



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 2015**

**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 2015, unaudited gross profit amounted to RMB7.51 million and gross profit margin was 40.8% which represented a significant increase when compared to the gross profit margin of 6.1% for the corresponding period in 2014.
- The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2015.

CONSOLIDATED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

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 2015, together with the unaudited comparative figures for the corresponding period in the year 2014 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	
		2015	2014	2015	2014
		RMB'000	<i>RMB'000</i>	RMB'000	<i>RMB'000</i>
Revenue	3	17,976	2,325	18,399	3,342
Cost of sales		(10,657)	(1,899)	(10,892)	(3,137)
Gross profit		7,319	426	7,507	205
Other revenue		779	139	1,322	1,152
Distribution costs		(250)	(558)	(1,019)	(988)
Administrative expenses		(3,705)	(1,244)	(6,289)	(3,297)
Finance costs		(230)	(971)	(1,210)	(1,440)
Profit (Loss) before tax		3,913	(2,208)	311	(4,368)
Income tax expense	4	–	–	–	(40)
Profit (Loss) and total comprehensive income (expense) for the period	5	3,913	(2,208)	311	(4,408)
Profit (Loss) per share – Basic and diluted (in RMB cents)	7	0.47	(0.34)	0.04	(0.68)

Condensed Consolidated Statement of Financial Position

		(Unaudited) As at 30 June 2015 <i>RMB'000</i>	(Audited) As at 31 December 2014 <i>RMB'000</i>
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment	8	1,650	236
Intangible assets		145	–
Available-for-sale investment	9	–	988
		<u>1,795</u>	<u>1,224</u>
Current assets			
Inventories		1,804	2,435
Trade receivables	10	44,430	95,473
Other receivables and prepayments		33,560	5,673
Amounts due from directors		1,172	–
Amounts due from related parties		26,501	26,501
Pledged bank deposits		–	90
Bank balances and cash		2,769	1,207
		<u>110,236</u>	<u>131,379</u>
Current liabilities			
Trade payables	11	17,193	76,236
Other payables and accrued charges		12,101	25,928
Tax payables		6,103	64
Amounts due to directors		293	687
Bank and other borrowings		20,000	20,000
		<u>55,690</u>	<u>122,915</u>

	(Unaudited)	(Audited)
	As at	As at
	30 June	31 December
	2015	2014
<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net current assets	<u>54,546</u>	<u>8,464</u>
Total assets less current liabilities	<u>56,341</u>	<u>9,688</u>
Non-current liabilities		
Deferred income	<u>1,868</u>	<u>1,123</u>
Net assets	<u>54,473</u>	<u>8,565</u>
Capital and reserves		
Share capital	94,706	64,706
Reserves	<u>(40,233)</u>	<u>(56,141)</u>
Equity attributable to owners of the Company and total equity	<u>54,473</u>	<u>8,565</u>

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2015

	(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 2015	64,706	71,229	16,153	15,856	(159,379)	8,565
Issue of 300,000,000 H shares at subscription price of HK\$0.189 each	30,000	15,597	-	-	-	45,597
Profit and total comprehensive income for the period	-	-	-	-	311	311
At 30 June 2015	94,706	86,826	16,153	15,856	(159,068)	54,473
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 2015

	(Unaudited) 2015 <i>RMB'000</i>	(Unaudited) 2014 <i>RMB'000</i>
Net cash (used in) from operating activities	<u>(40,001)</u>	<u>5,387</u>
Investing activities		
Withdrawal of pledged bank deposits	90	25,090
Purchase of property, plant and equipment	(1,507)	(13)
Expenditure on product development	(148)	–
Other investing cash flows	<u>(1,158)</u>	<u>–</u>
Net cash (used in) from investing activities	<u>(2,723)</u>	<u>25,077</u>
Financing activities		
Issue of new shares	45,597	–
New bank and other borrowings raised	20,000	15,000
Repayment of bank and other borrowings	(20,000)	(44,167)
Other financing cash flows	<u>(1,311)</u>	<u>(1,369)</u>
Net cash from (used in) financing activities	<u>44,286</u>	<u>(30,536)</u>
Net increase (decrease) in cash and cash equivalents	1,562	(72)
Cash and cash equivalents at the beginning of period	<u>1,207</u>	<u>1,457</u>
Cash and cash equivalents at the end of period represented by bank balances and cash	<u>2,769</u>	<u>1,385</u>

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

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 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 2014.

