



西安海天天綫科技股份有限公司

XI'AN HAITIAN ANTENNA TECHNOLOGIES CO., LTD.*

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

(Stock Code: 8227)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2023

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* for identification purpose only

HIGHLIGHTS

- During the three months ended 31 March 2023, the Group recorded an unaudited net loss of approximately RMB5.23 million, compared to the unaudited net loss of approximately RMB5.94 million for the corresponding period in 2022.
- The unaudited total operating income for the three months ended 31 March 2023 was approximately RMB4.17 million, representing approximately 59% of the unaudited total operating income for the corresponding period in 2022.
- The Board does not recommend the payment of a dividend for the three months ended 31 March 2023.

CONSOLIDATED RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2023

The board of Directors (the “**Board**”) hereby submits the unaudited consolidated results of the Company and its subsidiaries (the “**Group**”) for the three months ended 31 March 2023, together with the unaudited comparative figures for the corresponding period in 2022 as follows:

CONSOLIDATED BALANCE SHEET

Item	Note	Unit: RMB	
		(Unaudited) 31 March 2023	(Audited) 31 December 2022
Current assets:			
Cash at bank and on hand		2,406,352.38	2,189,300.39
Financial assets held for trading		–	–
Accounts receivable		11,005,848.74	11,208,820.69
Advanced payments		3,652,078.11	1,369,250.95
Other receivables		892,489.30	1,658,404.47
Of which: Interest receivable		–	–
Dividends receivable		–	–
Inventories		15,557,515.01	13,472,028.86
Other current assets		148,486.88	338,281.94
Total current assets		33,662,770.42	30,236,087.30

Item	<i>Note</i>	(Unaudited) 31 March 2023	(Audited) 31 December 2022
Non-current assets:			
Fixed assets		5,371,549.41	5,616,018.80
Projects under construction		–	–
Right-of-use assets		3,789,749.07	4,353,153.73
Intangible assets		40,999,299.28	42,802,545.67
Long-term deferred expenses		–	–
Other non-current assets		9,349,007.83	9,236,360.44
		<hr/>	<hr/>
Total non-current assets		59,509,605.59	62,008,078.64
		<hr/>	<hr/>
Total assets		93,172,376.01	92,244,165.94
		<hr/>	<hr/>
Current liabilities:			
Short-term borrowings		6,400,000.00	6,600,000.00
Accounts payable		9,425,509.06	6,758,022.06
Contract liabilities		0.00	10,000.05
Advanced receipts		285,298.05	0.00
Payroll payable		10,930,373.24	8,798,198.78
Taxes payable		2,390,217.53	2,413,467.67
Other payables		50,825,945.69	48,945,526.29
Of which: Interest payable		0.00	31,077.62
Dividends payable		–	–
Non-current liabilities due within one year		5,175,992.16	5,809,739.52
Other current liabilities		–	–
		<hr/>	<hr/>
Total current liabilities		85,433,335.73	79,334,954.37
Non-current liabilities:			
Lease liabilities		970,116.08	913,920.20
		<hr/>	<hr/>
Total liabilities		86,403,451.81	80,248,874.57
		<hr/>	<hr/>

Item	<i>Note</i>	(Unaudited) 31 March 2023	(Audited) 31 December 2022
Shareholders' equity:			
Share capital	3	189,762,900.00	189,762,900.00
Capital reserves		202,569,046.27	202,569,046.27
Surplus reserves		16,435,819.34	16,435,819.34
Undistributed profits		<u>(404,412,920.25)</u>	<u>(399,227,694.10)</u>
Total shareholders' equity attributable to the parent company		4,354,845.36	9,540,071.51
Minority shareholders' equity		<u>2,414,078.84</u>	<u>2,455,219.86</u>
Total shareholders' equity		<u><u>6,768,924.20</u></u>	<u><u>11,995,291.37</u></u>
Total liabilities and shareholders' equity		<u><u>93,172,376.01</u></u>	<u><u>92,244,165.94</u></u>

