



**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)**

**ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

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

\* For identification purpose only

## ANNUAL RESULTS

The board of Directors (the “Board”) announces the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2023, together with the comparative figures for the year ended 31 December 2022 as follows:

### CONSOLIDATED BALANCE SHEET

31 December 2023

Prepared by: Xi’an Haitian Antenna Technologies Co., Ltd.

Unit: RMB

Item	Note	31 December 2023	31 December 2022
<b>Current assets:</b>			
Cash at bank and on hand	V,1	1,991,322.95	2,189,300.39
Settlement reserve		•	•
Loans to banks and other financial institutions		•	•
Financial assets held for trading		•	•
Derivative financial assets		•	•
Notes receivable	V,2	97,000.00	
Accounts receivable	V,3	7,794,907.92	11,208,820.69
Receivables financing		•	•
Advanced payments	V,4	289,172.02	1,369,250.95
Premiums receivable		•	•
Reinsurance premium receivable		•	•
Reinsurance contract reserves receivable		•	•
Other receivables	V,5	1,390,127.45	1,658,404.47
Of which: Interest receivable		•	•
Dividends receivable		•	•
Financial assets purchased under agreements to resell		•	•
Inventories	V,6	11,730,210.34	13,472,028.86
Contractual assets		•	•
Held-for-sale assets		•	•
Non-current assets due within one year		•	•
Other current assets	V,7	240,720.96	338,281.94
<b>Total current assets</b>		<b>23,533,461.64</b>	<b>30,236,087.30</b>
<b>Non-current assets:</b>			
Loans and advances to customers		•	•
Creditor’s right investment		•	•
Other creditor’s right investment		•	•
Long-term receivables		•	•
Long-term equity investments		•	•
Other equity instrument investments		•	•
Other non-current financial assets		•	•
Investment properties		•	•
Fixed assets	V,8	4,783,795.07	5,616,018.80
Projects under construction		•	•
Bearer biological assets		•	•
Oil and gas assets		•	•
Right-of-use assets	V,9	929,754.20	4,353,153.73
Intangible assets	V,10	24,792,598.93	42,802,545.67
Development expenditure		•	•
Goodwill		•	•
Long-term deferred expenses		•	•
Deferred income tax assets		•	•
Other non-current assets	V,12	4,525,224.00	9,236,360.44
<b>Total non-current assets</b>		<b>35,031,372.20</b>	<b>62,008,078.64</b>
<b>Total assets</b>		<b>58,564,833.84</b>	<b>92,244,165.94</b>

Item	Note	31 December 2023	31 December 2022
<b>Current liabilities:</b>			
Short-term borrowings	V,14	4,771,159.67	6,600,000.00
Borrowings from the central bank		•	•
Loans from other banks and financial institutions		•	•
Financial liabilities held for trading		•	•
Derivative financial liabilities		•	•
Notes payable		•	•
Accounts payable	V,15	6,983,288.79	6,758,022.06
Advanced receipts	V,16	142,680.00	•
Contractual liabilities	V,17	61,327.43	10,000.05
Financial assets sold under agreements to repurchase		•	•
Deposits from customers and other financial institutions		•	•
Receiving from vicariously traded securities		•	•
Receiving from vicariously underwritten securities		•	•
Payroll payable	V,18	12,587,886.15	8,798,198.78
Taxes payable	V,19	2,255,441.45	2,413,467.67
Other payables	V,20	51,838,968.21	48,945,526.29
Of which: Interest payable		•	31,077.62
Dividends payable		•	•
Fees and commissions payable		•	•
Reinsurance amounts payable		•	•
Held-for-sale liabilities		•	•
Non-current liabilities due within one year	V,21	451,080.35	5,809,739.52
Other current liabilities	V,22	107,972.57	•
<b>Total current liabilities</b>		<b>79,199,804.62</b>	<b>79,334,954.37</b>
<b>Non-current liabilities:</b>			
Insurance contract reserves		•	•
Long-term borrowings		•	•
Bonds payable		•	•
Of which: Preferred shares		•	•
Perpetual bonds		•	•
Lease liabilities	V,23	370,161.43	913,920.20
Long-term payables	V,24	9,986,815.75	•
Long-term payroll payable		•	•
Estimated liabilities		•	•
Deferred incomes		•	•
Deferred income tax liabilities	V,11	6,359.27	•
Other non-current liabilities		•	•
<b>Total non-current liabilities</b>		<b>10,363,336.45</b>	<b>913,920.20</b>
<b>Total liabilities</b>		<b>89,563,141.07</b>	<b>80,248,874.57</b>

<b>Item</b>	<i>Note</i>	<b>31 December 2023</b>	31 December 2022
<b>Shareholders' equity:</b>			
Share capital	V,25	<b>189,762,900.00</b>	189,762,900.00
Other equity instruments		•	•
Of which: Preferred shares		•	•
Perpetual bonds		•	•
Capital reserves	V,26	<b>202,569,046.27</b>	202,569,046.27
Less: Treasury shares		•	•
Other comprehensive income		•	•
Special reserves		•	•
Surplus reserves	V,27	<b>16,435,819.34</b>	16,435,819.34
General risk reserves		•	•
Undistributed profits	V,28	<b><u>-442,207,777.30</u></b>	<u>-399,227,694.10</u>
<b>Total shareholders' equity attributable to the parent company</b>		<b><u>-33,440,011.69</u></b>	<u>9,540,071.51</u>
<b>Minority shareholders' equity</b>		<b><u>2,441,704.46</u></b>	<u>2,455,219.86</u>
<b>Total shareholders' equity</b>		<b><u>-30,998,307.23</u></b>	<u>11,995,291.37</u>
<b>Total liabilities and shareholders' equity</b>		<b><u><u>58,564,833.84</u></u></b>	<u><u>92,244,165.94</u></u>

# CONSOLIDATED INCOME STATEMENT

2023

Prepared by: Xi'an Haitian Antenna Technologies Co., Ltd.

Unit: RMB

Item	Note	2023	2022
<b>I. Total operating income</b>		<b>13,091,468.20</b>	20,530,084.65
Of which: Operating income	V,29	<b>13,091,468.20</b>	20,530,084.65
Interest income		•	•
Earned premiums		•	•
Handling fee and commission incomes		•	•
<b>II. Total operating costs</b>		<b>41,019,887.74</b>	50,034,197.49
Of which: Operating costs	V,29	<b>11,034,415.18</b>	14,623,873.53
Interest expenses		•	•
Handling fee and commission expenses		•	•
Cash surrender value		•	•
Net compensation expenses		•	•
Net appropriation of policy reserve		•	•
Policy dividend expenses		•	•
Reinsurance expenses		•	•
Taxes and surcharges	V,30	<b>22,198.02</b>	98,792.79
Selling expenses	V,31	<b>4,258,537.57</b>	5,729,096.90
Administrative expenses	V,32	<b>19,207,691.77</b>	22,162,541.12
R&D expenses	V,33	<b>5,657,550.50</b>	6,578,248.03
Financial expenses	V,34	<b>839,494.70</b>	841,645.12
Of which: Interest expenses		<b>748,580.76</b>	789,815.33
Interest income		<b>3,260.96</b>	8,914.14
Add: Other gain	V,35	<b>107,921.67</b>	230,236.06
Investment gain (“-” for loss)	V,36	<b>1,124.00</b>	793.80
Of which: Gain from investment in associates and joint ventures			
Derecognition gain of financial assets measured at the amortised cost			
Exchange gain (“-” for loss)		•	•
Net exposure hedging income (“-” for loss)		•	•
Gain from changes in fair value (“-” for loss)	V,37	•	•
Credit impairment loss (“-” for loss)	V,38	<b>-4,814,347.45</b>	-3,819,137.47
Assets impairment loss (“-” for loss)	V,39	<b>-10,595,654.99</b>	0.00
Gain from assets disposal (“-” for loss)		<b>496,279.19</b>	726.68
<b>III. Operating profit (“-” for loss)</b>	V,40	<b>-42,733,097.12</b>	-33,091,493.77
Add: Non-operating income	V,41	-	2,841,520.22
Less: Non-operating expenditure		<b>253,863.87</b>	32,144.37
<b>IV. Total profit (“-” for total loss)</b>		<b>-42,986,960.99</b>	-30,282,117.92
Less: Income tax expenses	V,42	<b>6,637.61</b>	-9,216.46

