>(2,827,536.35)</b>	(14,173,588.61)

Item	Note	(Unaudited)	
		1 January to 30 June 2022	2021
<b>II. Cash flows from investing activities:</b>			
Cash received from disposal of investment		<b>2,793.80</b>	2,601,425.59
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		–	–
<hr/>			
Subtotal of cash inflows from investing activities		<b>2,793.80</b>	2,601,425.59
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Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets		<b>446,230.00</b>	166,183.00
Cash paid for acquisition of investments		–	–
Net cash paid for acquisition of subsidiaries and other business entities		–	–
Other cash paid relating to investing activities		–	–
<hr/>			
Subtotal of cash outflows for investing activities		<b>446,230.00</b>	166,183.00
<hr/>			
Net cash flows from investing activities		<b>(443,436.20)</b>	2,435,242.59



Item	Note	(Unaudited)	
		1 January to 30 June 2022	2021
<b>III. Cash flows from financing activities:</b>			
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		<b>5,893,686.09</b>	8,068,198.02
<b>Subtotal of cash inflows from financing activities</b>		<b>5,893,686.09</b>	20,068,198.02
Cash paid for repayment of debts		<b>1,900,000.00</b>	–
Cash paid for distribution of dividends, profits or repayment of interests		<b>210,945.13</b>	–
Of which: Dividends and profits paid to minority shareholders by subsidiaries		–	–
Other cash paid relating to financing activities		<b>1,063,045.55</b>	8,264,712.58
<b>Subtotal of cash outflows for financing activities</b>		<b>3,173,990.68</b>	8,264,712.58
<b>Net cash flows from financing activities</b>		<b>2,719,695.41</b>	11,803,485.44
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>		<b>19,861.54</b>	61,051.13
<b>V. Net increase in cash and cash equivalents</b>		<b>(531,415.60)</b>	126,190.55
Add: Beginning balance of cash and cash equivalents		<b>4,189,014.30</b>	2,065,197.50
<b>VI. Ending balance of cash and cash equivalents</b>	29	<b>3,657,598.70</b>	2,191,388.05

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Unit: RMB

		(Unaudited) 1 January to 30 June 2022						
		Shareholders' equity attributable to the parent company				Minority	Total	
Item		Share capital	Capital reserves	Surplus reserves	Undistributed profits	shareholders' equity	shareholders' equity	
I.	<b>Closing balance of last year</b>	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.	<b>Beginning balance of the period</b>	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.	<b>Changes for the period</b>							
	<b>("(") for decrease)</b>	-	-	-	(11,267,948.35)	(142,630.33)	(11,410,578.68)	
	(I) Total comprehensive income	-	-	-	(11,267,948.35)	(142,630.33)	(11,410,578.68)	
	(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.	<b>Ending balance of the period</b>	189,762,900.00	182,569,046.27	16,435,819.34	(380,371,050.09)	2,460,898.63	10,857,614.15	

		(Unaudited) 1 January to 30 June 2021						
		Shareholders' equity attributable to the parent company				Minority	Total	
Item		Share capital	Capital reserves	Surplus reserves	Undistributed profits	shareholders' equity	shareholders' equity	
I.	<b>Closing balance of last year</b>	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.	<b>Beginning balance of the period</b>	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.	<b>Changes for the period</b>							
	<b>("(") for decrease)</b>	-	-	-	(8,240,122.60)	(172,594.00)	(8,412,716.60)	
	(I) Total comprehensive income	-	-	-	(8,240,122.60)	(172,594.00)	(8,412,716.60)	
	(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.	<b>Ending balance of the period</b>	189,762,900.00	182,569,046.27	16,435,819.34	(354,682,260.62)	2,443,329.87	36,528,834.86	

Notes:

## **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. FINANCIAL ASSETS HELD FOR TRADING

Item	(Unaudited) 30 June 2022	(Audited) 31 December 2021
	Financial assets measured at fair value through profit or loss	–
Of which: Investment in equity instruments	–	2,000.00
<b>Total</b>	<b>–</b>	<b>2,000.00</b>

### 4. ACCOUNTS RECEIVABLE

Item	(Unaudited) 30 June 2022				Book value
	Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Provision ratio (%)	
<b>Accounts receivable presented by bad debts provision method:</b>					
Provision for bad debts by single item	7,890,117.65	28.97	7,890,117.65	100.00	–
Provision for bad debts by portfolio	19,346,050.24	71.03	874,135.68	4.52	18,471,914.56
Of which: Aging portfolio	19,346,050.24	71.03	874,135.68	4.52	18,471,914.56
Low-risk portfolio	–	–	–	–	–
<b>Total</b>	<b>27,236,167.89</b>	<b>100.00</b>	<b>8,764,253.33</b>		<b>18,471,914.56</b>

(Table continued)

Item	(Audited) 31 December 2021				Book value
	Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Provision ratio (%)	
<b>Accounts receivable presented by bad debts provision method:</b>					
Provision for bad debts by single item	7,890,117.65	29.25	7,890,117.65	100.00	–
Provision for bad debts by portfolio	19,082,444.68	70.75	691,001.04	3.62	18,391,443.64
Of which: Aging portfolio	18,370,282.64	68.11	691,001.04	3.76	17,679,281.60
Low-risk portfolio	712,162.04	2.64	–	–	712,162.04
<b>Total</b>	<b>26,972,562.33</b>	<b>100.00</b>	<b>8,581,118.69</b>		<b>18,391,443.64</b>