CONSOLIDATED INCOME STATEMENT

Unit: RMB

Item	Note	(Unaudited)	
		1 January to 31 March 2023	2022
I. Total operating income		4,174,496.67	7,092,484.82
Of which: Operating income	4	4,174,496.67	7,092,484.82
II. Total operating costs		9,409,025.47	13,058,105.62
Of which: Operating costs	4	2,385,276.58	4,866,335.11
Taxes and surcharges	5	7,002.77	35,975.97
Selling expenses	6	718,132.13	1,794,982.43
Administrative expenses	7	4,518,054.18	4,519,547.26
Research and development expenses	8	1,687,551.15	1,645,277.06
Financial expenses	9	93,008.66	195,987.79
Of which: Interest expenses		79,816.61	206,026.98
Interest income		806.05	2,756.59
Add: Other gain	10	8,205.41	15,714.72
Investment gain (“”) for loss)	11	–	–
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	0.00	2,457.15
Assets impairment loss (“”) for loss)	14	–	–
Gain from assets disposal (“”) for loss)	15	–	–
III. Operating profit (“”) for loss)		(5,226,323.39)	(5,947,448.93)
Add: Non-operating income	16	0.00	20,000.00
Less: Non-operating expenditure	17	43.78	0.00
IV. Total profit (“”) for total loss)		(5,226,367.17)	(5,927,448.93)
Less: Income tax expenses	18	0.00	9,283.60
V. Net profit (“”) for net loss)		(5,226,367.17)	(5,936,732.53)
(I) By business continuity (“”) for net loss)		(5,226,367.17)	(5,936,732.53)
1. Net profit from continuing operations		(5,226,367.17)	(5,936,732.53)
2. Net profit from discontinued operations		–	–
(II) By ownership (“”) for net loss)		(5,226,367.17)	(5,936,732.53)
1. Net profit attributable to owners of the parent company		(5,185,226.15)	(5,878,713.84)
2. Minority shareholders’ profit and loss		(41,141.02)	(58,018.69)
VI. Net of tax of other comprehensive income		–	–
Net of tax of other comprehensive income attributable to owners of the parent company		–	–
Net of tax of other comprehensive income attributable to minority shareholders		–	–
VII. Total comprehensive income		(5,226,367.17)	(5,936,732.53)
Total comprehensive income attributable to shareholders of the parent company		(5,185,226.15)	(5,878,713.84)
Total comprehensive income attributable to minority shareholders		(41,141.02)	(58,018.69)
VIII. Earnings per share			
(I) Basic earnings per share (Yuan/share)	20	(0.00273)	(0.00310)
(II) Diluted earnings per share (Yuan/share)	20	(0.00273)	(0.00310)

CONSOLIDATED CASH FLOW STATEMENT

Unit: RMB

Item	Note	(Unaudited)	
		1 January to 31 March 2023	2022
I. Cash flows from operating activities:			
Cash received from sales of goods or rendering of services		5,055,008.71	10,170,008.20
Taxes and surcharges refunded		12.00	0.00
Other cash received relating to operating activities		748,096.77	41,151.60
		<u>5,803,117.48</u>	<u>10,211,159.80</u>
Subtotal of cash inflows from operating activities			
Cash paid for purchase of goods and receipt of services		3,101,402.09	3,617,647.98
Cash paid to and for employees		1,263,050.37	4,607,979.00
Taxes and surcharges paid		352,359.97	68,914.59
Other cash paid relating to operating activities		3,548,876.38	3,315,900.47
		<u>8,265,688.81</u>	<u>11,610,442.04</u>
Subtotal of cash outflows for operating activities			
Net cash flows from operating activities		<u>(2,462,571.33)</u>	<u>(1,399,282.24)</u>
II. Cash flows from investing activities:			
Cash received from disposal of investment		-	-
Cash received from investment gain		-	-
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		-	-
Net cash received from disposal of subsidiaries and other business entities		-	-
Other cash received relating to investing activities		-	-
		<u>-</u>	<u>-</u>
Subtotal of cash inflows from investing activities			
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets		0.00	326,900.00
Cash paid for acquisition of investments		-	-
Net cash paid for acquisition of subsidiaries and other business entities		-	-
Other cash paid relating to investing activities		-	-
		<u>0.00</u>	<u>326,900.00</u>
Subtotal of cash outflows for investing activities			
Net cash flows from investing activities		<u>0.00</u>	<u>(326,900.00)</u>

