



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)

(Stock Code: 8227)

**THIRD QUARTERLY RESULT ANNOUNCEMENT
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a high 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, 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.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website "www.hkgem.com" in order to obtain up-to-date information on the GEM-listed issuers.

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This announcement, for which the board of 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 requirements of 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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on the bases and assumptions that are fair and reasonable.*

* For identification purpose only

HIGHLIGHTS

- The Group's unaudited turnover for the nine months ended 30 September 2009 was RMB143.1 million, representing an increase of 19% when compared with that of the corresponding period in the year 2008.
- The Group's unaudited net loss for the nine months ended 30 September 2009 was RMB9.4 million, and the Group recorded a net profit of RMB0.3 million for the corresponding period in the year 2008.
- The Board does not recommend the payment of a dividend for the three months ended 30 September 2009 (2008: nil).

CONSOLIDATED RESULT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009

The board of directors of the Company (the "Board") hereby submits the unaudited operating results of the Company and its subsidiaries (collectively, the "Group") for the three months and nine months ended 30 September 2009, together with the unaudited comparative figures for the corresponding period in the year 2008 as follows:

Unaudited Consolidated Income Statement

	Notes	(Unaudited) For the three months ended 30 September		(Unaudited) For the nine months ended 30 September	
		2009 RMB'000	2008 RMB'000	2009 RMB'000	2008 RMB'000
Turnover	3	67,730	21,421	143,089	120,058
Cost of sales		(51,864)	(13,211)	(105,718)	(68,855)
Gross profit		15,866	8,210	37,371	51,203
Other operating income		3,226	447	7,244	1,755
Distribution costs		(5,544)	(5,418)	(16,175)	(12,785)
Administrative expenses		(9,763)	(10,313)	(30,655)	(32,007)
Profit/(loss) from operations		3,785	(7,074)	(2,215)	8,166
Finance costs		(1,960)	(3,210)	(6,648)	(7,878)
Profit/(loss) before taxation		1,825	(10,284)	(8,863)	288
Income tax expense	4	(463)	–	(566)	(1)
Net profit/(loss) for the period		1,362	(10,284)	(9,429)	287
Attributable to:					
Equity holders of the Company		1,362	(10,284)	(9,429)	287
Dividend	5	–	–	–	–
Basic earning/(loss) per share (in RMB cents)	6	0.2	(1.6)	(1.5)	–

Unaudited Consolidated Statement of Comprehensive Income

	(Unaudited)		(Unaudited)	
	For the three months ended 30 September		For the nine months ended 30 September	
	2009	2008	2009	2008
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Profit/(loss) attributable to the equity holders of the Company	1,362	(10,284)	(9,429)	287
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss) attributable to the equity holders of the Company	1,362	(10,284)	(9,429)	287

Notes to the Unaudited Consolidated Financial Results

For the nine months ended 30 September 2009

1. BASIS OF PREPARATION

The Company is a foreign investment joint stock limited company and its overseas listed foreign shares were listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

The Company and its subsidiaries (the "Group") are principally engaged in research and development, manufacture and sale of base station antenna and related products.

This unaudited consolidated financial information has been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong, the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

The Group's books and records are maintained in Renminbi ("RMB"), the currency in which the majority of the Group's transactions is denominated.

2. ACCOUNTING POLICIES

The accounting policies and methods of computation used in the preparation of this condensed consolidated financial information are consistent with those used in the Group's annual financial statements for the year ended 31 December 2008.

3. TURNOVER

Turnover represents the amounts received and receivable for goods sold to outside customers exclusive of value added taxes, less returns and allowances, and income received and receivable from provision of services.

Turnover breakdown by nature of revenue:

	(Unaudited) For the three months ended 30 September		(Unaudited) For the nine months ended 30 September	
	2009	2008	2009	2008
	RMB'000	RMB'000	RMB'000	RMB'000
Sales of goods	55,450	20,703	118,525	110,020
Service income	12,280	718	24,564	10,038
	67,730	21,421	143,089	120,058

3. TURNOVER *(continued)*

Turnover breakdown by location:

	(Unaudited)		(Unaudited)	
	For the three months ended 30 September		For the nine months ended 30 September	
	2009	2008	2009	2008
	RMB'000	RMB'000	RMB'000	RMB'000
The People's Republic of China (the "PRC")	67,417	19,935	139,814	49,962
Overseas	313	1,486	3,275	70,096
	67,730	21,421	143,089	120,058

4. INCOME TAX EXPENSE

On 16 March 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the PRC. On 6 December 2007, the State Council of the PRC issued Implementation Regulations of the New Law. Under the New Law and Implementation Regulations, the Enterprise Income Tax ("EIT") rate of the Group's subsidiaries that were subjected to 33% has been reduced to 25% from 1 January 2008 onwards.

