



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)

INTERIM REPORT
2021

* for identification purposes only

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

HIGHLIGHTS

- During the six months ended 30 June 2021, the Group recorded an unaudited net loss of approximately RMB8.41 million, compared to an unaudited net loss of approximately RMB12.25 million for the corresponding period in 2020.
- The unaudited total operating income for the six months ended 30 June 2021 was approximately RMB16.45 million, representing approximately 447% of the unaudited total operating income for the corresponding period in 2020.
- The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2021.

CONDENSED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

The board of Directors (the “**Board**”) hereby submits the unaudited condensed consolidated financial statements of the Company and its subsidiaries (the “**Group**”) for the three months and six months ended 30 June 2021, together with the unaudited comparative figures for the corresponding period in 2020 as follows:

CONSOLIDATED BALANCE SHEET

Unit: RMB

Item	Note	(Unaudited) 30 June 2021	(Audited) 31 December 2020
Current assets:			
Cash at bank and on hand		2,191,388.05	2,065,197.50
Financial assets held for trading	3	2,000.00	2,334,010.60
Accounts receivable	4	10,733,362.59	2,165,411.16
Advanced payments		1,738,934.47	706,310.57
Other receivables		1,842,312.66	2,074,844.67
Of which: Interest receivable		–	–
Dividends receivable		–	–
Inventories		16,014,875.46	7,843,229.28
Other current assets		1,445,550.05	1,048,655.53
Total current assets		33,968,423.28	18,237,659.31
Non-current assets:			
Fixed assets	5	5,562,438.95	6,152,972.24
Projects under construction		128,205.13	128,205.13
Right-of-use assets		3,985,159.56	9,542,773.41
Intangible assets	6	55,334,037.97	58,939,423.05
Long-term deferred expenses		–	180,236.65
Other non-current assets	7	13,042,225.16	13,042,225.16
Total non-current assets		78,052,066.77	87,985,835.64
Total assets		112,020,490.05	106,223,494.95

Item	Note	(Unaudited) 30 June 2021	(Audited) 31 December 2020
Current liabilities:			
Accounts payable	8	18,964,653.26	11,358,974.27
Advanced receipts		-	-
Payroll payable		4,413,757.25	3,831,316.18
Taxes payable		2,213,053.11	1,905,375.50
Other payables		19,989,156.76	20,404,258.11
Of which: Interest payable		-	-
Dividends payable		-	-
Non-current liabilities due within one year		514,283.04	2,981,115.59
Other current liabilities	9	25,500,000.00	13,500,000.00
Total current liabilities		71,594,903.42	53,981,039.65
Non-current liabilities:			
Lease liabilities		3,896,751.77	7,300,903.84
Total liabilities		75,491,655.19	61,281,943.49
Shareholders' equity:			
Share capital	10	189,762,900.00	189,762,900.00
Capital reserves		182,569,046.27	182,569,046.27
Surplus reserves		16,435,819.34	16,435,819.34
Undistributed profits		(354,682,260.62)	(346,442,138.02)
Total shareholders' equity attributable to the parent company		34,085,504.99	42,325,627.59
Minority shareholders' equity		2,443,329.87	2,615,923.87
Total shareholders' equity		36,528,834.86	44,941,551.46
Total liabilities and shareholders' equity		112,020,490.05	106,223,494.95

CONSOLIDATED INCOME STATEMENT

Unit: RMB

Item	Note	(Unaudited)		(Unaudited)	
		1 April to 30 June 2021	2020	1 January to 30 June 2021	2020
I. Total operating income		8,612,852.51	1,903,155.22	16,453,870.94	3,679,835.23
Of which: Operating income	11	8,612,852.51	1,903,155.22	16,453,870.94	3,679,835.23
II. Total operating costs		14,562,180.76	9,864,306.23	25,607,224.79	18,950,740.21
Of which: Operating costs	11	6,399,983.50	1,997,870.43	10,004,261.75	3,688,595.35
Taxes and surcharges	12	28,590.88	4,598.12	58,416.79	37,948.32
Selling expenses	13	1,361,583.77	84,639.25	1,986,706.95	170,331.23
Administrative expenses	14	3,295,112.11	4,569,994.46	7,049,622.32	9,528,941.62
R&D expenses	15	3,550,316.23	3,086,322.41	6,459,864.08	5,356,557.25
Financial expenses	16	(73,405.73)	120,881.56	48,352.90	168,366.44
Of which: Interest expenses		12,911.33	35,850.48	166,436.17	75,656.56
Interest income		1,555.04	1,449.84	3,829.13	5,616.05
Add: Other gain	17	163,853.14	329,357.59	479,128.41	329,357.59
Investment gain ("–" for loss)	18	269,414.99	–	269,414.99	663.56
Of which: Gain from investment in associates and joint ventures		–	–	–	–
Gain from changes in fair value ("–" for loss)	19	(96,800.44)	101,600.08	–	2,641,602.08
Credit impairment loss ("–" for loss)	20	–	–	–	–
Assets impairment loss ("–" for loss)	21	–	–	–	–
Gain from assets disposal ("–" for loss)	22	–	–	(55,452.27)	–
III. Operating profit ("–" for loss)		(5,612,860.56)	(7,530,193.34)	(8,460,262.72)	(12,299,281.75)
Add: Non-operating income	23	(280.00)	46,181.61	62,308.69	54,438.09
Less: Non-operating expenditure	24	52.15	–	5,052.15	–
IV. Total profit ("–" for total loss)		(5,613,192.71)	(7,484,011.73)	(8,403,006.18)	(12,244,843.66)
Less: Income tax expenses	25	9,710.42	5,014.42	9,710.42	5,014.42
V. Net profit ("–" for net loss)		(5,622,903.13)	(7,489,026.15)	(8,412,716.60)	(12,249,858.08)
(I) By business continuity ("–" for net loss)		(5,622,903.13)	(7,489,026.15)	(8,412,716.60)	(12,249,858.08)
1. Net profit from continuing operations		(5,622,903.13)	(7,489,026.15)	(8,412,716.60)	(12,249,858.08)
2. Net profit from discontinued operations		–	–	–	–
(II) By ownership ("–" for net loss)		(5,622,903.13)	(7,489,026.15)	(8,412,716.60)	(12,249,858.08)
1. Net profit attributable to owners of the parent company		(5,473,015.36)	(7,389,615.63)	(8,240,122.60)	(11,944,243.05)
2. Minority shareholders' profit and loss		(149,887.77)	(99,410.52)	(172,594.00)	(305,615.03)
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		(5,622,903.13)	(7,389,026.15)	(8,412,716.60)	(12,249,858.08)
Total comprehensive income attributable to shareholders of the parent company		(5,473,015.36)	(7,389,615.63)	(8,240,122.60)	(11,944,243.05)
Total comprehensive income attributable to minority shareholders		(149,887.77)	(99,410.52)	(172,594.00)	(305,615.03)
VIII. Earnings per share					
(I) Basic earnings per share (Yuan/share)	27	(0.00288)	(0.00411)	(0.00434)	(0.00664)
(II) Diluted earnings per share (Yuan/share)	27	(0.00288)	(0.00411)	(0.00434)	(0.00664)