Item	Note	(Unaudited)	
		1 January to 31 March 2023	2022
III. Cash flows from financing activities:			
Cash received from capital injection		0.00	12,000,000.00
Of which: Cash received from capital injection by minority shareholders of subsidiaries		–	–
Cash received from borrowings		–	–
Other cash received relating to financing activities		<u>3,166,700.00</u>	<u>2,200,000.00</u>
Subtotal of cash inflows from financing activities		<u>3,166,700.00</u>	<u>14,200,000.00</u>
Cash paid for repayment of debts		200,000.00	0.00
Cash paid for distribution of dividends, profits or repayment of interests		84,910.26	0.00
Of which: Dividends and profits paid to minority shareholders by subsidiaries		–	–
Other cash paid relating to financing activities		<u>197,495.91</u>	<u>3,430,739.30</u>
Subtotal of cash outflows for financing activities		<u>482,406.17</u>	<u>3,430,739.30</u>
Net cash flows from financing activities		<u>2,684,293.83</u>	<u>10,769,260.70</u>
IV. Effect of foreign exchange rate changes on cash and cash equivalents		<u>(4,720.36)</u>	<u>34,674.72</u>
V. Net increase in cash and cash equivalents		217,002.14	1,515,448.58
Add: Beginning balance of cash and cash equivalents		<u>1,950,687.43</u>	<u>2,065,197.50</u>
VI. Ending balance of cash and cash equivalents	22	<u>2,167,689.57</u>	<u>3,580,646.08</u>

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Unit: RMB

(Unaudited) 1 January to 31 March 2023						
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	202,569,046.27	16,435,819.34	(399,227,694.10)	2,455,219.86	11,995,291.37
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	202,569,046.27	16,435,819.34	(399,227,694.10)	2,455,219.86	11,995,291.37
III. Changes for the period ("()" for decrease)	-	-	-	(5,185,226.15)	(41,141.02)	(5,226,367.17)
(I) Total comprehensive income	-	-	-	(5,185,226.15)	(41,141.02)	(5,226,367.17)
(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>202,569,046.27</u>	<u>16,435,819.34</u>	<u>(404,412,920.25)</u>	<u>2,414,078.84</u>	<u>6,768,924.20</u>

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

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 2022	Ratio (%)		31 March 2023	Ratio (%)
Xi'an Tian An Corporate Management and Consulting Co., Ltd.	32,836,363.70	17.30	–	32,836,363.70	17.30
Shanghai Gaoxiang Investment Management Co., Ltd.	25,484,480.40	13.43	–	25,484,480.40	13.43
Xi'an Xiao's Antenna Technologies Co., Ltd.	15,746,869.80	8.30	–	15,746,869.80	8.30
Xi'an International Medical Investment Co., Ltd.	10,000,000.00	5.27	–	10,000,000.00	5.27
Shenzhen Huitai Investment Development Co., Ltd.	7,506,470.60	3.96	–	7,506,470.60	3.96
Xi'an Haorun Investment Ltd.	7,000,000.00	3.69	–	7,000,000.00	3.69
Xiao Bing	6,500,000.00	3.43	–	6,500,000.00	3.43
Beijing Holdings Investment Management Co., Ltd.	5,407,794.10	2.85	–	5,407,794.10	2.85
Jin Rongfei	5,000,000.00	2.64	–	5,000,000.00	2.64
Zhang Jiandong	2,000,000.00	1.05	–	2,000,000.00	1.05
Shaanxi Yingji Investment Ltd.	2,000,000.00	1.05	–	2,000,000.00	1.05
Shanghai Ruikou Commerce and Trading Ltd.	1,850,000.00	0.97	–	1,850,000.00	0.97
Shanghai Hongzhen Ningshang Investment Management Partnership (limited partnership)	1,850,000.00	0.97	–	1,850,000.00	0.97
Jiao Chengyi	1,094,303.00	0.58	–	1,094,303.00	0.58
Liao Kang	910,147.80	0.48	–	910,147.80	0.48
Sub-total of domestic shares	<u>125,186,429.40</u>	<u>65.97</u>	–	<u>125,186,429.40</u>	<u>65.97</u>
Xiao Bing	1,000,000.00	0.53	–	1,000,000.00	0.53
Chen Ji	1,141,800.00	0.60	–	1,141,800.00	0.60
Public	<u>62,434,670.60</u>	<u>32.90</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><u>189,762,900.00</u></u>	<u><u>100.00</u></u>	–	<u><u>189,762,900.00</u></u>	<u><u>100.00</u></u>

4. OPERATING INCOME, OPERATING COSTS

Item	(Unaudited)		(Unaudited)	
	1 January to 31 March 2023		1 January to 31 March 2022	
	Income	Costs	Income	Costs
Main business	4,050,553.04	2,252,995.30	6,748,325.11	4,820,291.83
Other business	123,943.63	132,281.28	344,159.71	46,043.28
Total	<u>4,174,496.67</u>	<u>2,385,276.58</u>	<u>7,092,484.82</u>	<u>4,866,335.11</u>

