



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)**

**THIRD QUARTERLY RESULTS ANNOUNCEMENT  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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

- The Group's unaudited revenue for the nine months ended 30 September 2014 was approximately RMB8.9 million, representing a decrease of approximately 54.9% when compared with that of the corresponding period in the year 2013.
- The Group's unaudited loss for the nine months ended 30 September 2014 was approximately RMB2.2 million, and the Group recorded a loss of approximately RMB4.8 million for the corresponding period in the year 2013.
- The Board does not recommend the payment of a dividend for the nine months ended 30 September 2014 (2013: nil).

## CONSOLIDATED RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

The board of Directors of the Company (the "Board") hereby submits the unaudited consolidated operating results of the Company and its subsidiaries (the "Group") for the three months and nine months ended 30 September 2014, together with the unaudited comparative figures for the corresponding period in the year 2013 as follows:

### Consolidated Statement of Profit and Loss and Other Comprehensive Income

	<i>Notes</i>	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
		<b>For the three months ended 30 September 2014</b>	<b>2013</b>	<b>For the nine months ended 30 September 2014</b>	<b>2013</b>
		<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Revenue	3	<b>5,594</b>	10,997	<b>8,936</b>	19,809
Cost of sales		<b>(1,456)</b>	(6,536)	<b>(4,593)</b>	(13,320)
Gross profit		<b>4,138</b>	4,461	<b>4,343</b>	6,489
Other revenue		<b>321</b>	1,418	<b>1,473</b>	1,796
Distribution costs		<b>(390)</b>	(975)	<b>(1,378)</b>	(1,813)
Administrative expenses		<b>(1,506)</b>	(3,327)	<b>(4,803)</b>	(7,862)
Share of result of an associate		<b>–</b>	(369)	<b>–</b>	(2,301)
Finance costs		<b>(371)</b>	(395)	<b>(1,811)</b>	(1,137)
Profit (loss) before tax		<b>2,192</b>	813	<b>(2,176)</b>	(4,828)
Income tax expense	4	<b>–</b>	–	<b>(40)</b>	–
Profit (loss) and total comprehensive expense for the period		<b>2,192</b>	813	<b>(2,216)</b>	(4,828)
Earnings (loss) per share – Basic and diluted (in RMB cents)	6	<b>0.3</b>	0.1	<b>(0.3)</b>	(0.7)

## Notes to the Consolidated Financial Results

For the nine months ended 30 September 2014

### 1. BASIS OF PREPARATION

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 consolidated financial information has been prepared in accordance with Hong Kong Financial Reporting Standards (HKFRSs) 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 Group's books and records are maintained 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 this condensed consolidated financial information 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:

	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
	<b>For the three months ended 30 September</b>		<b>For the nine months ended 30 September</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Sales of antennas and related products	<b>1,087</b>	9,998	<b>2,642</b>	12,305
Service income	<b>4,507</b>	999	<b>6,294</b>	7,504
	<b><u>5,594</u></b>	<u>10,997</u>	<b><u>8,936</u></b>	<u>19,809</u>

Revenue breakdown by geographical location:

	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
	<b>For the three months ended 30 September</b>		<b>For the nine months ended 30 September</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
PRC	<b>1,690</b>	1,415	<b>4,833</b>	10,227
Asia excluding PRC	<b>3,904</b>	9,582	<b>4,103</b>	9,582
	<b><u>5,594</u></b>	<u>10,997</u>	<b><u>8,936</u></b>	<u>19,809</u>

#### 4. INCOME TAX EXPENSE

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% from 1 January 2008 onwards.

#### 5. DIVIDENDS

The Board does not recommend the payment of a dividend for the nine months ended 30 September 2014 (2013: nil).

#### 6. EARNINGS (LOSS) PER SHARE

The calculation of basic earnings (loss) per share attributable to the owners of the Company is based on the unaudited profit for the three months and loss for the nine months ended 30 September 2014 attributable to owners of the Company of RMB2,192,000 and RMB2,216,000 respectively (2013: profit of RMB813,000 and loss of RMB4,828,000 respectively) and the weighted average number of 647,058,824 (2013: 647,058,824) ordinary shares in issue during the period.