Currently, the Company and certain of its subsidiaries established in PRC are approved by the Xi'an Municipal Bureau of Science and Technology as high technology enterprises located in the Xi'an National High-tech Industrial Development Zone, which are subject to EIT at the rate of 15%. Furthermore, the Company was exempted from EIT for two years starting from 2005 and is entitled to a 50% reduction, which is 7.5%, on the EIT for the following three years (i.e. commencing from 1 January 2007) in accordance with Article 8 of Income Tax Law of the People's Republic of China for Enterprises with Foreign Investment and Foreign Enterprises.

The amount represents provision for EIT on the estimated assessable profits of certain subsidiaries for the three and nine months ended 30 September 2009. Income tax expense for subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant country.

5. DIVIDEND

The Board does not recommend the payment of a dividend for the three months ended 30 September 2009 (2008: nil).

6. BASIC EARNING/(LOSS) PER SHARE

The calculation of the basic earning/(loss) per share is based on the unaudited net profit for the three months and unaudited net loss for the nine months ended 30 September 2009 of RMB1,362,000 and RMB9,429,000 respectively (unaudited net loss for the three months and unaudited net profit for the nine months ended 30 September 2008: RMB10,284,000 and RMB287,000 respectively) divided by the number of 647,058,824 shares in issue (2008: 647,058,824 shares).

No diluted earning/(loss) per share have been presented because there is no potential ordinary share outstanding during either period.

7. RESERVES

	Share capital <i>RMB'000</i> (Unaudited)	Share premium <i>RMB'000</i> (Unaudited)	Statutory surplus reserve <i>RMB'000</i> (Unaudited)	Retained profits/ (accumulated losses) <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
At 1 January 2008	64,706	71,229	16,153	17,445	169,533
Net profit for the period	–	–	–	287	287
At 30 September 2008	64,706	71,229	16,153	17,732	169,820
At 1 January 2009	64,706	71,229	16,153	(3,602)	148,486
Net profit for the period	–	–	–	(9,429)	(9,429)
At 30 September 2009	64,706	71,229	16,153	(13,031)	139,057