5. TAXES AND SURCHARGES

Item	(Unaudited)	
	1 January to 31 March	
	2023	2022
Urban maintenance and construction tax	2,264.76	2,152.17
Education surcharges	1,633.95	276.29
Stamp duty	2,611.18	19,173.36
Water conservancy fund	425.68	2,740.37
Environmental protection tax	0.00	11,633.78
Total	<u>7,002.77</u>	<u>35,975.97</u>

6. SELLING EXPENSES

Item	(Unaudited)	
	1 January to 31 March	
	2023	2022
Equipment depreciation expenses	827.75	827.75
Payroll	407,296.08	524,313.66
Office fees	8,104.02	19,652.72
Travelling expenses	78,619.15	73,566.18
Transportation charges	–	–
Business entertainment expenses	144,514.21	200,745.54
Delivery charges	39,832.40	169,985.04
Advertising expenses	–	–
Construction fees	0.00	726,925.50
Intermediation fees	32,899.06	25,381.13
Promotion and testing charges	0.00	53,584.91
Others	6,039.46	0.00
Total	<u>718,132.13</u>	<u>1,794,982.43</u>

7. ADMINISTRATIVE EXPENSES

Item	(Unaudited)	
	1 January to 31 March	
	2023	2022
Depreciation expenses	46,790.72	69,152.04
Depreciation of right-of-use assets	223,879.95	160,126.06
Amortisation of intangible assets	1,803,246.39	1,803,467.64
Amortisation of long-term deferred expenses	6,418.86	0.00
Payroll	1,563,905.57	1,697,804.15
Office fees	64,463.66	236,732.69
Communication fees	7,724.38	1,803.13
Travelling expenses	26,671.90	12,315.41
Transportation charges	4,193.48	15.57
Business entertainment expenses	62,579.12	81,854.67
Vehicle expenses	53,873.15	75,581.46
Repair fees	1,900.00	0.00
Intermediation fees	323,145.33	295,150.05
Auditor's remunerations		
– Audit service fees	–	–
– Other service fees	–	–
Expenses of the Board	23,524.56	25,500.00
Utilities	67,851.68	41,654.43
Leasing fees	2,000.00	0.00
Property management fees	0.00	17,836.98
Disabled security fund	33,787.02	47.17
Others	202,098.41	505.81
Total	<u>4,518,054.18</u>	<u>4,519,547.26</u>

8. RESEARCH AND DEVELOPMENT EXPENSES

Item	(Unaudited)	
	1 January to 31 March	
	2023	2022
Depreciation expenses	116,331.45	113,916.28
Amortisation of intangible assets	–	–
Payroll	1,092,903.48	1,302,344.94
Office fees	6,728.60	65,172.18
Travelling expenses	40,283.45	41,289.17
Material fees	429,349.68	122,254.49
Testing charges	1,569.32	0.00
Development service fees	–	–
Shipping fees	385.17	300.00
Others	–	–
Total	<u>1,687,551.15</u>	<u>1,645,277.06</u>

9. FINANCIAL EXPENSES

Item	(Unaudited)	
	1 January to 31 March	
	2023	2022
Interest expenses	79816.61	206,026.98
Less: Interest income	806.05	2,756.59
Less: Exchange gain	3,013.26	16,505.62
Add: Exchange loss	7,946.71	212.91
Other expenditure	9,064.65	9,010.11
Total	<u>93,008.66</u>	<u>195,987.79</u>

10. OTHER GAIN

Source of other gain	(Unaudited)	
	1 January to 31 March	
	2023	2022
Government subsidy	0.00	5,551.41
Income tax handling fee refunded	7,921.71	9,883.31
Others	283.70	280.00
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Total	8,205.41	15,714.72
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11. INVESTMENT GAIN (“”) FOR LOSS)

Item	(Unaudited)	
	1 January to 31 March	
	2023	2022
Investment gain from disposal of financial assets held for trading	–	–
Others	–	–
	<hr/>	<hr/>
Total	–	–
	<hr/> <hr/>	<hr/> <hr/>

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

Source of gain from changes in fair value	(Unaudited)	
	1 January to 31 March	
	2023	2022
Financial assets measured at fair value through profit or loss	–	–
	<hr/>	<hr/>

