



西安海天天綫控股股份有限公司

XI'AN HAITIAN ANTENNA HOLDINGS CO., LTD.*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 8227)

**FIRST QUARTERLY RESULTS ANNOUNCEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2017**

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.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement, for which the directors (the “Directors”) of Xi’an Haitian Antenna Holdings 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.*

HIGHLIGHTS

- During the three months ended 31 March 2017, the Group recorded an unaudited loss of approximately RMB3.77 million, comparing to the unaudited loss of RMB4.79 million for the corresponding period in the year of 2016.
- The unaudited revenue for the three months ended 31 March 2017 was approximately RMB0.83 million, representing approximately 53% of the unaudited revenue for the corresponding period in the year of 2016.
- The Board does not recommend the payment of a dividend for the three months ended 31 March 2017 (2016: nil).

CONSOLIDATED RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2017

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 ended 31 March 2017, together with the unaudited comparative figures for the corresponding period in the year 2016 as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income

		(Unaudited) For the three months ended 31 March	
	Notes	2017 RMB'000	2016 RMB'000
Revenue	3	825	1,544
Cost of sales		<u>(574)</u>	<u>(1,427)</u>
Gross profit		251	117
Other revenue		302	427
Distribution costs		(215)	(675)
Administrative expenses		(3,945)	(4,304)
Finance costs		<u>(161)</u>	<u>(350)</u>
Loss before tax		(3,768)	(4,785)
Income tax expense	4	<u>—</u>	<u>—</u>
Loss and total comprehensive expense for the period		<u><u>(3,768)</u></u>	<u><u>(4,785)</u></u>
Attributable to:			
– Owners of the Company		(3,796)	(4,785)
– Non-controlling interests		<u>28</u>	<u>—</u>
		<u><u>(3,768)</u></u>	<u><u>(4,785)</u></u>
Loss per share			
– Basic and diluted	6	<u><u>(0.25 cents)</u></u>	<u><u>(0.36 cents)</u></u>

Notes to the Consolidated Financial Results

For the three months ended 31 March 2017

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, underwater and underground surveillance, imaging, mechanical equipment, and complicated environment warning and surveillance equipment, agricultural and forestry unmanned aerial vehicles, and provision of consultancy services.

This unaudited consolidated financial information has been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants 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 2016.

3. REVENUE

Revenue is measured at the fair value of the consideration received or receivable for goods sold and services rendered in the normal course of business, net of discounts, sales related taxes, estimated customer returns, rates and other similar allowances.

Analysis of revenue and results by reportable and operating segment:

	(Unaudited)	
	For the three months ended	
	31 March	
	2017	2016
	RMB'000	RMB'000
Revenue		
Sales of antennas products and related services	4	–
Sales of underwater surveillance and related products	–	1,544
Sales of unmanned aerial products	409	–
Sales of construction related products	–	–
Provision of consultancy services	–	–
Others	412	–
	<u>825</u>	<u>1,544</u>
Segment profit (loss)		
Sales of antennas products and related services	211	185
Sales of underwater surveillance and related products	(67)	(145)
Sales of unmanned aerial products	57	(359)
Sales of construction related products	–	–
Provision of consultancy services	–	–
Others	(18)	–
	<u>183</u>	<u>(319)</u>
Unallocated income	–	99
Unallocated expenses	(3,790)	(4,215)
Finance costs	(161)	(350)
Loss before tax	<u>(3,768)</u>	<u>(4,785)</u>

Segment profit (loss) represents the profit earned (loss) from by each segment without allocation of central administration costs, directors' salaries, certain other revenue and finance costs.

Analysis of revenue by geographical location:

	(Unaudited)	
	For the three months ended	
	31 March	
	2017	2016
	RMB'000	RMB'000
PRC	825	1,544
Asia excluding PRC	–	–
	<u>825</u>	<u>1,544</u>

4. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax has been made for the period ended 31 March 2017 as there was no assessable profit for the period (2016: nil).

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%.

5. DIVIDENDS

The Board does not recommend the payment of a dividend for the three months ended 31 March 2017 (2016: nil).