Item	(Unaudited) 30 June 2022	(Audited) 31 December 2021
<b>Accounts receivable presented by aging:</b>		
Within 1 year (including 1 year)	<b>12,391,426.22</b>	18,494,036.68
1-2 years	<b>6,757,216.02</b>	391,000.00
2-3 years	–	–
3-4 years	–	197,408.00
4-5 years	<b>197,408.00</b>	–
Over 5 years	<b>7,890,117.65</b>	7,890,117.65
<b>Total</b>	<b>27,236,167.89</b>	26,972,562.33

## 5. FIXED ASSETS

The Group spent approximately RMB0.17 million on acquisition of machineries and office equipment during the period (2021: RMB0.11 million).

## 6. INTANGIBLE ASSETS

The Group did not acquire any material intangible assets during the period (2021: nil).

## 7. OTHER NON-CURRENT ASSETS

Item	(Unaudited) 30 June 2022	(Audited) 31 December 2021
Advanced payments for purchase of land and above-ground attachments	<b>18,546,000.00</b>	18,546,000.00
Less: Provision for impairment	<b>5,503,774.84</b>	5,503,774.84
<b>Total</b>	<b>13,042,225.16</b>	13,042,225.16

## 8. ACCOUNTS PAYABLE

Item	(Unaudited) 30 June 2022	(Audited) 31 December 2021
<b>Presentation of accounts payable:</b>		
Trade balances	<b>13,374,712.69</b>	15,568,840.78
Service balance	<b>372,933.29</b>	770,458.00
<b>Total</b>	<b>13,747,645.98</b>	16,339,298.78

### Accounts payable presented by aging (based on transaction date):

Within 1 year (including 1 year)	<b>6,688,615.78</b>	9,104,542.34
1-2 years	<b>718,635.79</b>	134,973.03
2-3 years	<b>5,224,771.38</b>	5,991,806.63
Over 3 years	<b>1,115,623.03</b>	1,107,976.78
<b>Total</b>	<b>13,747,645.98</b>	16,339,298.78

## 9. OTHER CURRENT LIABILITIES

Item	(Unaudited) 30 June 2022	(Audited) 31 December 2021
Provisional investment from shareholders	<b>25,500,000.00</b>	25,500,000.00

## 10. SHARE CAPITAL

Item	(Audited)		Issuance of new shares	(Unaudited)	
	31 December 2021	Ratio (%)		30 June 2022	Ratio (%)
	Share capital			Share capital	
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 Trade Co., 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	125,186,429.40	65.97	–	125,186,429.40	65.97
Xiao Bing	1,000,000.00	0.53	–	1,000,000.00	0.53
Chen Ji	977,100.00	0.51	–	1,141,800.00	0.60
Public	62,599,370.60	32.99	–	62,434,670.60	32.90
Sub-total of H shares	64,576,470.60	34.03	–	64,576,470.60	34.03
<b>Total</b>	<b>189,762,900.00</b>	<b>100.00</b>	<b>–</b>	<b>189,762,900.00</b>	<b>100.00</b>

## 11. OPERATING INCOME, OPERATING COSTS

Item	(Unaudited) 1 April to 30 June 2022		(Unaudited) 1 April to 30 June 2021	
	Income	Costs	Income	Costs
Main business	3,564,460.19	2,757,814.04	8,164,533.93	6,052,252.18
Other business	1,217,220.27	320,157.65	448,318.58	347,731.32
<b>Total</b>	<b>4,781,680.26</b>	<b>3,077,971.69</b>	8,612,852.51	6,399,983.50

Item	(Unaudited) 1 January to 30 June 2022		(Unaudited) 1 January to 30 June 2021	
	Income	Costs	Income	Costs
Main business	10,312,785.30	7,578,105.87	15,876,409.51	9,656,530.43
Other business	1,561,379.98	366,200.93	577,461.43	347,731.32
<b>Total</b>	<b>11,874,165.28</b>	<b>7,944,306.80</b>	16,453,870.94	10,004,261.75

## 12. TAXES AND SURCHARGES

Item	(Unaudited) 1 April to 30 June		(Unaudited) 1 January to 30 June	
	2022	2021	2022	2021
Urban maintenance and construction tax	7,222.15	729.56	9,374.32	3,839.45
Education surcharges	4,778.78	383.64	5,055.07	1,510.51
Stamp duty	3,672.45	12,130.86	22,845.81	16,991.81
Water conservancy fund	748.00	1,932.76	3,488.37	2,256.05
Environmental protection tax	84.00	13,414.06	11,717.78	33,818.97
<b>Total</b>	<b>16,505.38</b>	28,590.88	<b>52,481.35</b>	58,416.79



