



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)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

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* For identification purpose only

HIGHLIGHTS

- During the nine months ended 30 September 2022, the Group recorded an unaudited net loss of approximately RMB18.56 million, compared to the unaudited net loss of approximately RMB14.13 million for the corresponding period in 2021.
- The unaudited total operating income for the nine months ended 30 September 2022 was approximately RMB16.65 million, representing approximately 64% of the unaudited total operating income for the corresponding period in 2021.
- The Board does not recommend the payment of a dividend for the nine months ended 30 September 2022.

CONSOLIDATED RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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 and nine months ended 30 September 2022, together with the unaudited comparative figures for the corresponding period in the year of 2021 as follows:

CONSOLIDATED BALANCE SHEET

Item	Note	Unit: RMB	
		(Unaudited) 30 September 2022	(Audited) 31 December 2021
Current assets:			
Cash at bank and on hand		2,424,778.93	4,371,383.08
Financial assets held for trading		–	2,000.00
Notes receivable		100,000.00	–
Accounts receivable		13,234,199.91	18,391,443.64
Advanced payments		1,511,031.93	377,684.42
Other receivables		1,781,826.85	2,220,494.70
Of which: Interest receivable		–	–
Dividends receivable		–	–
Inventories		12,482,108.00	14,106,472.20
Other current assets		257,973.02	813,415.26
Total current assets		<u>31,791,918.64</u>	<u>40,282,893.30</u>

Item	<i>Note</i>	(Unaudited) 30 September 2022	(Audited) 31 December 2021
Non-current assets:			
Fixed assets		5,762,098.51	6,517,570.17
Projects under construction		–	–
Right-of-use assets		5,039,250.01	6,803,796.48
Intangible assets		45,461,144.74	50,871,400.07
Long-term deferred expenses		–	–
Other non-current assets		<u>13,042,225.16</u>	<u>13,042,225.16</u>
Total non-current assets		<u>69,304,718.42</u>	<u>77,234,991.88</u>
Total assets		<u>101,096,637.06</u>	<u>117,517,885.18</u>
Current liabilities:			
Short-term borrowings		6,600,000.00	8,500,000.00
Accounts payable		11,999,911.10	16,339,298.78
Advanced receipts		275,285.00	–
Payroll payable		6,955,608.10	4,980,111.91
Taxes payable		2,441,923.99	1,985,843.98
Other payables		36,908,626.32	30,345,635.50
Of which: Interest payable		–	–
Dividends payable		–	–
Non-current liabilities due within one year		3,256,764.16	4,132,624.72
Other current liabilities		<u>25,500,000.00</u>	<u>25,500,000.00</u>
Total current liabilities		<u>93,938,118.67</u>	91,783,514.89
Non-current liabilities:			
Lease liabilities		<u>3,447,894.37</u>	<u>3,466,177.46</u>
Total liabilities		<u>97,386,013.04</u>	<u>95,249,692.35</u>

Item	<i>Note</i>	(Unaudited) 30 September 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		<u>(387,487,087.93)</u>	<u>(369,103,101.74)</u>
Total shareholders' equity attributable to the parent company		1,280,677.68	19,664,663.87
Minority shareholders' equity		<u>2,429,946.34</u>	<u>2,603,528.96</u>
Total shareholders' equity		<u><u>3,710,624.02</u></u>	<u><u>22,268,192.83</u></u>
Total liabilities and shareholders' equity		<u><u>101,096,637.06</u></u>	<u><u>117,517,885.18</u></u>

