



西安海天天實業股份有限公司

XI'AN HAITIANTIAN HOLDINGS CO., LTD.*

*(formerly known as 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)

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

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*This announcement, for which the directors (the “**Directors**”) of Xi'an Haitiantian 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.*

* For identification purposes only

HIGHLIGHTS

- The Group's unaudited revenue for the nine months ended 30 September 2017 was approximately RMB41.26 million, representing an increase of approximately 61.0% when compared with that of the corresponding period in the year 2016.
- The Group's unaudited loss for the nine months ended 30 September 2017 was approximately RMB12.52 million, and the Group recorded a loss of approximately RMB8.61 million for the corresponding period in the year 2016.
- The Board does not recommend the payment of a dividend for the nine months ended 30 September 2017 (2016: nil).

CONSOLIDATED RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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 and nine months ended 30 September 2017, together with the unaudited comparative figures for the corresponding period in the year 2016 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	
		2017 RMB'000	2016 RMB'000 (Restated)	2017 RMB'000	2016 RMB'000 (Restated)
Revenue	3	15,293	22,155	41,262	25,627
Cost of sales		(15,173)	(18,529)	(40,581)	(21,718)
Gross profit		120	3,626	681	3,909
Other revenue		314	628	732	1,414
Distribution costs		(217)	(519)	(695)	(1,651)
Administrative expenses		(4,700)	(3,592)	(12,854)	(11,673)
Finance costs		(77)	(65)	(393)	(606)
(Loss) profit before tax		(4,560)	78	(12,529)	(8,607)
Income tax credit	4	18	–	13	–
(Loss) profit and total comprehensive (expense) income for the period		<u>(4,542)</u>	<u>78</u>	<u>(12,516)</u>	<u>(8,607)</u>
Attributable to:					
– Owners of the Company		(4,519)	78	(12,459)	(8,607)
– Non-controlling interests		(23)	–	(57)	–
		<u>(4,542)</u>	<u>78</u>	<u>(12,516)</u>	<u>(8,607)</u>
(Loss) earnings per share					
– Basic and diluted (in RMB cents)	6	<u>(0.30)</u>	<u>0.01</u>	<u>(0.81)</u>	<u>(0.61)</u>

Notes to the Consolidated Financial Results

For the nine months ended 30 September 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 used 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 AND SEGMENT INFORMATION

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 30 September		(Unaudited) For the nine months ended 30 September	
	2017 RMB'000	2016 RMB'000 (Restated)	2017 RMB'000	2016 RMB'000 (Restated)
Revenue				
Sales of antennas products and related services	12	464	973	1,602
Sales of underwater surveillance and related products	64	169	160	2,503
Sales of unmanned aerial products	9	950	783	950
Sales of construction related products	15,204	17,369	38,795	17,369
Provision of consultancy services	–	3,203	–	3,203
Others	4	–	551	–
	<u>15,293</u>	<u>22,155</u>	<u>41,262</u>	<u>25,627</u>
Segment profit (loss)				
Sales of antennas products and related services	(916)	273	(837)	778
Sales of underwater surveillance and related products	(6)	(249)	(73)	(747)
Sales of unmanned aerial products	(126)	(111)	78	(417)
Sales of construction related products	(174)	188	(103)	188
Provision of consultancy services	–	3,194	–	3,194
Others	(43)	–	(14)	–
	(1,265)	3,295	(949)	2,996
Unallocated income	277	364	279	463
Unallocated expenses	(3,495)	(3,516)	(11,466)	(11,460)
Finance costs	(77)	(65)	(393)	(606)
(Loss) profit before tax	<u>(4,560)</u>	<u>78</u>	<u>(12,529)</u>	<u>(8,607)</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)		(Unaudited)	
	For the three months ended 30 September		For the nine months ended 30 September	
	2017	2016	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
		(Restated)		(Restated)
The PRC	15,293	22,155	41,262	25,627
Asia excluding the PRC	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>15,293</u>	<u>22,155</u>	<u>41,262</u>	<u>25,627</u>

4. INCOME TAX CREDIT

No provision for Hong Kong Profits Tax has been made for the periods ended 30 September 2017 and 2016 as there was no assessable profit for the periods. Income tax credit represents over-provision in prior 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 2017 (2016: 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 for the nine months ended 30 September 2017 attributable to owners of the Company of RMB4,519,000 and RMB12,459,000 respectively (2016: profit of RMB78,000 and loss of RMB8,607,000 respectively) and the weighted average number of 1,531,058,824 (2016: 1,399,920,138) ordinary shares in issue during the period. The weighted average number of ordinary shares is the number of ordinary shares in issue at the beginning of the period, adjusted by the number of 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