Item	Note	2023	2022
<b>V. Net profit (“-” for net loss)</b>		<b>-42,993,598.60</b>	-30,272,901.46
<b>(I) By business continuity</b>		<b>-42,993,598.60</b>	-30,272,901.46
1. Net profit from continuing operations (“-” for net loss)		<b>-42,993,598.60</b>	-30,272,901.46
2. Net profit from discontinued operations (“-” for net loss)			
<b>(II) By ownership</b>		<b>-42,993,598.60</b>	-30,272,901.46
1. Net profit attributable to owners of the parent company (“-” for net loss)		<b>-42,980,083.20</b>	-30,124,592.36
2. Minority shareholders’ profit and loss (“-” for net loss)		<b>-13,515.40</b>	-148,309.10
<b>VI. Net of tax of other comprehensive income</b>		<b>-</b>	-
Net of tax of other comprehensive income attributable to owners of the parent company		-	-
<b>(I) Other comprehensive income that cannot be reclassified to profit or loss</b>		<b>-</b>	-
1. Changes arising from re-measurement of the defined benefit plans		•	•
2. Other comprehensive income that cannot be reclassified to profit or loss under the equity method		•	•
3. Changes in fair value of other equity instrument investments		•	•
4. Changes in fair value of the enterprise’s credit risk		•	•
5. Others		•	•
<b>(II) Other comprehensive income that will be reclassified to profit or loss</b>		<b>-</b>	-
1. Other comprehensive income that can be reclassified to profit or loss under the equity method		•	•
2. Changes in fair value of other creditor’s right investments		•	•
3. Amount of financial assets reclassified to other comprehensive income		•	•
4. Provision for credit impairment of other creditor’s right investments		•	•
5. Reserves for cash flow hedge (effective portion of cash flow hedging gain or loss)		•	•
6. Translation difference of foreign currency financial statements		•	•
7. Others		•	•
Net of tax of other comprehensive income attributable to minority shareholders		•	•
<b>VII. Total comprehensive income</b>		<b>-42,993,598.60</b>	-30,272,901.46
Total comprehensive income attributable to shareholders of the parent company		<b>-42,980,083.20</b>	-30,124,592.36
Total comprehensive income attributable to minority shareholders		<b>-13,515.40</b>	-148,309.10
<b>VIII. Earnings per share:</b>			
(I) Basic earnings per share (Yuan/share)		<b>-0.0226</b>	-0.0159
(II) Diluted earnings per share (Yuan/share)		<b>-0.0226</b>	-0.0159

# CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

2023

Prepared by: Xi'an Haitian Antenna Technologies Co., Ltd.

Unit: RMB

Item	Shareholders' equity attributable to the parent company													Minority shareholders' equity	Total shareholders' equity
	Share Capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Undistributed profits	Others	Subtotal		
		Preferred shares	Perpetual bonds	Others											
<b>I. Closing balance of last year</b>	189,762,900.00	-	-	-	202,569,046.27	-	-	-	16,435,819.34	-	-399,227,694.10	-	9,540,071.51	2,455,219.86	11,995,291.37
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corrections of prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Merger of businesses under same control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>II. Opening balance of the year</b>	189,762,900.00	-	-	-	202,569,046.27	-	-	-	16,435,819.34	-	-399,227,694.10	-	9,540,071.51	2,455,219.86	11,995,291.37
<b>III. Changes for the year ("+" for increase)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(I) Total comprehensive income	-	-	-	-	-	-	-	-	-	-	-42,980,083.20	-	-42,980,083.20	-13,515.40	-42,993,598.60
(II) Capital invested and reduction by shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Common shares invested by shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Capital invested by other equity instrument holders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Amount of share-based payment recognised as shareholders' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Appropriation of surplus reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Appropriation of general risk reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Distribution to shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(IV) Internal structure of shareholders' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Transfer from capital reserves to share capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Transfer from surplus reserves to share capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Elimination of losses by surplus reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Retained earnings carried over from changes in defined benefit plans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Retained earnings carried over from other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(V) Special reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Appropriation during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Utilisation during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IV. Closing balance of the year</b>	189,762,900.00	-	-	-	202,569,046.27	-	-	-	16,435,819.34	-	-442,207,777.30	-	-33,440,011.69	2,441,704.46	-30,998,307.23

Prepared by: Xi'an Haitian Antenna Technologies Co., Ltd.

Unit: RMB

Item	Shareholders' equity attributable to the parent company													Minority shareholders' equity	Total shareholders' equity
	Share Capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Undistributed profits	Others	Subtotal		
		Preferred shares	Perpetual bonds	Others											
<b>I. Closing balance of last year</b>	189,762,900.00	-	-	-	182,569,046.27	-	-	-	16,435,819.34	-	-369,103,101.74	-	19,664,663.87	2,603,528.96	22,268,192.83
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corrections of prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Merger of businesses under same control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>II. Opening balance of the year</b>	189,762,900.00	-	-	-	182,569,046.27	-	-	-	16,435,819.34	-	-369,103,101.74	-	19,664,663.87	2,603,528.96	22,268,192.83
<b>III. Changes for the year ("+" for increase)</b>	-	-	-	-	20,000,000.00	-	-	-	-	-	-	-	-	-	-
(I) Total comprehensive income	-	-	-	-	-	-	-	-	-	-	-30,124,592.36	-	-10,124,592.36	-148,309.10	-10,272,901.46
(II) Capital invested and reduction by shareholders	-	-	-	-	20,000,000.00	-	-	-	-	-	-	-	20,000,000.00	-	20,000,000.00
1. Common shares invested by shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Capital invested by other equity instrument holders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Amount of share-based payment recognised as shareholders' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	20,000,000.00	-	-	-	-	-	-	-	20,000,000.00	-	20,000,000.00
(III) Profit distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Appropriation of surplus reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Appropriation of general risk reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Distribution to shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(IV) Internal structure of shareholders' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Transfer from capital reserves to share capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Transfer from surplus reserves to share capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Elimination of losses by surplus reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Retained earnings carried over from changes in defined benefit plans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Retained earnings carried over from other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(V) Special reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Appropriation during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Utilisation during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IV. Closing balance of the year</b>	189,762,900.00	-	-	-	202,569,046.27	-	-	-	16,435,819.34	-	-399,227,694.10	-	9,540,071.51	2,455,219.86	11,995,291.37

## **NOTE:**

### **I. BASIC INFORMATION OF THE COMPANY**

Incorporated and established on 13 October 1999, Xi'an Haitian Antenna Technologies Co., Ltd. (hereinafter referred to as the Company, Haitian Antenna and/or collectively referred to as the Group, if it includes any subsidiary) 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, which domicile is located at No. 25 Shuoshi Road, High-tech Industrial Development Zone, Xi'an, legally represented by Xiao Bing, with both registered capital and share capital of RMB189,762,900.

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

The Company belongs to the communication system equipment manufacturing industry and is mainly engaged in the development, production and sales of communication antenna products. Its main products are mobile base station lens antenna, Wi-Fi router, Wi-Fi router lens antennas and agricultural and sideline products.

These financial statements were approved by the board of directors of the Company on 28 March 2024.

### **II. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS**

#### **1. Basis of preparation**

The Group's financial statements are prepared based on actual transactions and events in accordance with the "Accounting Standards for Business Enterprises" and its application guidelines, interpretations and other relevant regulations promulgated by the Ministry of Finance (hereinafter collectively referred to as the "ASBE"), as well as the Hong Kong Companies Ordinance and relevant disclosure requirements under the GEM Listing Rules of the Hong Kong Stock Exchange.

#### **2. Going concern**

The Group's net profit for 2023 is RMB-42,993,598.60, and it continues to suffer losses; at of the end of 2023, the net assets was RMB-30,998,307.23; for 2023, the operating income was RMB13,091,468.20 and the net operating cash flow was RMB-6,683,081.18; at the end of the year, the current liabilities were higher than the total current assets by RMB55,666,342.98. These events all indicate the existence of material uncertainties that may cast significant doubts on the Group's ability to operate on a going concern basis. In view of this, the management of the Company has carefully considered the Group's future liquidity, operating conditions and available financing sources to assess whether the Group has sufficient working capital and financing sources to ensure that the Group will operate for 12 months after 31 December 2023. The Group has also implemented a number of measures to improve its financial conditions and reduce liquidity pressure, including:

##### **(1) Expansion of product sales**

- 1) In terms of communication base station antennas, in 2023, the Group proactively promoted the completion of delivery for signed contracts and collection of payments; paid attention to the bidding of various telecom operators. As of the approval date of this financial statement, it has won the bids for the lens antennas projects of a provincial company of 中國移動集團有限公司 and a provincial company of China United Network Communications Co., Ltd.; negotiated cooperation with well-known domestic communication equipment manufacturers and planned to participate in the construction of 5G-R wireless communication private network of China State Railway Group Co., Ltd.; negotiated cooperation with a provincial Company of China United Network Communications Co., Ltd., and planned to participate in the construction of "broadband frontier" and "signal upgrade".