6. LOSS PER SHARE

The calculation of basic loss per share attributable to the owners of the Company is based on the unaudited loss for the three months ended 31 March 2017 attributable to owners of the Company of RMB3,796,000 (2016: RMB4,785,000) and the weighted average number of 1,531,058,824 (2016: 1,347,058,824) ordinary shares in issue during the period.

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

7. RESERVES

	Attributable to owners of the Company						(Unaudited) Non- controlling interest	(Unaudited) Total
	(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) Sub-total RMB'000		
At 1 January 2017	153,106	115,390	16,153	15,856	(218,969)	81,536	2,898	84,434
(Loss) profit and total comprehensive (expense) income for the period	-	-	-	-	(3,796)	(3,796)	28	(3,768)
At 31 March 2017	<u>153,106</u>	<u>115,390</u>	<u>16,153</u>	<u>15,856</u>	<u>(222,765)</u>	<u>77,740</u>	<u>2,926</u>	<u>80,666</u>
At 1 January 2016	134,706	88,036	16,153	15,856	(181,315)	73,436	-	73,436
Loss and total comprehensive expense for the period	-	-	-	-	(4,785)	(4,785)	-	(4,785)
At 31 March 2016	<u>134,706</u>	<u>88,036</u>	<u>16,153</u>	<u>15,856</u>	<u>(186,100)</u>	<u>68,651</u>	<u>-</u>	<u>68,651</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Revenue

The Group recorded unaudited revenue of approximately RMB0.83 million for the three months ended 31 March 2017, representing approximately 53% of the unaudited revenue for the corresponding period in the year of 2016. The significant decrease was mainly attributable to merely 50% of revenue generated from existing operating segments.

During the three months ended 31 March 2017, resources were deployed to new source of revenue including trading of agricultural sideline products and gift set boxes. Approximately 32% of revenue was generated from sales of agricultural sideline products by the new subsidiary established in the last quarter of 2016. Approximately 18% of revenue was come from new business of gift set boxes commenced in the first quarter of 2017.

Less than 1% of revenue was recognised in the operating segment of antenna products and related services. The operating segment of unmanned aerial products was still under development, approximately 49% of revenue was recorded as equipment testing income. No revenue was reported from the operating segments of underwater surveillance and related products, construction related products and provision of consultancy services during the three months ended 31 March 2017.

As the development of different operating segments of products and services since last year, customer bases were diversified into different classes and no longer concentrated to telecommunication business.

Gross Profit

During the three months ended 31 March 2017, an unaudited gross profit of approximately RMB0.25 million was recorded which represented gross profit margin of approximately 30.4%, comparing to the unaudited gross profit margin of approximately 7.6% in the corresponding period of 2016. It was mainly attributable to high profit margin of equipment testing income under the operating segment of unmanned aerial products.

Other Revenue

Government grants of approximately RMB0.19 million were realised and more than RMB0.11 million was received as bad debts recovery in respect of the operating segment of antennas products and related services.

Segment Results

Distribution costs for the period ended 31 March 2017 were approximately RMB0.22 million, representing a decrease of approximately 68% from the corresponding period of 2016. Over 58% of distribution costs were incurred for development of unmanned aerial products and over 27% were for marketing of underwater surveillance and related products.

After allocation of government grants and bad debts recovery under other revenue and depreciation and amortisation expenses for each operating segment, segment profit of approximately RMB0.21 million and RMB0.06 million were recorded for antennas products and related services and unmanned aerial products respectively. Segment loss of approximately RMB0.07 million and RMB0.02 million were reported for underwater surveillance and related products and other businesses in respect of trading of agricultural sideline products and gift set boxes respectively.

Other Costs and Expenses

Decrease in administrative expenses by approximately RMB0.36 million comparing to the corresponding period of 2016 was the result of decreases in staff costs of administrative team by approximately RMB0.25 million.

Interest expenses for short-term interest-bearing bank borrowings were decreased by approximately RMB0.20 million comparing to the corresponding period of 2016 due to decrease in bank borrowings.

