



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 RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2014**

**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 higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. 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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

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

* For identification purposes only

HIGHLIGHTS

- During the six months ended 30 June 2014, unaudited gross profit amounted to RMB0.2 million and gross profit margin was 6.1% which represented a further decrease when compared to the gross profit margin of 23.0% for the corresponding period in 2013.
- The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2014.

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

The board of Directors of the Company (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 2014, together with the unaudited comparative figures for the corresponding period in the year 2013 as follows:

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	<i>Notes</i>	(Unaudited)		(Unaudited)	
		For the three months ended 30 June		For the six months ended 30 June	
		2014	2013	2014	2013
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	3	2,325	2,752	3,342	8,812
Cost of sales		(1,899)	(2,287)	(3,137)	(6,784)
Gross profit		426	465	205	2,028
Other revenue		139	139	1,152	378
Distribution costs		(558)	(194)	(988)	(838)
Administrative expenses		(1,244)	(2,122)	(3,297)	(4,535)
Share of result of an associate		–	(1,027)	–	(1,932)
Finance costs		(971)	(545)	(1,440)	(742)
Loss before tax		(2,208)	(3,284)	(4,368)	(5,641)
Income tax expense	4	–	–	(40)	–
Loss and total comprehensive expense for the period	5	(2,208)	(3,284)	(4,408)	(5,641)
Loss per share					
– Basic and diluted (in RMB cents)	7	(0.34)	(0.51)	(0.68)	(0.87)

Condensed Consolidated Statement of Financial Position

		(Unaudited) As at 30 June 2014 <i>RMB'000</i>	(Audited) As at 31 December 2013 <i>RMB'000</i>
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment	8	471	113
Intangible assets		–	–
Available-for-sale investment	9	1,294	1,294
Pledged bank deposits		–	90
		<u>1,765</u>	<u>1,497</u>
Current assets			
Inventories		150,986	38,405
Trade receivables	10	23,394	37,948
Other receivables and prepayments		5,817	5,469
Amounts due from directors		1,367	1,113
Tax recoverable		657	677
Pledged bank deposits		–	25,000
Bank balances and cash		1,385	1,457
		<u>183,606</u>	<u>110,069</u>
Asset classified as held for sale		59,355	60,442
		<u>242,961</u>	<u>170,511</u>
Current liabilities			
Trade payables	11	154,324	42,435
Other payables and accrued charges		21,396	21,323
Amounts due to directors		16	5,771
Amounts due to related parties		41,499	43,062
Bank and other borrowings		15,012	44,179
		<u>232,247</u>	<u>156,770</u>

	(Unaudited)	(Audited)
	As at	As at
	30 June	31 December
	2014	2013
<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net current assets	<u>10,714</u>	<u>13,741</u>
Total assets less current liabilities	<u>12,479</u>	<u>15,238</u>
Non-current liabilities		
Deferred income	<u>4,699</u>	<u>3,050</u>
Net assets	<u>7,780</u>	<u>12,188</u>
Capital and reserves		
Share capital	64,706	64,706
Reserves	<u>(56,926)</u>	<u>(52,518)</u>
Equity attributable to owners of the Company and total equity	<u>7,780</u>	<u>12,188</u>

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2014

	(Unaudited)	(Unaudited)	(Unaudited) Statutory	(Unaudited)	(Unaudited)	(Unaudited)
	Share	Share	surplus	Other	Accumulated	Total
	capital	premium	reserve	reserve	losses	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2013	64,706	71,229	16,153	15,856	(140,562)	27,382
Loss and total comprehensive expense for the period	—	—	—	—	(5,641)	(5,641)
At 30 June 2013	64,706	71,229	16,153	15,856	(146,203)	21,741
At 1 January 2014	64,706	71,229	16,153	15,856	(155,756)	12,188
Loss and total comprehensive expense for the period	—	—	—	—	(4,408)	(4,408)
At 30 June 2014	64,706	71,229	16,153	15,856	(160,164)	7,780