CONSOLIDATED INCOME STATEMENT

Unit: RMB

Item	Note	(Unaudited)		(Unaudited)	
		1 July to 30 September 2022	2021	1 January to 30 September 2022	2021
I. Total operating income		4,771,282.84	9,587,039.95	16,645,448.12	26,040,910.89
Of which: Operating income	4	4,771,282.84	9,587,039.95	16,645,448.12	26,040,910.89
II. Total operating costs		12,187,753.23	15,449,369.32	35,869,396.13	41,056,594.11
Of which: Operating costs	4	3,383,366.69	7,099,248.88	11,327,673.49	17,103,510.63
Taxes and surcharges	5	16,241.26	24,267.16	68,722.61	82,683.95
Selling expenses	6	2,148,674.95	1,333,250.74	4,910,281.88	3,319,957.69
Administrative expenses	7	4,685,063.66	3,417,087.20	14,008,357.36	10,466,709.52
Research and development expenses	8	1,725,324.84	3,529,404.89	4,919,659.13	9,989,268.97
Financial expenses	9	229,081.83	46,110.45	634,701.66	94,463.35
Of which: Interest expenses		188,246.63	72,777.87	606,808.67	239,214.04
Interest income		1,805.58	1,024.29	7,337.48	4,853.42
Add: Other gain	10	68,891.32	153,000.00	220,635.05	632,128.41
Investment gain (“()” for loss)	11	-	-	793.80	269,414.99
Of which: Gain from investment in associates and joint ventures		-	-	-	-
Gain from changes in fair value (“()” for loss)	12	-	-	-	-
Credit impairment loss (“()” for loss)	13	199,862.26	-	16,727.62	-
Assets impairment loss (“()” for loss)	14	-	-	-	-
Gain from assets disposal (“()” for loss)	15	726.68	-	726.68	(55,452.27)
III. Operating profit (“()” for loss)		(7,146,990.13)	(5,709,329.37)	(18,985,064.86)	(14,169,592.09)
Add: Non-operating income	16	-	-	438,694.87	62,308.69
Less: Non-operating expenditure	17	-	-	1,431.69	5,052.15
IV. Total profit (“()” for total loss)		(7,146,990.13)	(5,709,329.37)	(18,547,801.68)	(14,112,335.55)
Less: Income tax expenses	18	-	4,359.55	9,767.13	14,069.97
V. Net profit (“()” for net loss)		(7,146,990.13)	(5,713,688.92)	(18,557,568.81)	(14,126,405.52)
(I) By business continuity (“()” for net loss)		(7,146,990.13)	(5,713,688.92)	(18,557,568.81)	(14,126,405.52)
1. Net profit from continuing operations		(7,146,990.13)	(5,713,688.92)	(18,557,568.81)	(14,126,405.52)
2. Net profit from discontinued operations		-	-	-	-
(II) By ownership (“()” for net loss)		(7,146,990.13)	(5,713,688.92)	(18,557,568.81)	(14,126,405.52)
1. Net profit attributable to owners of the parent company		(7,116,037.84)	(5,855,723.13)	(18,383,986.19)	(14,095,845.73)
2. Minority shareholders’ profit and loss		(30,952.29)	142,034.21	(173,582.62)	(30,559.79)
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		(7,146,990.13)	(5,713,688.92)	(18,557,568.81)	(14,126,405.52)
Total comprehensive income attributable to shareholders of the parent company		(7,116,037.84)	(5,855,723.13)	(18,383,986.19)	(14,095,845.73)
Total comprehensive income attributable to minority shareholders		(30,952.29)	142,034.21	(173,582.62)	(30,559.79)
VIII. Earnings per share					
(I) Basic earnings per share (Yuan/share)	20	(0.00375)	(0.00309)	(0.00969)	(0.00743)
(II) Diluted earnings per share (Yuan/share)	20	(0.00375)	(0.00309)	(0.00969)	(0.00743)

CONSOLIDATED CASH FLOW STATEMENT

Unit: RMB

Item	Note	(Unaudited)	
		1 January to 30 September 2022	2021
I. Cash flows from operating activities:			
Cash received from sales of goods or rendering of services		23,185,965.13	15,797,383.11
Taxes and surcharges refunded		1,062,707.13	–
Other cash received relating to operating activities		1,086,209.38	692,949.98
		<u>25,334,881.64</u>	<u>16,490,333.09</u>
Subtotal of cash inflows from operating activities			
Cash paid for purchase of goods and receipt of services		11,816,250.19	16,466,239.71
Cash paid to and for employees		9,775,574.03	10,609,515.31
Taxes and surcharges paid		447,388.19	199,011.61
Other cash paid relating to operating activities		7,517,289.11	9,380,651.75
		<u>29,556,501.52</u>	<u>36,655,418.38</u>
Subtotal of cash outflows for operating activities			
Net cash flows from operating activities		<u>(4,221,619.88)</u>	<u>(20,165,085.29)</u>
II. Cash flows from investing activities:			
Cash received from disposal of investment		2,793.80	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		720,002.53	–
		<u>722,796.33</u>	<u>2,601,425.59</u>
Subtotal of cash inflows from investing activities			
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets		774,515.50	737,053.00
Cash paid for acquisition of investments		–	–
Net cash paid for acquisition of subsidiaries and other business entities		–	–
Other cash paid relating to investing activities		1,120,397.36	–
		<u>1,894,912.86</u>	<u>737,053.00</u>
Subtotal of cash outflows for investing activities			
Net cash flows from investing activities		<u>(1,172,116.53)</u>	<u>1,864,372.59</u>

