



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 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

- The Group's unaudited revenue for the nine months ended 30 September 2015 was approximately RMB24.31 million, representing an increase of approximately 172.1% when compared with that of the corresponding period in the year 2014.
- The Group's unaudited loss for the nine months ended 30 September 2015 was approximately RMB4.04 million, and the Group recorded a loss of approximately RMB2.22 million for the corresponding period in the year 2014.
- The Board does not recommend the payment of a dividend for the nine months ended 30 September 2015 (2014: nil).

## CONSOLIDATED RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015

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 2015, together with the unaudited comparative figures for the corresponding period in the year 2014 as follows:

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

	Notes	(Unaudited) For the three months ended 30 September		(Unaudited) For the nine months ended 30 September	
		2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
Revenue	3	5,913	5,594	24,312	8,936
Cost of sales		<u>(3,816)</u>	<u>(1,456)</u>	<u>(14,708)</u>	<u>(4,593)</u>
Gross profit		2,097	4,138	9,604	4,343
Other revenue		450	321	1,772	1,473
Distribution costs		(788)	(390)	(1,807)	(1,378)
Administrative expenses		(5,494)	(1,506)	(11,783)	(4,803)
Finance costs		<u>(618)</u>	<u>(371)</u>	<u>(1,828)</u>	<u>(1,811)</u>
(Loss) profit before tax		(4,353)	2,192	(4,042)	(2,176)
Income tax expense	4	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40)</u>
(Loss) profit and total comprehensive (expense) income for the period		<u>(4,353)</u>	<u>2,192</u>	<u>(4,042)</u>	<u>(2,216)</u>
(Loss) earnings per share – Basic and diluted (in RMB cents)	6	<u>(0.50)</u>	<u>0.34</u>	<u>(0.46)</u>	<u>(0.34)</u>

## Notes to the Consolidated Financial Results

For the nine months ended 30 September 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 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 unaudited consolidated financial information 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:

	<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>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Sales of antennas and related products	<b>997</b>	1,087	<b>19,023</b>	2,642
Service income	<b>4,916</b>	4,507	<b>5,289</b>	6,294
	<b><u>5,913</u></b>	<u>5,594</u>	<b><u>24,312</u></b>	<u>8,936</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>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
PRC	<b>5,913</b>	1,690	<b>24,312</b>	4,833
Asia excluding PRC	<b>–</b>	3,904	<b>–</b>	4,103
	<b><u>5,913</u></b>	<u>5,594</u>	<b><u>24,312</u></b>	<u>8,936</u>

#### 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. DIVIDENDS

The Board does not recommend the payment of a dividend for the nine months ended 30 September 2015 (2014: nil).

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

The calculation of basic (loss) earnings per share attributable to the owners of the Company is based on the unaudited loss for the three months and loss for the nine months ended 30 September 2015 attributable to owners of the Company of RMB4,353,000 and RMB4,042,000 respectively (2014: profit of RMB2,192,000 and loss of RMB2,216,000 respectively) and the weighted average number of 870,392,157 (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) earnings per share is equal to the basic (loss) earnings 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 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>
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
Loss and total comprehensive expense for the period	—	—	—	—	(4,042)	(4,042)
At 30 September 2015	<u>94,706</u>	<u>86,826</u>	<u>16,153</u>	<u>15,856</u>	<u>(163,421)</u>	<u>50,120</u>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

#### *Revenue*

Unaudited revenue of approximately RMB24.31 million was recorded for the nine months ended 30 September 2015 (the “Review Period”), representing approximately 272% of unaudited revenue for the corresponding period in 2014. Notable increase in revenue was mainly attributable to new source of income from alarm system, video surveillance system and technical advisory service during the Review Period.