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	
	2015	2014	2015	2014
	RMB'000	RMB'000	RMB'000	RMB'000
Sales of antennas and related products	17,975	872	18,026	1,555
Service income	1	1,453	373	1,787
	<u>17,976</u>	<u>2,325</u>	<u>18,399</u>	<u>3,342</u>

The Group is organised into a single operating segment as sale of antennas 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	
	2015	2014	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
PRC (country of domicile)	17,976	2,325	18,399	3,143
Asia excluding PRC	<u>—</u>	<u>—</u>	<u>—</u>	<u>199</u>
	<u>17,976</u>	<u>2,325</u>	<u>18,399</u>	<u>3,342</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. PROFIT (LOSS) FOR THE PERIOD

	(Unaudited) For the three months ended 30 June		(Unaudited) For the six months ended 30 June	
	2015	2014	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Profit (Loss) for the period has been arrived at after charging (crediting):				
Depreciation for property, plant and equipment	45	62	92	741
Amortisation of intangible assets (included in administrative expenses)	<u>4</u>	<u>–</u>	<u>4</u>	<u>–</u>
Total depreciation and amortisation	<u>49</u>	<u>62</u>	<u>96</u>	<u>741</u>
Auditors' remuneration				
– audit services	–	–	–	–
– other services	72	5	72	19
Cost of inventories recognised as an expense	10,860	825	10,892	1,776
Staff costs				
– Directors' remuneration and remuneration of members of supervisory committee (the "Supervisors")	218	112	280	169
– Salaries, wages and other benefits	1,126	368	1,814	638
– Retirement benefit scheme contributions (excluding Directors and Supervisors)	<u>70</u>	<u>55</u>	<u>125</u>	<u>110</u>
Total staff costs	<u>1,414</u>	<u>535</u>	<u>2,219</u>	<u>917</u>
Reversal of allowance for inventories (included in costs of sales)	(3,245)	–	(3,448)	–
Research and development costs recognised as an expense	232	(282)	232	68
Interests on bank and borrowings wholly repayable within five years	<u>337</u>	<u>1,197</u>	<u>917</u>	<u>1,502</u>
Interest income	<u>10</u>	<u>231</u>	<u>14</u>	<u>232</u>

6. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2015 (2014: nil).

7. PROFIT (LOSS) PER SHARE

The calculation of basic loss per share attributable to the owners of the Company is based on the unaudited profit for the three months and six months ended 30 June 2015 attributable to owners of the Company of RMB3,913,000 and RMB311,000 respectively (2014: loss of RMB2,208,000 and RMB4,408,000 respectively) and the weighted average number of 832,058,824 (2014: 647,058,824) ordinary shares in issue during the period. The weighted average number of ordinary shares is the number of 647,058,824 ordinary shares in issue at the beginning of the period, adjusted by the number of 300,000,000 ordinary shares issued during the period multiplied by a time-weighting factor.

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 approximately RMB1.51 million (2014: RMB0.10 million) on acquisition of property, plant and equipment.

9. AVAILABLE-FOR-SALE INVESTMENT

	(Unaudited)	(Audited)
	As at	As at
	30 June	31 December
	2015	2014
	RMB'000	RMB'000
Unlisted investment in equity security	<u> -</u>	<u> 988</u>

On 17 March 2015, 5.64% (2014: 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, held by the Group was sold.

10. TRADE RECEIVABLES

	(Unaudited)	(Audited)
	As at	As at
	30 June	31 December
	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	69,451	121,139
<i>Less: impairment loss recognised</i>	(25,021)	(25,666)
	<u>44,430</u>	<u>95,473</u>

The Group allows a credit period ranging from 5 to 240 days (2014: 5 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 Group does not hold any collateral over these balances.