Item	<i>Note</i>	(Unaudited)	
		1 January to 30 September	
		2022	2021
III. Cash flows from financing activities:			
Cash received from capital injection		500,000.00	12,000,000.00
Of which: Cash received from capital injection by minority shareholders of subsidiaries		–	–
Cash received from borrowings		–	1,900,000.00
Other cash received relating to financing activities		7,974,458.78	<u>12,418,419.28</u>
Subtotal of cash inflows from financing activities		8,474,458.78	<u>26,318,419.28</u>
Cash paid for repayment of debts		1,900,000.00	–
Cash paid for distribution of dividends, profits or repayment of interests		308,184.01	18,287.50
Of which: Dividends and profits paid to minority shareholders by subsidiaries		–	–
Other cash paid relating to financing activities		2,870,490.10	<u>8,427,047.31</u>
Subtotal of cash outflows for financing activities		5,078,674.11	<u>8,445,334.81</u>
Net cash flows from financing activities		3,395,784.67	<u>17,873,084.47</u>
IV. Effect of foreign exchange rate changes on cash and cash equivalents		(12,102.44)	<u>88,968.23</u>
V. Net increase in cash and cash equivalents		(2,010,054.18)	(338,660.00)
Add: Beginning balance of cash and cash equivalents		4,189,014.30	<u>2,065,197.50</u>
VI. Ending balance of cash and cash equivalents	<i>22</i>	2,178,960.12	<u>1,726,537.50</u>

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Unit: RMB

(Unaudited) 1 January to 30 September 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)	-	-	-	(18,383,986.19)	(173,582.62)	(18,557,568.81)
(I) Total comprehensive income	-	-	-	(18,383,986.19)	(173,582.62)	(18,557,568.81)
(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	<u>189,762,900.00</u>	<u>182,569,046.27</u>	<u>16,435,819.34</u>	<u>(387,487,087.93)</u>	<u>2,429,946.34</u>	<u>3,710,624.02</u>

(Unaudited) 1 January to 30 September 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)	-	-	-	(14,095,845.73)	(30,559.79)	(14,126,405.52)
(I) Total comprehensive income	-	-	-	(14,095,845.73)	(30,559.79)	(14,126,405.52)
(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	<u>189,762,900.00</u>	<u>182,569,046.27</u>	<u>16,435,819.34</u>	<u>(360,537,983.75)</u>	<u>2,585,364.08</u>	<u>30,815,145.94</u>

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 (%)		30 September 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 Patnership (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	–	1,141,800.00	0.60
Public	<u>62,599,370.60</u>	<u>32.99</u>	–	<u>62,434,670.60</u>	<u>32.90</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)		(Unaudited)	
	1 July to 30 September 2022		1 July to 30 September 2021	
	Income	Costs	Income	Costs
Main business	4,460,807.73	3,324,634.53	9,505,274.23	7,099,248.88
Other business	310,475.11	58,732.16	81,765.72	–
Total	<u>4,771,282.84</u>	<u>3,383,366.69</u>	<u>9,587,039.95</u>	<u>7,099,248.88</u>

Item	(Unaudited)		(Unaudited)	
	1 January to 30 September 2022		1 January to 30 September 2021	
	Income	Costs	Income	Costs
Main business	14,773,593.03	10,902,740.40	25,381,683.74	16,755,779.31
Other business	1,871,855.09	424,933.09	659,227.15	347,731.32
Total	<u>16,645,448.12</u>	<u>11,327,673.49</u>	<u>26,040,910.89</u>	<u>17,103,510.63</u>