CONSOLIDATED CASH FLOW STATEMENT

Unit: RMB

Item	Note	(Unaudited)	
		1 January to 30 June 2021	2020
I. Cash flows from operating activities:			
Cash received from sales of goods or rendering of services		9,364,218.07	3,012,936.91
Taxes and surcharges refunded		-	33,521.90
Other cash received relating to operating activities		500,799.13	5,983,756.82
<hr/>			
Subtotal of cash inflows from operating activities		9,865,017.20	9,030,215.63
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Cash paid for purchase of goods and receipt of services		10,458,692.18	1,965,564.45
Cash paid to and for employees		6,923,498.39	3,981,996.04
Taxes and surcharges paid		138,892.60	63,381.38
Other cash paid relating to operating activities		6,517,522.64	6,699,125.19
<hr/>			
Subtotal of cash outflows for operating activities		24,038,605.81	12,710,067.06
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Net cash flows from operating activities		(14,173,588.61)	(3,679,851.43)

Item	Note	(Unaudited)	
		1 January to 30 June 2021	2020
II. Cash flows from investing activities:			
Cash received from disposal of investment		2,601,425.59	1,172.09
Cash received from investment gain		–	–
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		–	–
Other cash received relating to investing activities		–	–
Subtotal of cash inflows from investing activities		2,601,425.59	1,172.09
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets		166,183.00	287,744.00
Cash paid for acquisition of investments		–	–
Net cash paid for acquisition of subsidiaries and other business entities		–	–
Other cash paid relating to investing activities		–	3,000.00
Subtotal of cash outflows for investing activities		166,183.00	290,744.00
Net cash flows from investing activities		2,435,242.59	(289,571.91)

Item	Note	(Unaudited)	
		1 January to 30 June 2021	2020
III. Cash flows from financing activities:			
Cash received from capital injection		12,000,000.00	–
Of which: Cash received from capital injection by minority shareholders of subsidiaries		–	–
Cash received from borrowings		–	1,519,798.55
Other cash received relating to financing activities		8,068,198.02	–
Subtotal of cash inflows from financing activities		20,068,198.02	1,519,798.55
Cash paid for repayment of debts		–	2,253.62
Cash paid for distribution of dividends, profits or repayment of interests		–	–
Of which: Dividends and profits paid to minority shareholders by subsidiaries		–	–
Other cash paid relating to financing activities		8,264,712.58	–
Subtotal of cash outflows for financing activities		8,264,712.58	2,253.62
Net cash flows from financing activities		11,803,485.44	1,517,544.93
IV. Effect of foreign exchange rate changes on cash and cash equivalents		61,051.13	(3,515.42)
V. Net increase in cash and cash equivalents		126,190.55	(2,455,393.83)
Add: Beginning balance of cash and cash equivalents		2,065,197.50	5,675,029.60
VI. Ending balance of cash and cash equivalents		2,191,388.05	3,219,635.77

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Unit: RMB

		(Unaudited) 1 January to 30 June 2021					
		Shareholders' equity attributable to the parent company				Minority	Total
Item		Share capital	Capital reserves	Surplus reserves	Undistributed profits	shareholders' equity	shareholders' equity
I.	Closing balance of last year	189,762,900.00	182,569,046.27	16,435,819.34	(346,442,138.02)	2,615,923.87	44,941,551.46
	Changes in accounting policies	-	-	-	-	-	-
	Correction of prior period errors	-	-	-	-	-	-
	Merger of business under same control	-	-	-	-	-	-
	Others	-	-	-	-	-	-
II.	Beginning balance of the period	189,762,900.00	182,569,046.27	16,435,819.34	(346,442,138.02)	2,615,923.87	44,941,551.46
III.	Changes for the period						
	(“-” for decrease)	-	-	-	(8,240,122.60)	(172,594.00)	(8,412,716.60)
	(I) Total comprehensive income	-	-	-	(8,240,122.60)	(172,594.00)	(8,412,716.60)
	(II) Capital invested and reduced by shareholders	-	-	-	-	-	-
	1. Common shares invested by shareholders	-	-	-	-	-	-
	(III) Profit distribution	-	-	-	-	-	-
	(IV) Internal structure of shareholders' equity	-	-	-	-	-	-
	(V) Special reserves	-	-	-	-	-	-
	(VI) Others	-	-	-	-	-	-
IV.	Ending balance of the period	189,762,900.00	182,569,046.27	16,435,819.34	(354,682,260.62)	2,443,329.87	36,528,834.86

		(Unaudited) 1 January to 30 June 2020					
		Shareholders' equity attributable to the parent company				Minority	Total
Item		Share capital	Capital reserves	Surplus reserves	Undistributed profits	shareholders' equity	shareholders' equity
I.	Closing balance of last year	169,762,900.00	160,569,046.27	16,435,819.34	(312,249,722.09)	3,075,930.89	37,593,974.41
	Changes in accounting policies	-	-	-	-	-	-
	Correction of prior period errors	-	-	-	-	-	-
	Merger of business under same control	-	-	-	-	-	-
	Others	-	-	-	-	-	-
II.	Beginning balance of the period	169,762,900.00	160,569,046.27	16,435,819.34	(312,249,722.09)	3,075,930.89	37,593,974.41
III.	Changes for the period						
	(“-” for decrease)	20,000,000.00	22,000,000.00	-	(11,944,243.05)	(305,615.03)	29,750,141.92
	(I) Total comprehensive income	-	-	-	(11,944,243.05)	(305,615.03)	(12,249,858.08)
	(II) Capital invested and reduced by shareholders	20,000,000.00	22,000,000.00	-	-	-	42,000,000.00
	1. Common shares invested by shareholders	20,000,000.00	22,000,000.00	-	-	-	42,000,000.00
	(III) Profit distribution	-	-	-	-	-	-
	(IV) Internal structure of shareholders' equity	-	-	-	-	-	-
	(V) Special reserves	-	-	-	-	-	-
	(VI) Others	-	-	-	-	-	-
IV.	Ending balance of the period	189,762,900.00	182,569,046.27	16,435,819.34	(324,193,965.14)	2,770,315.86	67,344,116.33

Notes:

1. BASIC INFORMATION OF THE COMPANY

The Company, incorporated and established on 13 October 1999, is a joint stock limited company with limited liabilities (and a listed joint venture co-funded by investors from both Taiwan, Hong Kong, Macao and Mainland China), holding a Business License for Legal Person with a unified credit code numbered as 916101317101664434 issued by the Xi'an Administration for Industry and Commerce, located at No. 25 Shuoshi Road, High-tech Industrial Development Zone, Xi'an, and legally represented by Xiao Bing, with both registered capital and paid-in capital of RMB189,762,900.

The H shares issued by the Company have been listed on GEM from 5 November 2003.

The Company's business scope mainly includes: mobile communication system antennas and antenna engineering products, microwave technology products, communication electronics products, data communication products, underwater/underground engineering and monitoring equipment, aerospace products, aircraft parts & components (except for those subject to special entry administration and control measures taken as per national regulations); R & D, production, sales, installation, testing and service of office automation equipment, instruments & 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 2020.

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

RMB is the recording currency for the Group.