MANAGEMENT DISCUSSION AND ANALYSIS

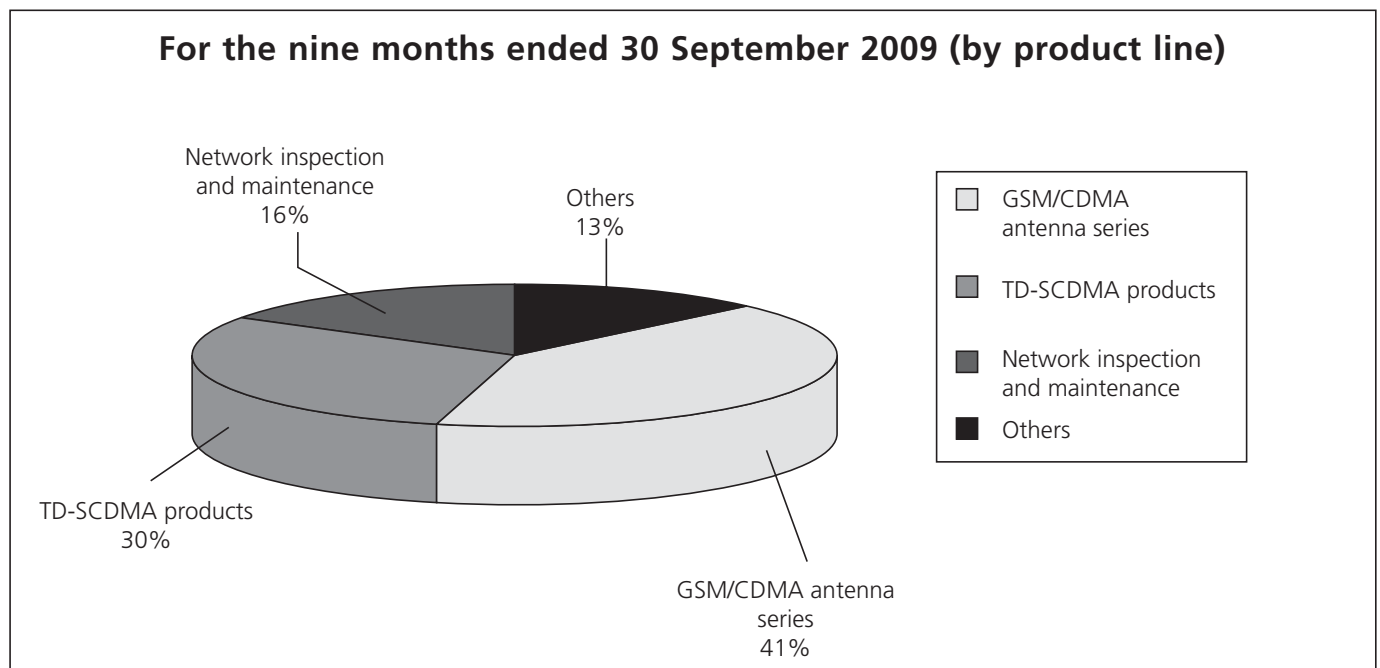
Business Review

Turnover

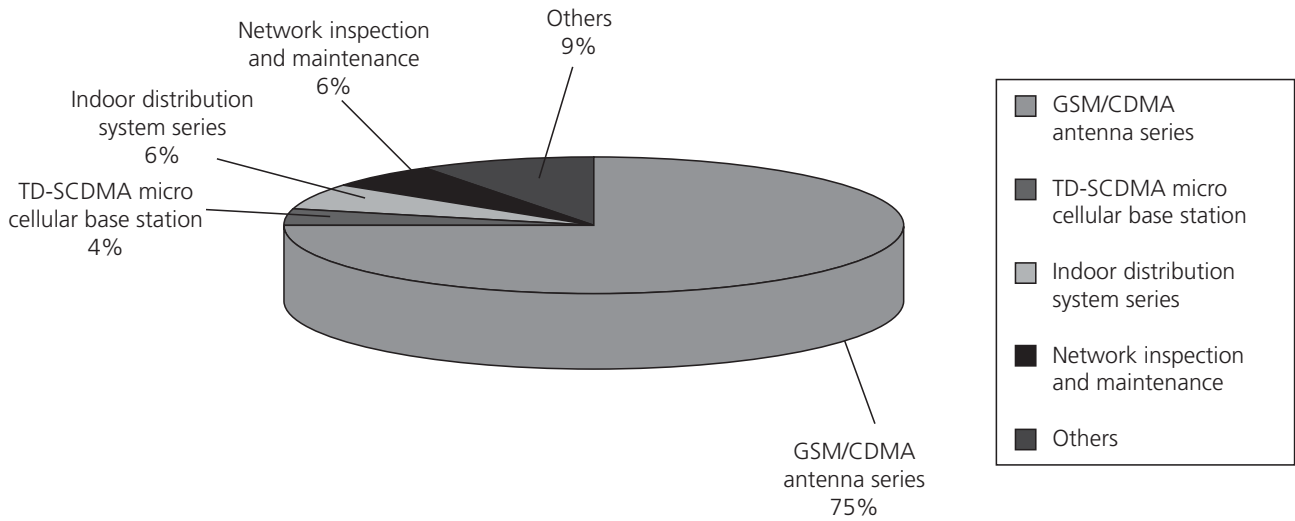
The Group recorded an unaudited turnover of RMB143.1 million for the nine months ended 30 September 2009 (“Review Period”), representing an increase of 19% compared with the unaudited turnover for the corresponding period in the year 2008. The growth was mainly due to the increase in sales revenue of the Group’s TD-SCDMA products. Since the 3G network commenced to operate in the PRC in January 2009, the demand of our TD-SCDMA products increased significantly and China Mobile Group made bulk purchases to accelerate the development of its 3G network during the Review Period. Therefore, this type of products contributed 30% to total sales revenue for the nine months ended 30 September 2009 while only 4% to total sales revenue for the corresponding period in the year 2008. Meanwhile, the sales to China Mobile Group also greatly increased from 5% for the nine months ended 30 September 2008 to 50% of our total turnover among the customers for the corresponding period this year.