### 13. SELLING EXPENSES

Item	(Unaudited)		(Unaudited)	
	1 April to 30 June 2022	2021	1 January to 30 June 2022	2021
Equipment depreciation expenses	827.77	939.90	1,655.52	1,431.31
Payroll	542,050.02	432,739.45	1,066,363.68	600,400.09
Office fees	20,657.14	586.20	40,309.86	11,693.50
Travelling expenses	294,681.59	324,631.16	368,247.77	409,166.77
Transportation charges	-	13,485.12	-	16,364.58
Business entertainment expenses	248,992.74	284,797.11	449,738.28	390,255.81
Delivery charges	(146,340.76)	181,444.72	23,644.28	423,014.80
Advertising expenses	-	-	-	1,300.00
Construction fees	-	-	-	-
Intermediation fees	2,564.54	40,229.00	27,945.67	50,348.98
Promotion and testing charges	3,300.00	59,481.13	783,810.41	59,481.13
After-sales service fees	-	-	-	-
Technical service fees	-	-	-	-
Leasing fees	-	-	-	-
Printing fees	-	-	-	-
Others	(108.54)	23,249.98	(108.54)	23,249.98
<b>Total</b>	<b>966,624.50</b>	<b>1,361,583.77</b>	<b>2,761,606.93</b>	<b>1,986,706.95</b>

## 14. ADMINISTRATIVE EXPENSES

Item	(Unaudited)		(Unaudited)	
	1 April to 30 June 2022	2021	1 January to 30 June 2022	2021
Depreciation expenses	<b>154,426.15</b>	132,408.65	<b>223,578.19</b>	295,941.36
Depreciation of right-of-use assets	<b>284,929.77</b>	220,305.00	<b>445,055.83</b>	437,648.88
Amortisation of intangible assets	<b>1,803,467.64</b>	18,937.91	<b>3,606,935.28</b>	38,726.11
Amortisation of long-term deferred expenses	–	27,299.83	–	65,727.04
Payroll	<b>1,755,433.61</b>	1,977,836.13	<b>3,453,237.76</b>	3,944,257.88
Office fees	<b>56,895.95</b>	104,293.42	<b>293,628.64</b>	274,030.96
Communication fees	<b>16,246.39</b>	46,207.08	<b>18,049.52</b>	56,765.83
Travelling expenses	<b>24,963.12</b>	81,109.32	<b>37,278.53</b>	295,106.81
Transportation charges	<b>2,140.07</b>	21,496.98	<b>2,155.64</b>	36,865.78
Business entertainment expenses	<b>118,359.80</b>	130,878.24	<b>200,214.47</b>	244,286.65
Vehicle expenses	<b>102,770.28</b>	123,427.88	<b>178,351.74</b>	266,408.82
Repair fees	–	–	–	–
Intermediation fees	<b>294,902.59</b>	207,864.28	<b>590,052.64</b>	779,852.09
Auditor's remunerations				
– Audit service fees	<b>(26,112.85)</b>	10,377.36	<b>(26,112.85)</b>	(7,452.83)
– Other service fees	–	–	–	–
Expenses of the Board	<b>25,500.00</b>	28,650.00	<b>51,000.00</b>	56,250.00
Utilities	<b>58,023.33</b>	41,355.10	<b>99,677.76</b>	116,820.45
Leasing fees	–	–	–	–
Property management fees	<b>17,964.12</b>	47,535.38	<b>35,801.10</b>	65,210.78
Disabled security fund	–	142.86	<b>47.17</b>	285.72
Others	<b>113,836.47</b>	74,986.69	<b>114,342.28</b>	82,889.99
<b>Total</b>	<b>4,803,746.44</b>	3,295,112.11	<b>9,323,293.70</b>	7,049,622.32

## 15. RESEARCH AND DEVELOPMENT EXPENSES

Item	(Unaudited)		(Unaudited)	
	1 April to 30 June 2022	2021	1 January to 30 June 2022	2021
Depreciation expenses	114,146.38	49,054.74	228,062.66	98,109.44
Amortisation of intangible assets	-	1,785,187.89	-	3,570,375.78
Payroll	1,149,617.22	796,137.09	2,451,962.16	1,577,028.95
Office fees	52,566.12	21,801.54	117,738.30	26,319.41
Travelling expenses	91,981.33	125,640.34	133,270.50	238,966.35
Entertainment expenses	-	(6,936.00)	-	-
Material fees	131,025.06	730,052.68	253,279.55	798,446.88
Testing charges	754.72	27,404.72	754.72	105,438.04
Development service fees	6,000.00	-	6,000.00	23,000.00
Shipping fees	2,966.40	-	3,266.40	-
Others	-	21,973.23	-	22,179.23
<b>Total</b>	<b>1,549,057.23</b>	<b>3,550,316.23</b>	<b>3,194,334.29</b>	<b>6,459,864.08</b>

## 16. FINANCIAL EXPENSES

Item	(Unaudited)		(Unaudited)	
	1 April to 30 June 2022	2021	1 January to 30 June 2022	2021
Interest expenses	212,535.06	12,911.33	418,562.04	166,436.17
Less: Interest income	2,775.31	1,555.04	5,531.90	3,829.13
Less: Exchange gain	3,902.88	114,394.35	20,408.50	157,016.72
Add: Exchange loss	761.40	22,760.03	974.31	24,598.88
Other expenditure	3,013.77	6,872.30	12,023.88	18,163.70
<b>Total</b>	<b>209,632.04</b>	<b>(73,405.73)</b>	<b>405,619.83</b>	<b>48,352.90</b>