3. FINANCIAL ASSETS HELD FOR TRADING

Item	(Unaudited)	(Audited)
	30 June 2021	31 December 2020
Financial assets measured at fair value through profit or loss	2,000.00	2,334,010.60
Of which: Investment in equity instruments	2,000.00	2,334,010.60
Total	2,000.00	2,334,010.60

4. ACCOUNTS RECEIVABLE

Item	(Unaudited) 30 June 2021				Book value
	Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Accounts receivable presented by bad debts provision method:					
Provision for bad debts by single item	8,145,117.70	43.03	8,145,117.70	100.00	-
Provision for bad debts by portfolio	10,784,561.23	56.97	51,198.64	0.47	10,733,362.59
Of which: Aging portfolio	9,551,062.18	50.46	51,198.64	0.54	9,499,863.54
Low-risk portfolio	1,233,499.05	6.51	-	-	1,233,499.05
Total	18,929,678.93	100.00	8,196,316.34		10,733,362.59

(Table continued)

Item	(Audited) 31 December 2020				Book value
	Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Accounts receivable presented by bad debts provision method:					
Provision for bad debts by single item	8,145,117.70	78.61	8,145,117.70	100.00	-
Provision for bad debts by portfolio	2,216,609.80	21.39	51,198.64	2.31	2,165,411.16
Of which: Aging portfolio	2,054,748.80	19.83	51,198.64	2.49	2,003,550.16
Low-risk portfolio	161,861.00	1.56	-	-	161,861.00
Total	10,361,727.50	100.00	8,196,316.34		2,165,411.16

Item	(Unaudited) 30 June 2021	(Audited) 31 December 2020
Accounts receivable presented by aging:		
Within 1 year (including 1 year)	10,587,153.23	2,019,201.80
1-2 years	–	244,000.00
2-3 years	–	197,408.00
3-4 years	452,408.05	11,000.05
4-5 years	–	–
Over 5 years	7,890,117.65	7,890,117.65
Total	18,929,678.93	10,361,727.50

5. FIXED ASSETS

The Group spent approximately RMB0.11 million on acquisition of machinery and office equipment during the period (2020: RMB0.13 million).

6. INTANGIBLE ASSETS

The Group did not acquire any material intangible assets during the period (2020: nil).

7. OTHER NON-CURRENT ASSETS

Item	(Unaudited) 30 June 2021	(Audited) 31 December 2020
Advanced payments for purchase of land and above-ground attachments	18,546,000.00	18,546,000.00
Less: Provision for impairment	5,503,774.84	5,503,774.84
Total	13,042,225.16	13,042,225.16

8. ACCOUNTS PAYABLE

Item	(Unaudited) 30 June 2021	(Audited) 31 December 2020
Presentation of accounts payable:		
Trade balances	13,643,913.16	11,358,974.27
Accrued expenses	5,320,740.10	–
Total	18,964,653.26	11,358,974.27
Accounts payable presented by aging:		
Within 1 year (including 1 year)	12,304,602.11	3,264,389.13
1-2 years	5,354,033.32	6,711,502.27
2-3 years	23,646.25	273,603.50
Over 3 years	1,282,371.58	1,109,479.37
Total	18,964,653.26	11,358,974.27

9. OTHER CURRENT LIABILITIES

Item	(Unaudited) 30 June 2021	(Audited) 31 December 2020
Amounts payable to shareholders	25,500,000.00	13,500,000.00

10. SHARE CAPITAL

Item	(Audited) 31 December 2020		Issuance of new shares	(Unaudited) 30 June 2021	
	Share capital	Ratio (%)		Share capital	Ratio (%)
Xi'an Tian An Corporate Management and Consulting Co., Ltd.	32,836,363.70	17.30	-	32,836,363.70	17.30
Shanghai Gaoxiang Investment Management Co., Ltd.	25,484,480.40	13.43	-	25,484,480.40	13.43
Xi'an Xiao's Antenna Technologies Co., Ltd.	15,746,869.80	8.30	-	15,746,869.80	8.30
Xi'an International Medical Investment Co., Ltd.	10,000,000.00	5.27	-	10,000,000.00	5.27
Shenzhen Huitai Investment Development Co., Ltd.	7,506,470.60	3.96	-	7,506,470.60	3.96
Xi'an Haorun Investment Ltd.	7,000,000.00	3.69	-	7,000,000.00	3.69
Xiao Bing	6,500,000.00	3.43	-	6,500,000.00	3.43
Beijing Holdings Investment Management Co., Ltd.	5,407,794.10	2.85	-	5,407,794.10	2.85
Jin Rongfei	5,000,000.00	2.64	-	5,000,000.00	2.64
Zhang Jiandong	2,000,000.00	1.05	-	2,000,000.00	1.05
Shaanxi Ying Investment Ltd.	2,000,000.00	1.05	-	2,000,000.00	1.05
Shanghai Ruikou Trade Co., Ltd.	1,850,000.00	0.97	-	1,850,000.00	0.97
Shanghai Hongzhen Ningshang Investment Management Partnership (limited partnership)	1,850,000.00	0.97	-	1,850,000.00	0.97
Jiao Chengyi	1,094,303.00	0.58	-	1,094,303.00	0.58
Liao Kang	910,147.80	0.48	-	910,147.80	0.48
Sub-total of domestic shares	125,186,429.40	65.97	-	125,186,429.40	65.97
Xiao Bing	1,000,000.00	0.53	-	1,000,000.00	0.53
Chen Ji	977,100.00	0.51	-	977,100.00	0.51
Public	62,599,370.60	32.99	-	62,599,370.60	32.99
Sub-total of H shares	64,576,470.60	34.03	-	64,576,470.60	34.03
Total	189,762,900.00	100.00	-	189,762,900.00	100.00

11. OPERATING INCOME, OPERATING COSTS

Item	(Unaudited) 1 April to 30 June 2021		(Unaudited) 1 April to 30 June 2020	
	Income	Costs	Income	Costs
Main business	8,164,533.93	6,052,252.18	1,868,766.64	1,997,870.43
Other business	448,318.58	347,731.32	34,388.58	–
Total	8,612,852.51	6,399,983.50	1,903,155.22	1,997,870.43

Item	(Unaudited) 1 January to 30 June 2021		(Unaudited) 1 January to 30 June 2020	
	Income	Costs	Income	Costs
Main business	15,876,409.51	9,656,530.43	3,516,303.80	3,688,595.35
Other business	577,461.43	347,731.32	163,531.43	–
Total	16,453,870.94	10,004,261.75	3,679,835.23	3,688,595.35

12. TAXES AND SURCHARGES

Item	(Unaudited) 1 April to 30 June		(Unaudited) 1 January to 30 June	
	2021	2020	2021	2020
Urban maintenance and construction tax	729.56	414.43	3,839.45	639.24
Education surcharge	383.64	317.58	1,510.51	542.38
Stamp duty	12,130.86	630.80	16,991.81	11,759.70
Water conservancy fund	1,932.76	188.35	2,256.05	188.35
Environmental protection tax	13,414.06	3,046.96	33,818.97	24,818.65
Total	28,590.88	4,598.12	58,416.79	37,948.32