Unfortunately, our growth on sales revenue at 3G market in the PRC was offset by the significant decrease of sales revenue from overseas market. The global financial crisis affected the economy of most of the countries over the world. Our development in the Indian market was affected drastically. The contribution of export sales revenue dropped from 58% for the period in the year 2008 to 2% for the nine months ended 30 September 2009.

Composite of sales by product line for the nine months ended 30 September 2009, together with the comparative figures for the corresponding period in the year 2008, are provided as follows:

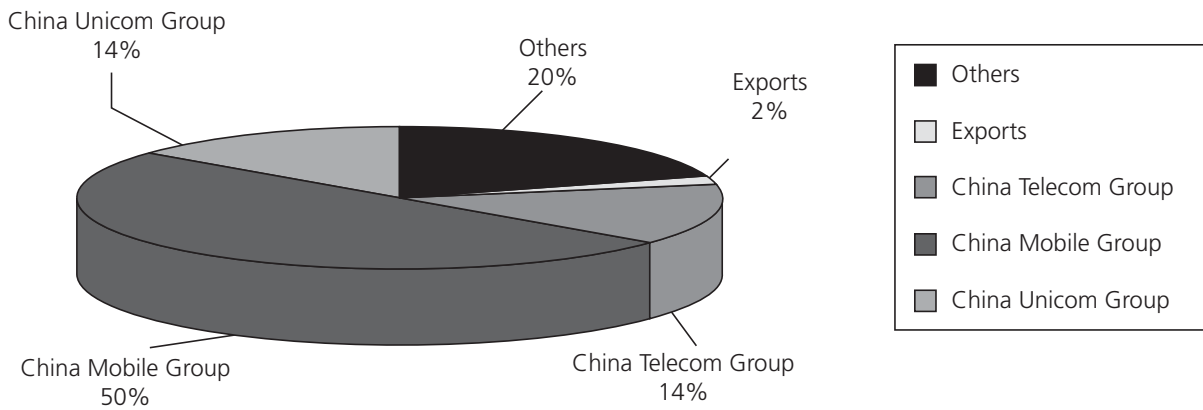


For the nine months ended 30 September 2008 (by product line)

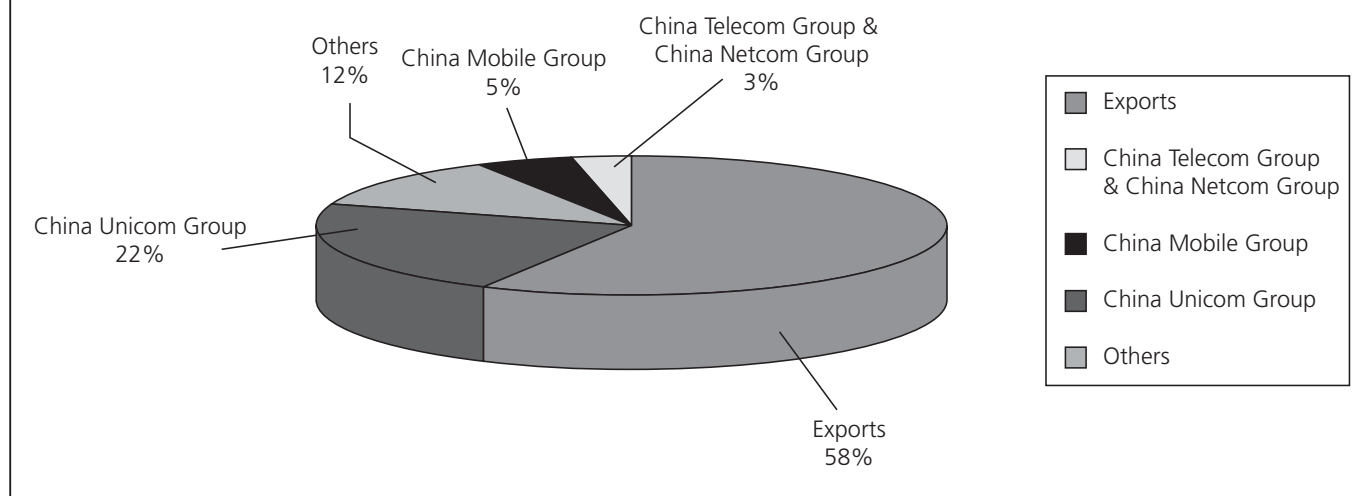


Composite of turnover by major customers for the nine months ended 30 September 2009, together with the comparative figures for the corresponding period in the year 2008, is provided as follows:

For the nine months ended 30 September 2009 (by major customers)



For the nine months ended 30 September 2008 (by major customers)



Legend:

China Telecom Group: 中國電信集團公司 (China Telecommunications Corporation) and its subsidiaries and branch companies (collectively "China Telecom Group")

China Netcom Group 中國網絡通信有限公司 (China Netcom Corporation Limited) and its subsidiaries and branch companies (collectively "China Netcom Group")

China Unicom Group: 中國聯合通信有限公司 (China United Telecommunications Corporation) and its subsidiaries and branch companies (collectively "China Unicom Group")

China Mobile Group: 中國移動通信集團公司 (China Mobile Communications Corporation) and its subsidiaries and branch companies (collectively "China Mobile Group")

Gross Profit

During the nine months ended 30 September 2009, unaudited gross profit amounted to RMB37.4 million. Gross profit margin was 26.1%, representing a decrease of 16.5 percentage point when compared to that of 42.6% for the corresponding period in the year 2008. The decrease was mainly attributable to the significant decline of contribution from export sales which gross profit margin was doubled to the domestic sales for the nine months ended 30 September 2009. The abovementioned decrease was partly offset by the growth of sales for higher profit margin products such as high value-added remote electrical tilt antenna and TD-SCDMA products in the domestic products during the nine months period this year.

Other Operating Income

Other operating income has increased by 3.1 times or RMB5.5 million to RMB7.2 million compared with the corresponding in the year of 2008. The significant increase was mainly attributable to the increase of government subsidies for the current period.

Operating Costs and Expenses

Distribution costs for the nine months ended 30 September 2009 amounted to RMB16.2 million, representing an increase of RMB3.4 million or 26.5% compared with the corresponding period in the year 2008. The increase was mainly attributable to the increase of agency fees and promotion expenses on the products for the nine months ended 30 September 2009.

Administrative expenses had reduced by RMB1.4 million or 4.2% to RMB30.7 million compared with the corresponding period in the year 2008. The decrease was mainly attributable to the reduction of staff costs by simplifying the human resources in the administrative department.

During the Review Period, finance costs amounted to RMB6.6 million representing a decrease of 15.6% as compared with the corresponding period in the year 2008. The reduction of finance cost was due to the decrease of average interest rate by 4-5% per annum in the current period.

Consequently, during the nine months ended 30 September 2009, the Group recorded an unaudited loss of RMB9.4 million, comparing with an unaudited net profit of RMB0.3 million for the corresponding period last year. The turnaround was mainly attributable to the decrease in gross profit margin as a result of the significant reduction in export sales revenue.

PROSPECTS

The 3G market in the PRC grow rapidly after the official commencement of operation in January this year and the telecommunication operators are expected to continue their investments on the construction of 3G networks in the coming years. The Group expects that the sales of TD-SCDMA products will continue to make a satisfactory contribution to the Group's future revenue. Meanwhile, the Group will continue to enhance the market share of base station antenna market for the existing 2G network in the PRC, and the high value-added remote electrical tilt antenna products are expected to contribute a certain level of revenue to the Group continually.

Besides, the Group continues to strengthen the research and development on new products. Two types of new product are at the final stage of research and development and are expected to be launched in the World Expo at Shanghai next year. The Group will utilize the technical advantages to capture the implausible business development opportunities on this market and increase its contribution to the sales revenue.

In addition, the development of 3G network in India will be commenced shortly and the worldwide auction of its network construction will also be carried out in the near future.

Since the Group has valuable experience and advance technology on the development for 3G network in the PRC and has developed a good customer network in India in the past few years, it is believed that the Group will capture the enormous business opportunities in the Indian market. Furthermore, the Group has started to develop the South American market. Since the economy of this region is in the booming stage, the Group expects that this market has high potential and will provide a good chance to expand the overseas market. The Group will strengthen its marketing and customer development in these countries so as to take the chances of global economy recovery.