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

#### 7. RESERVES

	(Unaudited) Share capital RMB'000	(Unaudited) Share premium RMB'000	(Unaudited) Statutory surplus reserve RMB'000	(Unaudited) Other reserve RMB'000	(Unaudited) Accumulated losses RMB'000	(Unaudited) Total 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	—	—	—	—	(4,828)	(4,828)
At 30 September 2013	<u>64,706</u>	<u>71,229</u>	<u>16,153</u>	<u>15,856</u>	<u>(145,390)</u>	<u>22,554</u>
At 1 January 2014	64,706	71,229	16,153	15,856	(155,756)	12,188
Loss and total comprehensive expense for the period	—	—	—	—	(2,216)	(2,216)
At 30 September 2014	<u>64,706</u>	<u>71,229</u>	<u>16,153</u>	<u>15,856</u>	<u>(157,972)</u>	<u>9,972</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

#### *Revenue*

Unaudited revenue of approximately RMB8.9 million was recorded for the nine months ended 30 September 2014 (the “Review Period”), representing merely 45% of unaudited revenue for the corresponding period in 2013. Except for intensifying price competition in market of antennas and related products and services, the introduction of product line of radio-frequency module during the Review Period had significant impact on the revenue components.

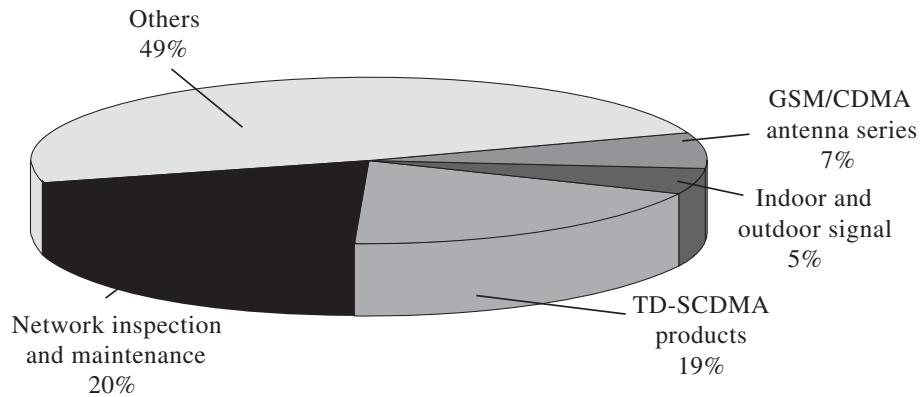
Service income of approximately RMB6.3 million, over 70% of revenue, was recognised during the Review Period, representing a decrease of more than 16% from the corresponding period in 2013. Over 45% of service income was come from radio-frequency module during the Review Period since its introduction in last quarter of 2013, whereas no such revenue was recognised in the corresponding period of 2013. Both income from network inspection and maintenance services and indoor and outdoor signal services were decreased from approximately 25% and 12% of revenue respectively for the corresponding period in 2013 to approximately 20% and 5% respectively for the Review Period. Less than 1% of revenue was generated from products testing laboratory service during the Review Period.

Sales from the traditional GSM/CDMA antenna series and TD-SCDMA products were accounted for approximately 7% and 19% of revenue respectively for the Review Period, compared to approximately 6% and 5% respectively in the corresponding period of 2013. In turn, there were no sales on intellectual aerials for the Review Period but it contributed over 48% of revenue in the corresponding period of 2013.

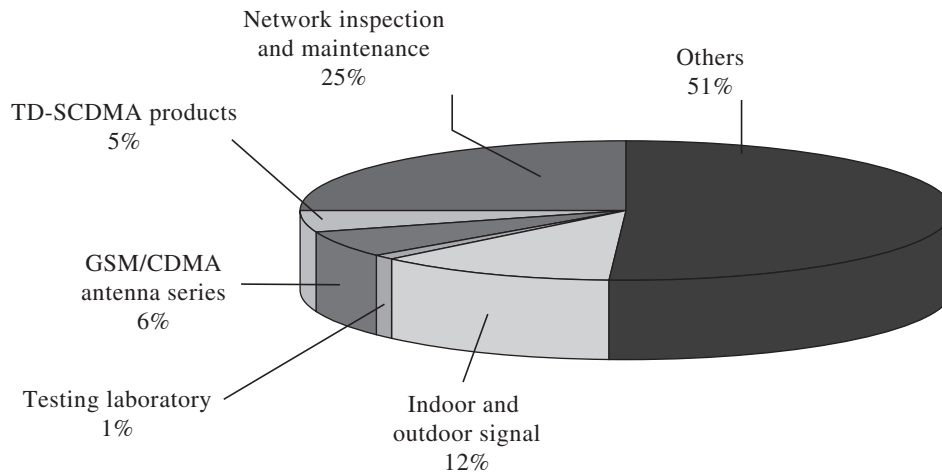
The Group’s customer base was further diversified to local agents and international suppliers for telecommunication facilities, especially those markets of radio-frequency module, during the Review Period and approximately 27% of revenue was generated from the three major telecommunication operators for the Review Period, compared to approximately 22% for the corresponding period in 2013.