- 2) Applications of lens technology in other fields. Combining existing antenna technology, Wi-Fi lens antennas were successfully developed in 2023 and used in various routers. Small batch sales have been achieved to router manufacturers and multiple rounds of communication have been conducted with router customers. Mass production is planned to be achieved in 2024.

**(2) *Make full use of existing resources and reduce costs***

Strengthen expense control. In 2024, the Company will optimize the allocation of assets and human resources, eliminate unnecessary positions, reduce labour costs, dispose of idle assets to recover funds, strengthen expense budgets, and reduce unreasonable or unnecessary expenses.

**(3) *Financial support from major shareholders***

As of the end of this year, Haitian Antenna had debts of RMB8,106,234.78 due to Xiao Bing, a shareholder, RMB7,992,077.64 due to Chen Ji, a shareholder, and RMB8,655,000.00 due to Shanghai Gaoxiang Investment Management Co., Ltd., representing a total of RMB24,753,312.42. The two shareholders promised not to require the Company to repay the amount due in the next 12 months and to provide financial support to the Company when Haitian Antenna encounters financial difficulties.

From 1 January 2024 to 28 March 2024, Xiao Bing has provided financial support of RMB2,241,000.00 to Haitian Antenna.

**(4) *Proactive communication with lending banks to resolve overdue loans***

The Company's subsidiary Suzhou Haitian signed a new repayment agreement with the Dongnan Sub-branch of Jiangsu Changshu Rural Commercial Bank Co., Ltd. for an overdue loan principal of RMB2,417,931.86. The two parties agreed to repay the principal and interest of the loan in 11 instalments from 28 February 2023 to 15 December 2023 in the original agreement. Due to the inability to repay the loan in accordance with the extension agreement, Suzhou Haitian re-signed a repayment agreement with the lending bank for the overdue principal in August 2023. The two parties agreed to repay the principal and interest of the loan in 11 instalments from 28 August 2023 to 28 June 2024. Among which, the first instalment is RMB300,000.00, the second to tenth instalments are principal and interest of RMB230,000.00, and the eleventh instalment is RMB145,502.83, for a total amount of RMB2,515,502.83. In 2023, the Company has repaid the principal and interest on schedule in accordance with the agreement. As of 31 December 2023, there was still a short-term loan principal of RMB1,266,668.00.

Based on the abovementioned measures, the management believes that the Company will be able to obtain sufficient working capital to support the Company's operating needs for the foreseeable next twelve months. Accordingly, management believes that the Company and the Company's financial statements are properly prepared on a going concern basis.

### 3. Accounts receivable

#### (1) Accounts receivable presented by aging

Aging	Closing book balance	Opening book balance
Within 1 year (including 1 year)	5,272,166.72	8,860,557.55
1-2 years	2,082,166.12	2,646,925.16
2-3 years	941,433.02	195,000.00
Over 3 years	1,555,575.80	1,497,408.00
Of which: 3-4 years	60,000.00	0.00
4-5 years	0.00	197,408.00
Over 5 years	1,495,575.80	1,300,000.00
	<u>9,851,341.66</u>	<u>13,199,890.71</u>

#### (2) Accounts receivable presented by bad debts provision method

Type	Book balance		Closing balance		Book value
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision for bad debts					
by single item	1,298,167.80	13.18	1,298,167.80	100.00	0.00
Provision for bad debts by					
portfolio	8,553,173.86	86.82	758,265.94	8.87	7,794,907.92
Of which: Aging portfolio	7,746,565.46	78.63	758,265.94	9.79	6,988,299.52
Low-risk					
portfolio	806,608.40	8.19	0.00	0.00	806,608.40
<b>Total</b>	<b><u>9,851,341.66</u></b>	<b><u>100.00</u></b>	<b><u>2,056,433.74</u></b>	<b><u>—</u></b>	<b><u>7,794,907.92</u></b>

(Table continued)

Type	Book balance		Opening balance		Book value
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision for bad debts					
by single item	1,300,000.00	9.85	1,300,000.00	100.00	0.00
Provision for bad debts by					
portfolio	11,899,890.71	90.15	691,070.02	5.81	11,208,820.69
Of which: Aging portfolio	10,798,657.71	81.81	691,070.02	6.40	10,107,587.69
Low-risk portfolio	1,101,233.00	8.34	0.00	0.00	1,101,233.00
<b>Total</b>	<b><u>13,199,890.71</u></b>	<b><u>100.00</u></b>	<b><u>1,991,070.02</u></b>	<b><u>—</u></b>	<b><u>11,208,820.69</u></b>

1) *Provision for bad debts of accounts receivable by single item*

Name	Opening balance		Closing balance		Reason for provision
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	
Shaanxi Yijia Haosen Industrial Development Co., Ltd.	1,300,000.00	1,300,000.00	1,298,167.80	1,298,167.80	100.00 Expected to be unrecoverable
<b>Total</b>	<b>1,300,000.00</b>	<b>1,300,000.00</b>	<b>1,298,167.80</b>	<b>1,298,167.80</b>	<b>100.00</b> —

2) *Provision for bad debts of accounts receivable by portfolio*

Aging portfolio

Aging	Book balance	Closing balance Provision for bad debts	Provision ratio (%)
Within 1 year (including 1 year)	4,522,830.84	135,684.93	3.00
1-2 years	2,040,923.12	204,092.31	10.00
2-3 years	925,403.50	185,080.70	20.00
3-4 years	60,000.00	36,000.00	60.00
4-5 years	0.00	0.00	80.00
Over 5 years	197,408.00	197,408.00	100.00
<b>Total</b>	<b>7,746,565.46</b>	<b>758,265.94</b>	<b>—</b>

Other portfolio

Portfolio name	Book balance	Closing balance Provision for bad debts	Provision ratio (%)
Low-risk portfolio	806,608.40	0.00	0.00
<b>Total</b>	<b>806,608.40</b>	<b>0.00</b>	<b>0.00</b>

**(3) Provision, recovery or write-back for bad debts of accounts receivable for the year**

Type	Opening balance	Amount of changes for the year			Others	Closing balance
		Provision	Recovered or written-back	Charge-off or write-off		
Provision for bad debts	1,991,070.02	67,195.92	1,832.20	0.00	0.00	2,056,433.74
<b>Total</b>	<b>1,991,070.02</b>	<b>67,195.92</b>	<b>1,832.20</b>	<b>0.00</b>	<b>0.00</b>	<b>2,056,433.74</b>

**(4) Account receivables actually written off during the year**

Nil.

**(5) Accounts receivable of top 5 debtors by closing balance**

The aggregate amount of the accounts receivable of top 5 debtors by closing balance for the year amounted to RMB6,484,449.11, accounting for 65.82% of the balance of total accounts receivable as at the end of the year. The aggregate balance of corresponding provision for bad debts as at the end of the year amounted to RMB1,699,414.21.

**4. Accounts payable**

**(1) Presentation of accounts payable**

Items	Closing balance	Opening balance
Trade balance	4,878,660.86	4,940,262.61
Intermediary service fee	2,104,627.93	1,817,759.45
<b>Total</b>	<b>6,983,288.79</b>	<b>6,758,022.06</b>

(2) *Significant accounts payable with aging of over 1 year or are overdue*

<b>Entity name</b>	<b>Closing balance</b>	<b>Reason for unsettlement or carrying forward</b>
Shenzhen Xinmeitel Electronics Co., Ltd.	1,269,828.00	Unpaid
Kaiyuan Securities Co., Ltd.	1,226,415.09	Unpaid
Changshu High-tech Industrial City Construction and Development Co., Ltd.	<u>1,050,000.00</u>	<u>Unpaid</u>
<b>Total</b>	<b><u><u>3,546,243.09</u></u></b>	<b><u><u>—</u></u></b>

(3) *Accounts payable presented by aging*

The aging analysis of accounts payable (including accounts payable by related parties) based on transaction date is as follows:

<b>Aging</b>	<b>Closing balance</b>	<b>Opening balance</b>
Within 1 year	2,958,118.74	4,672,135.25
1-2 years	2,727,591.36	1,847,175.96
2-3 years	1,094,525.00	49,964.60
Over 3 years	<u>203,053.69</u>	<u>188,746.25</u>
<b>Total</b>	<b><u><u>6,983,288.79</u></u></b>	<b><u><u>6,758,022.06</u></u></b>