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
	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
Within 60 days	26,996	4,209
61 to 120 days	2,823	439
121 to 180 days	297	46,243
181 to 365 days	726	31,105
Over 365 days	13,588	13,477
	<u>44,430</u>	<u>95,473</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
	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
Within 60 days	7,828	5,472
61 to 120 days	–	–
121 to 365 days	629	64,542
Over 365 days	8,736	6,222
	<u>17,193</u>	<u>76,236</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
	2015	2014
	<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:

During the year ended 31 December 2014, a group of former employees (the “Former Employees”) filed a writ against the Company at the People’s Court. The Former Employees claimed that the Company owed the Former Employees compensation for termination payment. The court case was concluded of which the Company was demanded to pay the Former Employees for the amount of RMB1,101,530. As at 30 June 2015, a total amount of RMB541,530 has not yet been paid to the Former Employees. In the opinion of the directors of the Company, the above case did not have any material impact on the Company’s unaudited consolidated financial statements for six months ended 30 June 2015 as the amount claimed by the Former Employees was included in other payables.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Revenue

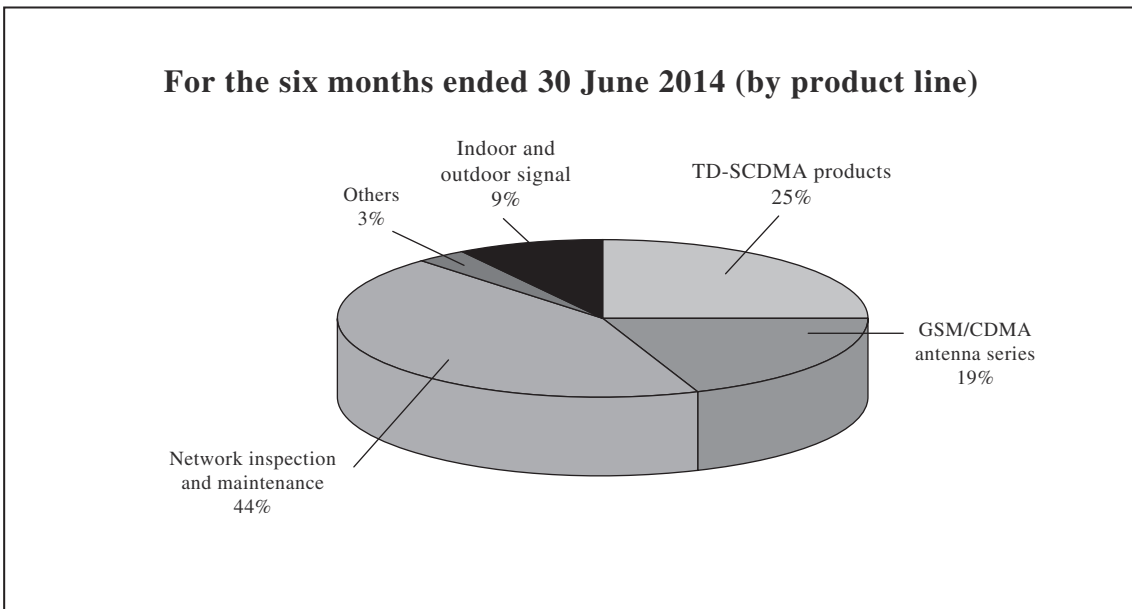
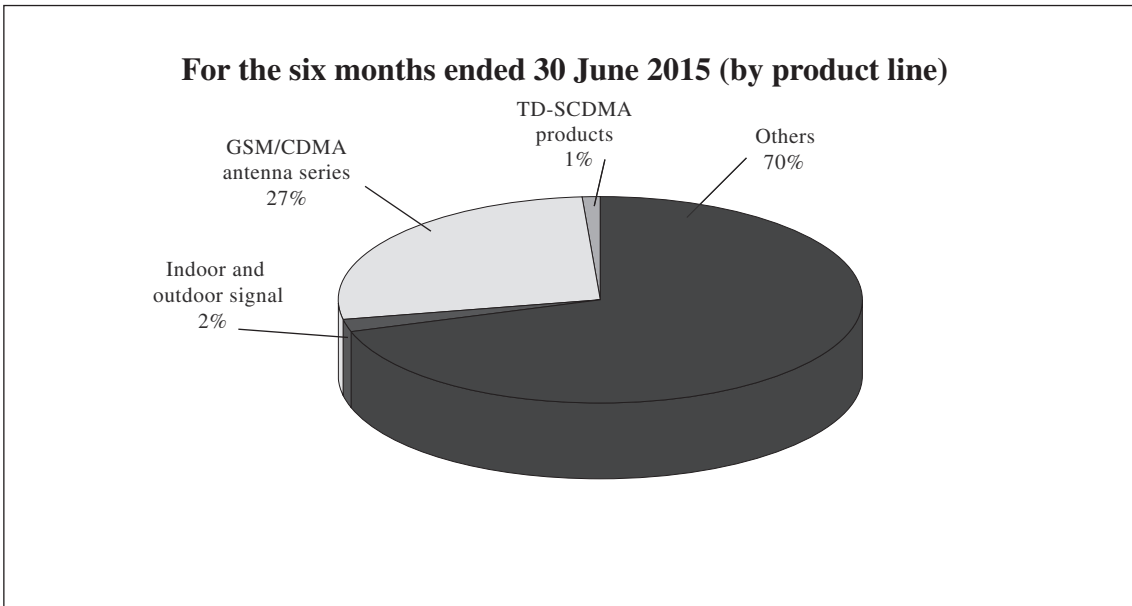
Unaudited revenue of approximately RMB18.40 million was recognised for the six months ended 30 June 2015 (the “Review Period”), representing more than 550% of unaudited revenue for the corresponding period in 2014. Significant increase in revenue was mainly due to new source of income generated from garden alarm system and video surveillance system in the Review Period.