## 17. OTHER GAIN

Source of other gain	(Unaudited)		(Unaudited)	
	1 April to 30 June 2022	2021	1 January to 30 June 2022	2021
Government subsidy	135,472.35	162,914.40	141,023.76	475,641.32
Income tax handling fee refunded	(1,016.29)	938.74	8,867.02	3,487.09
Others	1,572.95	-	1,852.95	-
<b>Total</b>	<b>136,029.01</b>	<b>163,853.14</b>	<b>151,743.73</b>	<b>479,128.41</b>

## 18. INVESTMENT GAIN (“”) FOR LOSS)

Item	(Unaudited)		(Unaudited)	
	1 April to 30 June 2022	2021	1 January to 30 June 2022	2021
Long-term equity investment gain accounted in equity method	-	-	-	-
Investment gain from disposal of financial assets held for trading	793.80	269,414.99	793.80	269,414.99
Others	-	-	-	-
<b>Total</b>	<b>793.80</b>	<b>269,414.99</b>	<b>793.80</b>	<b>269,414.99</b>

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

Source of gain from changes in fair value	(Unaudited)		(Unaudited)	
	1 April to 30 June 2022	2021	1 January to 30 June 2022	2021
Financial assets measured at fair value through profit or loss	-	(96,800.44)	-	-

## 20. CREDIT IMPAIRMENT LOSS (“”) FOR LOSS)

Item	(Unaudited)		(Unaudited)	
	1 April to 30 June 2022	2021	1 January to 30 June 2022	2021
Bad debts of accounts receivable	(185,591.79)	-	(183,134.64)	-
Bad debts of other receivables	-	-	-	-
Bad debts of advanced payments	-	-	-	-
<b>Total</b>	<b>(185,591.79)</b>	<b>-</b>	<b>(183,134.64)</b>	<b>-</b>

## 21. ASSETS IMPAIRMENT LOSS (“”) FOR LOSS)

Item	(Unaudited)		(Unaudited)	
	1 April to 30 June 2022	2021	1 January to 30 June 2022	2021
Impairment loss of inventories and contract performance cost	-	-	-	-
Impairment loss of intangible assets	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 22. GAIN FROM ASSETS DISPOSAL (“”) FOR LOSS)

Item	(Unaudited)		(Unaudited)	
	1 April to 30 June 2022	2021	1 January to 30 June 2022	2021
Gain from disposal of non-current assets	-	-	-	(55,452.27)
Of which: Gain from disposal of fixed assets	-	-	-	(55,452.27)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(55,452.27)</b>

## 23. NON-OPERATING INCOME

Item	(Unaudited)		(Unaudited)	
	1 April to 30 June 2022	2021	1 January to 30 June 2022	2021
Gain from debts restructuring	-	-	20,000.00	62,308.69
Payables that cannot be paid	-	-	-	-
Other income	418,694.87	(280.00)	418,694.87	-
<b>Total</b>	<b>418,694.87</b>	<b>(280.00)</b>	<b>438,694.87</b>	<b>62,308.69</b>

## 24. NON-OPERATING EXPENDITURE

Item	(Unaudited)		(Unaudited)	
	1 April to 30 June 2022	2021	1 January to 30 June 2022	2021
Loss from damage and scrap of non-current assets	931.69	-	931.69	-
Donation expenditure	-	-	-	-
Compensation, liquidated damages and fine expenditure	500.00	52.15	500.00	52.15
Other expenditure	-	-	-	5,000.00
<b>Total</b>	<b>1,431.69</b>	<b>52.15</b>	<b>1,431.69</b>	<b>5,052.15</b>

## 25. INCOME TAX EXPENSES

Item	(Unaudited)		(Unaudited)	
	1 April to 30 June 2022	2021	1 January to 30 June 2022	2021
Current income tax calculated according to tax law and relevant regulations				
– Mainland China corporate income tax	483.53	9,710.42	9,767.13	9,710.42
– China Hong Kong profits tax	–	–	–	–
Deferred income tax expenses	–	–	–	–
<b>Total</b>	<b>483.53</b>	<b>9,710.42</b>	<b>9,767.13</b>	<b>9,710.42</b>

## 26. SEGMENT INFORMATION

Item	(Unaudited)	(Audited)
	30 June 2022	31 December 2021
<b>Segment assets:</b>		
Sales of antenna products and provision of related services	99,621,073.60	106,484,119.50
Sales of underwater monitoring and related products	71,995.09	154,018.59
Sales of aircraft products	1,998,195.34	2,850,657.44
Sales of agricultural products	6,091,738.25	7,372,383.19
Total segment assets	107,783,002.28	116,861,178.72
Unallocated assets	613,379.64	656,706.46
Total consolidated assets	108,396,381.92	117,517,885.18
<b>Segment liabilities:</b>		
Sales of antenna products and provision of related services	69,697,629.16	70,060,166.72
Sales of underwater monitoring and related products	145,689.72	123,805.00
Sales of aircraft products	18,624,964.84	16,152,213.10
Sales of agricultural products	1,069,463.48	2,059,026.12
Total segment liabilities	89,537,747.20	88,395,210.94
Unallocated liabilities	8,001,020.57	6,854,481.41
Total consolidated liabilities	97,538,767.77	95,249,692.35