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

As at 30 September 2009, the interests and short positions of the Directors, Supervisors (as if the requirements applicable to the Directors under the Securities and Futures Ordinance ("SFO") (Chapter 571 of the Laws of Hong Kong) had applied to the Supervisors) and chief executives of the Company, including their respective associates, in the shares (the "Shares"), underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise required, pursuant to Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Long positions in Domestic Shares of the Company

Name of Director	Type of interest	Capacity	Number of Domestic Shares held in the Company	Approximate percentage in the total issued Domestic Shares of the Company	Approximate percentage in the total issued share capital of the Company
Professor Xiao Liangyong (肖良勇教授)	Personal	Parties acting in concert (Note 1)	180,000,000	37.09%	27.81%
Mr. Xiao Bing (肖兵先生)	Personal	Held by controlled corporation (Note 1)	180,000,000	37.09%	27.81%
Mr. Zuo Hong (左宏先生)	Personal	Held by controlled corporation (Note 2)	75,064,706	15.47%	11.60%

Note 1: The Domestic Shares were held by 西安天安投資有限公司 (Xi'an Tian An Investment Company Limited*) ("Tian An Investment"), which is beneficially owned as to 60% by Mr. Xiao Bing and 40% by Ms. Yao Wenli. Professor Xiao Liangyong is the father of and a person acting in concert with Mr. Xiao Bing. By virtue of the SFO, Professor Xiao Liangyong and Mr. Xiao Bing were deemed to be interested in the same 180,000,000 Domestic Shares held by Tian An Investment.

Note 2: The Domestic Shares were held by 深圳市匯泰投資發展有限公司 (Shenzhen Huitai Investment Development Company Limited*) ("Shenzhen Huitai"), which is beneficially owned by Mr. Zuo Hong and Zhang Yinghua in equal share. By virtue of the SFO, each of Mr. Zuo Hong and Zhang Yinghua was deemed to be interested in the same 75,064,706 Domestic Shares held by Shenzhen Huitai.

Other than as disclosed above, none of the Directors, Supervisors and chief executive of the Company nor their respective associates had any interests or short positions in any Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 30 September 2009 as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise required, pursuant to Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

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

As at 30 September 2009, 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.

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

As at 30 September 2009, the following persons or entities (other than the Directors, Supervisors and chief executives of the Company) had interests or short positions in the Shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

* *For identification purpose only*

(A) Substantial shareholders of the Company

Long positions in Domestic Shares of the Company

Name of shareholder	Type of interest	Capacity	Number of Domestic Shares held in the Company	Approximate percentage in the total issued Domestic Shares of the Company	Approximate percentage in the total issued share capital of the Company
Tian An Investment	Corporate	Beneficial owner	180,000,000 (Note 1)	37.09%	27.81%
Ms. Yao Wenli (姚文俐女士)	Personal	Held by controlled corporation	180,000,000 (Note 1)	37.09%	27.81%
西安開元控股集團 股份有限公司 (Xi'an Kaiyuan Holding Group Company Limited*)	Corporate	Beneficial owner	100,000,000	20.60%	15.45%
Shenzhen Huitai	Corporate	Beneficial owner	75,064,706	15.47%	11.60%
Mr. Zhang Yinghua (張英華先生)	Personal	Held by controlled corporation	75,064,706 (Note 2)	15.47%	11.60%
西安國際信託投資 有限公司 (Xi'an International Trust & Investment Co., Ltd.*, "XITIC")	Corporate	Beneficial owner	70,151,471	14.45%	10.84%
西安市財政局 (Xi'an Finance Bureau*)	Corporate	Held by controlled corporation	70,151,471 (Note 3)	14.45%	10.84%
上海証大投資管理 有限公司 (Shanghai Zendai Investment Management Co., Ltd.*) ("Shanghai Zendai")	Corporate	Held by controlled corporation	70,151,471 (Note 3)	14.45%	10.84%

* For identification purpose only

Notes:

1. The Domestic Shares were held by Tian An Investment, which is beneficially owned as to 60% by Mr. Xiao Bing and 40% by Ms. Yao Wenli. By virtue of the SFO, Ms. Yao Wenli was deemed to be interested in the same 180,000,000 Domestic Shares held by Tian An Investment.
2. The Domestic Shares were held by Shenzhen Huitai, which is beneficially owned by Mr. Zuo Hong and Mr. Zhang Yinghua in equal share. By virtue of the SFO, each of Mr. Zuo Hong and Mr. Zhang Yinghua was deemed to be interested in the same 75,064,706 Domestic Shares held by Shenzhen Huitai.
3. The Domestic Shares were held by XITIC. By virtue of the SFO, Xi'an Finance Bureau and Shanghai Zendai, which respectively holds more than one third of voting rights of XITIC, were deemed to be interested in the same 70,151,471 Domestic Shares held by XITIC.