5. TAXES AND SURCHARGES

Item	(Unaudited)		(Unaudited)	
	1 July to 30 September		1 January to 30 September	
	2022	2021	2022	2021
Urban maintenance and construction tax	6,816.57	1,703.02	16,190.89	5,542.47
Education surcharges	4,477.44	1,380.36	9,532.51	2,890.87
Stamp duty	4,306.59	6,246.04	27,152.40	23,237.85
Water conservancy fund	640.66	792.53	4,129.03	3,048.58
Environmental protection tax	–	14,145.21	11,717.78	47,964.18
Total	<u>16,241.26</u>	<u>24,267.16</u>	<u>68,722.61</u>	<u>82,683.95</u>

6. SELLING EXPENSES

Item	(Unaudited)		(Unaudited)	
	1 July to 30 September		1 January to 30 September	
	2022	2021	2022	2021
Equipment depreciation expenses	827.75	827.77	2,483.27	2,259.08
Payroll	500,504.95	429,301.35	1,566,868.63	1,029,701.44
Office fees	20,275.61	16,905.78	60,585.47	28,599.28
Travelling expenses	95,204.63	238,560.07	463,452.40	647,726.84
Transportation charges	–	18,434.53	–	34,799.11
Business entertainment expenses	229,575.20	369,143.49	679,313.48	759,399.30
Delivery charges	17,370.14	237,059.00	41,014.42	660,073.80
Advertising expenses	–	–	–	1,300.00
Construction fees	1,942,552.84	–	1,942,552.84	–
Intermediation fees	66,460.79	(35,534.94)	94,406.46	14,814.04
Promotion and testing charges	(730,225.50)	–	53,584.91	59,481.13
After-sales service fees	–	–	–	–
Technical service fees	–	–	–	–
Leasing fees	–	–	–	–
Printing fees	–	–	–	–
Others	6,128.54	58,553.69	6,020.00	81,803.67
	<u>2,148,674.95</u>	<u>1,333,250.74</u>	<u>4,910,281.88</u>	<u>3,319,957.69</u>
Total	<u>2,148,674.95</u>	<u>1,333,250.74</u>	<u>4,910,281.88</u>	<u>3,319,957.69</u>

7. ADMINISTRATIVE EXPENSES

Item	(Unaudited)		(Unaudited)	
	1 July to 30 September		1 January to 30 September	
	2022	2021	2022	2021
Depreciation expenses	130,020.00	126,864.05	353,598.19	422,805.41
Depreciation of right-of-use assets	223,879.95	223,576.44	668,935.78	661,225.32
Amortisation of intangible assets	1,803,320.05	18,279.75	5,410,255.33	57,005.86
Amortisation of long-term deferred expenses	–	–	–	65,727.04
Payroll	1,570,415.79	1,743,993.38	5,023,653.55	5,688,251.26
Office fees	175,439.67	143,173.08	469,068.31	417,204.04
Communication fees	6,239.31	24,850.16	24,288.83	81,615.99
Travelling expenses	16,274.09	161,847.32	53,552.62	456,954.13
Transportation charges	273.00	7,532.24	2,428.64	44,398.02
Business entertainment expenses	126,661.03	288,919.31	326,875.50	533,205.96
Vehicle expenses	124,955.77	140,203.11	303,307.51	406,611.93
Repair fees	12,660.00	–	12,660.00	–
Intermediation fees	237,662.95	309,205.39	827,715.59	1,089,057.48
Auditor's remunerations				
– Audit service fees	–	–	(26,112.85)	(7,452.83)
– Other service fees	–	–	–	–
Expenses of the Board	19,500.00	29,700.00	70,500.00	85,950.00
Utilities	55,611.88	59,222.14	155,289.64	176,042.59
Leasing fees	117,000.00	88,150.00	117,000.00	88,150.00
Property management fees	74,629.84	48,399.64	110,430.94	113,610.42
Disabled security fund	13,202.92	142.86	13,250.09	428.58
Others	(22,682.59)	3,028.33	91,659.69	85,918.32
Total	<u>4,685,063.66</u>	<u>3,417,087.20</u>	<u>14,008,357.36</u>	<u>10,466,709.52</u>