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2014

	(Unaudited) 2014 <i>RMB'000</i>	(Unaudited) 2013 <i>RMB'000</i>
Net cash from (used in) operating activities	<u>5,387</u>	<u>(6,163)</u>
Investing activities		
Withdrawal of pledged bank deposits	25,090	–
Purchase of property, plant and equipment	(13)	(358)
Expenditure on product development	<u>–</u>	<u>(123)</u>
Net cash from (used in) investing activities	<u>25,077</u>	<u>(481)</u>
Financing activities		
New bank and other borrowings raised	15,000	20,000
Government grants received	–	100
Repayment of bank and other borrowings	(44,167)	(10,000)
Other financing cash flows	<u>(1,369)</u>	<u>(742)</u>
Net cash (used in) from financing activities	<u>(30,536)</u>	<u>9,358</u>
Net (decrease) increase in cash and cash equivalents	(72)	2,714
Cash and cash equivalents at the beginning of period	<u>1,457</u>	<u>4,846</u>
Cash and cash equivalents at the end of period represented by bank balances and cash	<u>1,385</u>	<u>7,560</u>

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2014

1. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The Company is a joint stock limited company established in the People's Republic of China (the "PRC") and the H shares of the Company are listed on the GEM of the Stock Exchange.

The Group is principally engaged in research and development, manufacture and sale of base station antennas and related products.

This unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements as set out in Chapter 18 of the GEM Listing Rules.

The condensed consolidated financial statements have not been audited by the Company's auditors, but have been reviewed by the Company's audit committee.

The condensed consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

2. ACCOUNTING POLICIES

The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the Group's annual financial statements for the year ended 31 December 2013.

3. REVENUE

Revenue represents the amounts received and receivable for goods sold and services provided in the normal course of business, net of discounts and sales related taxes.

Revenue breakdown by nature:

	(Unaudited) For the three months ended 30 June		(Unaudited) For the six months ended 30 June	
	2014	2013	2014	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Sales of antennas and related products	872	972	1,555	2,307
Service income	1,453	1,780	1,787	6,505
	<u>2,325</u>	<u>2,752</u>	<u>3,342</u>	<u>8,812</u>

The Group is organised into a single operating segment as sale of telecommunication products and rendering of related services. Accordingly, no reportable segment is presented.

Revenue breakdown by geographical location:

	(Unaudited)		(Unaudited)	
	For the three months ended 30 June		For the six months ended 30 June	
	2014	2013	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
PRC (country of domicile)	2,325	2,752	3,143	8,812
Asia excluding PRC	<u>–</u>	<u>–</u>	<u>199</u>	<u>–</u>
	<u>2,325</u>	<u>2,752</u>	<u>3,342</u>	<u>8,812</u>

No analysis of the Group's assets and liabilities by geographical location is presented as the majority of the Group's assets and liabilities are located in the PRC.

4. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax has been made as the Group did not generate assessable profits in Hong Kong during both periods.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% during both periods.

5. LOSS FOR THE PERIOD

	(Unaudited) For the three months ended 30 June		(Unaudited) For the six months ended 30 June	
	2014	2013	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Loss for the period has been arrived at after charging (crediting):				
Depreciation for property, plant and equipment	62	444	741	1,718
Amortisation of intangible assets (included in administrative expenses)	<u>–</u>	<u>285</u>	<u>–</u>	<u>571</u>
Total depreciation and amortisation	<u>62</u>	<u>729</u>	<u>741</u>	<u>2,289</u>
Auditors' remuneration				
– audit services	–	–	–	–
– other services	–	–	–	–
Cost of inventories recognised as an expense	825	1,015	1,776	2,146
Staff costs				
– Directors' remuneration and remuneration of members of supervisory committee (the "Supervisors")	112	143	169	286
– Salaries, wages and other benefits	368	773	638	1,625
– Retirement benefit scheme contributions (excluding Directors and Supervisors)	<u>55</u>	<u>164</u>	<u>110</u>	<u>298</u>
Total staff costs	<u>535</u>	<u>1,080</u>	<u>917</u>	<u>2,209</u>
Research and development costs recognised as an expense	(282)	66	68	123
Interests on bank and borrowings wholly repayable within five years	<u>1,197</u>	<u>549</u>	<u>1,502</u>	<u>744</u>
Interest income	<u>231</u>	<u>6</u>	<u>232</u>	<u>8</u>

6. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2014 (2013: nil).

7. LOSS PER SHARE

The calculation of basic loss per share attributable to the owners of the Company is based on the unaudited loss for the three months and six months ended 30 June 2014 attributable to owners of the Company of RMB2,208,000 and RMB4,408,000 respectively (2013: RMB3,284,000 and RMB5,641,000 respectively) and the weighted average number of 647,058,824 (2013: 647,058,824) ordinary shares in issue during the period.