5. **Operating income, operating costs**

(1) *Operating income and operating costs*

<b>Items</b>	<b>Amount incurred in the year</b>		<b>Amount incurred in last year</b>	
	<b>Income</b>	<b>Costs</b>	<b>Income</b>	<b>Costs</b>
Main business	12,276,698.60	10,315,390.08	18,292,389.57	13,741,246.74
Other business	<u>814,769.60</u>	<u>719,025.10</u>	<u>2,237,695.08</u>	<u>882,626.79</u>
<b>Total</b>	<b><u><u>13,091,468.20</u></u></b>	<b><u><u>11,034,415.18</u></u></b>	<b><u><u>20,530,084.65</u></u></b>	<b><u><u>14,623,873.53</u></u></b>

(2) *Main business income – by product*

Items	Amount incurred in the year		Amount incurred in last year	
	Income	Costs	Income	Costs
Sales of antenna products and provision of related services	7,725,160.79	6,106,099.22	12,097,871.43	7,602,843.88
Sales of agricultural products	<u>4,551,537.81</u>	<u>4,209,290.86</u>	<u>6,194,518.14</u>	<u>6,138,402.86</u>
<b>Total</b>	<b><u>12,276,698.60</u></b>	<b><u>10,315,390.08</u></b>	<b><u>18,292,389.57</u></b>	<b><u>13,741,246.74</u></b>

6. **Taxes and surcharges**

Items	Amount incurred	Amount incurred
	in the year	in last year
Stamp duty	13,931.68	31,811.46
Urban maintenance and construction tax	3,610.85	31,515.54
Education surcharge	2,755.78	18,396.36
Water conservancy fund	1,832.51	5,112.59
Vehicle and vessel use tax	67.20	323.06
Environmental protection tax	<u>0.00</u>	<u>11,633.78</u>
<b>Total</b>	<b><u>22,198.02</u></b>	<b><u>98,792.79</u></b>

## 7. Selling expenses

<b>Items</b>	<b>Amount incurred in the year</b>	<b>Amount incurred in last year</b>
Payroll	1,689,138.40	1,991,720.66
Technical service fees	737,198.25	982,373.68
Promotion and testing charges	586,782.63	1,188,505.68
Business entertainment expenses	589,907.39	810,139.45
Travelling expenses	488,665.55	513,288.81
Office fees	82,002.93	77,120.84
Intermediation fee	72,300.93	127,171.99
Advertising expenses	10,049.46	28,352.40
Equipment depreciation expenses	2,492.03	3,311.04
Printing fees	0.00	6,020.00
Delivery charges	0.00	1,092.35
<b>Total</b>	<b><u>4,258,537.57</u></b>	<b><u>5,729,096.90</u></b>

## 8. Administrative expenses

<b>Items</b>	<b>Amount incurred in the year</b>	<b>Amount incurred in last year</b>
Amortisation of intangible assets	8,079,184.05	8,068,854.40
Payroll	5,736,564.18	7,030,979.86
Intermediation fee	1,667,511.82	2,915,094.20
Auditor's remunerations	592,677.23	647,631.10
– Audit service fee	576,415.10	623,887.15
– Other service fee	16,262.13	23,743.95
Business entertainment expenses	556,649.05	445,021.44
Depreciation of right-of-use assets	446,527.48	673,448.30
Office fees	406,959.37	702,069.23
Travelling expenses	367,984.93	116,062.79
Vehicle expenses	282,628.58	438,646.59
Utilities	171,796.52	211,024.71
Depreciation expenses	158,615.56	290,947.59
Repair fee	133,180.00	20,990.00
Disabled security fund	117,107.66	33,391.37
Expenses of the Board	78,000.00	90,000.00
Property management fee	52,680.70	150,045.18
Communication fee	27,941.45	32,458.59
Rental fees	24,946.77	0.00
Transportation charges	5,621.76	2,976.64
Others	301,114.66	292,899.13
<b>Total</b>	<b><u>19,207,691.77</u></b>	<b><u>22,162,541.12</u></b>

## 9. R&D expenses

<b>Items</b>	<b>Amount incurred in the year</b>	<b>Amount incurred in last year</b>
Payroll	3,790,476.71	4,907,998.43
Material fee	1,070,075.78	699,234.44
Depreciation and amortisation	459,848.29	458,349.21
Travelling expenses	213,228.67	240,817.42
Office fees	86,910.14	155,701.76
Testing charges	20,844.08	56,928.97
Development service fee	10,830.00	36,867.92
Shipping fee	1,407.00	6,234.19
Others	3,929.83	16,115.69
<b>Total</b>	<b><u>5,657,550.50</u></b>	<b><u>6,578,248.03</u></b>

## 10. Financial expenses

<b>Items</b>	<b>Amount incurred in the year</b>	<b>Amount incurred in last year</b>
Interest expenses	748,580.76	789,815.33
Less: Interest income	3,260.96	8,914.14
Add: Exchange loss	69,886.79	160,348.87
Less: Exchange gain	362.43	127,466.83
Other expenditure	24,650.54	27,861.89
<b>Total</b>	<b><u>839,494.70</u></b>	<b><u>841,645.12</u></b>

**11. Other gain**

<b>Source of other gain</b>	<b>Amount incurred in the year</b>	<b>Amount incurred in last year</b>
High-tech project recognition subsidy	100,000.00	50,000.00
Income tax handling fee refunded	7,921.67	9,915.81
Job stabilization subsidy	0.00	164,640.29
VAT handling fee refunded	0.00	4,428.42
Relief of six taxes and two fees	0.00	971.54
Relief of Jinshuipan service fees	0.00	280.00
<b>Total</b>	<b><u>107,921.67</u></b>	<b><u>230,236.06</u></b>

**12. Investment gain**

<b>Items</b>	<b>Amount incurred in the year</b>	<b>Amount incurred in last year</b>
Investment gain from disposal of financial assets held for trading	0.00	793.80
Gain on restructuring of debts	1,124.00	0.00
<b>Total</b>	<b><u>1,124.00</u></b>	<b><u>793.80</u></b>

**13. Credit impairment loss (“-” for loss)**

<b>Items</b>	<b>Amount incurred in the year</b>	<b>Amount incurred in last year</b>
Bad debt loss of notes receivable	-3,000.00	0.00
Bad debt loss of accounts receivable	-65,363.72	-68.98
Bad debt loss of other receivables	-34,847.29	-13,203.77
Bad debt loss of advanced payments for purchase of land and above-ground attachments	-4,711,136.44	-3,805,864.72
<b>Total</b>	<b><u>-4,814,347.45</u></b>	<b><u>-3,819,137.47</u></b>

14. Assets impairment loss (“-” for loss)

Items	Amount incurred in the year	Amount incurred in last year
Inventory depreciation loss	-652,652.44	0.00
Intangible assets impairment loss	-9,943,002.55	0.00
<b>Total</b>	<b><u>-10,595,654.99</u></b>	<b><u>0.00</u></b>

15. Gain from assets disposal (“-” for loss)

Items	Amount incurred in the year	Amount incurred in last year	Amount charged to non-recurrent profit or loss for the year
Gain from disposal of non-current assets	496,279.19	726.68	496,279.19
Of which: Gain from disposal of non-current assets not classified as held for sale	496,279.19	726.68	496,279.19
Of which: Gain from disposal of fixed assets	19,518.25	-556.34	19,518.25
Gain from disposal of right-of-use assets	476,760.94	1,283.02	476,760.94
<b>Total</b>	<b><u>496,279.19</u></b>	<b><u>726.68</u></b>	<b><u>496,279.19</u></b>

16. Non-operating income

Items	Amount incurred in the year	Amount incurred in last year	Amount charged to non-recurrent profit or loss for the year
Payables that cannot be paid	0.00	2,424,845.68	0.00
Other income	0.00	416,674.54	0.00
<b>Total</b>	<b><u>0.00</u></b>	<b><u>2,841,520.22</u></b>	<b><u>0.00</u></b>

## 17. Non-operating expenditure

Items	Amount incurred in the year	Amount incurred in last year	Amount charged to non-recurrent profit or loss for the year
Unrecoverable amounts	28,368.80	0.00	28,368.80
Inventory loss	0.00	8,464.64	0.00
Compensation, liquidated damages and fine expenditure	1,837.11	500.00	1,837.11
Litigation compensation	200,000.00	0.00	200,000.00
Other expenditure	23,657.96	23,179.73	23,657.96
<b>Total</b>	<b><u>253,863.87</u></b>	<b><u>32,144.37</u></b>	<b><u>253,863.87</u></b>

## 18. Income tax expenses

### (1) Income tax expenses

Items	Amount incurred in the year	Amount incurred in last year
Current income tax calculated according to tax law and relevant regulations	278.34	-9,216.46
– Mainland China corporate income tax	278.34	-9,216.46
– China Hong Kong profits tax	0.00	0.00
Deferred income tax expenses	6,359.27	0.00
<b>Total</b>	<b><u>6,637.61</u></b>	<b><u>-9,216.46</u></b>

Since the Group has no taxable income in Hong Kong during the year (last year: Nil), there is no Hong Kong profit tax.