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

Item	(Unaudited)	
	1 January to 31 March	
	2023	2022
Bad debts of accounts receivable	0.00	2,457.15
Bad debts of other receivables	–	–
	<hr/>	<hr/>
Total	0.00	2,457.15
	<hr/> <hr/>	<hr/> <hr/>

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

Item	(Unaudited)	
	1 January to 31 March	
	2023	2022
Impairment loss of inventories and contract performance cost	–	–

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

Item	(Unaudited)	
	1 January to 31 March	
	2023	2022
Gain from disposal of non-current assets	–	–

16. NON-OPERATING INCOME

Item	(Unaudited)	
	1 January to 31 March	
	2023	2022
Gain from debts restructuring	0.00	20,000.00
Other income	–	–
Total	0.00	20,000.00

17. NON-OPERATING EXPENDITURE

Item	(Unaudited)	
	1 January to 31 March	
	2023	2022
Loss from damage and scrap of non-current assets	–	–
Compensation, liquidated damages and fine expenditure	–	–
Other expenditure	43.78	0.00
Total	43.78	0.00

18. INCOME TAX EXPENSES

Item	(Unaudited)	
	1 January to 31 March	
	2023	2022
Current income tax calculated according to tax law and relevant regulations		
– Mainland China corporate income tax	–	–
– China Hong Kong profits tax	–	–
	<hr/>	<hr/>
Total	<u>–</u>	<u>–</u>

19. SEGMENT INFORMATION

Item	(Unaudited)	
	1 January to 31 March	
	2023	2022
Main business income:		
Sales of antenna products and provision of related services	3,112,376.39	5,428,500.37
Sales of underwater monitoring products and related products	–	–
Sales of aircraft products	–	–
Sales of agricultural products	938,176.65	1,319,824.74
	<hr/>	<hr/>
Total main business income	<u>4,050,553.04</u>	<u>6,748,325.11</u>
Segment profit (loss):		
Sales of antenna products and provision of related services	(2,328,567.79)	(3,159,771.12)
Sales of underwater monitoring products and related products	(92,856.37)	(118,626.08)
Sales of aircraft products	(123,535.22)	(65,247.55)
Sales of agricultural products	(55,455.22)	(82,111.85)
	<hr/>	<hr/>
Total segment profit (loss)	(2,600,414.60)	(3,425,756.60)
Unallocated income and gain	8,205.41	379,874.43
Unallocated costs, expenses, loss and expenditure	(2,634,157.98)	(2,881,566.76)
	<hr/>	<hr/>
Total profit (“”) for total loss)	<u>(5,226,367.17)</u>	<u>(5,927,448.93)</u>

20. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the unaudited net profit attributable to owners of the parent company for the three months ended 31 March 2023 of RMB(5,185,226.15) (2022: RMB(5,878,713.84)) and the weighted average number of 1,897,629,000 shares (2022: 1,897,629,000 shares) in issue during the period. The weighted average number of ordinary shares is the number of shares in issue at the beginning of the period, adjusted by the number of shares issued during the period multiplied by a time-weighting factor.

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

21. DIVIDENDS

The Board does not recommend the payment of a dividend for the three months ended 31 March 2023 (2022: nil).

22. ENDING BALANCE OF CASH AND CASH EQUIVALENTS

Item	(Unaudited)	
	1 January to 31 March 2023	2022
Cash at bank and on hand	2,406,352.38	3,033,028.79
Less: Restrictions on usage of cash at bank and on hand	<u>238,662.81</u>	<u>182,497.82</u>
Total	<u><u>2,167,689.57</u></u>	<u><u>2,850,530.97</u></u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Total Operating Income

The unaudited total operating income for the three months ended 31 March 2023 was approximately RMB4.17 million, representing approximately 59% of the unaudited total operating income for the corresponding period in 2022.

During the period, due to the impact of the COVID-19, the delayed construction projects of domestic communication network operators were not yet fully resumed, which affected the operating income of mobile communication products. For agricultural products, due to 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 operation of live chicken farming was temporarily suspended from the third quarter of 2022, and the existing facilities were leased to other operators. The operating income from sales of relevant agricultural and sideline products was only recorded.

Artificial dielectric lens antenna products (the “**Dielectric Lens Antennas**”) of the Company were introduced to the market since 2019, after which the Company concentrated all available resources to develop and promote the Dielectric Lens Antennas. Approximately RMB3.11 million was generated from sales of the Dielectric Lens Antennas, which accounted for approximately 77% of main business operating income of the Group in the first quarter of 2023.