8. RESEARCH AND DEVELOPMENT EXPENSES

Item	(Unaudited)		(Unaudited)	
	1 July to 30 September		1 January to 30 September	
	2022	2021	2022	2021
Depreciation expenses	115,078.68	51,854.17	343,141.34	149,963.61
Amortisation of intangible assets	–	1,785,187.89	–	5,355,563.67
Payroll	1,176,649.47	852,401.69	3,628,611.63	2,429,430.64
Office fees	26,774.40	(9,612.64)	144,512.70	16,706.77
Travelling expenses	73,585.80	108,580.24	206,856.30	347,546.59
Entertainment expenses	–	–	–	–
Material fees	256,976.12	469,927.30	510,255.67	1,268,374.18
Testing charges	53,128.30	235,700.00	53,883.02	341,138.04
Development service fees	20,867.92	12,000.00	26,867.92	35,000.00
Shipping fees	2,264.15	–	5,530.55	–
Others	–	23,366.24	–	45,545.47
Total	<u>1,725,324.84</u>	<u>3,529,404.89</u>	<u>4,919,659.13</u>	<u>9,989,268.97</u>

9. FINANCIAL EXPENSES

Item	(Unaudited)		(Unaudited)	
	1 July to 30 September		1 January to 30 September	
	2022	2021	2022	2021
Interest expenses	188,246.63	72,777.87	606,808.67	239,214.04
Less: Interest income	1,805.58	1,024.29	7,337.48	4,853.42
Less: Exchange gain	31,715.46	31,140.27	52,123.96	188,156.99
Add: Exchange loss	66,816.86	801.37	67,791.17	25,400.25
Other expenditure	7,539.38	4,695.77	19,563.26	22,859.47
Total	<u>229,081.83</u>	<u>46,110.45</u>	<u>634,701.66</u>	<u>94,463.35</u>

10. OTHER GAIN

Source of other gain	(Unaudited)		(Unaudited)	
	1 July to 30 September		1 January to 30 September	
	2022	2021	2022	2021
Government subsidy	68,891.32	153,000.00	209,915.08	628,641.32
Income tax handling fee refunded	–	–	8,867.02	3,487.09
Others	–	–	1,852.95	–
Total	<u>68,891.32</u>	<u>153,000.00</u>	<u>220,635.05</u>	<u>632,128.41</u>

11. INVESTMENT GAIN

Item	(Unaudited)		(Unaudited)	
	1 July to 30 September		1 January to 30 September	
	2022	2021	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
Others	–	–	–	–
Total	<u>–</u>	<u>–</u>	<u>793.80</u>	<u>269,414.99</u>

12. GAIN FROM CHANGES IN FAIR VALUE (“0” FOR LOSS)

Source of gain from changes in fair value	(Unaudited)		(Unaudited)	
	1 July to 30 September		1 January to 30 September	
	2022	2021	2022	2021
Financial assets measured at fair value through profit or loss	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

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

Item	(Unaudited)		(Unaudited)	
	1 July to 30 September		1 January to 30 September	
	2022	2021	2022	2021
Bad debts of accounts receivable	199,862.26	–	16,727.62	–
Bad debts of other receivables	–	–	–	–
Bad debts of advanced payments	–	–	–	–
Total	<u>199,862.26</u>	<u>–</u>	<u>16,727.62</u>	<u>–</u>

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

Item	(Unaudited)		(Unaudited)	
	1 July to 30 September		1 January to 30 September	
	2022	2021	2022	2021
Impairment loss of inventories and contract performance cost	–	–	–	–
Impairment loss of intangible assets	–	–	–	–
Total	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

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

Item	(Unaudited)		(Unaudited)	
	1 July to 30 September		1 January to 30 September	
	2022	2021	2022	2021
Gain from disposal of non-current assets	726.68	–	726.68	(55,452.27)
Of which: Gain from disposal of fixed assets	–	–	–	(55,452.27)
Total	<u>726.68</u>	<u>–</u>	<u>726.68</u>	<u>(55,452.27)</u>

16. NON-OPERATING INCOME

Item	(Unaudited)		(Unaudited)	
	1 July to 30 September		1 January to 30 September	
	2022	2021	2022	2021
Gain from debts restructuring	–	–	20,000.00	62,308.69
Payables that cannot be paid	–	–	–	–
Other income	–	–	418,694.87	–
Total	–	–	438,694.87	62,308.69