Item	(Unaudited)		(Unaudited)	
	1 April to 30 June 2022	2021	1 January to 30 June 2022	2021
<b>Main business income:</b>				
Sales of antenna products and provision of related services	<b>2,225,671.12</b>	4,801,349.12	<b>7,654,171.49</b>	10,833,487.01
Sales of underwater monitoring and related products	-	-	-	-
Sales of aircraft products	-	-	-	-
Sales of agricultural products	<b>1,338,789.07</b>	3,363,184.81	<b>2,658,613.81</b>	5,042,922.50
<b>Total main business income</b>	<b>3,564,460.19</b>	8,164,533.93	<b>10,312,785.30</b>	15,876,409.51
<b>Segment profit (loss):</b>				
Sales of antenna products and provision of related services	<b>(3,555,337.59)</b>	(2,485,581.62)	<b>(6,715,108.71)</b>	(2,013,478.53)
Sales of underwater monitoring and related products	<b>(121,804.37)</b>	(135,526.25)	<b>(240,430.45)</b>	(221,303.08)
Sales of aircraft products	<b>(189,281.57)</b>	(183,254.40)	<b>(254,529.12)</b>	(346,748.03)
Sales of agricultural products	<b>(154,269.00)</b>	(276,797.51)	<b>(236,380.85)</b>	(280,684.62)
<b>Total segment profit (loss)</b>	<b>(4,020,692.53)</b>	(3,081,159.78)	<b>(7,446,449.13)</b>	(2,862,214.26)
Unallocated income and gain	<b>1,772,737.95</b>	336,187.69	<b>2,152,612.38</b>	810,852.09
Unallocated costs, expenses, loss and expenditure	<b>(3,225,408.04)</b>	(2,868,220.62)	<b>(6,106,974.80)</b>	(6,351,644.01)
<b>Total profit ("()") for total loss)</b>	<b>(5,473,362.62)</b>	(5,613,192.71)	<b>(11,400,811.55)</b>	(8,403,006.18)

## 27. 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 and six months ended 30 June 2022 of RMB(5,389,234.51) and RMB(11,267,948.35) respectively (2021: RMB(5,473,015.36) and RMB(8,240,122.60) respectively) 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.

## 28. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2022 (2021: nil).

## 29. ENDING BALANCE OF CASH AND CASH EQUIVALENTS

Item	(Unaudited) 30 June 2022	(Unaudited) 30 June 2021
Cash at bank and on hand	3,829,908.86	2,191,388.05
Less: Restrictions on usage of cash at bank and on hand	172,310.16	–
<b>Total</b>	<b>3,657,598.70</b>	<b>2,191,388.05</b>

## 30. REMUNERATION OF DIRECTORS, MEMBERS OF SUPERVISORY COMMITTEE (THE “SUPERVISORS”) AND EMPLOYEES

Item	(Unaudited) 1 January to 30 June 2022	2021
Remuneration of Directors and Supervisors	765,497.07	683,576.14
Salaries and allowances of employees	5,723,016.94	5,868,657.01
Social insurance, housing fund and pension (excluding Directors and Supervisors)	1,535,688.05	858,084.12
<b>Total</b>	<b>8,024,202.06</b>	<b>7,410,317.27</b>

## 31. TRANSACTION BALANCE OF RELATED PARTY

Item	(Unaudited) 30 June 2022	(Audited) 31 December 2021
<b>Other receivables:</b>		
Senior management and Directors – Zuo Hong	–	–
<b>Accounts payable:</b>		
Shareholders of the Company – Xi’an Xiao’s Antenna Technologies Co., Ltd.	5,200,000.00	5,200,000.00
<b>Other payables:</b>		
Shareholders of the Company – Shanghai Gaoxing Investment Management Co., Ltd.	16,932,000.00	14,392,000.00
Senior management and Directors – Xiao Bing	5,974,613.71	6,289,352.30
Chen Ji	7,117,352.52	5,883,666.43
Senior management – Liao Kang	–	19,064.00



## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

#### Total Operating Income

The unaudited total operating income for the six months ended 30 June 2022 was approximately RMB11.87 million, representing approximately 72% of the unaudited total operating income for the corresponding period in 2021.

In the first half of 2022, the key work of the Group was to strengthen the expansion of mobile communication business. Affected by the COVID-19, the bidding process of communication network operators was delayed, and the progress of product production and business promotion of the Group's mobile communication products was also affected to a certain extent, thus affecting the overall performance of the Group. However, the Group always focused on market development, continuously consolidated and enhanced its research and development capabilities, and achieved certain progress in business promotion. The operating income from the operating segment of sales of antenna products and provision of related services was decreased from approximately RMB10.83 million for the corresponding period in 2021 to approximately RMB7.65 million for the six months ended 30 June 2022, which accounted for approximately 74% of main business income of the Group in the first half of 2022. The artificial dielectric lens antenna products (the "**Lens Antennas**") sold in the first half of 2022 was approximately 1.9 thousand units.