(2) *Reconciliation of accounting profit and income tax expense*

<b>Items</b>	<b>Amount incurred in the year</b>
Total consolidated profit in the year	-42,986,960.99
Income tax expenses calculated at statutory/applicable tax rates	-6,448,044.15
Impact of applying different tax rates to subsidiaries	-1,467,873.32
Impact of adjustment of income tax of previous period	0.00
Impact of non-taxable income	0.00
Impact of non-deductible costs, expenses and losses	152,745.52
Impact of deductible losses from applying deferred income tax assets not recognised in previous period	0.00
Impact of deductible temporary differences or deductible losses of the deferred income tax assets not recognised for the year	8,678,675.20
Additional items that deductible under tax law (research and development expenses)	-908,865.64
<b>Income tax expenses</b>	<b><u>6,637.61</u></b>

19. **Financial information of the reporting segments in the year**

Segment assets:

<b>Segment</b>	<b>Closing balance</b>	<b>Opening balance</b>
Sales of antenna products and provision of related services	52,044,541.59	84,036,841.77
Sales of underwater monitoring products and related products	5,426.49	3,111.96
Sales of aircraft products	1,074,772.65	1,670,053.49
Sales of agricultural products	5,094,037.92	5,887,762.73
<b>Total segment assets</b>	<b>58,218,778.65</b>	<b>91,597,769.95</b>
Unallocated assets	346,055.19	646,395.99
<b>Total consolidated assets</b>	<b><u>58,564,833.84</u></b>	<b><u>92,244,165.94</u></b>

Segment liabilities:

<b>Segment</b>	<b>Closing balance</b>	<b>Opening balance</b>
Sales of antenna products and provision of related services	75,944,485.69	51,285,780.63
Sales of underwater monitoring products and related products	527,018.82	214,890.24
Sales of aircraft products	2,355,766.70	23,120,807.57
Sales of agricultural products	<u>1,260,934.95</u>	<u>877,077.31</u>
<b>Total segment liabilities</b>	<b>80,088,206.16</b>	<b>75,498,555.75</b>
Unallocated liabilities	<u>9,474,934.91</u>	<u>4,750,318.82</u>
<b>Total consolidated liabilities</b>	<b><u>89,563,141.07</u></b>	<b><u>80,248,874.57</u></b>

Segment income and costs:

<b>Sales of goods</b>	<b>Main business income for the year</b>	<b>Main business costs for the year</b>
Sales of antenna products and provision of related services	7,725,160.79	6,106,099.22
Sales of agricultural products	<u>4,551,537.81</u>	<u>4,209,290.86</u>
<b>Total</b>	<b><u>12,276,698.60</u></b>	<b><u>10,315,390.08</u></b>

Segment income and performance:

Items	Sales of antenna products and provision of related services	Sales of agricultural products	Sales of aircraft products	Sales of underwater monitoring products and related products	Total
<b>Income:</b>					
External sales	7,725,160.79	4,551,537.81	0.00	0.00	12,276,698.60
Segment profit (loss)	-30,521,519.59	267,754.39	-195,010.54	-383,793.30	-30,832,569.04
Unallocated other gain	0.00	0.00	0.00	0.00	0.00
Unallocated corporate expenditure for changes in the fair value of financial assets at fair value through profit and loss	0.00	0.00	0.00	0.00	0.00
Financial costs	0.00	0.00	0.00	0.00	-839,494.70
Unallocated income	0.00	0.00	0.00	0.00	1,420,094.46
Unallocated expenses and expenditure	0.00	0.00	0.00	0.00	-12,734,991.71
Loss before tax	0.00	0.00	0.00	0.00	-42,986,960.99

20. Return on net assets and earnings per share (“EPS”)

Profit for the reporting period	Weighted average return on net assets	EPS (Yuan/share)	
	(%)	Basic EPS	Diluted EPS
Net profit attributable to the ordinary shareholders of the parent company	-359.67	-0.0226	-0.0226
Net profit attributable to the ordinary shareholders of the parent company after deduction of non-recurring gains and losses	-362.72	-0.0228	-0.0228

The calculation method of the numerator of basic EPS: Net profit attributable to the shareholders of the parent company RMB-42,980,083.20.

The calculation method of the denominator of basic EPS: Weighted average number of ordinary shares in issue = Total number of shares at the beginning of the year (1,897,629,000.00) + Number of shares increased by issuance of new shares or conversion of debts into shares(0.00)\* Number of months accumulated from the month following the month of share increase (II) to year end (12)/Number of months in the reporting period (12) = 1,897,629,000.00.

The calculation method of the numerator of diluted EPS: Net profit attributable to the shareholders of the parent company RMB-42,980,083.20.

The calculation method of the denominator of diluted EPS: Weighted average number of ordinary shares in issue 1,897,629,000.00 + Weighted average number of ordinary shares increased by warrants, exercise of options, convertible bonds, etc. (0.00) = 1,897,629,000.00.

## 21. Dividends

No dividend was paid or proposed during the year ended 31 December 2023, nor has any dividend been proposed since the end of the reporting period (2022: nil).

## 22. Other Important Matters

### 1. *The contract disputes of transferring the right to use construction land with Xi'an Xiangyu Aviation Technology Co., Ltd.*

In August 2015, the Company entered into an agreement with Xi'an Xiangyu Aviation Technology Co., Ltd. (hereinafter referred to as "Vendor"), pursuant to which the Vendor has agreed to sell a parcel of land located at the east of Shuoshi Road (碩士路以東) and the west of Chuangye Avenue (創業大道以西), National Hi-tech Industrial Development Zone, Xi'an, Shaanxi Province, the PRC, and three industrial buildings erected on it to the Company at a consideration of RMB40.00 million. The Company paid a transfer price of RMB18,546,000 in accordance with the agreement. Details were disclosed in the announcement dated 24 August 2015 and the circular dated 25 November 2015 of the Company.

However, the Vendor fails to assist the Company to undertake the registration of the transfer of the land use right of the land, the Company initiated a legal proceedings against the Vendor in the People's Court of Chang'an District of Xi'an City\* (西安市長安區人民法院) in September 2017. The legal proceedings were dismissed by the People's Court of Chang'an District of Xi'an City on 14 November 2019 on the grounds that the land is still under the seizure order and the land has a boundary issue. Details were disclosed in the announcements dated 11 December 2019 and 15 January 2020 of the Company.

On 18 September 2020, a judge from the Executive Bureau of the Intermediate People's Court of Xi'an City\* (西安市中級人民法院) led the staff of an evaluation company to inspect the land and evaluate the enforced auction of the land due to the Vendor's refusal to perform other effective legal judgments. The Company believed that it has harmed the interest of the Company and filed an objection against the enforcement to the judge of the Executive Bureau of the Intermediate People's Court of Xi'an City on 10 October 2020. Subsequently, the Executive Bureau of the Intermediate People's Court of Xi'an City accepted the objection against the enforcement submitted by the Company.

On 3 March 2022, the Executive Bureau of the Intermediate People's Court of Xi'an City presided over the hearing procedures in accordance with the law, it heard the opinions of Haitian Antenna, Xi'an Tangdu Yanhua Automobile Sales and Service Co., Ltd. (西安唐都燕華汽車銷售服務有限公司), the applicant for reinstatement, and Xi'an Xiangyu Aviation Co., Ltd. (西安翔宇航空股份有限公司), the person subject to execution. Haitian Antenna submitted relevant evidence materials to the court to prove that the land and above-ground buildings purchased by Haitian Antenna complied with the provisions of Article 28 of the "Regulations of the Supreme People's Court on Several Issues Concerning the Handling of Execution Objections and Reconsideration Cases by the People's Court" 《(最高人民法院關於人民法院辦理執行異議和覆議案件若干問題的規定)》 and the measures of sealing up and auctioning the land and its attachments should be lifted.