17. NON-OPERATING EXPENDITURE

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

18. INCOME TAX EXPENSES

Item	(Unaudited)		(Unaudited)	
	1 July to 30 September		1 January to 30 September	
	2022	2021	2022	2021
Current income tax calculated according to tax law and relevant regulations				
– Mainland China corporate income tax	–	4,359.55	9,767.13	14,069.97
– China Hong Kong profits tax	–	–	–	–
Deferred income tax expenses	–	–	–	–
Total	–	4,359.55	9,767.13	14,069.97

19. SEGMENT INFORMATION

Item	(Unaudited)		(Unaudited)	
	1 July to 30 September		1 January to 30 September	
	2022	2021	2022	2021
Main business income:				
Sales of antenna products and provision of related services	2,893,345.16	4,079,824.38	10,547,516.65	14,913,311.39
Sales of underwater monitoring and related products	–	68,911.51	–	68,911.51
Sales of aircraft products	–	–	–	–
Sales of agricultural products	1,567,462.57	5,356,538.34	4,226,076.38	10,399,460.84
Total main business income	<u>4,460,807.73</u>	<u>9,505,274.23</u>	<u>14,773,593.03</u>	<u>25,381,683.74</u>
Segment profit (loss):				
Sales of antenna products and provision of related services	(4,348,264.00)	(2,773,196.09)	(11,063,372.71)	(4,786,674.62)
Sales of underwater monitoring and related products	(102,951.21)	(83,967.50)	(343,381.66)	(305,270.58)
Sales of aircraft products	(125,037.00)	(175,925.19)	(379,566.12)	(522,673.22)
Sales of agricultural products	(22,547.61)	325,148.12	(258,928.46)	44,463.50
Total segment profit (loss)	(4,598,799.82)	(2,707,940.66)	(12,045,248.95)	(5,570,154.92)
Unallocated gain and income	380,093.11	153,000.00	2,532,705.49	963,852.09
Unallocated costs, expenses, loss and expenditure	(2,928,283.42)	(3,154,388.71)	(9,035,258.22)	(9,506,032.72)
Total profit (“()” for total loss)	<u>(7,146,990.13)</u>	<u>(5,709,329.37)</u>	<u>(18,547,801.68)</u>	<u>(14,112,335.55)</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 and nine months ended 30 September 2022 of RMB(7,116,037.84) and RMB(18,383,986.19) respectively (2021: RMB (5,855,723.13) and RMB (14,095,845.73) 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.

21. DIVIDENDS

The Board does not recommend the payment of a dividend for the nine months ended 30 September 2022 (2021: nil).

22. ENDING BALANCE OF CASH AND CASH EQUIVALENTS

Item	(Unaudited) 30 September 2022	(Unaudited) 30 September 2021
Cash at bank and on hand	2,424,778.93	1,726,537.50
Less: Restrictions on usage of cash at bank and on hand	245,818.81	—
Total	<u>2,178,960.12</u>	<u>1,726,537.50</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Total operating income

The unaudited total operating income for the nine months ended 30 September 2022 was approximately RMB16.65 million, representing approximately 64% of the unaudited total operating income for the corresponding period in 2021.

By influence of the COVID-19, the bidding process of communication network operators was delayed, project construction was further postponed, and the production and business promotion of the Group's mobile communication products was slowed down that the overall performance of the Group was affected. In view of this, the Group concentrated its existing resources to develop more types of new artificial dielectric lens antenna products in combination with the wide application of lens materials in different fields and scenarios. The Group not only actively enhanced the implementation of the bid-winning share of centralised procurement of communication network operators, but also continued to follow up on the bidding projects of communication network operators, and took various measures to promote more types of business cooperation. As a result, the operating income from the operating segment of sales of antenna products and provision of related services was decreased from approximately RMB14.91 million for the corresponding period in 2021 to approximately RMB10.55 million for the nine months ended 30 September 2022, which accounted for approximately 71% of main business income of the Group.

In respect of the operating segment of sales of agricultural products, the operating income was also decreased from approximately RMB10.40 million for the corresponding period in 2021 to approximately RMB4.23 million for the nine months ended 30 September 2022, which accounted for approximately 29% of main business income of the Group. After considering the increase in the purchase price of live chicken feed, the increase in the cost of artificial breeding, and the instability of the COVID-19, the Group has suspended live chicken breeding operations since the third quarter and leased the existing facilities to other operators in order to focus on the sales of related non-staple foods.