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

8. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent less than RMB0.1 million (2013: RMB0.4 million) on acquisition of property, plant and equipment.

9. AVAILABLE-FOR-SALE INVESTMENT

	(Unaudited)	(Audited)
	As at	As at
	30 June	31 December
	2014	2013
	RMB'000	RMB'000
Unlisted investment in equity security	<u>1,294</u>	<u>1,294</u>

As at 30 June 2014, the Group held 5.64% (as at 31 December 2013: 5.64%) equity interest in a PRC private limited company, Xi'an Sunnada Haitian Antenna Co., Ltd., engaged in the manufacturing and sales of base station antennas and related products in PRC.

10. TRADE RECEIVABLES

	(Unaudited)	(Audited)
	As at	As at
	30 June	31 December
	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	50,435	64,989
Less: impairment loss recognised	<u>(27,041)</u>	<u>(27,041)</u>
	<u>23,394</u>	<u>37,948</u>

The Group allows a credit period ranging from 5 to 240 days (2013: 90 to 240 days) to its trade customers. For receivables from certain customers, the amounts are settled by installments which are mutually determined and agreed by the relevant parties.

The following is an aged analysis of trade receivables net of impairment loss recognised presented based on the invoice date or goods delivery dates at the end of the reporting period:

	(Unaudited)	(Audited)
	As at	As at
	30 June	31 December
	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>
Within 60 days	1,582	15,364
61 to 120 days	437	2,375
121 to 180 days	2,095	563
181 to 365 days	9,816	952
Over 365 days	<u>9,464</u>	<u>18,694</u>
	<u>23,394</u>	<u>37,948</u>

At the end of each reporting period, the Group's trade receivables were individually determined to be impaired. The individually impaired receivables are recognised based on the credit history of its customers, such as financial difficulties or default in payments, and current market conditions. Consequently, specific impairment loss was recognised.

11. TRADE PAYABLES

The following is an aged analysis of trade payables presented based on the invoice date or goods delivery dates at the end of the reporting period:

	(Unaudited)	(Audited)
	As at	As at
	30 June	31 December
	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>
Within 60 days	4,432	24,521
61 to 120 days	138,442	388
121 to 365 days	5,269	5,051
Over 365 days	6,181	12,475
	<u>154,324</u>	<u>42,435</u>

The average credit period on purchases of goods is 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

12. CAPITAL COMMITMENTS

	(Unaudited)	(Audited)
	As at	As at
	30 June	31 December
	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>
Capital expenditure in respect of construction cost on properties under construction and acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	<u>–</u>	<u>–</u>

13. LITIGATION

As at the end of reporting date, the Group has the following court case:

On 19 September 2010, the Company filed a writ against 陝西新三秦彩網有限公司 (“the Defendant”) at the People’s Court. The Company claimed that due to the collapse of factory built by the Defendant, the Company suffered from loss of inventories and plant and machineries at amount of approximately RMB2,119,892. The Company requested the People’s Court to resolve the dispute by requesting the Defendant to compensate for it. As a result, the Defendant was enforced to compensate the Company for a sum of RMB522,000 via court order on 16 May 2012. Nonetheless, the Company was not satisfied with the settlement and appealed to the Court. On 23 December 2013, the court case was concluded of which the Group was entitled to receive an amount of RMB101,502 from the Defendant. At the same time, the Group was also demanded to repay the Defendant of construction costs at RMB627,843. In the opinion of the directors of the Company, the above case did not have any material impact on the Group’s consolidated financial statements for the year ended 31 December 2013 as the amount of construction cost was included in other payables.