Service income was accounted for merely 2% of revenue during the Review Period, compared to more than 53% for the corresponding period in 2014. Less than 1% revenue was come from network inspection and maintenance services, and revenue from indoor and outdoor signal services was accounted for less than 2% for the Review Period. It is because the Group concentrated its resources in the development of other new products during the Review Period.

Total sales of GSM/CDMA antenna series and TD-SCDMA products were dropped from approximately 44% of revenue for the corresponding period in 2014 to approximately 28% for the Review Period due to low production level of antenna products during the Review Period. New products of garden alarm system and video surveillance system were introduced to the market in the second quarter of 2015 which contributed nearly 60% of revenue for the Review Period.

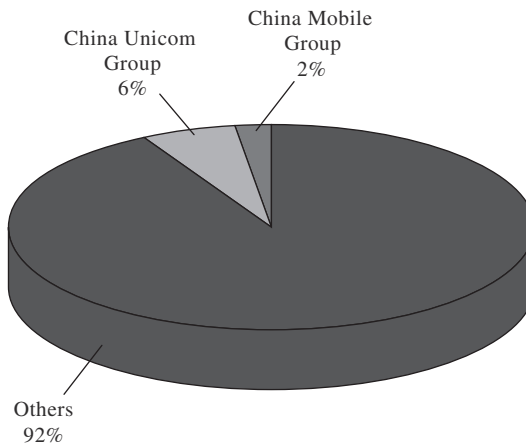
Complying with development of new products and diversification policy to local agents and international suppliers for telecommunication facilities, the Group’s customer base was further diversified into different customer groups. Total revenue generated from the three major telecommunication operators was just 8% during the Review Period, compared to approximately 49% for the corresponding period in 2014.

Composite of revenue by product line for the six months ended 30 June 2015, together with the comparative figures for the corresponding period in the year 2014, are provided as follows:

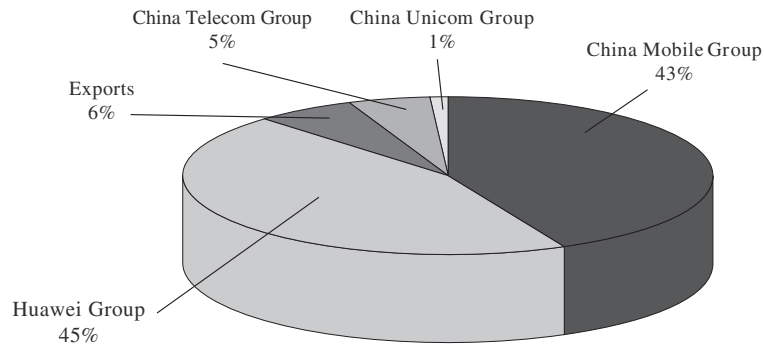


Composite of revenue by major customers for the six months ended 30 June 2015, together with the comparative figures for the corresponding period in the year 2014, are provided as follows:

For the six months ended 30 June 2015 (by major customers)



For the six months ended 30 June 2014 (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 of approximately RMB7.51 million was recorded for the Review Period which represented gross profit margin of 40.8%. Comparing to the unaudited gross profit margin of 6.1% for the corresponding period in 2014, it was mainly attributable to reversal of allowance for inventories in respect of antenna products sold and high profit margin of new products for the Review Period. More than a half of gross profit was come from sales of garden alarm system and video surveillance system.