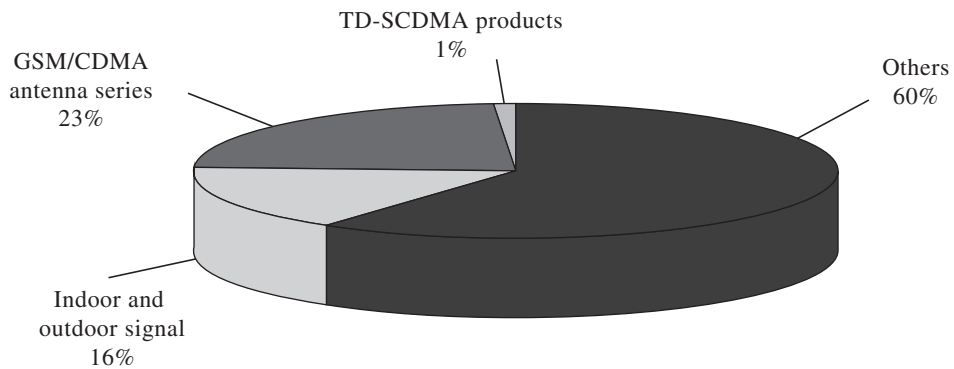
Sales from the traditional GSM/CDMA antenna series and TD-SCDMA products were accounted for approximately 23% and 1% of revenue respectively for the Review Period, compared to approximately 7% and 19% respectively in the corresponding period of 2014. Sales of alarm and video surveillance system contributed over 46% of revenue since their introduction to the market in the second quarter of 2015.

Service income of approximately RMB5.29 million, merely 22% of revenue, was recognised during the Review Period, representing a decrease of approximately 16% from the corresponding period in 2014. Around 6% of service income was come from technical advisory since the third quarter of 2015, whereas no such revenue was recognised in the corresponding period of 2014. Income from indoor and outdoor signal services was increased from approximately 5% of revenue for the corresponding period in 2014 to approximately 16% for the Review Period. Less than 1% of revenue was generated from network inspection and maintenance services during the Review Period.

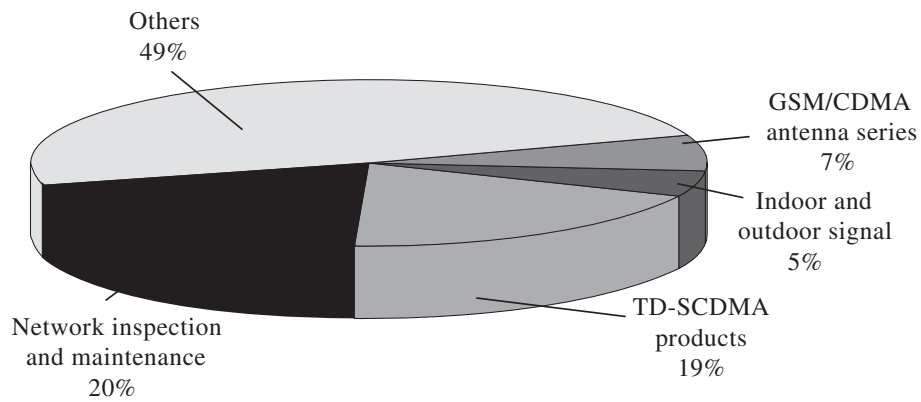
The Group’s customer base was further diversified to other suppliers for telecommunication facilities and other customer groups during the Review Period and approximately 21% of revenue was generated from the three major telecommunication operators for the Review Period, compared to approximately 27% for the corresponding period in 2014.