13. SELLING EXPENSES

Item	(Unaudited)		(Unaudited)	
	1 April to 30 June 2021	2020	1 January to 30 June 2021	2020
Equipment depreciation expenses	939.90	491.42	1,431.31	982.83
Payroll	432,739.45	43,720.27	600,400.09	103,332.31
Office fees	586.20	4,515.75	11,693.50	4,615.75
Travelling expenses	324,631.16	15,120.71	409,166.77	29,115.49
Transportation charges	13,485.12	1,671.70	16,364.58	7,342.45
Business entertainment expenses	284,797.11	23,620.00	390,255.81	29,443.00
Delivery charges	181,444.72	–	423,014.80	–
Publicity expenses	–	(3,840.10)	1,300.00	(3,840.10)
Intermediation fee	40,229.00	–	50,348.98	–
Promotion and testing charges	59,481.13	–	59,481.13	–
Others	23,249.98	(660.50)	23,249.98	(660.50)
Total	1,361,583.77	84,639.25	1,986,706.95	170,331.23

14. ADMINISTRATIVE EXPENSES

Item	(Unaudited)		(Unaudited)	
	1 April to 30 June 2021	2020	1 January to 30 June 2021	2020
Depreciation expenses	132,408.65	248,809.38	295,941.36	502,196.15
Depreciation of right-of-use assets	220,305.00	669,725.49	437,648.88	1,407,043.16
Amortisation of intangible assets	18,937.91	5,678.46	38,726.11	11,356.92
Amortisation of long-term deferred expenses	27,299.83	443,796.22	65,727.04	954,502.35
Payroll	1,977,836.13	2,222,803.19	3,944,257.88	4,059,516.52
Office fees	104,293.42	350,613.55	274,030.96	824,744.95
Communication fee	46,207.08	18,300.10	56,765.83	18,288.90
Travelling expenses	81,109.32	96,871.85	295,106.81	262,496.43
Transportation charges	21,496.98	25,765.21	36,865.78	41,668.65
Business entertainment expenses	130,878.24	119,070.92	244,286.65	183,042.60
Vehicle expenses	123,427.88	128,205.47	266,408.82	220,142.76
Intermediation fee	207,864.28	126,513.97	779,852.09	377,514.07
Auditor's remunerations	10,377.36	41,509.44	(7,452.83)	169,310.32
– Audit service fee	10,377.36	23,584.91	(7,452.83)	151,385.79
– Other service fee	–	17,924.53	–	17,924.53
Expenses of the Board	28,650.00	24,600.00	56,250.00	50,250.00
Utilities	41,355.10	37,703.07	116,820.45	101,295.60
Leasing fee	–	(28,367.94)	–	70,500.00
Property management fee	47,535.38	87,572.70	65,210.78	145,084.06
Disabled security fund	142.86	142.86	285.72	338.30
Others	74,986.69	(49,319.48)	82,889.99	129,649.88
Total	3,295,112.11	4,569,994.46	7,049,622.32	9,528,941.62

15. R&D EXPENSES

Item	(Unaudited)		(Unaudited)	
	1 April to 30 June 2021	2020	1 January to 30 June 2021	2020
Depreciation expenses	49,054.74	48,939.24	98,109.44	94,007.35
Amortisation of intangible assets	1,785,187.89	1,785,187.89	3,570,375.78	3,570,375.78
Payroll	796,137.09	668,140.03	1,577,028.95	1,063,144.39
Office fees	21,801.54	–	26,319.41	–
Travelling expenses	125,640.34	63,127.08	238,966.35	93,358.35
Entertainment expenses	(6,936.00)	–	–	–
Material fee	730,052.68	394,103.64	798,446.88	408,846.85
Testing charges	27,404.72	–	105,438.04	–
Development service fee	–	–	23,000.00	–
Others	21,973.23	126,824.53	22,179.23	126,824.53
Total	3,550,316.23	3,086,322.41	6,459,864.08	5,356,557.25

16. FINANCIAL EXPENSES

Item	(Unaudited)		(Unaudited)	
	1 April to 30 June 2021	2020	1 January to 30 June 2021	2020
Interest expenses	12,911.33	35,850.48	166,436.17	75,656.56
Less: Interest income	1,555.04	1,449.84	3,829.13	5,616.05
Less: Exchange gain	114,394.35	978.10	157,016.72	2,065.87
Add: Exchange loss	22,760.03	83,120.26	24,598.88	88,032.04
Other expenditure	6,872.30	4,338.76	18,163.70	12,359.76
Total	(73,405.73)	120,881.56	48,352.90	168,366.44

17. OTHER GAIN

Source of other gain	(Unaudited)		(Unaudited)	
	1 April to 30 June 2021	2020	1 January to 30 June 2021	2020
Government subsidy	162,914.40	328,515.73	475,641.32	328,515.73
Income tax handling fee refunded	938.74	–	3,487.09	–
Others	–	841.86	–	841.86
Total	163,853.14	329,357.59	479,128.41	329,357.59

18. INVESTMENT GAIN

Item	(Unaudited)		(Unaudited)	
	1 April to 30 June 2021	2020	1 January to 30 June 2021	2020
Long-term equity investment gain accounted in equity method	-	-	-	-
Investment gain from disposal of financial assets held for trading	269,414.99	-	269,414.99	663.56
Others	-	-	-	-
Total	269,414.99	-	269,414.99	663.56

19. GAIN FROM CHANGES IN FAIR VALUE

Source of gain from changes in fair value	(Unaudited)		(Unaudited)	
	1 April to 30 June 2021	2020	1 January to 30 June 2021	2020
Financial assets measured at fair value through profit or loss	(96,800.44)	101,600.08	-	2,641,602.08

20. CREDIT IMPAIRMENT LOSS

Item	(Unaudited)		(Unaudited)	
	1 April to 30 June 2021	2020	1 January to 30 June 2021	2020
Bad debts loss of accounts receivable	-	-	-	-
Bad debts loss of other receivables	-	-	-	-
Bad debts loss of advanced payments	-	-	-	-
Total	-	-	-	-

21. ASSETS IMPAIRMENT LOSS

Item	(Unaudited)		(Unaudited)	
	1 April to 30 June 2021	2020	1 January to 30 June 2021	2020
Impairment loss of projects under construction	-	-	-	-
Impairment loss of intangible assets	-	-	-	-
Total	-	-	-	-

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

Item	(Unaudited)		(Unaudited)	
	1 April to 30 June 2021	2020	1 January to 30 June 2021	2020
Gain from disposal of non-current assets	-	-	(55,452.27)	-
Of which: Gain from disposal of fixed assets	-	-	(55,452.27)	-
Total	-	-	(55,452.27)	-

23. NON-OPERATING INCOME

Item	(Unaudited)		(Unaudited)	
	1 April to 30 June 2021	2020	1 January to 30 June 2021	2020
Gain from debts restructuring	-	-	62,308.69	-
Payables that cannot be paid	-	447.15	-	447.15
Other income	(280.00)	45,734.46	-	53,990.94
Total	(280.00)	46,181.61	62,308.69	54,438.09

24. NON-OPERATING EXPENDITURE

Item	(Unaudited)		(Unaudited)	
	1 April to 30 June 2021	2020	1 January to 30 June 2021	2020
Loss from damage and scrap of non-current assets	-	-	-	-
Donation expenditure	-	-	-	-
Compensation, liquidated damages and fines expenditure	52.15	-	52.15	-
Other expenditure	-	-	5,000.00	-
Total	52.15	-	5,052.15	-