On 22 April 2022, the Xi'an Intermediate People's Court rejected the Company's application for enforcement objection. The reason for the dismissal was that "the dormant seizure is not a formal sequestration in nature, and does not have the effect of a formal sequestration. If a person outside the case claims that his or her legitimate rights and interests have been infringed, he or she must file with the court that formally seizes the property involved in the case. Subsequently, Haitian Antenna filed with the Higher People's Court of Shaanxi Province for a review, and the provincial Higher Court made a ruling (2022) Shan Zhi Fu No. 123, rejecting Haitian Antenna's application for review and upholding the implementation ruling (2022) Shan 01 Zhi Yi No. 175 issued by the Xi'an Intermediate People's Court for the reason consistent with that given by the Xi'an Intermediate People's Court.

In this case, it has been verified that the house involved in the case where the enforcement department of the court claims ownership of Haitian Antenna, an outsider, is waiting to be sealed up. Although the First Seizing Court has transferred the right to dispose of the land involved in the case to the court, the right to examine the seizure has not been transferred." During the execution of the objection review, it was revealed that after Haitian Antenna purchased the land No. 007 and applied for land change registration, Xi'an Kanghong New Material Technology Co., Ltd. (西安康鸿新材料科技股份有限公司), another creditor of Xiangyu Aviation, filed a claim with the People's Court of Yanta District of Xi'an City applied for the seizure of Land No. 007, which means that an enforcement objection should be lodged with the People's Court of Yanta District of Xi'an City.

On 20 July 2022, Haitian Antenna submitted an application for an enforcement objection to the Executive Bureau of the People's Court of Yanta District, Xi'an City. On 1 June 2023, Haitian Antenna received the enforcement ruling issued by the Yanta District Court of Xi'an City (Case No.: Enforcement Ruling of Xi'an Yanta District People's Court (2023) Shaan 0113 Zhiyi No. 370), ruling to reject Haitian Antenna's objection request.

On 14 June 2023, Haitian Antenna filed an enforcement objection lawsuit with the Yanta District Court of Xi'an City. The lawsuit requested: 1. Revoke Enforcement Ruling of Xi'an Yanta District People's Court (2023) Shaan 0113 Zhiyi No. 370; 2. Request a judgment to lift the seizure measures on the land and cancel the evaluation and auction procedures for the land of Xi'an High-tech Chang'an Park State Land 2001 No. 007; and 3. Lift the enforcement measures against the land of Xi'an High-tech Chang'an Park State Land 2001 No. 007. On 11 December 2023, the lawsuit against enforcement objection was heard. On 5 March 2024, Haitian Antenna received a civil judgment issued by the Yanta District Court of Xi'an City (Case No.: Civil Judgment of the People's Court of Yanta District, Xi'an City (2023) Shaan 0113 Minchu No. 21856). The judgment held that Haitian Antenna did not provide evidence to prove that the obstacles to the transfer had been removed, nor did it provide evidence to prove that the property rights were possible to be realized, and that the rights were not sufficient to exclude enforcement by the People's Court. Therefore, all of Haitian Antenna's claims were dismissed. The Company is dissatisfied with this judgment and plans to appeal again, with a view to correcting the first-instance judgment through the second-instance procedure.

The Company consulted and considered legal advice on the above matters. The legal adviser of the Company believed that obstacles to transfer of the land and above-ground attachments purchased by the Company could not be removed due to the seizure status. In view of this, regarding the Company's purchase of Xiangyu Aviation land and ground attachments, the amount of the Company's recoverable claims in the form of recovery of claims is estimated to be RMB4,525,224.00, and the impairment loss to be recognized is RMB14,020,776.00. By the end of 2022, an impairment loss of RMB9,309,639.56 was recognized, and RMB4,711,136.44 should be recognised during the year.

**(2) SEGMENT INFORMATION**

*(1) Determination basis and accounting policies of the reporting segments*

The Group determines operating segments based on internal organizational structure, management requirements, and internal reporting systems, and determines reporting segments based on operating segments.

Operating segment refers to a component within the Group that simultaneously meets the following conditions: 1) The component can generate revenue and incur expenses in daily activities; 2) The management of the Group can regularly evaluate the operating results of the component to decide allocating resources to it and evaluate its performance; 3) The Group can obtain relevant accounting information such as the financial status, operating results and cash flow of this component.

The directors of the Company choose to manage the Group by different products and services. Specifically, the Group's reportable segments are as follows: sales of antenna products and provision of related services; sales of underwater monitoring products and related products; sales of aircraft products; sales of agricultural products.

The accounting policies of the operating segments of the Group are the same as the main accounting policies of the Group.

## **EXTRACT OF INDEPENDENT AUDITOR’S REPORT**

The following is the extract of the independent auditor’s report from the external auditor of the Company:

### **I. AUDIT OPINION**

We have audited the attached financial statements of Xi’an Haitian Antenna Technologies Co., Ltd. (hereinafter referred to as Haitian Antenna), including Consolidated and Parent Company’s Balance Sheets dated on 31 December 2023, Consolidated and Parent Company’s Income Statements, Consolidated and Parent Company’s Cash Flow Statements, Consolidated and Parent Company’s Statements of Changes in Shareholders’ Equity, and related Notes to Financial Statements for 2023.

In our opinion, the attached financial statements present fairly, in all material respects, the consolidated and parent company’s financial positions of Haitian Antenna as at 31 December 2023, and its consolidated and parent company’s financial performance and cash flows for 2023 in accordance with the Accounting Standards for Business Enterprises.

### **II. BASIS TO FORM AUDIT OPINION**

We have conducted our audit in accordance with the Auditing Standards for Certified Public Accountants of China. The section in the auditor’s report titled “CPAs’ Responsibilities for the Audit of the Financial Statements” further describes our responsibilities under these standards. We conduct our audit independent of Haitian Antenna in accordance with the China Code of Ethics for Certified Public Accountants and fulfil other responsibilities in ethics. We believe that the audit evidence we have obtained is sufficient and appropriate, which has provided a basis for expressing our audit opinion.

### **III. MATERIAL UNCERTAINTIES RELATED TO GOING CONCERN**

We remind users of the financial statements to note that as stated in the Note “II.2 Going Concern” to the financial statements, net profit for 2023 is RMB-42,993,598.60, and it continues to suffer losses; at the end of 2023, the net assets was RMB-30,998,307.23; for 2023, the operating income was RMB13,091,468.20 and the net operating cash flow was RMB-6,683,081.18; at the end of the year, the current liabilities were higher than the total current assets by RMB55,666,342.98. Haitian Antenna disclosed the proposed improvement measures in the notes to the financial statements, but there are still major uncertainties in matters or conditions that may cause major doubts about the ability to operate on an on-going basis. It may not be able to obtain sufficient funds in normal operations to meet the Company’s working capital needs. This matter does not affect the issued audit opinion.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

### **Total Operating Income**

Total operating income recorded for the year ended 31 December 2023 was approximately RMB13.09 million, representing approximately 64% of the total operating income for the same period of 2022.

In 2023, the overall development trend of the communication industry has been improving. Mobile communication operators' investment in computing power networks has increased significantly, while investment in communication network construction has declined, thus affecting the overall performance of the Group. In view of the above objective situation, based on the wide applicability of lens materials in different fields and scenarios, the Group has concentrated its existing resources on development of more types of metamaterial lens antenna products. The Group not only proactively promoted the implementation of the share of communication network operators' centralized procurement bids this year, but also continued to follow up on communication network operators' bidding projects and took various measures to promote more types of business cooperation.

### ***Sales of antenna products and provision of related services***

The operating income from the operating segment of sales of antenna products and provision of related services decreased from approximately RMB12.10 million for the same period of 2022 to approximately RMB7.73 million for the year, representing approximately 63% of the main business income of the Group. Affected by the reduced communication network investment by mobile communication operators, the production and business promotion of the Group's mobile communication products slowed down, which affected the overall performance of the Group.

### ***Sales of agricultural products***

The operating income from the operating segment of sales of agricultural products decreased from approximately RMB6.19 million for last year to approximately RMB4.55 million for the year. The sales of agricultural products accounted for approximately 37% of the main business operating income of the Group. During the year, the Company has not resumed the operation of live chicken farming, and leased the existing facilities to other operators. At present, it only independently operates the sales of related by-products.

## ***Sales of underwater monitoring and related products and Sales of aircraft products***

The segments of sales of underwater monitoring and related products and sales of aircraft products still provided technical support and after-sales services to existing customers. During the year, the two business segments did not record operating income.

## ***Other business***

Operating income from other businesses amounted to approximately RMB810,000, rental income from office properties occupied by the Group of approximately RMB600,000 during the year, and service income of approximately RMB210,000.

## **Gross Profit**

Gross profit of approximately RMB2.06 million was recorded for the year with gross profit margin of approximately 16%, representing a decrease of 13% as when comparing to gross profit margin of approximately 29% of 2022. The decline in gross profit margin was mainly due to the decline in the selling prices of communication products.