	Attributable to owners of the Company							(Unaudited) Total RMB'000
	(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	(Unaudited) Non- controlling interest RMB'000	
At 1 January 2017	153,106	115,390	16,153	15,856	(218,969)	81,536	2,898	84,434
Loss and total comprehensive expense for the period	-	-	-	-	(12,459)	(12,459)	(57)	(12,516)
At 30 September 2017	<u>153,106</u>	<u>115,390</u>	<u>16,153</u>	<u>15,856</u>	<u>(231,428)</u>	<u>69,077</u>	<u>2,841</u>	<u>71,918</u>
At 1 January 2016	134,706	88,036	16,153	15,856	(181,315)	73,436	-	73,436
Issue of 92,000,000 H shares at subscription price of HK\$0.33 each	9,200	16,173	-	-	-	25,373	-	25,373
Loss and total comprehensive expense for the period	-	-	-	-	(8,607)	(8,607)	-	(8,607)
At 30 September 2016	<u>143,906</u>	<u>104,209</u>	<u>16,153</u>	<u>15,856</u>	<u>(189,922)</u>	<u>90,202</u>	<u>-</u>	<u>90,202</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Revenue

Unaudited revenue of approximately RMB41.26 million was recorded for the nine months ended 30 September 2017 (the “**Review Period**”), representing approximately 161.0% of unaudited revenue for the corresponding period in 2016. The significant increase in revenue was mainly attributable to income from the operating segment of sales of construction related products which contributed approximately 94.0% of revenue during the Review Period, which represented more than twofold of such income generated in the corresponding period in 2016.

Revenue generated from the operating segment of sales of antennas products and related services was accounted for approximately 2% of revenue which was mainly from communication signal test, and network inspection, maintenance and optimisation. The Group mainly focused on network optimisation, network inspection and maintenance, and actively developed high-end special antennas, and high-margin products and related services during the Review Period. Several products were introduced into the market and shortlisted in communications engineering and service procurement in the third quarter, but the purchase and sale framework contracts were not finalised before the end the Review Period.

Merely 1% of revenue was attributable to the operating segment of sales of underwater surveillance and related products which were mainly ordered by domestic professional research institutes. As the customer group was locked for various domestic professional research institutes at the early stage of marketing, good technical performance and high quality products were well identified by domestic professional research institutes and further marketing was carried out to those parties and manufacturers connected with such institutes during the Review Period.

Approximately 2% of revenue was generated from multi-axis rotor unmanned aerial vehicles (“**UAV**”) under the operating segment of sales of unmanned aerial products since they were shortlisted in Shaanxi Province procurement directory as a qualified supplier of fire brigade in December 2016. The transmission module and data acquisition module simulation tests for the basic model of large-loaded UAV were in the debugging and testing phase during the Review Period.

Approximately RMB38.80 million was recorded as revenue from the operating segment of sales of construction related products during the Review Period, which was mainly attributable to trading of building materials including aluminium ingots and electrolytic copper based on customer requirements.

In view of trading of agricultural sideline products and gift set boxes in order to support poverty alleviation policy of the State, approximately RMB0.55 million was realised in the first half of 2017 as the operation was still under development during the Review Period.

There was no revenue from the operating segment of provision of consultancy services during the Review Period as the services were provided to existing or potential customers of other operating segments on requests only.

Gross profit

Due to low profit margin from the operating segment of sales of construction related products in order to improve commodity turnover and minimise risk taken for searching suitable suppliers during the Review Period, unaudited gross profit margin for the Review Period was approximately 1.7%, compared to approximately 15.3% in the corresponding period in 2016.

Other revenue

Approximately RMB0.23 million and RMB0.22 million were recognised as recovery of bad debts and government grants respectively for the operating segment of sales of antennas products and related services. Rental income from existing office premise of approximately RMB0.19 million was received during the Review Period.

Segment profit (loss)

Distribution costs were decreased from approximately RMB1.65 million in the corresponding period in 2016 to approximately RMB0.70 million for the Review Period as there were decline in salaries and welfare, and business trip expenses by approximately RMB0.55 million and RMB0.33 million respectively. Over 47% of distribution costs were allocated to marketing and development of the operating segment of sales of unmanned aerial products during the Review Period.

After allocation of bad debts recovery and government grants under other revenue and depreciation and amortisation under administrative expenses, except for the operating segment of sales of unmanned aerial products, segment loss was reported for all other operating segments as the profit margin and sales volume were not sufficient to cover relevant operating costs.

In view of the operating segment of sales of antennas products and related services, depreciation and amortisation expenses were accounted for approximately RMB1.12 million in respect of decoration of new head office and Hong Kong office. Uneven sales orders from domestic professional research institutes were continued during the Review Period under the operating segment of sales of underwater surveillance and related products.