25. INCOME TAX EXPENSES

Item	(Unaudited)		(Unaudited)	
	1 April to 30 June 2021	2020	1 January to 30 June 2021	2020
Current income tax calculated according to tax law and relevant regulations	9,710.42	5,014.42	9,710.42	5,014.42
– Mainland China corporate income tax	9,710.42	5,014.42	9,710.42	5,014.42
– China Hong Kong profits tax	–	–	–	–
Deferred income tax expenses	–	–	–	–
Total	9,710.42	5,014.42	9,710.42	5,014.42

26. SEGMENT INFORMATION

Item	(Unaudited)	(Audited)
	30 June 2021	31 December 2020
Segment assets:		
Sales of antenna products and provision of related services	100,501,737.18	91,620,939.12
Sales of underwater monitoring products and related products	745,804.21	1,148,984.33
Sales of aircraft products	3,200,227.01	6,383,104.33
Sales of agricultural products	6,562,970.45	6,000,808.63
Total segment assets	111,010,738.85	105,153,836.41
Unallocated assets	1,009,751.20	1,069,658.54
Total consolidated assets	112,020,490.05	106,223,494.95
Segment liabilities:		
Sales of antenna products and provision of related services	59,240,878.00	43,450,019.58
Sales of underwater monitoring products and related products	101,573.16	640,326.61
Sales of aircraft products	7,142,150.85	9,953,034.95
Sales of agricultural products	1,946,550.32	505,772.27
Total segment liabilities	68,431,152.33	54,549,153.41
Unallocated liabilities	7,060,502.86	6,732,790.08
Total consolidated liabilities	75,491,655.19	61,281,943.49

Item	(Unaudited)	
	1 January to 30 June 2021	2020
Main business income:		
Sales of antenna products and provision of related services	10,833,487.01	882,630.54
Sales of underwater monitoring products and related products	–	–
Sales of aircraft products	–	807,511.50
Sales of agricultural products	5,042,922.50	1,826,161.76
Total main business income	15,876,409.51	3,516,303.80
Segment profit (loss):		
Sales of antenna products and provision of related services	(2,013,478.53)	(6,873,587.92)
Sales of underwater monitoring products and related products	(221,303.08)	(614.88)
Sales of aircraft products	(346,748.03)	(1,982,987.63)
Sales of agricultural products	(280,684.62)	(604,224.55)
Total segment profit (loss)	(2,862,214.26)	(9,461,414.98)
Unallocated income and gain	810,852.09	3,189,592.75
Unallocated costs, expenses, loss and expenditure	(6,351,644.01)	(5,973,021.43)
Total profit (“–” for total loss)	(8,403,006.18)	(12,244,843.66)

27. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the unaudited net profit attributable to owners of the parent company for the three months and six months ended 30 June 2021 of RMB(5,473,015.36) and RMB(8,240,122.60) respectively (2020: RMB(7,389,615.63) and RMB(11,944,243.05) respectively) and the weighted average number of 1,897,629,000 shares (2020: 1,797,629,000 shares) in issue during the period. The weighted average number of ordinary shares is the number of shares in issue at the beginning of the period, adjusted by the number of shares issued during the period multiplied by a time-weighting factor.

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

28. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2021 (2020: nil).

29. REMUNERATION OF DIRECTORS, MEMBERS OF SUPERVISORY COMMITTEE (THE "SUPERVISORS") AND EMPLOYEES

Item	(Unaudited)	
	1 January to 30 June 2021	2020
Remuneration of Directors and Supervisors	683,576.14	670,051.76
Salaries and allowances of employees	5,868,657.01	4,590,973.16
Costs of social insurance, housing fund and related pension (excluding Directors and Supervisors)	858,084.12	265,780.85
Total	7,410,317.27	5,526,805.77

30. TRANSACTION BALANCE OF RELATED PARTY

Item	(Unaudited)	(Audited)
	30 June 2021	31 December 2020
Other receivables:		
Senior management and Directors – Zuo Hong	–	679,609.08
Accounts payable:		
Shareholders of the Company – Xi'an Xiao's Antenna Technologies Co., Ltd.	5,200,000.00	5,200,000.00
Other payables:		
Senior management and Directors – Xiao Bing	5,375,007.75	3,705,007.75
Chen Ji	5,968,137.43	3,695,984.93
Shareholders of the Company – Shanghai Gaoxing Investment Management Co., Ltd.	5,882,000.00	8,130,000.00

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Total Operating Income

The unaudited total operating income for the six months ended 30 June 2021 was approximately RMB16.45 million, representing approximately 447% of the unaudited total operating income for the corresponding period in 2020.

Following the procurement activities for artificial dielectric lens antenna products carried out by the mobile communication network operators, the operating income from the operating segment of sales of antenna products and provision of related services was increased from approximately RMB0.88 million for the corresponding period in 2020 to approximately RMB10.83 million for the six months ended 30 June 2021, which accounted for approximately 68% of main business income of the Group in the first half of 2021. In response to the procurement activities, the sales team and facilities, together with production capacity, of the Group were gradually expanded and rearranged during the period.

The operating segment of sales of underwater surveillance and related products still maintained technology research and development and after-sales technical support, and provided customised products and services to existing customers such as research institutes and universities. In addition to maintaining the operation of technology research and development and improvement, the operating segment of sales of aircraft products also monitored market development of unmanned aerial vehicles for large loading and transportation, and maintained communication with the industry to ensure that subsequent new products can meet market needs. The available resources were allocated to the operating segment of sales of antenna products and provision of related services to meet the gradually increasing production scale. No operating income was recorded for both operating segments in the first half of 2021.

In respect of the operating segment of sales of agricultural products which is mainly engaged in live chicken, chicken meat and related non-staple foods, approximately RMB5.04 million was generated during the period. Except for actively responding to the national policy on poverty alleviation and fulfilling social responsibilities of the Group, the well-established market channels are conducive to the cooperation of the Group with other market stakeholders and increase the operating income from the agricultural and sideline products.

Gross profit

During the six months ended 30 June 2021, an unaudited gross profit of approximately RMB6.45 million was recorded which represented gross profit margin of approximately 39.20%, compared to the unaudited gross loss rate for the corresponding period in 2020. The improvement in gross profit margin was mainly attributable to significant increase in the operating income from the operating segment of sales of antenna products and provision of related services in the first half of 2021.

Segment performance

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

Selling expenses were increased from approximately RMB0.17 million for the corresponding period in 2020 to approximately RMB1.99 million for the six months ended 30 June 2021 due to increase in payroll after the expansion of sales team, expenses for procurement activities and delivery charges for the sales of antenna products.

Research and development expenses were increased from approximately RMB5.36 million for the corresponding period in 2020 to approximately RMB6.46 million for the six months ended 30 June 2021 which were solely used for further improvement and development of antenna products.

No impairment loss was recognised for receivables and assets for the six months ended 30 June 2021 as the aging analysis of all receivables was good and all assets were under safe management.

Although the operating segment of sales of antenna products and provision of related services had significant increase in operating income and production scale during the period, the production scale was still below the normal operating level because of enlarged production capacity together with further improvement and development of antenna products. Therefore, the production scale did not generate sufficient income to cover all operating costs and relevant expenses, and a segment loss of approximately of RMB2.01 million was recorded.