## **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 RMB5.73 million for last year to approximately RMB4.26 million for the year, mainly due to the fact that metamaterial lens antenna products have been approved by mobile communication operators, resulting in a decrease in sales related testing fees and technical service fees, which were approximately RMB610,000 and RMB240,000, respectively.

Amortisation of approximately RMB8.00 million was recognised for the patents of the metamaterial lens antennas during the year. The patents were amortised over the estimated useful lives and there was no indication of significant change of their useful lives as the widespread use of 5G communication continued to support their value to the Group.

Research and development expenses were approximately RMB5.66 million for the metamaterial lens antennas during the year, which were mainly for further improvement and advance work on existing antenna products after considering the feedback from markets and customers. There were no material changes in the components of research and development expenses.

During the year, there was no significant impairment loss on receivables.

In respect of assets, there were signs of impairment on advanced payments for purchase of land and above-ground attachments due to the boundary issue and approximately RMB4.71 million was recognised as impairment loss during the year. Details of the basis of assessment are disclosed in the Note XVI.1.

Segment profit of approximately RMB270,000 was reported for the operating segment of sales of agricultural products. Segment losses of approximately RMB380,000 and approximately RMB200,000 were reported for the operating segments of sales of underwater monitoring and related products and sales of aircraft products respectively due to the Group did not carry out marketing and promotion activities during the year. Segment loss of approximately RMB30.52 million was reported for the operating segment of sales of antenna products and provision of related services as the production scale was still below the normal operating level of enlarged production capacity. The production capacity was not fully utilised because further delay and time lag of procurement activities for the metamaterial lens antennas by major communication network operators.

### **Other Expenses, Expenditure, Gain and Income**

Administrative expenses decreased from approximately RMB22.16 million for last year to approximately RMB19.21 million for the year, representing a decrease of approximately 13%.

Total staff costs of the Group decreased from approximately RMB16.21 million for last year to approximately RMB11.88 million for the year, mainly due to the relocation of the subsidiary Suzhou Haitian and the reduction of employees.

Financial expenses for the year were approximately RMB840,000, unchanged from last year. Approximately RMB750,000 were interest expenses for short-term borrowings and amortization interest expense on right-of-use assets. Short-term bank borrowings of RMB4.77 million were raised to finance the operations by the end of 2023.

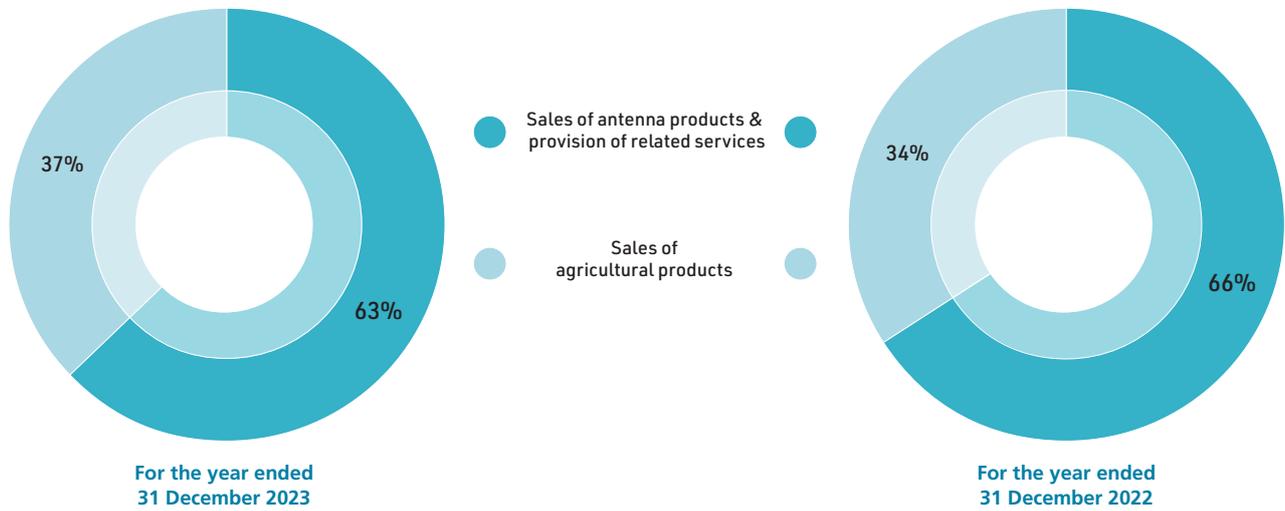
Approximately RMB100,000 was received from government authorities as grants, subsidies and rewards for product development and business operations.

### **Net Loss**

The net loss of the Group for the year amounted to approximately RMB42.99 million, representing an increase of approximately 42% from the net loss of approximately RMB30.27 million for 2022.

Net loss attributable to owners of the parent company was approximately RMB42.98 million after accounting for minority shareholders' profit and loss in respect of sales of agricultural products.

Composite of the Group's main business income by reportable and operating segments for the year ended 31 December 2023, together with the comparative figures for the year ended 31 December 2022, are as follows:



## PROSPECTS

In 2024, the Group will actively implement the development strategy of “seeking progress while maintaining stability and promoting stability through advancement”. In terms of mobile communication business, it will deeply explore customer needs while maintaining existing market share. It will fulfil customer needs by providing customized products, continuously improve product cost performance, increase product offerings, and at the same time strengthen work in key markets to ensure the loyalty of high-quality customers and effectively increase market share.

In 2023, based on metamaterial lens antenna technology, the Group has successively developed and launched high gain and miniaturized series of metamaterial lens antenna products for mobile communication operators’ network optimization and blind spots supplement projects. They can be used in metamaterial lens antenna products in WiFi, CPE and other fields; they can cover the frequency of 5150-5850MHZ and are mainly used in high gain dual-polarized omnidirectional antenna of wireless bridge system. The above products have been put on insignificant sales in 2023, which is expected to be put on mass production in 2024, providing guarantees for the Group’s next development. In 2024, the Group will focus on marketing and sales of this type of products, making these products a new profit growth point for the Group and contributing to the Company’s performance and development.

Meanwhile, the Group will continue to proactively explore the application of “lens technology” in remote sensing technology, UAV data transmission, fire safety monitoring and other fields. On the one hand, it will continue to develop lens technology-based derivative products in the wireless communication field. On the other hand, the Company will also cooperate with enterprises in other cross-industry fields by providing lens technology and products to expand the Company’s customer base as much as possible and form a new growth driver for the performance of the Company.

Meanwhile, in 2024, the Group will continue to develop agricultural and sideline products-related businesses, striving to improve the performance of agricultural and sideline products, and fully fulfil the social responsibilities as a listed company through industrial poverty alleviation.

With regard to the capital required for future development of the Group, in addition to bank borrowings and revitalisation of existing assets, the Group will also carry out financing when appropriate through additional issuance of new shares and issuance of bonds. The Board and the management of the Group will strive to turn the Group into a high-tech enterprise with diversified operations and development.

## **TOP FIVE SUPPLIERS AND CUSTOMERS**

For the year ended 31 December 2023, sales to the top five customers and the largest customer accounted for approximately 81.12% (2022: 75.59%) and 34.98% (2022: 28.68%) respectively of the Group's main business income.

For the year ended 31 December 2023, purchases from the top five suppliers and the largest supplier accounted for approximately 43.96% (2022: 47.24%) and 21.70% (2022: 23.74%) respectively of the Group's total purchases.

During the year ended 31 December 2023, each of the top five customers and the top five suppliers is independent of and not connected with any of the Directors, chief executives or any shareholders of the Company which, to the best knowledge of the Directors, own more than 5% of the Shares of the Company, or any of their respective associates.

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

During the year, the Group was mainly financed by funds generated from operations, short-term borrowings, and lease liabilities under right-of-use assets. The short-term borrowings were mainly for daily operations and the lease liabilities were solely used for financing those assets and services under operating leases of the Group during the year. As at 31 December 2023, the Group had the short-term borrowings of approximately RMB4.77 million which were repayable within one year, and the lease liabilities of approximately RMB450,000 which were classified in accordance with the lease terms.

During the year, the interest-bearing borrowings borne interest rates of ranging from 1% to 6% per annum and the lease liabilities borne interest rate of 7.13% per annum. Majority of debts for operations were denominated in RMB during the year. Details of policy in respect of interest rate risk and foreign exchange risk are disclosed in note X.1 to the financial statements, the Directors consider that exposure to interest rate risk and foreign exchange risk was minimal.