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

**For the nine months ended 30 September 2015 (by product line)**

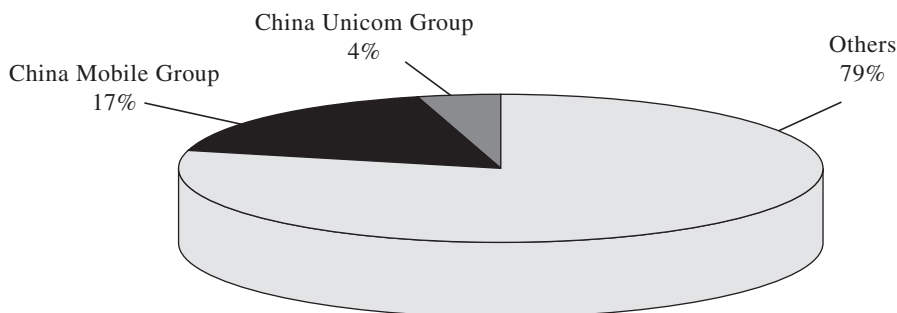


**For the nine months ended 30 September 2014 (by product line)**

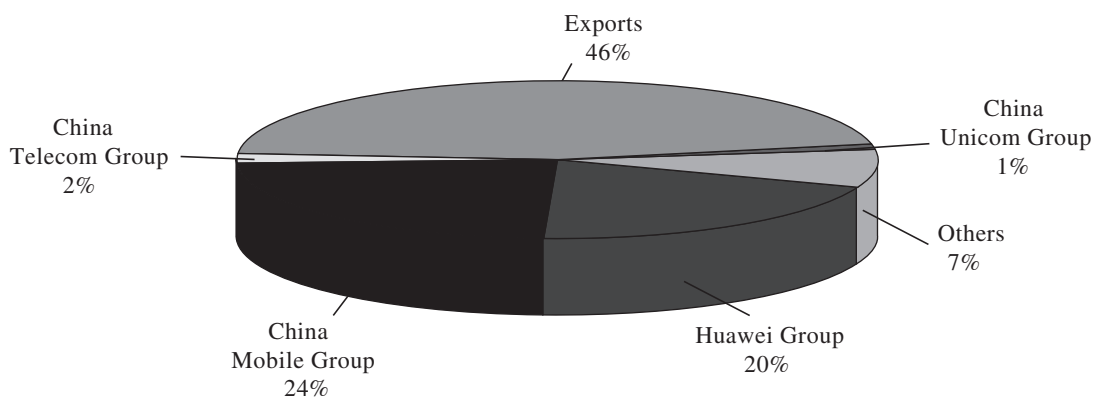


Composite of revenue by major customers for the nine months ended 30 September 2015, together with the comparative figures for the corresponding period in the year 2014, are provided as follows:

**For the nine months ended 30 September 2015 (by major customers)**



**For the nine months ended 30 September 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 margin for the Review Period was approximately 39.5% which decreased from approximately 48.6% of the same period in 2014. The main reason for decrease in gross profit margin was recognition of service income from radio-frequency module which has a relatively high profit margin in the same period in 2014.

### *Other Revenue*

Approximately RMB0.82 million was recognised as impairment loss reversed in respect of trade receivables, other receivables and prepayment during the Review Period. Government grants received and amortised were amounted to RMB0.84 million for the Review Period.

### *Operating Costs and Expenses*

There was an increase of approximately 31% in distribution costs for the Review Period when comparing to the corresponding period in 2014 as the sales and services volume was raised significantly during the Review Period.

Due to development of new products and markets and new issue of shares during the Review Period, administrative expenses increased from approximately RM4.80 million in the corresponding period of 2014 to approximately RMB11.78 million in the Review Period, representing an increase of approximately 145.3%. The significant change was mainly attributable to the increase in salaries, agency and professional fees, research and development expenses, and travel expenses by approximately RMB2.66 million, RMB1.04 million, RMB0.80 million and RMB0.70 million respectively.

Approximately RMB1.28 million of finance cost was incurred for the short term bank borrowings of approximately RMB20 million during the Review Period, compared to approximately RMB1.50 million for over RMB44 million in the corresponding period of 2014.

### *Loss for the period*

Nevertheless significant improvement in revenue during the Review Period, an unaudited loss of approximately RMB4.04 million was reported due to development of business for new products and markets.



## **PROSPECTS**

During the first three quarters of 2015, upon the completion of the new issue of 300,000,000 H Shares, the Group further issued 400,000,000 additional Domestic Shares after obtaining the approval from the shareholders of the Company, which raised approximately RMB42,000,000 and improved the operating cash flow of the Company significantly. The Group will continue to strengthen the research, development and production of aviation products and marine products, and devote more effort on market development.