In order to complete the sales of agricultural products before each long holidays during the period, the gross profit was affected due to the low market prices at that time and a segment loss of approximately RMB0.28 million was recorded even though the operating income from the segment of sales of agricultural products increased significantly.

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 of approximately RMB0.22 million and RMB0.35 million were recorded respectively.

Other expenses, expenditure, gain and income

Administrative expenses were decreased from approximately RMB9.53 million for the corresponding period in 2020 to approximately RMB7.05 million for the six months ended 30 June 2021 due to decrease in relevant expenses in respect of rented office as a result of deployment of resources within the Group.

Financial expenses were decreased from approximately RMB0.17 million for the corresponding period in 2020 to approximately RMB0.05 million for the six months ended 30 June 2021 of which approximately RMB0.08 million was attributable to the increase in the interest expenses of lease liabilities and approximately RMB0.06 million was attributable to exchange gain generated from termination of short-term borrowings denominated in Hong Kong dollars.

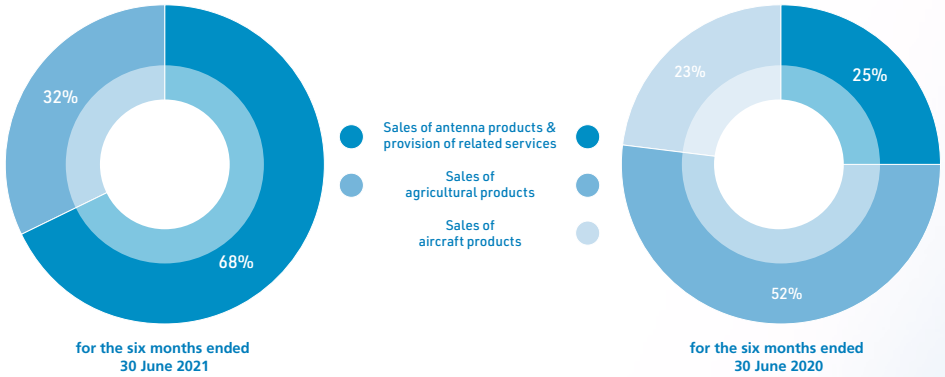
Approximately RMB0.48 million was received as government subsidy for the six months ended 30 June 2021.

No gain from change in fair value in respect of financial assets measured at fair value through profit or loss was recognised during the period as the investment was sold after considering its financial performance and working capital requirement for the operating segment of sales of antenna products and provision of related services. Accordingly, approximately RMB0.27 million was recognised as an investment gain during the period.

Net loss

Although unaudited total operating income was increased by 347% during the period, total operating costs were increased by approximately RMB6.66 million that total segment loss of approximately RMB2.86 million was still recorded. During the six months ended 30 June 2021, the Group recorded an unaudited net loss of approximately RMB8.41 million, compared to an unaudited net loss of approximately RMB12.25 million for the corresponding period in 2020.

Composite of the Group's main business income by reportable and operating segments for the six months ended 30 June 2021, together with the comparative figures for the corresponding period in 2020 are as follows:



PROSPECTS

In the first half of 2021, the Group's mobile communication business income achieved a relatively large increase over the same period last year, and the communication business made certain progress. With the steady progress of market development, the Group strengthened communication and business negotiations with customers on lens antenna technologies, and at the same time further accelerated the market development of the new artificial dielectric lens antennas for rapid development of the Group's mobile communication business.

The Group conducted a series of network field tests for the application of new artificial dielectric lens antennas in different scenarios in many provinces across the country with good test reports. Accordingly, the Group won several bidding projects of China Mobile based on the superior performance of the new antennas. With gradual advancement of the market, the Group accelerated the market promotion to China Unicom and China Telecom and won the bid for the centralised procurement project of Hunan Telecom and successfully became one of suppliers for Lumber lens antennas of Henan Unicom. At the same time, the Group is actively participating in the projects for market expansion in related provinces in northwest, southwest and east China in order to obtain more procurement orders. In general, the market development in the first half of the year achieved further results.

In order to consolidate the current results and further strengthen the progress of market development, the Group will always pay attention to the industry trends, continue to maintain business communication with and follow up project bidding progress of major mobile communication operators, and strive for more project procurement orders. At the same time, for the expansion of market scope, the Group will continue to communicate with other provinces that did not conduct lens antenna technology exchanges and perform network field tests. By introducing the superior performance of the Group's new antenna products to customers, the Group could enhance customers' recognition of the lens antenna products, understand the market needs of operators, establish close business relationship with customers, and seek further cooperation opportunities. In addition, the Group will continue to strengthen business exchanges and cooperation with non-operator customers such as mobile communication equipment suppliers and system integration suppliers, accelerate the promotion and market development of communication business, and continuously optimise the performance of new lens antennas according to market requirement to enhance customer satisfaction. Broadening the Group's customer base and expanding the product sales could comprehensively improve the business performance of the Group's communication products.

In the future, the Group will continue to develop a series of new dielectric lens antennas in different frequency bands that can be widely used in multiple industries. At the same time, the Group will also actively explore and expand the market and application of related communication equipment products which are based on lens materials in many industries and in different scenarios, and strive to establish the Group's core competitiveness in the field of mobile communications.

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

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

For the six months ended 30 June 2021, the Group was mainly financed by funds generated from operations, issue of shares, short-term borrowings, and lease liabilities under right-of-use assets. The short-term borrowings were mainly for daily operations and the lease liabilities were solely used for financing those assets under operating leases of the Group during the period. As at 30 June 2021, the short-term borrowings of approximately RMB1.78 million were repaid, and the lease liabilities of approximately RMB4.41 million were classified in accordance with the lease terms.

For the six months ended 30 June 2021, the interest-bearing borrowings borne interest rate of 1% per annum and the lease liabilities borne interest rate of 7.13% per annum. Majority of debts for operations were denominated in RMB during the period, the Directors consider that exposure to interest rate risk and foreign exchange risk was minimal.

As at 30 June 2021, the gearing ratio of the Group was approximately 12.94% (2020: 6.27%), which is calculated based on the sum of total interest-bearing borrowings and lease liabilities over the total shareholders' equity attributable to the parent company.

Cash and cash equivalents increased approximately from RMB2.07 million to RMB2.19 million during the period. As at 30 June 2021, no bank deposits were pledged to secure any operations and liabilities of the Group.

FOREIGN EXCHANGE EXPOSURE

For the six months ended 30 June 2021, the Group was not exposed to any significant foreign exchange risk as majority of the Group's transactions were denominated in RMB, no financial instruments for hedging were employed.

SIGNIFICANT INVESTMENT HELD

Except for investments in subsidiaries and financial assets at fair value through profit and loss, the Group did not hold any significant investment for the six months ended 30 June 2021.

For the six months ended 30 June 2021, an aggregate of 880,004 ordinary shares of nominal value of RMB1 each in the issued share capital of Cloud Live Technology Group Co., Ltd.* (中科雲網科技集團股份有限公司) were sold at approximately RMB2.60 million for financing operation purposes. Accordingly, approximately RMB0.27 million was recognised as an investment gain.

MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in the paragraph headed "Significant Investment Held" above, the Group did not have any other material acquisitions and disposals of subsidiaries, associates and affiliated companies for the six months ended 30 June 2021.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2021, the Group had 131 (2020: 74) full-time employees. Total staff costs for the six months ended 30 June 2021 amounted to approximately RMB7.41 million (2020: RMB5.53 million), including remuneration of the Directors and the Supervisors. All employees of the Group are eligible to participate in the defined contribution retirement schemes required by the law. The Group reviews employee remuneration from time to time and the increments in remuneration are normally granted annually or by special adjustment depending on length of service and performance when warranted. In addition to salaries, the Group provides employee benefits including medical insurance. Bonuses are also available to employees of the Group at the discretion of the Directors and depending upon the financial performance of the Group. The Group has not granted any share options to the Directors and its employees. A comprehensive career development programme is launched for all employees which provides diversified part-time training opportunities in accordance with the needs of their positions and specialities.

CHARGES ON GROUP ASSETS

As at 30 June 2021, no assets of the Group were pledged for its operations and liabilities.

FUTURE PLANS FOR MATERIAL INVESTMENTS

As at 30 June 2021, the Group had no material capital expenditure contracted for but not provided in the consolidated financial statements.

CONTINGENT LIABILITIES

As at 30 June 2021, the Group did not have any material contingent liabilities.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2021, 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, spouse interest and interest in controlled corporation	46,371,000 (Note 3)	7.18%	2.44%
Ms. Lu Lihua (陸麗華女士)	Beneficial owner	14,000 (Note 4)	<0.01%	<0.01%

Short positions in H Shares

Name of person	Capacity	Number of underlying H Shares	Approximate % in total issued H Shares	Approximate % in total issued Shares
Mr. Chen Ji (陳繼先生)	Interest in controlled corporation	36,300,000 (Note 5)	5.62%	1.91%

Notes:

- 328,363,637 Domestic Shares are held by Xi'an Tian An Corporate Management and Consulting Co., Ltd.* (西安天安企業管理諮詢有限公司) (“**Tian An Corporate**”), which is beneficially owned as to 60% by Mr. Xiao Bing (肖兵先生) and 40% by his spouse Ms. Chen Jing (陳靜女士). 157,468,698 Domestic Shares are held by Xi'an Xiao's Antenna Technologies Co., Ltd.* (西安肖氏天线科技有限公司) (“**Xiao Antenna**”), which is beneficially owned as to 31% by his father Professor Xiao Liangyong (肖良勇教授) and as to 30% by his spouse Ms. Chen Jing. By virtue of the SFO, Mr. Xiao Bing is deemed to be interested in the same 328,363,637 and 157,468,698 Domestic Shares. 65,000,000 Domestic Shares are held by Mr. Xiao Bing.
- 254,844,804 Domestic Shares are held by Shanghai Gaoxiang Investment Management Co., Ltd.* (上海高湘投資管理有限公司) (“**Gaoxiang Investment**”), which is beneficially owned by Mr. Chen Ji (陳繼先生) and his spouse Ms. Sun Xiangjun (孫湘君女士) in equal share. 18,500,000 Domestic Shares are held by Shanghai Hongzhen Ningshang Investment Management Partnership (limited partnership)* (上海泓甄寧尚投資管理合夥企業(有限合夥)) (“**Shanghai Hongzhen Ningshang**”), which is beneficially owned as to 83.33% by Mr. Chen Ji and 16.67% by Shanghai Hongzhen Investment Management Co., Ltd.* (上海泓甄投資管理有限公司) (“**Shanghai Hongzhen Investment**”), and Shanghai Hongzhen Investment is beneficially owned as to 60% by Gaoxiang Investment. By virtue of the SFO, Mr. Chen Ji is deemed to be interested in the same 254,844,804 and 18,500,000 Domestic Shares.

3. 9,771,000 H Shares are held by Mr. Chen Ji and 300,000 H Shares are held by Ms. Sun Xiangjun. 36,300,000 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”). Zhongrong International Trust Co., Ltd.* (中融國際信託有限公司) (“**Zhongrong International**”), an investment manager of Gaoxiang Investment, holds such investment products issued by Guotai Junan Financial, and Gaoxiang Investment is beneficially owned by Mr. Chen Ji and his spouse Ms. Sun Xiangjun in equal share. By virtue of the SFO, Mr. Chen Ji is deemed to be interested in the same 300,000 and 36,300,000 H Shares.
4. Ms. Lu Lihua (陸麗華女士) is a staff Supervisor.
5. Short positions in 36,300,000 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. Zhongrong International, an investment manager of Gaoxiang Investment, holds such unlisted and cash settled derivatives issued by Guotai Junan Financial, and Gaoxiang Investment is beneficially owned by Mr. Chen Ji and his spouse Ms. Sun Xiangjun in equal share. By virtue of the SFO, Mr. Chen Ji is deemed to have short position in the same 36,300,000 underlying H Shares.

Saved as disclosed above, as at 30 June 2021, none of the Directors, Supervisors and chief executives of the Company had any other interests or short positions in any Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

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

As at 30 June 2021, so far as is known to the Directors, the Supervisors or chief executive of the Company, the following persons/entities (other than the Directors, Supervisors or chief executive of the Company) who/which had, or are deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who/which were or are expected to be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company; or who/which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long positions in Domestic Shares

Name of person/entity	Capacity	Number of Domestic Shares	Approximate % in total issued Domestic Shares	Approximate % in total issued Shares
Ms. Chen Jing (陳靜女士)	Spouse interest and interest in controlled corporation	550,832,335 <i>(Note 1)</i>	44.00%	29.03%
Professor Xiao Liangyong (肖良勇教授)	Family member interest and interest in controlled corporation	550,832,335 <i>(Note 1)</i>	44.00%	29.03%
Tian An Corporate	Beneficial owner	328,363,637 <i>(Note 1)</i>	26.23%	17.30%
Ms. Sun Xiangjun (孫湘君女士)	Spouse interest and interest in controlled corporation	273,344,804 <i>(Note 2)</i>	21.84%	14.40%
Gaoxiang Investment	Beneficial owner	254,844,804 <i>(Note 2)</i>	20.36%	13.43%
Xiao Antenna	Beneficial owner	157,468,698 <i>(Note 1)</i>	12.58%	8.30%

Name of person/entity	Capacity	Number of Domestic Shares	Approximate % in total issued Domestic Shares	Approximate % in total issued Shares
Xi'an International Medical Investment Co., Ltd.* (西安國際醫學投資股份有限公司)	Beneficial owner	100,000,000	7.99%	5.27%
Shenzhen Huitai Investment Development Co., Ltd.* (深圳市匯泰投資發展有限公司)	Beneficial owner	75,064,706 <i>(Note 3)</i>	5.99%	3.96%
Mr. Xiao Feng (肖峰先生)	Interest in controlled corporation	75,064,706 <i>(Note 3)</i>	5.99%	3.96%
Xi'an Haorun Investment Ltd.* (西安昊潤投資有限責任公司)	Beneficial owner	70,000,000 <i>(Note 4)</i>	5.59%	3.69%
Mr. Wang Yun (王贇先生)	Interest in controlled corporation	70,000,000 <i>(Note 4)</i>	5.59%	3.69%
Beijing Holdings Investment Management Co., Ltd.* (北京京泰投資管理中心)	Beneficial owner	54,077,941 <i>(Note 5)</i>	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 <i>(Note 5)</i>	4.32%	2.85%
Ms. Jin Rongfei (金蝶霏女士)	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 <i>(Note 2)</i>	1.48%	0.97%
Shanghai Ruikou Commerce and Trading Ltd.* (上海睿寇商貿有限公司)	Beneficial owner	18,500,000	1.48%	0.97%
Mr. Jiao Chengyi (焦成義先生)	Beneficial owner	10,943,030	0.87%	0.58%
Mr. Liao Kang (廖康先生)	Beneficial owner	9,101,478	0.73%	0.48%