Subsequent to the report date, the Company appealed to the Court and requested it to commute by requesting the Defendant to compensate the Company the original claim amount and to waive the amount to be repaid to the Defendant.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Revenue

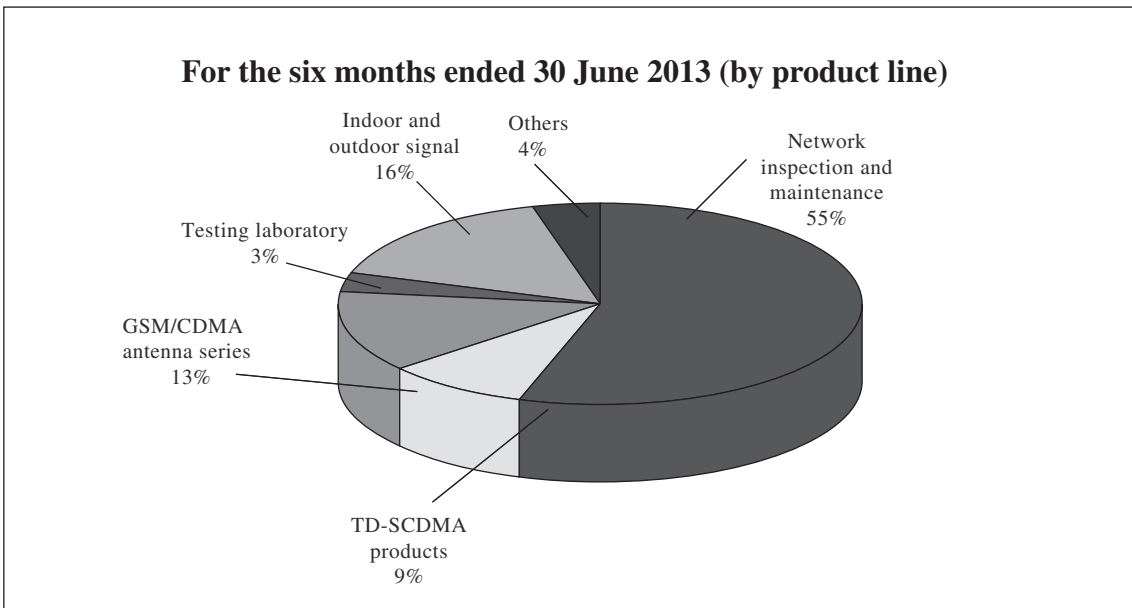
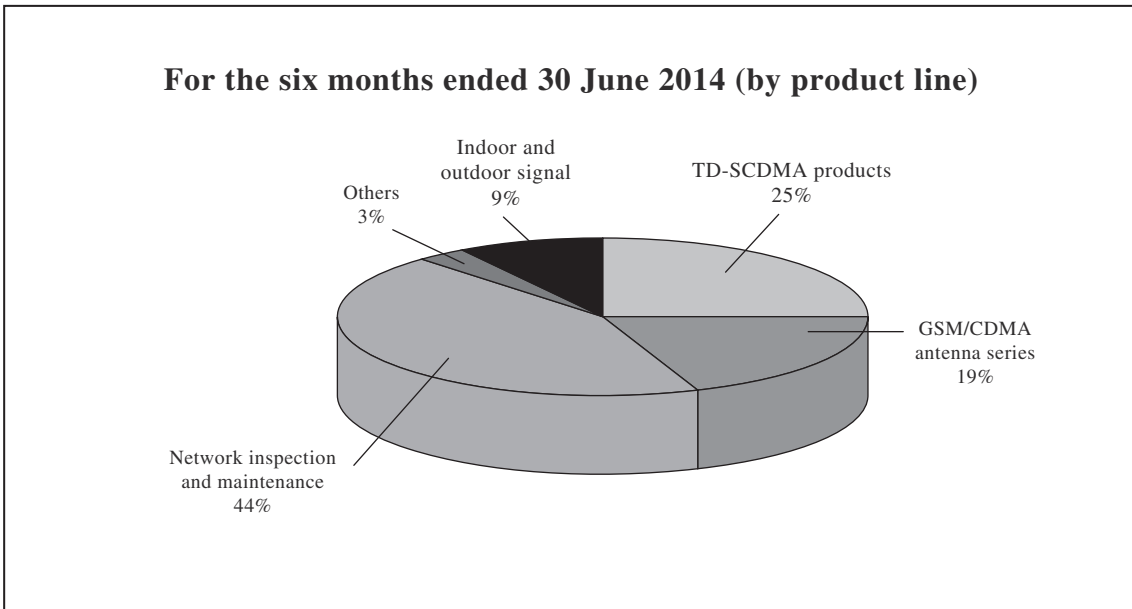
Unaudited revenue of approximately RMB3.3 million was recognised for the six months ended 30 June 2014 (the “Review Period”), representing 37.9% of unaudited revenue for the corresponding period in the year of 2013. Significant decline in revenue was mainly due to intensifying price competition in the market of antennas and related products and services, and more concentration on the market of communication services especially for mobile communication system module.