In respect of the operating segment of sales of agricultural products which is mainly engaged in live chicken, chicken meat and related non-staple foods, the operating income of approximately RMB2.66 million was generated in the first half of 2022, which accounted for approximately 26% of main business income of the Group and represented merely 52% of operating income for the corresponding period in 2021. Due to the influence of COVID-19, production scale was temporary reduced to enhance the flexibility of the operations that and the sales of agricultural products were affected significantly. The total weight of live chicken and chicken meat, and non-staple foods sold in the first half of 2022 was approximately 20 tons and 53 tons respectively.

The operating segments of sales of underwater monitoring and related products and sales of aircraft products maintained technical and after-sales services to existing customers without any promotion, no operating income was recorded for both operating segments in the first half of 2022.

## Gross profit

Although selling price of the Lens Antennas was under pressure for market expansion and breeding costs of live chicken increased, operating income of approximately RMB1.34 million was generated from sales of raw materials to mark up for the low gross profit margin. During the six months ended 30 June 2022, an unaudited gross profit of approximately RMB3.93 million was recorded which represented gross profit margin of approximately 33.10%, compared to the unaudited gross margin of approximately 39.20% for the corresponding period in 2021. The gross profit margin in the first half of 2022 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 were increased from approximately RMB1.99 million for the corresponding period in 2021 to approximately RMB2.76 million for the six months ended 30 June 2022 due to increase in payroll, business entertainment expenses, and promotion and testing charges for procurement activities of the Lens Antennas.

Research and development expenses were decreased from approximately RMB6.46 million for the corresponding period in 2021 to approximately RMB3.19 million for the six months ended 30 June 2022 which were solely used for further improvement and development of the Lens Antennas without including amortisation of intangible assets of approximately RMB3.61 million.

Based on the aging analysis, impairment loss of approximately of RMB0.20 million was recognised for accounts receivable overdue for 1 year for the six months ended 30 June 2022.

The operating segment of sales of antenna products and provision of related services still remained at a lower-than-normal operating level and was unable to cover all operating costs and relevant expenses, a segment loss of approximately of RMB6.72 million was recorded for the six months ended 30 June 2022.

Although careful production planning was adopted for the operating segment of sales of agricultural products, the reduction in production scale led to a segment loss of approximately RMB0.24 million for the six months ended 30 June 2022.

Since no operating income was generated from the operating segments of sales of underwater monitoring and related products, and sales of aircraft products, segment losses of approximately RMB0.24 million and RMB0.25 million were recorded respectively for the six months ended 30 June 2022.

### **Other expenses, expenditure, gain and income**

Administrative expenses were increased from approximately RMB7.05 million for the corresponding period in 2021 to approximately RMB9.32 million for the six months ended 30 June 2022. There was no material fluctuation in the component of expenses except for including amortisation of intangible assets of approximately RMB3.61 million.

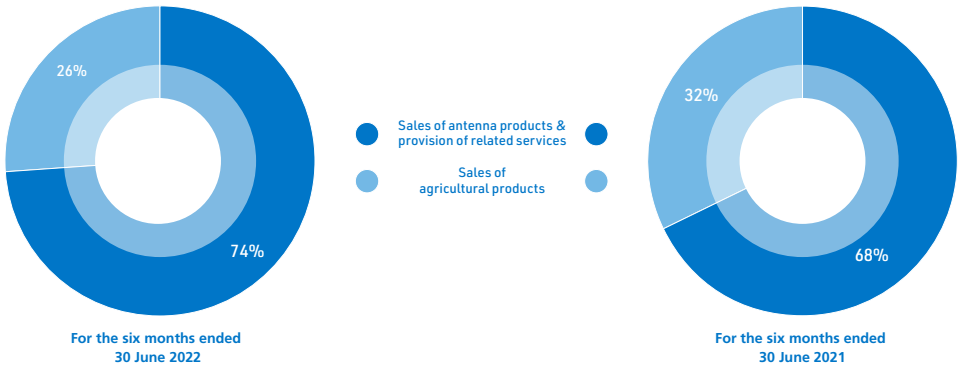
Financial expenses were increased from approximately RMB0.05 million for the corresponding period in 2021 to approximately RMB0.41 million for the six months ended 30 June 2022 of which approximately RMB0.21 million each was attributable to each of interest expenses of lease liabilities and short-term borrowings. Approximately RMB6.60 million short-term borrowings were maintained for the first half of 2022 to provide working capital for the operations of the Group.

Approximately RMB0.14 million was received as government subsidy, and expenses in respect of intangible assets of approximately RMB0.42 million were refunded from government as non-operating income for the six months ended 30 June 2022.

## Net loss

As the unaudited total operating income was decreased by approximately 28% during the six months ended 30 June 2022, the Group recorded an unaudited net loss of approximately RMB11.41 million, compared to the unaudited net loss of approximately RMB8.41 million for the corresponding period in 2021.