Long positions in H Shares

Name of person/entity	Capacity	Number of H Shares <i>(Note 6)</i>	Approximate % in total issued H Shares	Approximate % in total issued Shares
Huang Li Hou (黃李厚)	Beneficial owner	85,100,000	13.18%	4.48%
Ms. Chen Wei (陳璋女士)	Beneficial owner and interest in controlled corporation	70,897,000 <i>(Note 7)</i>	10.98%	3.74%
Hongkong Jinsheng Enterprise Co., Limited (香港錦昇企業有限公司)	Beneficial owner	70,752,000 <i>(Note 7)</i>	10.96%	3.73%
Oceanic Bliss Holdings Limited (海祥控股有限公司)	Interest in controlled corporation	70,752,000 <i>(Note 7)</i>	10.96%	3.73%
Zeal Warrior Investments Limited	Interest in controlled corporation	70,752,000 <i>(Note 7)</i>	10.96%	3.73%
Ms. Sun Xiangjun (孫湘君女士)	Beneficial owner, spouse interest and interest in controlled corporation	46,371,000 <i>(Note 9)</i>	7.18%	2.44%
Clear Renown Global Limited (朗譽環球有限公司)	Beneficial owner	42,000,000 <i>(Note 8)</i>	6.50%	2.21%
Huang Wei Wen (黃偉文)	Interest in controlled corporation	42,000,000 <i>(Note 8)</i>	6.50%	2.21%
Guotai Junan Financial	Issuer of investment products	36,300,000 <i>(Note 9)</i>	5.62%	1.91%
Guotai Junan International	Interest in controlled corporation	36,300,000 <i>(Note 9)</i>	5.62%	1.91%
Guotai Junan Holdings	Interest in controlled corporation	36,300,000 <i>(Note 9)</i>	5.62%	1.91%
Guotai Junan Securities	Interest in controlled corporation	36,300,000 <i>(Note 9)</i>	5.62%	1.91%
Zhongrong International	Investment manager	36,300,000 <i>(Note 9)</i>	5.62%	1.91%
Gaoxiang Investment	Beneficial owner	36,300,000 <i>(Note 9)</i>	5.62%	1.91%

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	36,300,000 <i>(Note 10)</i>	5.62%	1.91%
Guotai Junan International	Interest in controlled corporation	36,300,000 <i>(Note 10)</i>	5.62%	1.91%
Guotai Junan Holdings	Interest in controlled corporation	36,300,000 <i>(Note 10)</i>	5.62%	1.91%
Guotai Junan Securities	Interest in controlled corporation	36,300,000 <i>(Note 10)</i>	5.62%	1.91%
Zhongrong International	Investment manager	36,300,000 <i>(Note 10)</i>	5.62%	1.91%
Gaoxiang Investment	Beneficial owner	36,300,000 <i>(Note 10)</i>	5.62%	1.91%
Ms. Sun Xiangjun (孫湘君女士)	Interest in controlled corporation	36,300,000 <i>(Note 10)</i>	5.62%	1.91%

Notes:

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

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 (王贇先生). 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.* (北京京泰投資管理中心) ("**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. 9,771,000 H Shares are held by Mr. Chen Ji and 300,000 H Shares are held by Ms. Sun Xiangjun. 36,300,000 H Shares are held in investment products 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. Zhongrong International, an investment manager of Gaoxiang Investment, holds such investment products issued by Guotai Junan Financial, and Gaoxiang Investment is beneficially owned by Mr. Chen Ji and his spouse Ms. Sun Xiangjun in equal share. By virtue of the SFO, Ms. Sun Xiangjun is deemed to be interested in the same 9,771,000 and 36,300,000 H Shares, and each of Guotai Junan International, Guotai Junan Holdings, Guotai Junan Securities, Zhongrong International and Gaoxiang Investment is deemed to be interested in the same 36,300,000 H Shares.
10. Short positions in 36,300,000 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. Zhongrong International, an investment manager of Gaoxiang Investment, holds such unlisted and cash settled derivatives issued by Guotai Junan Financial, and Gaoxiang Investment is beneficially owned by Mr. Chen Ji and his spouse Ms. Sun Xiangjun in equal share. By virtue of the SFO, each of Guotai Junan International, Guotai Junan Holdings, Guotai Junan Securities, Zhongrong International, Gaoxiang Investment and Ms. Sun Xiangjun is deemed to have short position in the same 36,300,000 underlying H Shares.

Saved as disclosed above, as at 30 June 2021, the Directors, Supervisors and chief executives of the Company were not aware of any other person/entity (other than the Directors, Supervisors or chief executive of the Company) who/which had, or is deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who/which was or is expected to be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company; or who/which was recorded in the register required to be kept by the Company under Section 336 of the SFO.

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

As at 30 June 2021, so far as is known to the Directors, Supervisors and chief executives of the Company, none of the Directors, Supervisors or chief executives of the Company or any of their respective associates including spouses and children under 18 years of age had any interest in, or has been granted, or exercised, any rights to subscribe for H Shares (or warrants or debentures, if applicable) or to acquire H Shares.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the six months ended 30 June 2021.

COMPETING INTERESTS

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

CODE ON CORPORATE GOVERNANCE PRACTICES

For the six months ended 30 June 2021, the Company has complied with the requirements of the code provisions as set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 15 of the GEM Listing Rules.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

For the six months ended 30 June 2021, 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 for dealings and the code of conduct regarding securities transactions by the Directors.

AUDIT COMMITTEE

An audit committee of the Company (the “**Audit Committee**”) was established on 4 April 2003 with terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process, internal control systems, audit issues and operating risk management of the Group. As at 30 June 2021, the Audit Committee comprised of Professor Shi Ping and Mr. Liu Lidong, independent non-executive Directors, and Mr. Xu Xiong, a non-executive Director. The Group’s unaudited consolidated results for the six months ended 30 June 2021 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

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

Xi’an, the People’s Republic of China, 6 August 2021

As at the date of this report, the Board comprises Mr. Xiao Bing (肖兵先生) and Mr. Chen Ji (陳繼先生) being executive Directors; Mr. Sun Wenguo (孫文國先生), Mr. Li Wenqi (李文琦先生), Mr. Zuo Hong (左宏先生), Mr. Yan Weimin (燕衛民先生) and Mr. Xu Xiong (徐雄先生) being non-executive Directors; and Mr. Zhang Jun (張鈞先生), Professor Shi Ping (師萍教授), Mr. Tu Jijun (涂繼軍先生) and Mr. Liu Lidong (劉立東先生) being independent non-executive Directors.

This report, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

This report will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting and be posted on the website of the Company at <http://www.xaht.com>.

* for identification purpose only