Service income was accounted for more than 53% of revenue during the Review Period, compared to nearly 74% for the corresponding period in 2013. Service income from network inspection and maintenance was generated approximately 44% of revenue during the Review Period as the sustained market demand for network optimisation and inspection services, compared to approximately 55% for the corresponding period in 2013. Revenue from indoor and outdoor signal services was dropped from approximately 16% of revenue for the corresponding period in 2013 to approximately 9% for the Review Period and no income was recognised from testing laboratory services during the Review Period.

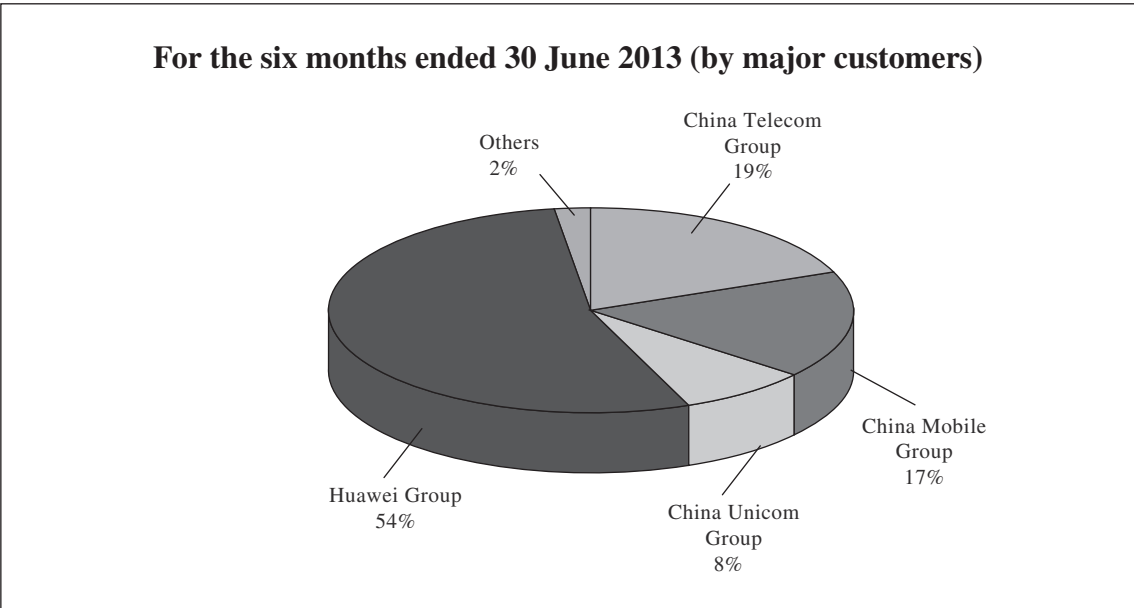
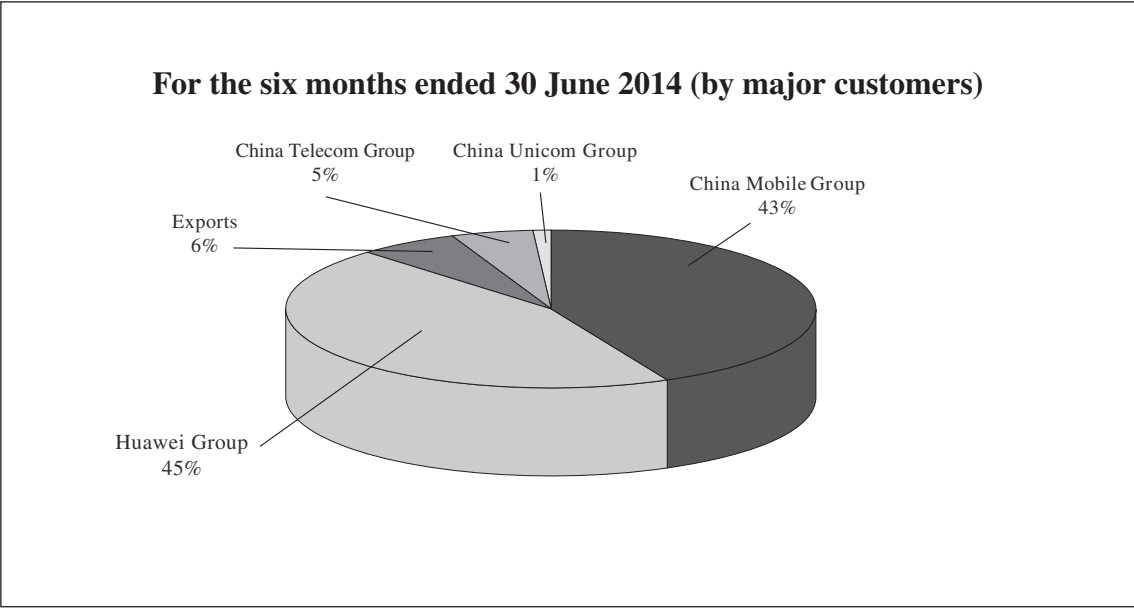
Sales of GSM/CDMA antenna series and TDSCDMA products increased from approximately 13% and approximately 9% respectively of revenue for corresponding period in 2013 to approximately 19% and approximately 25% respectively for the Review Period. Both sales of GSM/CDMA antenna series and TDSCDMA products were accounted for approximately RMB1.5 million during the Review Period, compared to approximately RMB2.0 million for the corresponding period in 2013.