Composite of the Group's main business income by reportable and operating segments for the six months ended 30 June 2022, together with the comparative figures for the corresponding period in 2021 are as follows:



## PROSPECTS

The Lens Antennas were promoted for a long time, and the product performance of the Lens Antennas was affirmed. The Group's communication product types have become more diversified, and the cooperation with customers has been continuously deepened and strengthened. At present, the Group has achieved good results again on the basis of the previous market expansion. Through active preparations, the Group won the bid for the lens antenna project of "China Mobile 2022 Base Station Antenna Centralised Procurement" in the second quarter. It is the first time that a mobile communication operator has included lens antennas into the scope of centralised procurement, which fully shows that the lens antennas have been recognised by the market and the development prospects of lens antennas are broad, and the Group's market expansion has achieved good results which is of great significance to the Group. To this end, the Group is actively conducting further exchanges and business communication with operator customers, and continues to provide the market with lens antenna products with better performance and more complete sequences that meet customer needs, so as to promote the implementation of centralised procurement projects.

In addition to the centralised procurement projects, the Group also made new progress in the promotion of operators' bidding projects in the first half of the year. The Shaanxi Telecom bidding project, which was postponed due to COVID-19 in Xi'an at the beginning of the year, was restarted in June. As a local professional antenna research and development and manufacturing enterprise, the Group successfully won the bid for the package 1 of "China Telecom Shaanxi Company 2022 Wireless Network Longbo Lens Antenna Centralised Procurement Project", which further consolidated the foundation of the Group's cooperation with telecommunication operators and strengthened the business development in the local area of Shaanxi. At the same time, the Group is still following up on the Hunan Telecom bidding activities and the Chongqing Telecom bidding projects. At present, all new projects have successfully won the bids, and the cooperation agreements are to be signed. In additions, the business development in the Northeast Region has been fruitful. Following the previous development in Heilongjiang with China Unicom, the Group participated in the bidding of lens antennas by China Mobile in this region in the first half of the year and also successfully won the bid. It shows that the influence of the lens antenna has been further enhanced, and the Group will also strengthen cooperation with the Heilongjiang region as an entry point, and continuously promote the rapid development of the Group's communications business in various provinces and cities in the Northeast Region. Moreover, the group is continuously improving the performance of the Lens Antennas, improving new types of antennas, and providing the Lens Antennas series products with better performance in combination with specific scenarios. The Group will also continue to carry out relevant new product testing in Shaanxi, central China, northern China, northeast China, east China, south China and other regions, and actively pay attention to the purchase intentions of customers such as operators, so as to better promote future business cooperation with customers.

In the next step, the Group will continue to focus on expanding the mobile communication business and to follow up the bidding and procurement projects such as centralised procurement and provincial procurement of lens antenna projects by major operators, and actively expand exchanges and cooperation with non-operator customers such as relevant mobile communication suppliers of system integration and manufacturers of system equipment. Meanwhile, the Group will further increase research and development efforts to enhance the network coverage effect of the Lens Antennas in various special and complex scenarios such as residential areas, buildings, high-speed railways, highways and bridges, and improve user experience in scenarios such as large capacity and intensive data traffic. It is to improve the product sequence of the Lens Antennas, explore the application of lens materials in more scenarios and fields such as the Internet of Things, smart cities, and Internet of Vehicles, and further develop various communication derivatives such as lens small base stations and lens Wi-Fi, so as to increase mobile communication business income of the Group.

Regarding the funds required for the development of diversified operations, the Group will also adopt financing channels such as additional issuance, bank borrowings, and revitalising the Group's existing assets in a timely manner according to the needs of business development to ensure the Group's business development.

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

For the six months ended 30 June 2022, the Group was mainly financed by funds generated from operations, short-term borrowings, and lease liabilities under right-of-use assets. The short-term borrowings were mainly for daily operations and the lease liabilities were solely used for financing those assets under operating leases of the Group during the period. As at 30 June 2022, the Group had the short-term borrowings of approximately RMB6.60 million which were repayable within one year, and the lease liabilities of approximately RMB7.65 million which were classified in accordance with the lease terms.

For the six months ended 30 June 2022, the interest-bearing borrowings borne interest rates of ranging from 5.5% to 6% per annum, and the lease liabilities borne interest rate of 7.13% per annum. Majority of debts for operations were denominated in RMB during the period, the Directors consider that exposure to interest rate risk and foreign exchange risk was minimal.

As at 30 June 2022, the gearing ratio of the Group was approximately 169.72% (2021: 12.94%), which is calculated based on the sum of total interest-bearing borrowings and lease liabilities over the total shareholders' equity attributable to the parent company.

Cash and cash equivalents decreased approximately from RMB4.19 million to RMB3.66 million during the period. As at 30 June 2022, bank deposits of approximately RMB0.17 million were regarded as margin account for operations and liabilities of the Group.

## **FOREIGN EXCHANGE EXPOSURE**

For the six months ended 30 June 2022, the Group was not exposed to any significant foreign exchange risk as majority of the Group's transactions were denominated in RMB, no financial instruments for hedging were employed.

## **SIGNIFICANT INVESTMENT HELD**

Except for investments in subsidiaries and financial assets at fair value through profit and loss, the Group did not hold any significant investment for the six months ended 30 June 2022.