Other Revenue

Approximately RMB0.65 million was attributable to impairment loss reversed in respect of trade receivables, other receivables and prepayment and approximately RMB0.56 million was recognised as government grant received and amortised during the Review Period.

Operating Costs and Expenses

Distribution costs were remained stable and only increased by approximately RMB0.03 million for the Review Period. Under cost effectiveness approach, engineering costs were decreased by approximately RMB0.07 million during the Review Period but transportation costs were increased by approximately RMB0.17 million due to growth in sales volume.

There was significant increase in administration expenses for the Review Period by approximately 90.7% comparing to the corresponding period in 2014. It was mainly resulted from increase in salaries, agency and professional fees and travel expenses by approximately RMB1.09 million, RMB0.85 million and RMB0.41 million respectively, most of which were used for development of new business and issue of shares during the Review Period.

Interests on bank borrowings incurred were dropped to approximately RMB0.92 million for the Review Period from approximately RMB1.50 million for the corresponding period in 2014, as the bank borrowings level was merely RMB20 million during the Review Period but over RMB44 million for the corresponding period in 2014.

Profit for the period

Success in introduction of new products to the market and effective cost control over operations during the Review Period, unaudited profit attributable to shareholders of approximately RMB0.31 million was recorded, which represented a profit turnaround as compared to unaudited loss in the corresponding period in 2014.

PROSPECTS

During the first half of 2015, the Group has substantially achieved turnaround through vigorous expansion into new business and more stringent account receivables management. Meanwhile, the Group has completed the new issue of an aggregate 300,000,000 H Shares which raised approximately HK\$56,000,000 of gross proceeds, thereby significantly improved the operating cash flow of the Company during the first half of the year. The Group will continue to cut subsequent expenditure in the mobile communication antenna market and will shift its focus to the research, development and production of aviation products and marine products, and devoting more effort on market development.

In addition, our newly established companies namely, Xi'an Haitian Marine Technologies Co., Ltd.* (西安海天海洋科技有限公司) and Xi'an Haitian Aerospace Technologies Co., Ltd.* (西安海天航空航天科技有限公司) gained initial success with satisfactory operational performance, in which Xi'an Haitian Marine Technologies Co., Ltd.* (西安海天海洋科技有限公司) had successfully developed a number of products for underwater and underground surveillance, imaging, mechanical equipment, and complicated environment warning and surveillance equipment, all showcased promising market potentials. Xi'an Haitian Aerospace Technologies Co., Ltd.* (西安海天航空航天科技有限公司) had newly extended into the agricultural and forestry unmanned aerial vehicles ("UAV") services market in various provinces and cities across the country, and commenced research and development projects for related agricultural and forestry UAV services products. It is expected that the above new products will boost the sales to a fresh new round of growth in 2015, facilitate the Group to realise strategic diversification of products and achieve better business performance.

* *For identification purposes only*

Furthermore, in respect of fund required for development of a diversified business model, in addition to financing channels of regular bank borrowings, the Company is conducting a new domestic shares placing, which is expected to raise over RMB 40 million in cash if being approved at the general meeting to be held on 21 August 2015. The Board and the management will step up their efforts in building the Group into a high-tech corporation with diversified business portfolio.

LIQUIDITY AND FINANCIAL RESOURCES

During the period, the Group was mainly financed by cash from banking facilities and borrowings. As at 30 June 2015, the Group had bank borrowings of approximately RMB20.00 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 5.95% to 6.50% per month. Since all the borrowings were denominated in RMB, the Directors consider that exposure to foreign exchange risk was minimal.

As at 30 June 2015, the Group's gearing ratio was 36.7% (as at 31 December 2014: 232.6%), which is calculated based on total interest-bearing borrowings of approximately RMB20.00 million over total shareholders' funds of approximately RMB54.47 million. Cash and cash equivalents increased from approximately RMB1.21 million to RMB2.77 million. No bank deposits of the Group was pledged as at 30 June 2015.

