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西安海天天綫科技股份有限公司
XI'AN HAITIAN ANTENNA TECHNOLOGIES CO., LTD.*

*(formerly known as 西安海天天實業股份有限公司 (Xi'an Haitiantian Holdings Co., Ltd. *))*

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

(Stock Code: 8227)

**SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO
THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2018**

Reference is made to the announcement of the Xi'an Haitian Antenna Technologies Co., Ltd.* (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 28 March 2019 in relation to the annual report for the year ended 31 December 2018 of the Company (the “**2018 Annual Report**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to provide additional information in relation to the impairment loss of approximately RMB5.29 million on the self-developed prototype under intangible assets (the “**Impairment Loss**”), the significant investment held and the utilisation of net proceeds from equity raising activities disclosed in the section of “Management Discussion and Analysis” of 2018 Annual Report.

Additional information in relation to the Impairment Loss, the significant investment held and the utilisation of net proceeds from equity raising activities is as follows:

IMPAIRMENT LOSS

Although industrial-grade unmanned aerial vehicle (“UAV”) product series was basically completed during the year, the product requirement for 5G communication technologies and capacities would be expected after the announcement of 5G commercialisation by the Ministry of Industry and Information Technology of the People's Republic of China (the “**PRC**”) at the beginning of the year of 2019. The market demand for and the future cash flows generated from industrial-grade UAV product series became uncertain, and further improvement and development in respect of communication technologies and capacities was considered to be necessary before product introduction to the market. As the recoverable amount of industrial-grade UAV product series could not be determined without available fair value in the market and uncertain future cash flows generated, approximately RMB5.29 million was recognised as impairment loss on self-developed prototype under intangible assets during the year in accordance with accounting policies.

SIGNIFICANT INVESTMENT HELD

Except for investments in subsidiaries, interest in an associate, and financial assets at fair value through profit or loss disclosed in notes 39, 19 and 21 to the consolidated financial statements respectively, the Group did not hold any significant investment for the year ended 31 December 2018.

Details of financial assets at fair value through profit or loss are as follows:

As at 31 December 2018, an aggregate of 5,080,004 ordinary shares (“**Cloud Live 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) (“**Cloud Live**”) were held by the Group, representing approximately 0.64% of the total issued share capital of Cloud Live, and the fair value of Cloud Live Shares was approximately RMB16.36 million, representing approximately 26.95% of total assets of the Group. Comparing to the aggregate consideration for the acquisition of Cloud Live Shares of approximately RMB20.01 million, an accumulated loss arising on change in fair value of financial assets at fair value through profit or loss of approximately RMB3.65 million was recognised. Mr. Chen Ji, an executive Director, and Ms. Huang Jing, a non-executive Director, are the directors of Cloud Live, and Mr. Chen Ji and his associates indirectly held approximately 23.11% of the total issued share capital of Cloud Live.

According to the published financial statements of Cloud Live, net profit for the year ended 31 December 2018 and net assets as at 31 December 2018 attributable to the owners was approximately RMB8.03 million and RMB23.81 million respectively (2017: net loss of approximately RMB18.33 million and net assets of approximately RMB15.25 million respectively). No dividend was declared by or received from Cloud Live, but approximately RMB8.77 million was recognised as net loss arising on change in fair value of financial assets at fair value through profit or loss during the year of 2018.

Cloud Live is a joint stock limited company established in the PRC and its shares are listed on the Shenzhen Stock Exchange (002306.SZ). Cloud Live is principally engaged in group catering business in Beijing and Henan Province. In order to strengthen the management and control of existing group catering business, actively develop new group catering project and expand the scope of operation, a new subsidiary would be established in Wuxi for group catering market and disposal of impaired debts would be considered. At the same time, Cloud Live actively expand financing channels and select targeted investment of upstream and downstream profit assets to achieve diversified development.

The Directors consider that the investment in Cloud Live has good growth potential and will create reasonable return to the Group due to the improvement in operating results and increment in net assets.

UTILISATION OF NET PROCEEDS FROM EQUITY RAISING ACTIVITIES

During the year ended 31 December 2018, utilisation of net proceeds from equity fund raising activities is as follows:

Issue of 92,000,000 H shares under general mandate completed in full on 15 December 2016

Particulars of issue (more particularly described in the announcement of the Company dated 19 August 2016)

Date of issue:	19 August 2016
Closing price per H share:	HK\$0.285 as quoted on the date of issue
Subscription price per H share:	HK\$0.25 (a discount of approximately 12.28% to the closing price per H share)

Subscribers:

Auspicious Zone Investments Limited, Clear Renown Global Limited and Oceanic Bliss Holdings Limited

	Approximate raised amount of net proceeds (million)	Approximate utilised amount of net proceeds			Approximate unutilised amount of net proceeds (million)
		Previously utilised (million)	Utilised during the year (million)	Total utilised (million)	
Proposed use of net proceeds					
Repayment of bank loans and interest expenses	HK\$6.10	HK\$6.09	HK\$0.00	HK\$6.09	HK\$0.01
Working capital of the Group	HK\$16.40	HK\$7.10	HK\$8.84	HK\$15.94	HK\$0.46
Approximate amount raised/utilised	HK\$22.50	HK\$13.19	HK\$8.84	HK\$22.03	HK\$0.47

The approximate unutilised amount of net proceeds was deposited at bank and would be utilised in the first quarter of 2019 without material change of proposed use and delay in use of net proceeds.

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

Xi'an, the PRC, 21 October 2019

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. Sun Wenguo (孫文國先生), Mr. Li Wenqi (李文琦先生), Mr. Zuo Hong (左宏先生), Ms. Huang Jing (黃婧女士) and Mr. Yan Weimin (燕衛民先生) 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 Professor Lei Zhenya (雷振亞教授) being independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM ("GEM") of The Stock Exchange of Hong Kong Limited 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.

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