The Group carried out the production and sales of agricultural products, mainly live chicken, chicken meat and related non-staple foods, since 2016 in order to actively respond to the national policy on poverty alleviation and fulfil its social responsibilities. Approximately RMB0.94 million was generated from sales of agricultural products, which accounted for approximately 23% of main business operating income of the Group in the first quarter of 2023.

No operating income was recorded for both operating segments of sales of underwater surveillance and related products, and sales of aircraft products in the first quarter of 2023 as the Group did not actively carry out any promotion.

Gross Profit

During the three months ended 31 March 2023, an unaudited gross profit of approximately RMB1.79 million was recorded which represented gross profit margin of approximately 43%, compared to the unaudited gross profit margin of approximately 31% for the corresponding period in 2022. The increase in gross profit margin was attributable to the increase in the sales scale of communication products and the difference in the types of communication products sold.

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 decreased from approximately RMB1.79 million for the corresponding period in 2022 to approximately RMB0.72 million for the three months ended 31 March 2023, which represents the remuneration and travel expenses of sales force.

Research and development expenses amounted to approximately RMB1.69 million for the three months ended 31 March 2023 which were basically flat with that for the corresponding period in 2022 and were solely used for further development of the Dielectric Lens Antennas and related products.

No material impairment loss was recognised for receivables and assets for the three months ended 31 March 2023.

Despite ever-increasing sales orders for the Dielectric Lens Antennas, the production capacity was operated below normal level in the first quarter of 2023 due to temporary control measures and greater working capital requirement. The operating segment of sales of antenna products and the provision of related services recorded a segment loss of approximately RMB2.33 million.

The supply and sales price of agricultural products was affected by sales scale, the operating segment of sales of agricultural products recorded a segment loss of approximately RMB0.06 million.

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

Other Expenses, Expenditure, Gain and Income

Administrative expenses amounted to approximately RMB4.52 million for the three months ended 31 March 2023 which were basically flat with that for the corresponding period in 2022.

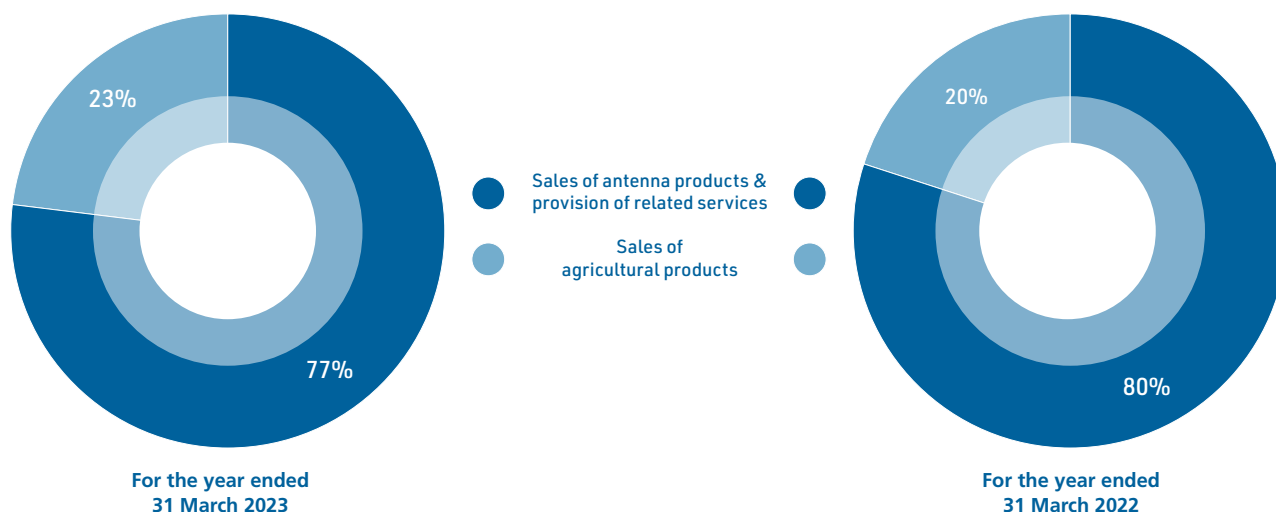
Financial expenses decreased from approximately RMB0.20 million for the corresponding period in 2022 to approximately RMB0.09 million for the three months ended 31 March 2023 which was due to the decrease in the principal of short-term borrowings of the same term and the decrease in the interest rate of borrowings during the period.