## **MATERIAL ACQUISITIONS AND DISPOSALS**

Save as disclosed in the paragraph headed "Significant Investment Held" above, the Group did not have any other material acquisitions and disposals of subsidiaries, associates and affiliated companies for the six months ended 30 June 2022.

## **EMPLOYEES AND REMUNERATION POLICY**

As at 30 June 2022, the Group had 121 (2021: 131) full-time employees. Total staff costs for the six months ended 30 June 2022 amounted to approximately RMB8.02 million (2021: RMB7.41 million), including remuneration of the Directors and the Supervisors. All employees of the Group are eligible to participate in the defined contribution retirement schemes required by the law. The Group reviews employee remuneration from time to time and the increments in remuneration are normally granted annually or by special adjustment depending on length of service and performance when warranted. In addition to salaries, the Group provides employee benefits including medical insurance. Bonuses are also available to employees of the Group at the discretion of the Directors and depending upon the financial performance of the Group. The Group has not granted any share options to the Directors and its employees. A comprehensive career development programme is launched for all employees which provides diversified part-time training opportunities in accordance with the needs of their positions and specialities.

## **CHARGES ON GROUP ASSETS**

As at 30 June 2022, except for bank deposits of approximately RMB0.17 million regarded as margin account, no other assets of the Group were pledged for its operations and liabilities.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS**

As at 30 June 2022, the Group had no material capital expenditure contracted for but not provided in the consolidated financial statements.

## **CONTINGENT LIABILITIES**

As at 30 June 2022, the Group did not have any material contingent liabilities.

## **UTILISATION OF NET PROCEEDS FROM EQUITY FUND RAISING ACTIVITIES**

For the six months ended 30 June 2022, there was no utilisation of net proceeds from equity fund raising activities.

## **DIRECTORS', 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 June 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	11,718,000 (Note 3)	1.81%	0.62%

### 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. 11,418,000 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.

Saved as disclosed above, as at 30 June 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 30 June 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 <i>(Note 1)</i>	44.00%	29.03%
Professor Xiao Liangyong (肖良勇教授)	Family member interest and interest in controlled corporation	550,832,335 <i>(Note 1)</i>	44.00%	29.03%
Tian An Corporate	Beneficial owner	328,363,637 <i>(Note 1)</i>	26.23%	17.30%
Ms. Sun Xiangjun (孫湘君女士)	Spouse interest and interest in controlled corporation	273,344,804 <i>(Note 2)</i>	21.84%	14.40%
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%
Mr. Xiao Feng (肖峰先生)	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.* (北京北控京泰投資管理有限公司)	Beneficial owner	54,077,941 <i>(Note 5)</i>	4.32%	2.85%

Name of person/entity	Capacity	Number of Domestic Shares	Approximate % in total issued Domestic Shares	Approximate % in total issued Shares
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%
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 <i>(Note 6)</i>	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 <i>(Note 7)</i>	10.98%	3.74%
Hongkong Jinsheng Enterprise Co., Limited (香港錦昇企業有限公司)	Beneficial owner	70,752,000 <i>(Note 7)</i>	10.96%	3.73%
Oceanic Bliss Holdings Limited (海祥控股有限公司)	Interest in controlled corporation	70,752,000 <i>(Note 7)</i>	10.96%	3.73%
Zeal Warrior Investments Limited	Interest in controlled corporation	70,752,000 <i>(Note 7)</i>	10.96%	3.73%
Clear Renown Global Limited (朗譽環球有限公司)	Beneficial owner	42,000,000 <i>(Note 8)</i>	6.50%	2.21%
Huang Wei Wen (黃偉汶)	Interest in controlled corporation	42,000,000 <i>(Note 8)</i>	6.50%	2.21%
Ms. Sun Xiangjun (孫湘君女士)	Beneficial owner and spouse interest	11,718,000 <i>(Note 9)</i>	1.81%	0.62%
Guotai Junan Financial	Issuer of investment products	23,500,000 <i>(Note 10)</i>	3.64%	1.24%
Guotai Junan International	Interest in controlled corporation	23,500,000 <i>(Note 10)</i>	3.64%	1.24%
Guotai Junan Holdings	Interest in controlled corporation	23,500,000 <i>(Note 10)</i>	3.64%	1.24%
Guotai Junan Securities	Interest in controlled corporation	23,500,000 <i>(Note 10)</i>	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.

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 (王贛先生). 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.
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. 11,418,000 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 11,418,000 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 be interested 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 30 June 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 30 June 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 six months ended 30 June 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 six months ended 30 June 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 six months ended 30 June 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 30 June 2022, the Audit Committee comprised of Professor Shi Ping and Mr. Liu Lidong, independent non-executive Directors, and Mr. Zuo Hong, a non-executive Director. The Group’s unaudited consolidated results for the six months ended 30 June 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, 5 August 2022

*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. Li Wenqi (李文琦先生), Mr. Zuo Hong (左宏先生), Mr. Zhang Jun (張鈞先生) and Mr. Sun Yikuan (孫義寬先生) being non-executive Directors; and 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 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 purpose only