The operating segments of sales of underwater monitoring and related products and sales of aircraft products still maintained technical support and after-sales services to existing customers, no operating income was recorded for both operating segments for the nine months ended 30 September 2022.

Gross profit

During the nine months ended 30 September 2022, an unaudited gross profit of approximately RMB5.32 million was recorded which represented gross profit margin of approximately 31.95%, compared to the unaudited gross profit margin of approximately 34.32% for the corresponding period in 2021. Approximately RMB1.45 million was come from other business which was mainly attributable to profit from sales of raw materials.

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 RMB3.32 million for the corresponding period in 2021 to approximately RMB4.91 million for the nine months ended 30 September 2022 due to including approximately RMB1.94 million of construction fees for procurement activities of artificial dielectric lens antenna products, of which approximately RMB0.98 million and RMB0.73 million was accounted for technical service fees and testing charges respectively.

Research and development expenses were decreased from approximately RMB9.99 million for the corresponding period in 2021 to approximately RMB4.92 million for the nine months ended 30 September 2022 which were solely used for further improvement and development of antenna products without including amortisation of intangible assets of approximately RMB5.36 million.

No impairment loss was recognised for receivables and assets as overdue accounts receivable was received and the aging analysis of all receivables was good and all assets were under safe management.

In addition to further development of new artificial dielectric lens antenna products, the operating segment of sales of antenna products and provision of related services 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 RMB11.06 million was recorded for the nine months ended 30 September 2022

Although careful production planning was adopted for the operating segment of sales of agricultural products, the impact of COVID-19 and the rising cost of chicken breeding led to a segment loss of approximately RMB0.26 million for the nine months ended 30 September 2022.

Since the operating segments of sales of underwater monitoring and related products, and sales of aircraft products did not generate operating income, segment losses of approximately RMB0.34 million and RMB0.38 million were recorded for the nine months ended 30 September 2022 respectively.

Other expenses, expenditure, gain and income

Administrative expenses were increased from approximately RMB10.47 million for the corresponding period in 2021 to approximately RMB14.01 million for the nine months ended 30 September 2022. There was no material fluctuation in the component of expenses except for including amortisation of intangible assets of approximately RMB5.41 million.

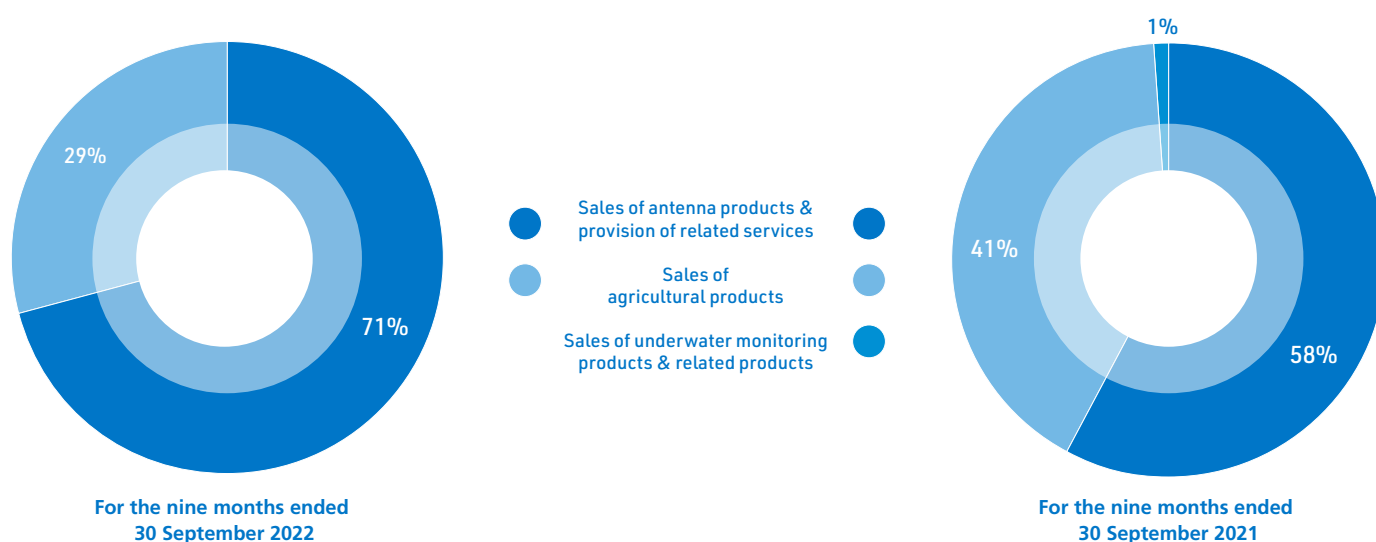
Financial expenses were increased from approximately RMB0.09 million for the corresponding period in 2021 to approximately RMB0.63 million for the nine months ended 30 September 2022 of which approximately RMB0.30 million was attributable to interest expenses of lease liabilities and approximately RMB0.31 million was attributable to interest expenses of short-term borrowings.