No gain was recognised as financial assets measured at fair value through profit or loss for the three months ended 31 March 2023.

Net Loss

The Group recorded an unaudited net loss of approximately RMB5.23 million for the three months ended 31 March 2023, compared to the unaudited net loss of approximately RMB5.94 million for the corresponding period in 2022. The decrease in loss was attributable to the increase in gross profit and the decrease in expenses during the period.

Composite of the Group's main business income by reportable and operating segments for the three months ended 31 March 2023, together with the comparative figures for the corresponding period in 2022 are as follows:



PROSPECTS

In the first quarter of 2023, on the one hand, the Group proactively fulfilled the orders signed in 2022 which had not yet been requested to be shipped, and at the same time it also proactively participated in the bidding and procurement projects of various operators for lens antennas. As of now, the Group has won bidding for projects in Southwest China, Northwest China, South China and North China. In addition, the Group also proactively carried out market promotion and sales of series products including Super WiFi and Super CPE with metamaterial technology as the core.

As an inevitable trend of in-depth development of informatization, the construction of smart cities is booming everywhere. Relying on the focusing characteristics of the metamaterial communication series products, Xi'an Haitian will leverage on the advantageous performances including increasing the wireless radiation power by several times, stronger receiving sensitivity, ultra-low transmission loss, high antenna efficiency, increasing the coverage area by several times, and significant decrease in construction costs and operation and maintenance costs, to adjust measures to local conditions based on “global coverage, sharing and interconnection, information fusion, and unified operation and maintenance” to build a more efficient, more convenient and more comprehensive basic network for smart city construction projects, and put forward a new construction plan with lower price and more value for its application and construction.

In the future, the Group will still focus on metamaterial technology and products, fully absorb, utilize and integrate resources, and proactively explore its application in mobile communications, smart cities, remote sensing technology, automotive detection radar, UAV data transmission, Internet of Things, smart metasurfaces, and many other fields to continuously enrich and improve the series of metamaterial products to build the core competitiveness of the Group.

The Group will focus on the business segments of mobile communication products and related services in development, and will pay close attention to the relevant working capital requirements. The Group will also consider further financing through bank borrowing, issuance of shares, issuance of bonds and other channels to ensure smooth operation and development.

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

As at 31 March 2023, 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:

1. 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 31 March 2023, none of the Directors, Supervisors and chief executives of the Company had any other interests or short positions in any Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

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

As at 31 March 2023, so far as is known to the Directors, the Supervisors or chief executive of the Company, the following persons/entities (other than the Directors, Supervisors or chief executive of the Company) who/which had, or are deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who/which were or are expected to be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company; or who/which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long positions in Domestic Shares

Name of person/entity	Capacity	Number of Domestic Shares	Approximate % in total issued Domestic Shares	Approximate % in total issued Shares
Ms. Chen Jing (陳靜女士)	Spouse interest and interest in controlled corporation	550,832,335 (Note 1)	44.00%	29.03%
Professor Xiao Liangyong (肖良勇教授)	Family member interest and interest in controlled corporation	550,832,335 (Note 1)	44.00%	29.03%
Tian An Corporate	Beneficial owner	328,363,637 (Note 1)	26.23%	17.30%
Ms. Sun Xiangjun (孫湘君女士)	Spouse interest and interest in controlled corporation	273,344,804 (Note 2)	21.84%	14.40%
Gaoxiang Investment	Beneficial owner	254,844,804 (Note 2)	20.36%	13.43%
Xiao Antenna	Beneficial owner	157,468,698 (Note 1)	12.58%	8.30%
Xi'an International Medical Investment Co., Ltd.* (西安國際醫學投資股份有限公司)	Beneficial owner	100,000,000	7.99%	5.27%
Shenzhen Huitai Investment Development Co., Ltd.* (深圳市匯泰投資發展有限公司)	Beneficial owner	75,064,706 (Note 3)	5.99%	3.96%
Mr. Xiao Feng (肖峰先生)	Interest in controlled corporation	75,064,706 (Note 3)	5.99%	3.96%
Xi'an Haorun Investment Ltd.* (西安昊潤投資有限責任公司)	Beneficial owner	70,000,000 (Note 4)	5.59%	3.69%
Mr. Wang Yun (王贇先生)	Interest in controlled corporation	70,000,000 (Note 4)	5.59%	3.69%