Other costs and expenses

Administrative expenses for the Review Period increased by approximately 10.1% or RMB1.18 million, compared to approximately RMB11.67 million for the corresponding period in 2016. There was no significant fluctuation between the components of administrative expenses and the increment was mainly attributable to depreciation and amortisation expenses.

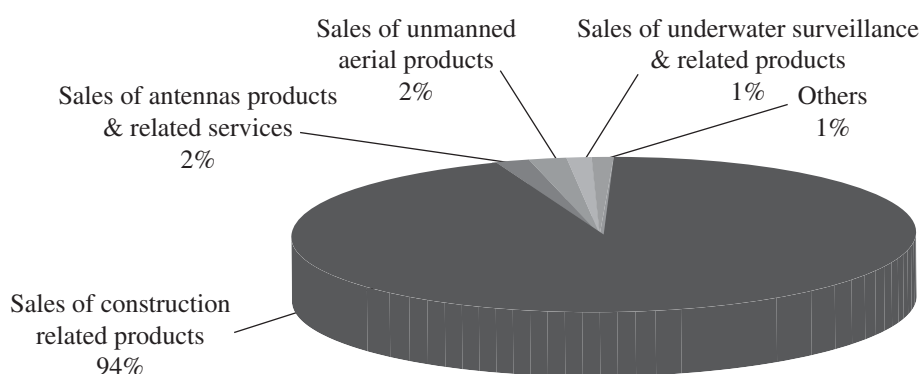
All bank borrowings were remained at approximately RMB5.00 million that interest expenses of approximately RMB0.41 million were incurred during the Review Period, compared to approximately RMB0.62 million paid in the corresponding period of 2016.

Profit (loss) for the period

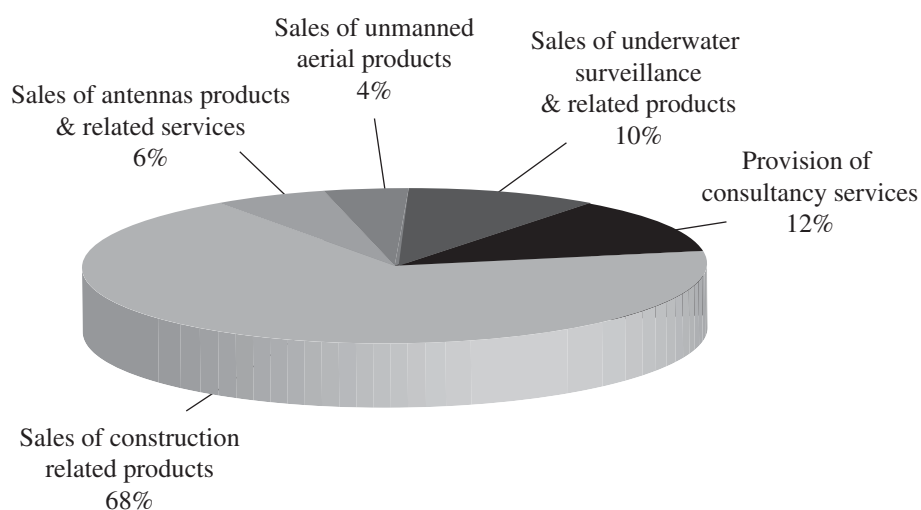
Although the overall distribution costs, administrative expenses and finance costs were stable when comparing to those in the corresponding period in 2016, loss of approximately RMB12.53 million was still reported for the Review Period as all expenses cannot be offset by low profit margin and low sales volume.

Composite of revenue by reportable and operating segment for the nine months ended 30 September 2017, together with the comparative figures for the corresponding period in the year 2016, are provided as follows:

For the nine months ended 30 September 2017



For the nine months ended 30 September 2016



PROSPECTS

As of the third quarter of 2017, the Company continued to improve product and technology accumulation and market expansion in respect of mobile communications, aerospace and marine engineering equipment, and will remain its focus on the development of relevant high-tech products in the future, which include mobile communication products, UAV products, underwater products and related business, aiming to fully penetrate the market, expand its customer base and strive for better performance.

In respect of mobile communication products, riding on years of experience in the mobile communication industry, together with its own technical experience accumulated over the years, and after devoting substantial resources to development and research in recent years, the Company has now been developing a series of antennas products with new materials which are characterised by new broadband, multiple-beam, high gain and full-angle coverage through integrating new dielectric materials with communication technology. These products are energy-saving and environment-friendly, and can increase access capacity by 3 to 4 times in practical uses. Coupled with wider coverage and better user internet perception, these products represent a technical innovation on traditional antennas design. The new antennas products will be widely used in 3G, 4G network optimisation, 5G network construction, emergency communication support, WIFI hot coverage and other areas. Currently, some of the products have been substantially finalised and will be gradually put into market after pilot launch. It is expected that this will greatly improve the Company's operating condition in mobile communication products, and increase the Company's revenues generated from the communication industry.