CHARGES ON GROUP ASSETS

As at 30 June 2015, there was no material charges on assets of the Group.

CONTINGENT LIABILITIES

As at 30 June 2015, the Group did not have any material contingent liabilities.

FOREIGN EXCHANGE EXPOSURE

For the period ended 30 June 2015, 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 2015, the Group had 87 full-time employees. Total staff costs for the six months ended 30 June 2015 amounted to approximately RMB2.35 million (six months ended 30 June 2014: RMB0.92 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 sold during the six months ended 30 June 2015, the Group did not hold any significant investment in equity interest in any company.

FUTURE PLANS FOR MATERIAL INVESTMENTS

As at 30 June 2015, the Group had no capital expenditure contracted for but not provided in the financial statements (as at 31 December 2014: 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 2015, 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 ITS ASSOCIATED CORPORATIONS

As at 30 June 2015, the interests and short positions of the Directors, Supervisors (as if the requirements applicable to the Directors under the Securities and Futures Ordinance (the “SFO”) (Chapter 571 of the Laws of Hong Kong) had applied to the Supervisors) and chief executives of the Company in the shares (the “Shares”), underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long positions in domestic shares of the Company (“Domestic Shares”)

Name of person	Capacity	Number of Domestic Shares	Approximate %	Approximate %	Approximate %	Approximate %
			in total issued Domestic Shares	in total issued Shares	in enlarged issued Domestic Shares	in enlarged issued Shares
Mr. Xiao Bing (肖兵先生)	Interest in controlled corporation	328,363,637 (Note 1)	67.66%	34.67%	37.09%	24.38%
Mr. Chen Ji (陳繼先生)	Spouse interest	119,693,333 (Note 2)	24.66%	12.64%	13.52%	8.89%
Mr. Zuo Hong (左宏先生)	Interest in controlled corporation	75,064,706 (Note 3)	15.47%	7.93%	8.48%	5.57%
Mr. Wang Yun (王贇先生)	Interest in controlled corporation	70,000,000 (Note 4)	14.42%	7.39%	7.91%	5.20%

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

Name of person	Capacity	Number of H Shares	Approximate		
			% in total issued H Shares	Approximate % in total issued Shares	Approximate % in enlarged issued Share (Note 5)
Mr. Chen Ji (陳繼先生)	Beneficial owner	33,660,000	7.29%	3.55%	2.50%

Notes:

- 180,000,000 Domestic Shares were held by and 148,363,637 Domestic Shares are to be issued and allotted pursuant to the subscription agreement (more particularly described in the circular dated 6 July 2015) to 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 is deemed to be interested in the same 328,363,637 Domestic Shares.
- The Domestic Shares are to be issued and allotted pursuant to the subscription agreement (more particularly described in the circular dated 6 July 2015) to Shanghai Gaoxiang Investment Management Co., Ltd.* (上海高湘投資管理有限公司) (“Gaoxiang Investment”), which is beneficially owned by the spouse and mother-in-law of Mr. Chen Ji in equal share. By virtue of the SFO, Mr. Chen Ji is deemed to be interested in the same 119,693,333 Domestic Shares.
- 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 is deemed to be interested in the same 75,064,706 Domestic Shares.
- The Domestic Shares are to be issued and allotted pursuant to the subscription agreement (more particularly described in the circular dated 6 July 2015) to Xi'an Haorun Investment Ltd.* (西安昊潤投資有限責任公司) (“Haorun Investment”), which is beneficially owned as to 50% by Mr. Wang Yun. By virtue of the SFO, Mr. Wang Yun is deemed to be interested in the same 70,000,000 Domestic Shares.
- The issued Shares are to be enlarged by the issue and allotment of 400,000,000 Domestic Shares pursuant to the subscription agreements (more particularly described in the circular dated 6 July 2015). The subscription agreements are subject to shareholders' approval in the extraordinary general meeting and class meetings held on 21 August 2015, approval of Department of Commerce of Shaanxi Province* (陝西省商務廳) and registration procedures with Department of Industry and Commerce* (工商行政管理部門).