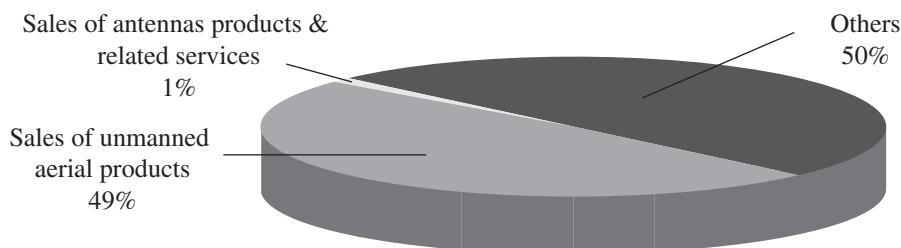
Loss for the period

Consequently, loss for the period ended 31 March 2017 of approximately RMB3.77 million was reported by the Group, comparing to loss of approximately RMB4.79 million in the corresponding period of 2016, as the result of decrease in overall costs and expenses.

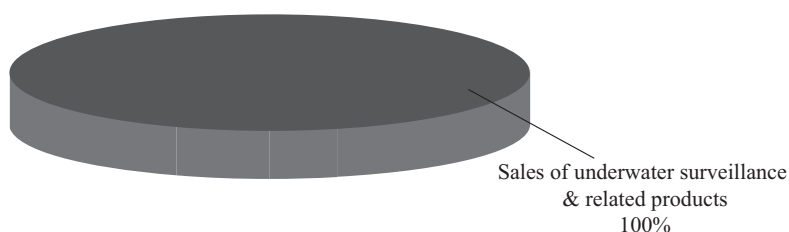
Loss attributable to the owners of the Company was approximately RMB3.80 million after accounting for profit attributable to the non-controlling interests from the subsidiary in respect of trading of agricultural sideline products.

Composite of revenue by reportable and operating segment for the three months ended 31 March 2017, together with the comparative figures for the corresponding period in the year 2016, are provided as follows:

For the three months ended 31 March 2017



For the three months ended 31 March 2016



PROSPECTS

In the first quarter of 2017, the Group has continued enhancing the research, development and marketing of the aerospace and marine products based on the achievements from the reservation of products and technologies in respect of aerospace and marine engineering equipment, mobile communications as well as agriculture and poultry farming, which accelerates the implementation of the product strategy of the Group in an all-round manner. Meanwhile, the poverty alleviation program initiated by the Group in Yi County, Baoding City, Hebei Province has rolled out a wide range of agricultural, poultry, egg and other products which have initially broke into the market for sale and are well-received thereon. This has justified the achievement of the Group poverty alleviation and also brought new sale results.

In 2017, the Group will further accelerate the establishment of subsidiaries in Europe and Hong Kong and expects to thoroughly cooperate with internationally renowned companies of researching and developing unmanned aircraft. This enables the Group to fully tap into the global market while increasing the performance of drone products, so as to further improve the sale network.

Concerning the funds required for diversifying the operation, apart from normal bank borrowings and revitalisation of our existing assets, the Company also intends to resort to new share issue and other financing channels as and when appropriate.

The Board and management of the Company will strive to turn the Group into a high-tech enterprise with diversified operations.

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 31 March 2017, 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 % in total issued Domestic Shares	Approximate % in total issued Shares
Mr. Xiao Bing (肖兵先生)	Interest in controlled corporation	328,363,637 (Note 1)	37.09%	21.45%
Mr. Chen Ji (陳繼先生)	Spouse interest	189,844,804 (Note 2)	21.44%	12.40%
Mr. Zuo Hong (左宏先生)	Interest in controlled corporation	75,064,706 (Note 3)	8.48%	4.90%

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
Mr. Chen Ji (陳繼先生)	Beneficial owner	53,500,000	8.28%	3.49%

Notes:

1. 328,363,637 Domestic Shares are held by Xi’an Tian An Investment Co., Ltd.* (西安天安投資有限公司) (“Tian An Investment”), which is beneficially owned as to 60% by Mr. Xiao Bing and 40% by his mother Ms. Yao Wenli. By virtue of the SFO, Mr. Xiao Bing is deemed to be interested in the same 328,363,637 Domestic Shares.
2. 189,844,804 Domestic Shares are held by 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 189,844,804 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) (“Shenzhen Huitai”), which is beneficially owned by Mr. Zuo Hong and Ms. Yi Li in equal share. By virtue of the SFO, Mr. Zuo Hong is deemed to be interested in the same 75,064,706 Domestic Shares.