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

**For the nine months ended 30 September 2014 (by product line)**

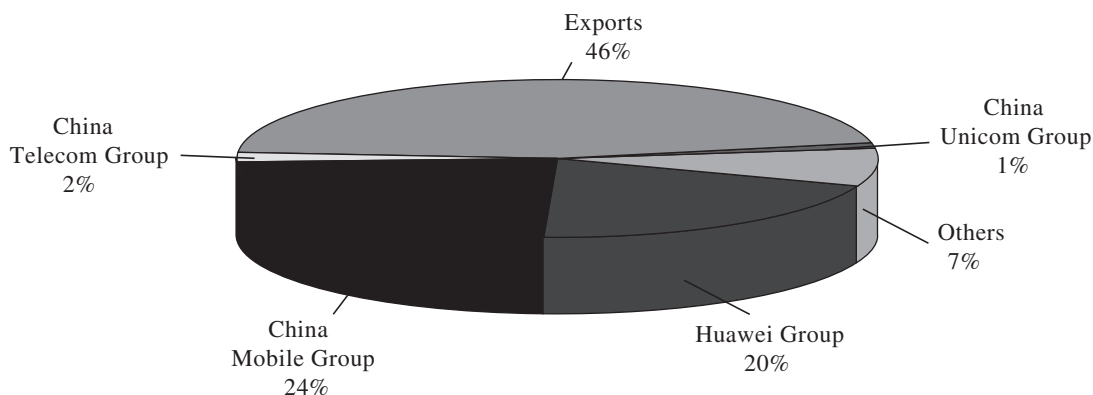


**For the nine months ended 30 September 2013 (by product line)**

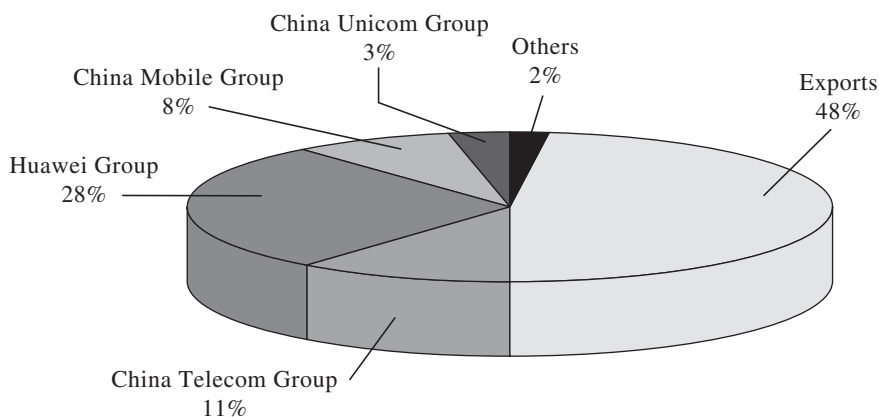


Composite of revenue by major customers for the nine months ended 30 September 2014, together with the comparative figures for the corresponding period in the year 2013, are provided as follows:

**For the nine months ended 30 September 2014 (by major customers)**



**For the nine months ended 30 September 2013 (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 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 margin for the Review Period was approximately 48.6% which increased from approximately 32.8% of the same period in 2013. The main reason for significant improvement in gross profit margin was recognition of service income from radio-frequency module during the Review Period.

### *Other Revenue*

Approximately RMB0.2 million was recognised as gain on debts restructuring in respect of waiver of trade and other payables during the Review Period. Government grants received and amortised were amounted to RMB0.5 million for the Review Period.

### *Operating Costs and Expenses*

There was a decrease of approximately 24% in distribution costs for the Review Period when comparing to the corresponding period in 2013 as the sales and services volume was dropped by more than a half during the Review Period.

Under cost control strategy over the Group’s operations, administrative expenses further decreased from approximately RM7.9 million in the corresponding period of 2013 to RMB4.8 million in the Review Period, representing a decrease of approximately 38.9%. Cost savings include decrease in depreciation of plant and machinery by approximately RMB1.4 million, drop in research and development expenses by RMB1.0 million and reduction in loss on low production level by RMB0.7 million.