Saved as disclosed above, as at 30 June 2015, none of the Directors, Supervisors and chief executives of the Company had any other interests or short positions in any Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

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

As at 30 June 2015, so far as is known to the Directors, the Supervisors or chief executive of the Company, the following persons/entities (other than the Directors, Supervisors or chief executive of the Company) who/which had, or are deemed to have, interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who/which were or are expected to be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company; or who/which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long positions in domestic shares of the Company (“Domestic Shares”)

Name of shareholder	Capacity	Number of Domestic Shares	Approximate %		Approximate %	
			in total issued Domestic Shares	Approximate % in total issued Shares	in enlarged issued Domestic Shares	Approximate % in enlarged issued Shares
Tian An Investment	Beneficial owner	328,363,637 (Note 1)	67.66%	34.67%	37.09%	24.38%
Professor Xiao Liangyong (肖良勇教授)	Parties acting in concert	328,363,637 (Note 1)	67.66%	34.67%	37.09%	24.38%
Ms. Yao Wenli (姚文俐女士)	Interest in controlled corporation	328,363,637 (Note 1)	67.66%	34.67%	37.09%	24.38%

Name of shareholder	Capacity	Number of Domestic Shares	Approximate %	Approximate %	Approximate %	Approximate %
			in total issued Domestic Shares	in total issued Shares	in enlarged issued Domestic Shares	in enlarged issued Shares
Gaoxiang Investment	Beneficial owner	119,693,333 (Note 2)	24.66%	12.64%	13.52%	8.89%
Ms. Sun Xiangjun (孫湘君女士)	Interest in controlled corporation	119,693,333 (Note 2)	24.66%	12.64%	13.52%	8.89%
Ms. Gao Xuejuan (高雪娟女士)	Interest in controlled corporation	119,693,333 (Note 2)	24.66%	12.64%	13.52%	8.89%
Xi'an International Medical Investment Co., Ltd.* (西安國際醫學投資股份有限公司)	Beneficial owner	100,000,000	20.61%	10.56%	11.29%	7.42%
Shenzhen Huitai	Beneficial owner	75,064,706 (Note 3)	15.47%	7.93%	8.48%	5.57%
Ms. Yi Li (易麗女士)	Interest in controlled corporation	75,064,706 (Note 3)	15.47%	7.93%	8.48%	5.57%
Chang'an International Trust Co., Ltd.* (長安國際信託股份有限公司)	Beneficial owner	70,151,471 (Note 4)	14.46%	7.41%	7.92%	5.21%
Xi'an Finance Bureau* (西安市財政局)	Interest in controlled corporation	70,151,471 (Note 4)	14.46%	7.41%	7.92%	5.21%
Shanghai Zendai Investment Management Co., Ltd.* (上海証大投資管理有限公司)	Interest in controlled corporation	70,151,471 (Note 4)	14.46%	7.41%	7.92%	5.21%
Haorun Investment	Beneficial owner	70,000,000	14.42%	7.39%	7.91%	5.20%
Beijing Holdings Investment Management Co., Ltd.* (北京京泰投資管理中心)	Beneficial owner	54,077,941 (Note 5)	11.14%	5.71%	6.11%	4.01%
Beijing Holdings (Group) Ltd.* (京泰實業(集團)有限公司)	Interest in controlled corporation	54,077,941 (Note 5)	11.14%	5.71%	6.11%	4.01%

Name of shareholder	Capacity	Number of Domestic Shares	Approximate %	Approximate %	Approximate %	Approximate %
			in total issued Domestic Shares	in total issued Shares	in enlarged issued Domestic Shares	in enlarged issued Shares
Shaanxi Yinji Investment Ltd.* (陝西銀吉投資有限公司)	Beneficial owner	20,000,000 (Note 8)	4.12%	2.11%	2.26%	1.48%
Hongshi (Shanghai) Investment Consultancy Ltd.* (宏獅(上海)投資諮詢有限公司)	Beneficial owner	18,500,000 (Note 8)	3.81%	1.95%	2.09%	1.37%
Shanghai Maokou Commerce and Trading Ltd.* (上海睿寇商貿有限公司)	Beneficial owner	18,500,000 (Note 8)	3.81%	1.95%	2.09%	1.37%
Mr. Chen Xiao Bin (陳曉濱先生)	Beneficial owner	6,000,000	1.24%	0.63%	0.68%	0.45%
Mr. Jiao Chengyi (焦成義先生)	Beneficial owner	4,943,030 (Note 8)	1.02%	0.52%	0.56%	0.37%