Leveraging its preliminary technology reserve and development, the Group had completed the research applicable to a wide variety of equipment, including large unmanned gyroplanes for aerial seeding, application of pesticide and fertilizer, plant protection and fire service in agriculture, forestry and husbandry, unmanned high-speed fixed-wing planes and other multi-purpose unmanned small multi-rotors for patrol, surveying, monitoring and meteorological service, unmanned products with heavy technical requirements such as multi-arm calliper for oil well inspection, electronic flaw detector and underwater robot and equipment for underwater and underground surveillance. At the same time, the Group attended major domestic and overseas industrial exhibitions of aerospace and marine technology to establish basic market awareness and expand its customer base. It is expected that the above new products will boost the sales to a fresh new round of growth in 2015 and record an exceptional growth in 2016. It will facilitate the Group to realise the strategic goal of developing advanced products.

Meanwhile, the Company is contemplating the acquisition of a plant for production, research, development and office as relevant infrastructure to complement the research and development of new products. With an area of approximately 10,000 sq.m, the plant shall be able to satisfy customers' needs and deliver sufficient production capacity to lay a solid foundation for research, development and examination.

The Group has been endeavouring to leverage the capital market to develop its products on the basis of its traditional business of communication products. Following the successful entry into high-tech fields such as aerospace and marine products, the Board and the management of the Company will step up their efforts in building the Group into a high-tech corporation with diversified business portfolio and development.

**DIRECTORS’, SUPERVISORY COMMITTEE MEMBERS’ (THE “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 September 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 Domestic Shares	in enlarged 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%

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

Name of person	Capacity	Number of H Shares	Approximate	Approximate %	Approximate %
			% in total issued H Shares	in total issued Shares	in enlarged issued Share (Note 3)
Mr. Chen Ji (陳繼先生)	Beneficial owner	39,620,000	8.58%	4.18%	2.94%

### Notes:

- 180,000,000 Domestic Shares are held by and 148,363,637 Domestic Shares are to be issued and allotted pursuant to the subscription agreement (note 3) 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.
- 119,693,333 Domestic Shares are to be issued and allotted pursuant to the subscription agreement (note 3) 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 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 were approved by shareholders of the Company in the extraordinary general meeting and class meetings held on 21 August 2015, and are subject to 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 September 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 September 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

Name of shareholder	Capacity	Number of Domestic Shares	Approximate %	Approximate %	Approximate %	
			in total issued Domestic Shares	in total issued Shares	in enlarged issued Domestic Shares	in enlarged issued Shares
					(Note 13)	(Note 13)
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%
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%

Name of shareholder	Capacity	Number of Domestic Shares	Approximate %		Approximate % in enlarged	
			in total issued Domestic Shares	Approximate % in total issued Shares	issued Domestic Shares (Note 13)	Approximate % in enlarged Shares (Note 13)
Shenzhen Huitai Investment Development Co., Ltd.* (深圳市匯泰投資發展有限公司)	Beneficial owner	75,064,706 (Note 3)	15.47%	7.93%	8.48%	5.57%
Mr. Zuo Hong (左宏先生)	Interest in controlled corporation	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%
Xi'an Haorun Investment Ltd.* (西安昊潤投資有限責任公司)	Beneficial owner	70,000,000 (Note 5)	14.42%	7.39%	7.91%	5.20%
Mr. Wang Yun (王贇先生)	Interest in controlled corporation	70,000,000 (Note 5)	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 6)	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 6)	11.14%	5.71%	6.11%	4.01%
Shaanxi Yinji Investment Ltd.* (陝西銀吉投資有限公司)	Beneficial owner	20,000,000 (Note 13)	4.12%	2.11%	2.26%	1.48%

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
Hongshi (Shanghai) Investment Consultancy Ltd.* (宏獅(上海)投資諮詢有限公司)	Beneficial owner	18,500,000 (Note 13)	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 13)	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 13)	1.02%	0.52%	0.56%	0.37%