In respect of UAV products, with unceasing efforts, the Company as of now has completed UAV simulation test for large-loaded UAV products; and for multi-axis rotor UAV, the Company has completed research and development of industrial UAV and has started to launch related marketing activities. With the increasing market demand for UAV products from firefighting, public security and other industries, the Company intends to develop various kinds of professional and customised UAV products catering for different demands of all industries, and will gradually put them into market. Meanwhile, the Company will also put more efforts in promotion according to the research and development progress so as to further expand customer base and improve the sale network of the Group, with an aim to promote comprehensive development.

In respect of marine system device products, the Company will increase its efforts in marketing of its existing high-definition underwater camera equipment, camera platform equipment, information accessing equipment, waterproof technical equipment and other products, and will continually carry out research and development improvement to the technology underlying those products based on the needs of market and customers, aiming to satisfy the customisation requirement in each aspect of market, constantly enlarge product application scope and enrich customer base of products.

As for its financing activities, the Company is currently carrying out relevant new issue of domestic shares, so as to further guarantee the fund for research and development and related marketing and sales of products of each series. At the same time, the Company also intends to resort to other financing channels, such as bank borrowings and revitalisation of the existing assets of the Group, 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 30 September 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	19,500,000	3.02%	1.27%
Mr. Xiao Bing (肖兵先生)	Beneficial owner	10,000,000	1.55%	0.65%

Notes:

- 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.
- 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.
- 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 30 September 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 30 September 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%
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.* (西安昊潤投資有限責任公司)	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
Huang Li Hou (黃李厚)	Beneficial owner	85,100,000	13.18%	5.56%
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	74,152,000 (Note 7)	11.48%	4.84%
Zeal Warrior Investments Limited	Interest in controlled corporation	74,152,000 (Note 7)	11.48%	4.84%
Ms. Ding Xue (丁雪女士)	Interest in controlled corporation	74,152,000 (Note 7)	11.48%	4.84%
Ms. Zhou Jin	Beneficial owner	74,000,000 (Note 8)	11.46%	4.83%
Auspicious Zone Investments Limited (彩域投資有限公司)	Beneficial owner	57,720,000 (Note 9)	8.94%	3.77%
Sure Rosy Global Investments Limited (順盛環球投資有限公司)	Interest in controlled corporation	57,720,000 (Note 9)	8.94%	3.77%
Mr. Wang Mingyue (王明月先生)	Interest in controlled corporation	57,720,000 (Note 9)	8.94%	3.77%
Clear Renown Global Limited (朗譽環球有限公司)	Beneficial owner	42,000,000 (Note 10)	6.50%	2.74%
Creative Eagle Holdings Limited (創鷹控股有限公司)	Interest in controlled corporation	42,000,000 (Note 10)	6.50%	2.74%
黃偉汶	Interest in controlled corporation	42,000,000 (Note 10)	6.50%	2.74%

Notes:

- 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.
- 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.
- 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 notified by the Disclosure of Interests Online System of the Stock Exchange.
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 152,000 H Shares are held by Oceanic Bliss, which is beneficially owned by Zeal Warrior Investments Limited (“**Zeal Warrior**”). Ms. Ding Xue is beneficial owner of Zeal Warrior. By virtue of the SFO, each of Oceanic Bliss, Zeal Warrior and Ms. Ding Xue is deemed to be interested in the same 74,152,000 H Shares.
8. Ms. Zhou Jin is a director of Xaht Antenna Technologies (Hongkong) Limited (海天天綫(香港)有限公司), a wholly-owned subsidiary of the Group.
9. 57,720,000 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 57,720,000 H Shares.
10. 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 黃偉汶 is deemed to be interested in the same 42,000,000 H Shares.

Saved as disclosed above, as at 30 September 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 30 September 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

Except for disclosed as below, 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.

Xi'an Xiao's Antenna Technologies Co., Ltd.* (西安肖氏天綫科技有限公司) (“**Xiao's Antenna**”) is a limited company established in the PRC and possesses a core technology of improving the performance of antennas. Xiao's Antenna is beneficially owned as to 70% by Professor Xiao Liangyong (肖良勇教授) and 30% by Ms. Chen Jing (陳靜女士). Professor Liangyong is the father of and Ms. Chen Jing is the spouse of Mr. Xiao Bing, an executive Director of the Company.

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 2017, the Audit Committee comprised of Professor Shi Ping and Dr. Lam Lee G., independent non-executive Directors, and Ms. Huang Jing, a non-executive Director. The Group's unaudited consolidated results for the nine months ended 30 September 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 nine months ended 30 September 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 nine months ended 30 September 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 nine months ended 30 September 2017.

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

Xi'an, the PRC, 13 November 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 Dr. Lam Lee G. (林家禮博士) being independent non-executive Directors.

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

* For identification purposes only