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

Name of shareholder	Capacity	Number of H Shares	Approximate %	Approximate %	Approximate %
			in total issued H Shares	in total issued Shares	in enlarged issued Shares
Ms. Chen Wei (陳瑋女士)	Interest in controlled corporation	128,860,000 (Note 6 & 7)	27.91%	13.61%	9.57%
Hongkong Jinsheng Enterprise Co., Limited (香港錦昇企業有限公司)	Beneficial owner	80,000,000 (Note 7)	17.33%	8.45%	5.94%
Mr. Zhang Yang (張揚先生)	Beneficial owner	45,400,000 (Note 6)	9.83%	4.79%	3.37%
Oceanic Bliss Holdings Limited	Beneficial owner	25,528,000 (Note 6 & 7)	5.53%	2.70%	1.90%
Oceanic Harvest International Ltd.	Beneficial owner	23,332,000 (Note 6 & 7)	5.05%	2.46%	1.73%

Notes:

1. 180,000,000 Domestic Shares were held by and 148,363,637 Domestic Shares are to be issued and allotted pursuant to the subscription agreement (more particularly described in the circular dated 6 July 2015) to 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 is deemed to be interested in the same 328,363,637 Domestic Shares.
2. The Domestic Shares are to be issued and allotted pursuant to the subscription agreement (more particularly described in the circular dated 6 July 2015) to Gaoxiang Investment, which is beneficially owned by Ms. Sun Xiangjun and Ms. Gao Xuejuan in equal share. By virtue of the SFO, each of Ms. Sun Xiangjun and Ms. Gao Xuejuan is deemed to be interested in the same 119,693,333 Domestic Shares.
3. 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 is deemed to be interested in the same 75,064,706 Domestic Shares.
4. The Domestic Shares were held by Chang'an International Trust Co., Ltd.* ("CITI"). 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 CITI, are deemed to be interested in the same 70,151,471 Domestic Shares.
5. The Domestic Shares were held by Beijing Holdings Investment Management Co., Ltd.* ("Beijing Holdings"). By virtue of the SFO, Beijing Holdings (Group) Ltd.*, which holds more than one third of voting rights of Beijing Holdings, is deemed to be interested in the same 54,077,941 Domestic Shares.
6. 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 updated notice from them.
7. 80,000,000 H Shares, 25,528,000 H Shares and 23,332,000 H Shares were held by Hongkong Jinsheng Enterprise Co., Limited, Oceanic Bliss Holdings Limited and Oceanic Harvest International Ltd. respectively, which are beneficially owned by Ms. Chen Wei. By virtue of the SFO, Ms. Chen Wei is deemed to be interested in the same 128,860,000 H Shares.
8. The issued Shares are to be enlarged by the issue and allotment of 400,000,000 Domestic Shares pursuant to the subscription agreements (more particularly described in the circular dated 6 July 2015). The subscription agreements are subject to shareholders' approval in the extraordinary general meeting and class meetings held on 21 August 2015, approval of Department of Commerce of Shaanxi Province* (陝西省商務廳) and registration procedures with Department of Industry and Commerce* (工商行政管理部門).

Saved as disclosed above, as at 30 June 2015, the Directors, Supervisors and chief executives of the Company were not aware of any other person/entity (other than the Directors, Supervisors or chief executive of the Company) who/which had, or is deemed to have, interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who/which was or is expected to be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company; or who/which was recorded in the register required to be kept by the Company under Section 336 of the SFO.

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

As at 30 June 2015, 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.

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 2015, the Audit Committee comprised of Ms. Huang Jing 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 2015 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 six months ended 30 June 2015, 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 2015, 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 2015.

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

Xi'an, the PRC, 7 August 2015

As at the date of this announcement, the Board comprises, Mr. Xiao Bing (肖兵先生) and Mr. Chen Ji (陳繼先生) being executive Directors; Mr. Sun Wenguo (孫文國先生), Mr. Li Wenqi (李文琦先生), Mr. 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), Professor Shi Ping (師萍教授) and Ms. Huang King (黃婧女士) 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>.

* For identification purposes only