### Long positions in 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
Hongkong Jinsheng Enterprise Co., Limited (香港錦昇企業有限公司)	Beneficial owner	80,000,000 (Note 7 & 8)	17.32%	8.45%	5.94%
Mr. Duan Bin (段斌先生)	Interest in controlled corporation	80,000,000 (Note 7 & 8)	17.32%	8.45%	5.94%
Ms. Yin Shan (殷珊女士)	Interest in controlled corporation	60,000,000 (Note 7 & 9)	12.99%	6.34%	4.45%
Ms. Lu Jinhua (陸謹華女士)	Interest in controlled corporation	50,000,000 (Note 7 & 10)	10.83%	5.28%	3.71%
Ms. Sun Siwei (孫思瑋女士)	Interest in controlled corporation	50,000,000 (Note 7 & 11)	10.83%	5.28%	3.71%
Oceanic Harvest International Ltd.	Beneficial owner	23,332,000 (Note 7 & 12)	5.05%	2.46%	1.73%

*Notes:*

1. 180,000,000 Domestic Shares are held by and 148,363,637 Domestic Shares are to be issued and allotted pursuant to the subscription agreement (note 13) 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. 119,693,333 Domestic Shares are to be issued and allotted pursuant to the subscription agreement (note 13) 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. 75,064,706 Domestic Shares are held by Shenzhen Huitai Investment Development Co., Ltd.\* (深圳市匯泰投資發展有限公司), 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. 70,151,471 Domestic Shares are held by Chang'an International Trust Co., Ltd.\* (長安國際信託股份有限公司) ("CITI"). By virtue of the SFO, Xi'an Finance Bureau\* (西安市財政局) and Shanghai Zendai Investment Management Co., Ltd.\* (上海証大投資管理有限公司), 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. 70,000,000 Domestic Shares are to be issued and allotted pursuant to the subscription agreement (note 13) to Xi'an Haorun Investment Ltd.\* (西安昊潤投資有限責任公司), 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.
6. 54,077,941 Domestic Shares are held by Beijing Holdings Investment Management Co., Ltd.\* (北京京泰投資管理中心) ("Beijing Holdings"). By virtue of the SFO, Beijing Holdings (Group) Ltd.\* (京泰實業(集團)有限公司), 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.
7. Details of these shareholders of the Company are 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 pursuant to the SFO from them.
8. 80,000,000 H Shares are held by Hongkong Jinsheng Enterprise Co., Limited, which is beneficially owned by as to 80% by Mr. Duan Bin. By virtue of the SFO, Mr. Duan Bin is deemed to be interested in the same 80,000,000 H Shares.
9. 60,000,000 H Shares are held by Great Harmony Ventures Limited, which is beneficially and wholly owned by Ms. Yin Shan. By virtue of the SFO, Ms. Yin Shan is deemed to be interested in the same 60,000,000 H Shares.
10. 50,000,000 H Shares are held by Campari Winner Limited, which is beneficially and wholly owned by Ms. Lu Jinhua. By virtue of the SFO, Ms. Lu Jinhua is deemed to be interested in the same 50,000,000 H Shares.
11. 50,000,000 H Shares are held by Variant Wealth Limited, which is beneficially and wholly owned by Ms. Sun Siwei. By virtue of the SFO, Ms. Sun Siwei is deemed to be interested in the same 50,000,000 H Shares.
12. Oceanic Harvest International Ltd. is beneficially and wholly owned by Ms. Chen Wei.
13. 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 were approved by shareholders of the Company in the extraordinary general meeting and class meetings held on 21 August 2015, and are subject to 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 September 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 September 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 September 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 nine months ended 30 September 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 nine months ended 30 September 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 nine months ended 30 September 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 nine months ended 30 September 2015.

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

Xi'an, the PRC, 6 November 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 (閔鋒先生), Mr. Xie Yiqun (解益群先生) and Mr. Li Peng (李鵬先生) being non-executive Directors; and Mr. Zhang Jun (張鈞先生), Professor Shi Ping (師萍教授), Ms. Huang Jing (黃婧女士) and Mr. Tu Jijun (涂繼軍先生) 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