Complying with the Group’s customer base diversification policy to local agents and international suppliers for telecommunication facilities for expansion of market share and establishment of brand name, approximately 45% of revenue was attributed to Huawei Group during the Review Period, compared to approximately 54% for the corresponding period in 2013. Total revenue generated from the three major telecommunication operators was still remained approximately 49% during the Review Period.

Composite of sales by product line for the six months ended 30 June 2014, together with the comparative figures for the corresponding period in the year 2013, are provided as follows:



Composite of turnover by major customers for the six months ended 30 June 2014, together with the comparative figures for the corresponding period in the year 2013, are provided as follows:



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 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”)

Huawei Group: 華為技術有限公司 (Huawei Technologies Co., Ltd.) and its subsidiaries and branch companies (collectively “Huawei Group”)

Gross Profit

Unaudited gross profit of approximately RMB0.2 million was recorded for the Review Period which represented gross profit margin of 6.1%. Comparing to the unaudited gross profit margin of 23.1% for the corresponding period in 2013, it was mainly attributable to low production level and recognition of understated production costs in previous periods.

Other Revenue

Approximately RMB0.3 million was attributable to government grant received and amortised and approximately RMB0.1 million was recognised as gain on debts restructuring during the Review Period.

Operating Costs and Expenses

Distribution costs were increased by approximately RMB0.2 million for the Review Period, which represented an increase of approximately 17.9% comparing to the corresponding period in 2013. Although the performance evaluation and incentive management approach was effectively carried out, engineering costs and staff travel costs were increased by approximately RMB0.2 million during the Review Period.

Further decrease in administration expenses by approximately RMB1.2 million or 27.3% comparing to the corresponding period in 2013 reflected the continuous cost control strategy over the Group's operations. In additions, approximately RMB0.7 million of depreciation of property, plant and equipment and approximately RMB0.6 million of research and development costs and amortisation of intangible assets were reduced during the Review Period.

Interests on bank borrowings incurred were raised to approximately RMB1.5 million for the Review Period from approximately RMB0.7 million for the corresponding period in 2013. It was because the bank borrowings level was over RMB44 million during the Review Period whereas it was merely RMB27 million for the corresponding period in 2013.

No operating loss of an associate was recognised during the Review Period as the Group retained 5.64% interest since 31 December 2013 and has accounted for such interest as an available-for sale investment in equity security.

Loss for the period

Nevertheless the total operating costs and expenses were dropped by approximately RMB2.3 million as the result of success in cost control on operations during the Review Period, further decline in revenue and low gross profit margin led to an unaudited loss attributable to shareholders of approximately RMB4.4 million for the Review Period.