Saved as disclosed above, as at 31 March 2017, 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 31 March 2017, 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 % in total issued Domestic Shares	Approximate % in total issued Shares
Tian An Investment	Beneficial owner	328,363,637 (Note 1)	37.09%	21.45%
Professor Xiao Liangyong (肖良勇教授)	Parties acting in concert	328,363,637 (Note 1)	37.09%	21.45%
Ms. Yao Wenli (姚文俐女士)	Interest in controlled corporation	328,363,637 (Note 1)	37.09%	21.45%
Gaoxiang Investment	Beneficial owner	189,844,804 (Note 2)	21.44%	12.40%
Ms. Sun Xiangjun (孫湘君女士)	Interest in controlled corporation	189,844,804 (Note 2)	21.44%	12.40%
Ms. Gao Xuejuan (高雪娟女士)	Interest in controlled corporation	189,844,804 (Note 2)	21.44%	12.40%
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	11.29%	6.53%
Shenzhen Huitai	Beneficial owner	75,064,706 (Note 3)	8.48%	4.90%

Name of shareholder	Capacity	Number of Domestic Shares	Approximate % in total issued Domestic Shares	Approximate % in total issued Shares
Ms. Yi Li (易麗女士)	Interest in controlled corporation	75,064,706 (Note 3)	8.48%	4.90%
Xi'an Haorun Investment Ltd.* (西安昊潤投資有限公司)	Beneficial owner	70,000,000 (Note 4)	7.91%	4.57%
Mr. Wang Yun (王贇先生)	Interest in controlled corporation	70,000,000 (Note 4)	7.91%	4.57%
Beijing Holdings Investment Management Co., Ltd.* (北京京泰投資管理中心)	Beneficial owner	54,077,941 (Note 5)	6.11%	3.53%
Beijing Holdings (Group) Ltd.* (京泰實業(集團)有限公司)	Interest in controlled corporation	54,077,941 (Note 5)	6.11%	3.53%
Shaanxi Yinji Investment Ltd.* (陝西銀吉投資有限公司)	Beneficial owner	20,000,000	2.26%	1.31%
Hongshi (Shanghai) Investment Consultancy Ltd.* (宏獅(上海)投資諮詢有限公司)	Beneficial owner	18,500,000	2.09%	1.21%
Shanghai Maokou Commerce and Trading Ltd.* (上海睿寇商貿有限公司)	Beneficial owner	18,500,000	2.09%	1.21%
Mr. Jiao Chengyi (焦成義先生)	Beneficial owner	10,943,030	1.24%	0.71%

Long positions in H Shares

Name of shareholder	Capacity	Number of H Shares (Note 6)	Approximate % in total issued H Shares	Approximate % in total issued Shares
Hongkong Jinsheng Enterprise Co., Limited (香港錦昇企業有限公司)	Beneficial owner	74,000,000 (Note 7)	11.46%	4.83%
Oceanic Bliss Holdings Limited (海祥控股有限公司)	Beneficial owner and interest in controlled corporation	124,432,000 (Note 7)	19.27%	8.13%
Zeal Warrior Investments Limited	Interest in controlled corporation	124,432,000 (Note 7)	19.27%	8.13%
丁雪	Interest in controlled corporation	124,432,000 (Note 7)	19.27%	8.13%
Auspicious Zone Investments Limited (彩域投資有限公司)	Beneficial owner	76,000,000 (Note 8)	11.77%	4.96%
Sure Rosy Global Investments Limited (順盛環球投資有限公司)	Interest in controlled corporation	76,000,000 (Note 8)	11.77%	4.96%
Mr. Wang Mingyue (王明月先生)	Interest in controlled corporation	76,000,000 (Note 8)	11.77%	4.96%
Huang Li Hou (黃李厚)	Beneficial owner	58,912,000	9.12%	3.85%
Clear Renown Global Limited (朗譽環球有限公司)	Beneficial owner	42,000,000 (Note 9)	6.50%	2.74%
Creative Eagle Holdings Limited (創鷹控股有限公司)	Interest in controlled corporation	42,000,000 (Note 9)	6.50%	2.74%
黃偉汶	Interest in controlled corporation	42,000,000 (Note 9)	6.50%	2.74%