Approximately RMB0.21 million was received as government subsidy for the nine months ended 30 September 2022.

Net loss

During the nine months ended 30 September 2022, the Group recorded an unaudited net loss of approximately RMB18.56 million, compared to an unaudited net loss of approximately RMB14.13 million for the corresponding period in 2021.

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



PROSPECTS

Guided by market expansion and backed by continuous research and development, the Group continues to strengthen innovation and develop more types of new artificial dielectric lens antenna products in order to expand the communication business market. Presently, the Group has developed a new type of high-gain and miniaturised high-rise building coverage lens series antenna products. This series of antennas are compact in appearance, environmentally friendly in design, and flexible in installation and can be installed at multiple angles according to the needs of different scenarios. They can solve the coverage problems such as downward, flat and upward shooting from high-rise buildings in the community to enhance the signal penetration ability in the building and effectively improve the weak coverage area. They have been tested in Shaanxi, Hunan, Jiangsu and Hainan with obvious results. The Group will continue to adjust and optimise the applicability of the antenna products subsequently based on the feedback from the pilot tests, enhance product performance, and provide customers with better quality products.

In additions, combined with the wide application of lens materials in different fields and scenarios, the Group has started to develop other wireless communication derivative products based on lens materials, such as Haitian WiFi lens antenna series products, and Haitian Lumber Lens router products with combination of high-frequency miniaturised lens antennas and high-performance chip algorithms.

Haitian WiFi lens antenna series products adopt the new lens antenna technology, which can double the outdoor 5GHz WiFi coverage distance with good appearance, small size, high gain, ultra-bandwidth, low internal transmission loss, and wireless signal conversion efficiency as high as 90%. The products are suitable for industrial parks, scenic spots, urban commercial districts, parks and subway stations to achieve high-quality coverage and save construction and maintenance costs of customers. Pilot projects have been carried out in some cities in Hainan and Guangdong presently and the benefits of the products are obvious according to test feedback.

Haitian Lumber Lens router products have a longer penetration coverage with multiple concurrent channels and a coverage area of more than 500 square meters. They are suitable for villas, hotels, campuses, venues, large-area home wiring-free application scenarios, enterprise wireless office and other scenarios. They have also been tested in many provinces and cities presently, and their penetration ability and signal coverage effect are also significantly enhanced as when compared with traditional routers. They are high-performance WiFi products with lens technology applied to routers.

The Group will continue to enhance the implementation of centralised procurement projects, expand cooperation with various types of customers, and accelerate the pace of market development of high-gain and miniaturised high-rise building coverage lens series antenna products, Haitian WiFi lens antenna series products and Lumber Lens router products in the future. At the same time, the Group will strengthen the exploration of 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 WiFi to improve mobile communication business income of the Group.

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

As at 30 September 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	Approximate
			% in total issued Domestic 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	Approximate
			% in total issued H Shares	% 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.* (西安肖氏天線科技有限公司) (“**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.
- 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 September 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 September 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	Approximate
			% in total issued Domestic 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.* (深圳市匯泰投資發展有限公司)	Beneficial owner	75,064,706 (Note 3)	5.99%	3.96%

Name of person/entity	Capacity	Number of Domestic Shares	Approximate	Approximate
			% in total issued Domestic Shares	% in total issued Shares
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%
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	Approximate
			% in total issued H Shares	% 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	11,718,000 (Note 9)	1.81%	0.62%
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.

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 September 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 September 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 nine months ended 30 September 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 nine months ended 30 September 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 nine months ended 30 September 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 September 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 nine months ended 30 September 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, 4 November 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. 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 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