PROSPECTS

With ongoing effort of strategically restructuring its products offers in recent years, the Company managed to reduce capital commitment in mobile communication antenna market. Meanwhile, it continues its expansion in communication-related services such as network optimisation, network maintenance and inspection, as well as pursuit of further development in mobile communication system module and related testing and tuning/adjusting businesses in terms of technical accumulation and market expansion. The Group established a joint venture company at the pilot free trade zone in Shanghai, the PRC in the first half of 2014. The move would help speed up and expand the development of the Company's import and export businesses. The joint venture company is expected to create better result and profitability for the Group in near future.

On the other hand, pursuant to a share subscription agreement being entered into by the Company, it plans to conduct an equity private placement before the first half of 2015 to raise capital and strengthen its operating cash flow position. The estimated net proceeds would be approximately HK\$56 million. It would be applied as to RMB20 million (approximately HK\$25 million) for repayment of bank loans, with remaining proceeds of approximately HK\$31 million as funding of operating cash flow for exploration of any future market opportunities to enhance the Company's future operating results.

LIQUIDITY AND FINANCIAL RESOURCES

During the period, the Group was mainly financed by cash from banking facilities and borrowings. As at 30 June 2014, the Group had bank borrowings of approximately RMB15.0 million and other borrowings advanced by the related parties of the Group of approximately RMB41.5 million of which all were repayable on demand or within one year. These borrowings were mainly used for the Group's daily operations.

During the period, all of the Group's interest-bearing borrowings borne interest rate ranging from 2.5% to 6.5% per annum. Since all the borrowings were denominated in RMB, the Directors consider that exposure to foreign exchange risk was minimal.

As at 30 June 2014, the Group's gearing ratio was 192.3% (as at 31 December 2013: 362.4%), which is calculated based on total interest-bearing borrowings of approximately RMB15.0 million over total shareholders' funds of approximately RMB7.8 million. Cash and cash equivalents decreased from approximately RMB1.5 million to RMB1.4 million. No bank deposits of the Group was pledged as at 30 June 2014.

CHARGES ON GROUP ASSETS

As at 30 June 2014, there was no material charges on assets of the Group.

CONTINGENT LIABILITIES

As at 30 June 2014, the Group did not have any material contingent liabilities.

FOREIGN EXCHANGE EXPOSURE

For the period ended 30 June 2014, the Group was not exposed to any significant foreign exchange risk as majority of the Group's transactions were denominated in Renminbi. Hence, no financial instrument for hedging was employed.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2014, the Group had 36 full-time employees. Total staff costs for the six months ended 30 June 2014 amounted to approximately RMB0.9 million (six months ended 30 June 2013: RMB2.2 million), including remuneration of the Directors and Supervisors. The Group reviews employee remuneration from time to time and increases 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 and retirement benefits scheme. Bonuses are also available to employees of the Group at the discretion of the Directors and depending on the financial performance of the Group. The Group has not granted any share options to the Directors and its employees.

SIGNIFICANT INVESTMENT HELD

Except for available-for-sale investment in unlisted equity security, during the six months ended 30 June 2014 and as at the balance sheet date, the Group did not hold any significant investment in equity interest in any company.

FUTURE PLANS FOR MATERIAL INVESTMENTS

As at 30 June 2014, the Group had no capital expenditure contracted for but not provided in the financial statements (as at 31 December 2013: nil). Save as disclosed herein the Group did not have other plans for material investment.

MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in the paragraph headed “Significant Investment Held” above, during the six months ended 30 June 2014, the Group did not have any other material acquisitions and disposals of subsidiaries, associates and affiliated companies.

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 June 2014, 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 (the “Domestic Share”)

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
Mr. Xiao Bing (肖兵先生)	Personal	Held by controlled corporation	180,000,000 (Note 1)	37.09%	27.82%
Mr. Zuo Hong (左宏先生)	Personal	Held by controlled corporation	75,064,706 (Note 2)	15.47%	11.60%

Long positions in H shares of the Company (the “H Share”)

Name of Director	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
Mr. Zhang Jun (張鈞先生)	Personal	Beneficial owner	400,000	0.25%	0.06%

Notes:

1. The Domestic Shares were held by Xi'an Tian An Investment Co., Ltd.* (西安天安投資有限公司) (“Tian An Investment”), which is beneficially owned as to 60% by Mr. Xiao Bing and 40% by his mother Ms. Yao Wenli. By virtue of the SFO, Mr. Xiao Bing 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 Investment Development Co., Ltd.* (深圳市匯泰投資發展有限公司) (“Shenzhen Huitai”), which is beneficially owned by Mr. Zuo Hong and Ms. Yi Li in equal share. By virtue of the SFO, each of Mr. Zuo Hong and Ms. Yi Li 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 June 2014 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 OF THE COMPANY