Notes:

1. 328,363,637 Domestic Shares are held by Tian An Investment, which is beneficially owned as to 60% by Mr. Xiao Bing and 40% by his mother Ms. Yao Wenli. Professor Xiao Liangyong is the father of and a person acting in concert with Mr. Xiao Bing. By virtue of the SFO, each of Professor Xiao Liangyong and Ms. Yao Wenli is deemed to be interested in the same 328,363,637 Domestic Shares.
2. 189,844,804 Domestic Shares are held by 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 189,844,804 Domestic Shares.
3. 75,064,706 Domestic Shares are held by Shenzhen Huitai, which is beneficially owned by Mr. Zuo Hong and Ms. Yi Li in equal share. By virtue of the SFO, Ms. Yi Li is deemed to be interested in the same 75,064,706 Domestic Shares.
4. 70,000,000 Domestic Shares are held by 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.
5. 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.
6. Details of these shareholders of the Company are based on information as set out in the website of the Stock Exchange and provided by the relevant shareholders. The Company has not been fully notified by the relevant shareholders and has not received all updated notice pursuant to the SFO from them.
7. 74,000,000 H Shares are held by Hongkong Jinsheng Enterprise Co., Limited, which is beneficially owned by Oceanic Bliss Holdings Limited (“Oceanic Bliss”), and 50,432,000 H Shares are held by Oceanic Bliss, which is beneficially owned by Zeal Warrior Investments Limited (“Zeal Warrior”). 丁雪 is beneficial owner of Zeal Warrior. By virtue of the SFO, each of Oceanic Bliss, Zeal Warrior and 丁雪 is deemed to be interested in the same 124,432,000 H Shares.
8. 76,000,000 H Shares are held by Auspicious Zone Investments Limited, which is beneficially owned by Sure Rosy Global Investments Limited (“Sure Rosy”). Mr. Wang Mingyue is beneficial owner of Sure Rosy. By virtue of the SFO, each of Sure Rosy and Mr. Wang Mingyue is deemed to be interested in the same 76,000,000 H Shares.
9. 42,000,000 H Shares are held by Clear Renown Global Limited, which is beneficially owned by Creative Eagle Holdings Limited (“Creative Eagle”). 黃偉汶 is beneficial owner of Creative Eagle. By virtue of the SFO, each of Creative Eagle and Mr. 黃偉汶 is deemed to be interested in the same 42,000,000 H Shares.

Saved as disclosed above, as at 31 March 2017, 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 31 March 2017, 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 31 March 2017, the Audit Committee comprised of Professor Shi Ping and Mr. Laio Kang, independent non-executive Directors, and Ms. Huang Jing, a non-executive Director. The Group’s unaudited consolidated results for the three months ended 31 March 2017 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 three months ended 31 March 2017, 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 three months ended 31 March 2017, 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 three months ended 31 March 2017.

By order of the Board
Xi'an Haitian Antenna Holdings Co., Ltd.*
Chen Ji
Chairman

Xi'an, the PRC, 5 May 2017

As at the date of this announcement, the Board comprises Mr. Chen Ji (陳繼先生) and Mr. Xiao Bing (肖兵先生) being executive Directors; Mr. Sun Wenguo (孫文國先生), Mr. Li Wenqi (李文琦先生), Mr. Zuo Hong (左宏先生), Ms. Huang Jing (黃婧女士) and Mr. Yan Weimin (燕衛民先生) being non-executive Directors; and Mr. Zhang Jun (張鈞先生), Professor Shi Ping (師萍教授), Mr. Tu Jijun (涂繼軍先生) and Mr. Laio Kang (廖康先生) 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 purpose only