As at 31 December 2023, the gearing ratio of the Group was approximately -46.59% (2022: 139.66%), which is calculated based on the sum of total interest-bearing borrowings and lease liabilities over the total shareholders' equity attributable to the parent company. Details of changes in equity of the Group are disclosed in the consolidated statement of changes in shareholders' equity of the annual report and the structure of share capital is disclosed in note V.25 to the financial statements.

Cash and cash equivalents decreased approximately from RMB2.19 million to RMB1.99 million. As at 31 December 2023, bank deposits of approximately RMB0.24 million were regarded as margin account and restricted account funds for operations and liabilities of the Group.

## **FOREIGN EXCHANGE EXPOSURE**

Since majority of the transactions of the Group are denominated in RMB, the Group has not experienced any material difficulties or effects on its operations or liquidity as a result of fluctuations in currency exchange rates during the year under review. The Group did not enter into any material foreign exchange contracts, interest or currency swaps or other financial activities. Details of policy in respect of foreign exchange risk are disclosed in note X.1 to the financial statements, the Directors consider that exposure to foreign exchange risk was minimal.

## **SIGNIFICANT INVESTMENT HELD**

Except for interests in subsidiaries disclosed in notes VIII.1 to the financial statements, the Group did not hold any significant investment for the year ended 31 December 2023.

## **MATERIAL ACQUISITIONS AND DISPOSALS**

Save as disclosed in the paragraph headed “Significant Investment Held” above, the Group did not have any other material acquisitions and disposals of subsidiaries, associates and affiliated companies during the year ended 31 December 2023.

## **EMPLOYEES AND REMUNERATION POLICY**

As at 31 December 2023, the Group had 56 (2022: 113) full-time employees. Total staff costs for the year of 2023 amounted to approximately RMB11.88 million (2022: RMB16.21 million), including remuneration of the Directors and members of the supervisory committee (the “Supervisors”). All employees of the Group are eligible to participate in the defined contribution retirement schemes required by the law. The Group reviews employee remuneration from time to time and the increments in remuneration are normally granted annually or by special adjustment depending on length of service and performance when warranted. In addition to salaries, the Group provides employee benefits including medical insurance. Bonuses are also available to employees of the Group at the discretion of the Directors and depending upon the financial performance of the Group. The Group has not granted any share options to the Directors and its employees. A comprehensive career development programme is launched for all employees which provides diversified part-time training opportunities in accordance with the needs of their positions and specialities. Details of remuneration of the Directors, Supervisors and senior management by band are disclosed in note XII.5 to the financial statements.

## **CHARGES ON GROUP ASSETS**

As at 31 December 2023, except for bank deposits of approximately RMB0.24 million regarded as margin account and restricted account funds, no other assets of the Group were pledged for its operations and liabilities.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS**

As at 31 December 2023, the Group had no material capital expenditure contracted for but not provided in the consolidated financial statements.

Save as disclosed herein the Group did not have other plans for material investment.

## **CONTINGENT LIABILITIES**

As at 31 December 2023, except for those disclosed in note XIV to the financial statements, the Group did not have any material contingent liabilities.

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

During the year ended 31 December 2023, there was no utilisation of net proceeds from equity fund raising activities.

## **COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES**

The Company recognises the importance of corporate transparency and accountability. The Chairman takes primary responsibility for ensuring that good corporate governance practices and procedures are established. The Board reviews the Company's corporate governance practices from time to time in order to meet the expectations of stakeholders and comply with increasingly stringent regulatory requirements, and to fulfill its commitment to excellence in corporate governance.

For the year ended 31 December 2023, the Company has adopted and complied with all the code provisions of the Corporate Governance Code and Corporate Governance Report (the "Code") contained in Appendix C1 of the GEM Listing Rules. The Company also periodically reviews its corporate governance practices to ensure its continuous compliance with the Code.

The Board will continue to review and enhance its corporate governance practice of the Company to ensure compliance with the New Corporate Governance Code and align with the latest developments.

## **CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company adopted a code of conduct regarding securities transactions by Directors on terms which are the same as the required standard of dealings as referred to in Rules 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**

The Company established an Audit Committee in April 2003 with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules and paragraph D.3.3 and D.3.7 of the CG Code. As of the date of this announcement, the Audit Committee is currently chaired by, an independent non-executive Director, Professor Shi Ping and the other members are Mr. Liu Lidong and Mr. Zuo Hong, with the majority being independent non-executive Directors.

The Audit Committee is responsible for reviewing accounting policies and practices adopted by the Group. It also reviews and discusses matters related to the effectiveness of financial reporting, internal control and audit, and performs other duties as assigned by the Board, and reports its work, findings and recommendations to the Board after each meeting in respect of the above matters as well as the operating risks faced by the Group. The Audit Committee has to recommend the appointment, reappointment and removal, approve the remuneration and terms of engagement, review and monitor the independence, objectivity, resignation and dismissal of the external auditor, and maintain sufficient communication and discuss the nature and scope of the audit with the external auditor.

During the financial year ended 2023, the Audit Committee has, amongst other things, reviewed the quarterly, half-yearly and annual results of the Company and reviewed risk management and internal control matters of the Company. The Audit Committee has reviewed the audited financial results of the Group for the year ended 31 December 2023 which is of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosure have been made.

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2023.

## **EQUITY-LINKED AGREEMENT**

No equity-linked agreement was entered by the Company during the year.

## **MATERIAL LITIGATION**

Saved as disclosed in this announcement, the Company was not involved in any material litigation or arbitration during the year ended 31 December 2023. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group for the year ended 31 December 2023.

## **SUFFICIENCY OF PUBLIC FLOAT**

At least 25% of the Company's total issued share capital was held by the public throughout the year ended 31 December 2023 and as at the date of this announcement.

## **DIRECTORS' AND SUPERVISORS' INTEREST IN CONTRACTS OF SIGNIFICANCE**

Save as disclosed in the paragraph headed "Connected Transactions" and except for Directors' and Supervisors' service contracts, no contract of significance, to which the Company or its subsidiaries was a party and in which a Director or a Supervisor had a material interest, whether directly or indirectly, subsisted at the end of the year or any time during the year.

## **COMPETING INTERESTS**

None of the Directors, Supervisors or 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.

## **COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS**

The Group's major operations are mainly carried out in Mainland China and Hong Kong, while the Company listed on the GEM of the Stock Exchange. The Group accordingly shall comply with relevant laws and regulations in Mainland China, Hong Kong and the respective places of incorporation of the Company and its subsidiaries.

Saved as disclosed in this announcement, the Board was unaware of any non-compliance with relevant laws and regulations that have a significant impact on the business and operations of the Group during the year and up to the date of this announcement.

## **CONNECTED TRANSACTIONS**

During the year, the Company did not undertake and/or approve any significant and discloseable connected transactions with connected persons of the Company.

## **EVENTS AFTER THE REPORTING PERIOD**

Up to the date of this announcement, there were no significant events relevant to the business or financial performance of the Group that come to the attention of the Directors after the reporting period.

## **ANNUAL GENERAL MEETING**

The notice of the annual general meeting (“AGM”) will be published on the Company’s website and the Stock Exchange’s website and sent to the Shareholders in due course once the date of the forthcoming AGM has been determined.

## **SCOPE OF WORK OF AUDITOR**

The figures in respect of the preliminary announcement of the Group’s results for the year ended 31 December 2023 have been agreed by the Group’s auditors, ShineWing Certified Public Accountants LLP, to the amounts set out in the Group’s consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of financial position, and the related notes for the year ended 31 December 2023. The work performed by ShineWing Certified Public Accountants LLP in this respect did not constitute an assurance engagement in accordance with ASBE and consequently no assurance has been expressed by ShineWing Certified Public Accountants LLP on the preliminary announcement.

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This annual results announcement is published on the respective websites of the Company ([www.xaht.com](http://www.xaht.com)) and The Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)). The annual report of the Group for the year ended 31 December 2023 containing all the information required by the GEM Listing Rules will be despatched to the Shareholders and made available on the above websites in due course.

## CANCELLATION OF THE POSITION OF COMPLIANCE OFFICER

After the amendments to the GEM Listing Rules which took effect from 1 January 2024, the Company is no longer required to appoint a compliance officer under the GEM Listing Rules. As such, the Board has resolved to cancel the position of compliance officer with immediate effect.

## APPRECIATION

I would like to extend my sincere gratitude to all my fellow Directors, our management team and staff for their efforts and contributions to the Group. I would also like to thank all our shareholders, customers and business partners for their trust and support throughout the year.

By order of the Board

**Xi'an Haitian Antenna Technologies Co., Ltd.\***

**Xiao Bing**

*Chairman*

Xi'an, the PRC, 28 March 2024

*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