As at 30 June 2014, 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 June 2014, 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:

(A) Substantial shareholders of the Company

Long positions in Domestic Shares of the Company

Name of substantial 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 <i>(Note 1)</i>	37.09%	27.82%
Professor Xiao Liangyong (肖良勇教授)	Personal	Parties acting in concert	180,000,000 <i>(Note 1)</i>	37.09%	27.82%
Ms. Yao Wenli (姚文俐女士)	Personal	Held by controlled corporation	180,000,000 <i>(Note 1)</i>	37.09%	27.82%
Xi'an Kaiyuan Investment Group Co., Ltd.* (西安開元投資集團股份有限公司)	Corporate	Beneficial owner	100,000,000	20.61%	15.45%
Shenzhen Huitai	Corporate	Beneficial owner	75,064,706 <i>(Note 2)</i>	15.47%	11.60%
Ms. Yi Li (易麗女士)	Personal	Held by controlled corporation	75,064,706 <i>(Note 2)</i>	15.47%	11.60%

Name of substantial 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
Chang'an International Trust Co., Ltd.* (長安國際信託股份有限公司)	Corporate	Beneficial owner	70,151,471 (Note 3)	14.46%	10.84%
Xi'an Finance Bureau* (西安市財政局)	Corporate	Held by controlled corporation	70,151,471 (Note 3)	14.46%	10.84%
Shanghai Zendai Investment Management Co., Ltd.* (上海証大投資管理有限公司)	Corporate	Held by controlled corporation	70,151,471 (Note 3)	14.46%	10.84%

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 his mother 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, each of Professor Xiao Liangyong and 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 Ms. Yi Li in equal share. By virtue of the SFO, each of Mr. Zuo Hong and Ms. Yi Li was deemed to be interested in the same 75,064,706 Domestic Shares held by Shenzhen Huitai.
3. The Domestic Shares were held by Chang'an International Trust Co., Ltd.* ("CITC"). By virtue of the SFO, Xi'an Finance Bureau* and Shanghai Zendai Investment Management Co., Ltd.*, which respectively holds more than one third of voting rights of CITC, were deemed to be interested in the same 70,151,471 Domestic Shares held by CITC.

(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
Beijing Holdings Investment Management Co., Ltd.* (北京京泰投資管理中心)	Corporate	Beneficial owner	54,077,941 (Note 1)	11.14%	8.36%
Beijing Holdings (Group) Limited* (京泰實業(集團)有限公司)	Corporate	Held by controlled corporation	54,077,941 (Note 1)	11.14%	8.36%

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%	2.01%
Carlson Fund Equity Asian Small Cap	Corporate	Investment manager	10,520,000 (Note 2)	6.50%	1.63%
Ms. Song Ying	Personal	Beneficial owner	8,800,000 (Note 2)	5.44%	1.36%

Notes:

1. The Domestic Shares were held by Beijing Holdings Investment Management Co., Ltd.* (“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 June 2014, 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 which has or may have 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 June 2014, the Audit Committee comprised of Mr. Chen Ji and Mr. Zhang Jun, independent non-executive Directors, and Mr. Li Wenqi, a non-executive Director. The Group’s unaudited consolidated results for the six months ended 30 June 2014 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.

* *For identification purposes only*

CODE ON CORPORATE GOVERNANCE PRACTICES

For the six months ended 30 June 2014, 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

During the six months ended 30 June 2014, 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.

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 six months ended 30 June 2014.

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

Xi'an, the PRC, 8 August 2014

As at the date of this announcement, the Board comprises, Mr. Xiao Bing (肖兵先生) and Mr. Yan Weimin (燕衛民先生) being executive Directors; Mr. Sun Wenguo (孫文國先生), Mr. Li Wenqi (李文琦先生), Mr. Yan Feng (閔鋒先生) and Mr. Xie Yiqun (解益群先生) being non-executive Directors; and Mr. Zhang Jun (張鈞先生), Mr. Chen Ji (陳繼先生) and Ms. Bao Yujie (鮑玉潔女士) being independent non-executive Directors.

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