(B) Other persons who are required to disclose their interests pursuant to Divisions 2 and 3 of Part XV of the SFO

Long positions in Domestic Shares of the Company

Name of shareholder	Type of interest	Capacity	Number of Domestic Shares held in the Company	Approximate percentage in the total issued Domestic Shares of the Company	Approximate percentage in the total issued share capital of the Company
北京京泰投資 管理中心 (Beijing Holdings Investment Management Co., Ltd.*) ("Beijing Holdings")	Corporate	Beneficial owner	54,077,941	11.14%	8.35%
京泰實業(集團) 有限公司 (Beijing Holdings (Group) Limited*)	Corporate	Held by controlled corporation	54,077,941 (Note 1)	11.14%	8.35%

* For identification purpose only

Long positions in H Shares of the Company

Name of shareholder	Type of interest	Capacity	Number of H Shares held in the Company	Approximate percentage in the total issued H Shares of the Company	Approximate percentage in the total issued share capital of the Company
Taicom Capital Ltd.	Corporate	Investment manager	13,004,000 (Note 2)	8.04%	2.00%
Carlson Fund Equity Asian Small Cap	Corporate	Investment manager	10,520,000 (Note 2)	6.50%	1.62%
Ms. Song Ying	Personal	Beneficial owner	8,800,000 (Note 2)	5.43%	1.35%

Notes:

1. The Domestic Shares were held by Beijing Holdings. By virtue of the SFO, Beijing Holdings (Group) Limited, which holds more than one third of voting rights of Beijing Holdings, was deemed to be interested in the same 54,077,941 Domestic Shares held by Beijing Holdings.
2. The details of these shareholders of the Company were based on information as set out in the website of the Stock Exchange. The Company has not been notified by the relevant shareholders and has not received any Corporate Substantial Shareholder Notice from the relevant shareholders.

Save as disclosed above, as at 30 September 2009, the Directors, Supervisors and chief executives of the Company were not aware of any person (other than the Directors, Supervisors and chief executives of the Company) who had an interest or a short position in the Shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

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 with the Group.

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 and internal control systems of the Group. As at 30 September 2009, the Audit Committee comprised of Mr. Lei Huafeng and Professor Gong Shuxi, independent non-executive Directors, and Mr. Li Wenqi, a non-executive Director. The Group's unaudited consolidated results for the nine months ended 30 September 2009 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.

CODE ON CORPORATE GOVERNANCE PRACTICES

For the nine months ended 30 September 2009, the Company has complied with the requirements of the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 15 of the GEM Listing Rules.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the nine months ended 30 September 2009, the Company has adopted a code of conduct for securities transactions by Directors (the "Code"), which is no less exacting than the required standard of dealings of securities by Directors as set out in Rule 5.48 to 5.67 of the GEM Listing Rules. In addition, the Company has made specific inquiry with all the Directors, and has not been notified of any noncompliance with the standard of dealings of securities by Directors and the Code.

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 nine months ended 30 September 2009.

By order of the Board
Professor Xiao Liangyong
Chairman

Xi'an, the PRC, 6 November 2009

As at the date of this announcement, the Board comprises Professor Xiao Liangyong (肖良勇教授), Mr. Xiao Bing (肖兵先生) and Mr. Zuo Hong (左宏先生) being executive Directors; Mr. Luo Maosheng (羅茂生先生), Mr. Sun Wenguo (孫文國先生), Mr. Li Wenqi (李文琦先生), Mr. Cong Chunshui (叢春水先生) and Mr. Lin Deqiong (林德瓊先生) being non-executive Directors; and Professor Gong Shuxi (龔書喜教授), Mr. Lei Huafeng (雷華鋒先生) and Mr. Qiang Wenyu (強文郁先生), being independent non-executive Directors.

This announcement will remain on the GEM website at “www.hkgem.com” on the “Latest Company Announcements” page for at least 7 days from the day of its posting.