Name of person/entity	Capacity	Number of Domestic Shares	Approximate % in total issued Domestic Shares	Approximate % in total issued Shares
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 % in total issued H Shares	Approximate % in total issued Shares
Huang Li Hou (黃李厚)	Beneficial owner	85,100,000	13.18%	4.48%
Ms. Chen Wei (陳瑋女士)	Beneficial owner and interest in controlled corporation	70,897,000 (Note 7)	10.98%	3.74%
Hongkong Jinsheng Enterprise Co., Limited (香港錦昇企業有限公司)	Beneficial owner	70,752,000 (Note 7)	10.96%	3.73%
Oceanic Bliss Holdings Limited (海祥控股有限公司)	Interest in controlled corporation	70,752,000 (Note 7)	10.96%	3.73%
Zeal Warrior Investments Limited	Interest in controlled corporation	70,752,000 (Note 7)	10.96%	3.73%
Clear Renown Global Limited (朗譽環球有限公司)	Beneficial owner	42,000,000 (Note 8)	6.50%	2.21%
Huang Wei Wen (黃偉汶)	Interest in controlled corporation	42,000,000 (Note 8)	6.50%	2.21%

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

Notes:

1. 328,363,637 Domestic Shares are held by Tian An Corporate, which is beneficially owned as to 60% by Mr. Xiao Bing and 40% by his spouse Ms. Chen Jing. 157,468,698 Domestic Shares are held by Xiao Antenna, which is beneficially owned as to 31% by his father Professor Xiao Liangyong and as to 30% by his spouse Ms. Chen Jing. 65,000,000 Domestic Shares are held by Mr. Xiao Bing. By virtue of the SFO, each of Ms. Chen Jing and Professor Xiao Liangyong is deemed to be interested in the same 328,363,637, 157,468,698 and 65,000,000 Domestic Shares.

2. 254,844,804 Domestic Shares are held by Gaoxiang Investment, which is beneficially owned by Mr. Chen Ji and his spouse Ms. Sun Xiangjun in equal share. 18,500,000 Domestic Shares are held by Shanghai Hongzhen Ningshang, which is beneficially owned as to 83.33% by Mr. Chen Ji and 16.67% by Shanghai Hongzhen Investment, and Shanghai Hongzhen Investment is beneficially owned as to 60% by Gaoxiang Investment. By virtue of the SFO, Ms. Sun Xiangjun is deemed to be interested in the same 254,844,804 and 18,500,000 Domestic Shares.
3. 75,064,706 Domestic Shares are held by Shenzhen Huitai Investment Development Co., Ltd.* (深圳市匯泰投資發展有限公司), which is beneficially owned 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 31 March 2023, 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.

EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant events subsequent to 31 March 2023 which would materially affect the Group's operating and financial performance.

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

As at 31 March 2023, so far as is known to the Directors, Supervisors and chief executives of the Company, none of the Directors, Supervisors or chief executives of the Company or any of their respective associates including spouses and children under 18 years of age had any interest in, or has been granted, or exercised, any rights to subscribe for H Shares (or warrants or debentures, if applicable) or to acquire H Shares.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the three months ended 31 March 2023.

COMPETING INTERESTS

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

CODE ON CORPORATE GOVERNANCE PRACTICES

For the three months ended 31 March 2023, the Company has complied with the requirements of the code provisions as set out in the Corporate Governance Code contained in Appendix 15 of the GEM Listing Rules.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

For the three months ended 31 March 2023, 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.

CHANGES IN DIRECTORS' INFORMATION

The change in director's information since the publication of the 2022 Annual Report of the Company, is set out below:

- Mr. Chen Ren (陳仁先生) was appointed as a non-executive Director of the Company with effect from 3 April 2023; and
- Mr. Zhang Jun (張鈞先生) resigned as a non-executive Director of the Company with effect from 3 April 2023.

AUDIT COMMITTEE

An audit committee of the Company (the “**Audit Committee**”) was established on 4 April 2003 with terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process, internal control systems, audit issues and operating risk management of the Group. As at 31 March 2023, 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 three months ended 31 March 2023 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.

APPRECIATION

On behalf of the Board, I would like to express my sincerest gratitude to our valued customers, subcontractors, business partners and shareholders for their persistent support, while also expressing my appreciation to the management team and employees for their valuable contribution to the development of the Group.

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

Xi'an, the People's Republic of China, 12 May 2023

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. Chen Ren (陳仁先生) 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