Approximately RMB1.5 million of finance cost was incurred for the short term bank borrowings of over RMB44 million during the Review Period, compared to approximately RMB0.9 million in the corresponding period of 2013.

No operating loss of an associate was recognised during the Review Period since its reclassification to available-for-sale investment at the beginning of Review Period.

### *Loss for the period*

Nevertheless reduction in operating costs and expenses and improvement in gross profit margin during the Review Period, an unaudited loss of approximately RMB2.2 million was reported due to exiting production capacity was not fully utilised.



## **PROSPECTS**

With the ongoing effort of strategically restructuring its products offers, the Company has established a solid foundation 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/adjustment businesses. The Group established a joint venture company 海天天綫(上海)國際貿易有限公司 at the pilot free trade zone in Shanghai, the PRC in the first half of 2014, which has been positioned to duly commence its commercial operation. It is expected to create better results and profitability for the Group in near future.

On the other hand, the proposed H share private placement has been approved by the board of Directors, extraordinary general meeting and class meeting of the Company. The purpose of this private placement was to strengthen the Company's operating cash flow position. It is currently under relevant review and approval process with the China Securities Regulatory Commission and is expected to be completed in the first half of 2015. The estimated net proceeds from the placement would be approximately HK\$56 million. Apart from RMB20 million to be applied for repayment of bank loans, the remaining proceeds will be fully utilised as funding of operating cash flow for exploration of market opportunities to enhance the Company's future operating results.

## **DIRECTORS', SUPERVISORY COMMITTEE MEMBERS' (THE "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 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 (“Domestic Shares”)

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	Approximate percentage in the enlarged issued share capital of the Company (Note 3)
Mr. Xiao Bing (肖兵先生)	Personal	Held by controlled corporation	180,000,000 (Note 1)	37.09%	27.82%	19.01%
Mr. Zuo Hong (左宏先生)	Personal	Held by controlled corporation	75,064,706 (Note 2)	15.47%	11.60%	7.93%

### 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 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.
3. The issued share capital of the Company is to be enlarged by the issue and allotment of 300,000,000 H Shares pursuant to the subscription agreements (more particularly described in the circular dated 25 August 2014). The subscription agreements were approved by shareholders of the Company on 10 October 2014 are subject to consents and approvals from the relevant regulatory authorities, which include approval of the China Securities Regulatory Commission and the Stock Exchange.

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 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 (THE "H SHARES")

As at 30 September 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 September 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*

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	Approximate percentage in the enlarged issued share capital of the Company
Tian An Investment	Corporate	Beneficial owner	180,000,000 <i>(Note 1)</i>	37.09%	27.82%	19.01%
Professor Xiao Liangyong (肖良勇教授)	Personal	Parties acting in concert	180,000,000 <i>(Note 1)</i>	37.09%	27.82%	19.01%
Ms. Yao Wenli (姚文俐女士)	Personal	Held by controlled corporation	180,000,000 <i>(Note 1)</i>	37.09%	27.82%	19.01%

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	Approximate percentage in the enlarged issued share capital of the Company (Note 4)
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%	10.56%
Shenzhen Huitai	Corporate	Beneficial owner	75,064,706 (Note 2)	15.47%	11.60%	7.93%
Ms. Yi Li (易麗女士)	Personal	Held by controlled corporation	75,064,706 (Note 2)	15.47%	11.06%	7.93%
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%	7.41%
Xi'an Finance Bureau* (西安市財政局)	Corporate	Held by controlled corporation	70,151,471 (Note 3)	14.46%	10.84%	7.41%
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%	7.41%

*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. 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.
4. The issued share capital of the Company is to be enlarged by the issue and allotment of 300,000,000 H Shares pursuant to the subscription agreements (more particularly described in the circular dated 25 August 2014). The subscription agreements were approved by shareholders of the Company on 10 October 2014 are subject to consents and approvals from the relevant regulatory authorities, which include approval of the China Securities Regulatory Commission and the Stock Exchange.

**(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*

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	Approximate percentage in the enlarged issued share capital of the Company (Note 8)
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%	5.71%
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%	5.71%

*Long positions in H Shares*

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	Approximate percentage in the enlarged issued H Shares of the Company (Note 8)	Approximate percentage in the enlarged issued share capital of the Company (Note 8)
Taicom Capital Ltd.	Corporate	Investment manager	13,004,000 (Note 2)	8.04%	2.01%	2.82%	1.37%
Carlson Fund Equity Asian Small Cap	Corporate	Investment manager	10,520,000 (Note 2)	6.50%	1.63%	2.28%	1.11%
Ms. Song Ying	Personal	Beneficial owner	8,800,000 (Note 2)	5.44%	1.36%	1.91%	0.93%

Name of shareholder	Type of interest	Capacity	Number of H Shares to be issued and allotted (Note 8)	Approximate percentage in the total issued H Shares of the Company	Approximate percentage in the total issued share capital of the Company	Approximate percentage in the enlarged issued H Shares of the Company (Note 8)	Approximate percentage in the enlarged issued share capital of the Company (Note 8)
Hongkong Jinsheng Enterprise Co., Limited (香港錦昇企業有限公司)	Corporate	Beneficial owner	80,000,000 (Note 3)	49.45%	12.36%	17.32%	8.45%
Mr. Duan Bin (段斌先生)	Personal	Held by controlled corporation	80,000,000 (Note 3)	49.45%	12.36%	17.32%	8.45%
Great Harmony Ventures Limited (大同創投有限公司)	Corporate	Beneficial owner	60,000,000 (Note 4)	37.09%	9.27%	12.99%	6.34%
Ms. Yin Shan (殷珊女士)	Personal	Held by controlled corporation	60,000,000 (Note 4)	37.09%	9.27%	12.99%	6.34%
Long Apex Limited	Corporate	Beneficial owner	60,000,000 (Note 5)	37.09%	9.27%	12.99%	6.34%
Mr. Guo Yanjun (郭燕軍先生)	Personal	Held by controlled corporation	60,000,000 (Note 5)	37.09%	9.27%	12.99%	6.34%
Campari Winner Limited	Corporate	Beneficial owner	50,000,000 (Note 6)	30.91%	7.73%	10.83%	5.28%
Ms. Lu Jinhua (陸謹華女士)	Personal	Held by controlled corporation	50,000,000 (Note 6)	30.91%	7.73%	10.83%	5.28%
Variant Wealth Limited	Corporate	Beneficial owner	50,000,000 (Note 7)	30.91%	7.73%	10.83%	5.28%
Ms. Sun Siwei (孫思瑋女士)	Personal	Held by controlled corporation	50,000,000 (Note 7)	30.91%	7.73%	10.83%	5.28%

*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.
3. The H Shares are to be issued and allotted to Hongkong Jinsheng Enterprise Co., Limited, which is beneficially owned as to 80% by Mr. Duan Bin. By virtue of the SFO, Mr. Duan Bin was deemed to be interested in the same 80,000,000 H Shares to be issued and allotted to Hongkong Jinsheng Enterprise Co., Limited.
4. The H Shares are to be issued and allotted to Great Harmony Ventures Limited, which is beneficially and wholly owned by Ms. Yin Shan. By virtue of the SFO, Ms. Yin Shan was deemed to be interested in the same 60,000,000 H Shares to be issued and allotted to Great Harmony Ventures Limited.
5. The H Shares are to be issued and allotted to Long Apex Limited, which is beneficially and wholly owned by Mr. Guo Yanjun. By virtue of the SFO, Mr. Guo Yanjun was deemed to be interested in the same 60,000,000 H Shares to be issued and allotted to Long Apex Limited.
6. The H Shares are to be issued and allotted to Campari Winner Limited, which is beneficially and wholly owned by Ms. Lu Jinhua. By virtue of the SFO, Ms. Lu Jinhua was deemed to be interested in the same 50,000,000 H Shares to be issued and allotted to Campari Winner Limited.
7. The H Shares are to be issued and allotted to Variant Wealth Limited, which is beneficially and wholly owned by Ms. Sun Siwei. By virtue of the SFO, Ms. Sun Siwei was deemed to be interested in the same 50,000,000 H Shares to be issued and allotted to Variant Wealth Limited.
8. The issued share capital of the Company is to be enlarged by the issue and allotment of 300,000,000 H Shares pursuant to the subscription agreements (more particularly described in the circular dated 25 August 2014). The subscription agreements were approved by shareholders of the Company on 10 October 2014 are subject to consents and approvals from the relevant regulatory authorities, which include approval of the China Securities Regulatory Commission and the Stock Exchange.

Save as disclosed above, as at 30 September 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 September 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 nine months ended 30 September 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.

## **CODE ON CORPORATE GOVERNANCE PRACTICES**

For the nine months ended 30 September 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 nine months ended 30 September 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 nine months ended 30 September 2014.

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

Xi'an, the PRC, 7 November 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 (閆鋒先生) 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 Announcement" 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 purposes only