



**西安海天天實業股份有限公司**

**XI'AN HAITIANTIAN 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 2018**

**CHARACTERISTICS OF THE GEM (“GEM”) OF THE STOCK EXCHANGE OF  
HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

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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 (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 purpose only

## HIGHLIGHTS

- The Group's unaudited revenue for the nine months ended 30 September 2018 was approximately RMB18.05 million, representing approximately 44% of revenue generated during the corresponding period in the year 2017.
- The Group's unaudited loss for the nine months ended 30 September 2018 was approximately RMB28.57 million, and the Group recorded a loss of approximately RMB12.52 million for the corresponding period in the year 2017.
- The Board does not recommend the payment of a dividend for the nine months ended 30 September 2018 (2017: nil).

## CONSOLIDATED RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018

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 2018, together with the unaudited comparative figures for the corresponding period in the year 2017 as follows:

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

		(Unaudited)		(Unaudited)	
		For the three months ended		For the nine months ended	
		30 September		30 September	
		2018	2017	2018	2017
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	3	1,167	15,293	18,047	41,262
Cost of sales		(996)	(15,173)	(17,690)	(40,581)
Gross profit		171	120	357	681
Other revenue		(81)	314	312	732
Unrealised loss on fair value changes of held for trading investments		(5,740)	–	(11,836)	–
Distribution costs		(104)	(217)	(342)	(695)
Administrative expenses		(5,448)	(4,700)	(16,247)	(12,854)
Share of results of an associate		(794)	–	(794)	–
Finance costs		(5)	(77)	(20)	(393)

		(Unaudited)		(Unaudited)	
		For the three months ended		For the nine months ended	
		30 September		30 September	
		2018	2017	2018	2017
<i>Notes</i>		<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Loss before tax		(12,001)	(4,560)	(28,570)	(12,529)
Income tax credit	4	—	18	—	13
Loss and total comprehensive expense for the period		<u>(12,001)</u>	<u>(4,542)</u>	<u>(28,570)</u>	<u>(12,516)</u>
Attributable to:					
– Owners of the Company		(12,056)	(4,519)	(28,555)	(12,459)
– Non-controlling interests		<u>55</u>	<u>(23)</u>	<u>(15)</u>	<u>(57)</u>
		<u>(12,001)</u>	<u>(4,542)</u>	<u>(28,570)</u>	<u>(12,516)</u>
Loss per share					
– Basic and diluted (in RMB cents)	6	<u>(0.79)</u>	<u>(0.30)</u>	<u>(1.87)</u>	<u>(0.81)</u>

# NOTES TO THE CONSOLIDATED FINANCIAL RESULTS

*For the nine months ended 30 September 2018*

## 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, provision of consultancy services and sales of agricultural products.

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 2017.

## 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.

Analysis of Group's revenue and results by reportable and operating segments:

	(Unaudited)		(Unaudited)	
	For the three months ended		For the nine months ended	
	30 September		30 September	
	2018	2017	2018	2017
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue:				
Sales of antennas products and related services	11	12	899	973
Sales of underwater surveillance and related products	–	64	(2)	160
Sales of unmanned aerial products	(1)	9	904	783
Sales of construction related products	–	15,204	14,130	38,795
Provision of consultancy services	–	–	–	–
Others, including sales of agricultural products	1,157	4	2,116	551
	<u>1,167</u>	<u>15,293</u>	<u>18,047</u>	<u>41,262</u>
Segment profit (loss):				
Sales of antennas products and related services	(375)	(916)	(1,109)	(837)
Sales of underwater surveillance and related products	(47)	(6)	(106)	(73)
Sales of unmanned aerial products	(445)	(126)	(1,198)	78
Sales of construction related products	(47)	(174)	(98)	(103)
Provision of consultancy services	–	–	–	–
Others, including sales of agricultural products	127	(43)	31	(14)
	<u>(787)</u>	<u>(1,265)</u>	<u>(2,480)</u>	<u>(949)</u>
Unallocated other revenue	(81)	277	224	279
Unrealised loss on fair value changes of held for trading investments	(5,741)	–	(11,837)	–
Unallocated expenses	(4,593)	(3,495)	(13,663)	(11,466)
Share of results of an associate	(794)	–	(794)	–
Finance costs	(5)	(77)	(20)	(393)
Loss before tax	<u>(12,001)</u>	<u>(4,560)</u>	<u>(28,570)</u>	<u>(12,529)</u>

Segment profit (loss) represents the profit earned by (loss from) each segment without allocation of central administration costs, directors' emoluments, certain other revenue, unrealised loss on fair value changes of held for trading investments, share of results of an associate and finance costs.

Analysis of Group's revenue by geographical location:

	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
	<b>For the three months ended</b>		<b>For the nine months ended</b>	
	<b>30 September</b>		<b>30 September</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
The PRC (country of domicile)	<b>1,167</b>	15,293	<b>18,047</b>	41,262
Other Asia excluding the PRC	<b>—</b>	—	<b>—</b>	—
	<b><u>1,167</u></b>	<b><u>15,293</u></b>	<b><u>18,047</u></b>	<b><u>41,262</u></b>

#### 4. INCOME TAX CREDIT

No provision for Hong Kong Profits Tax has been made for the periods ended 30 September 2018 and 2017 as there was no assessable profit in Hong Kong for both 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 Company and PRC subsidiaries is 25% for both periods.

#### 5. DIVIDENDS

The Board does not recommend the payment of a dividend for the nine months ended 30 September 2018 (2017: 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 and for the nine months ended 30 September 2018 attributable to owners of the Company of RMB12,056,000 and RMB28,555,000 respectively (2017: RMB4,519,000 and RMB12,459,000 respectively) and the weighted average number of 1,531,058,824 (2017: 1,531,058,824) 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 per share is equal to the basic loss per share as calculated above as the Company does not have any potential shares outstanding for the both periods.

## 7. RESERVES

	Attributable to owners of the Company							(Unaudited) Non- controlling interest RMB'000	(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) Statutory surplus reserve 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 2018	153,106	115,390	16,153	15,856	(235,651)	64,854	2,826	67,680	
Loss and total comprehensive expense for the period	-	-	-	-	(28,555)	(28,555)	(15)	(28,570)	
At 30 September 2018	<u>153,106</u>	<u>115,390</u>	<u>16,153</u>	<u>15,856</u>	<u>(264,206)</u>	<u>36,299</u>	<u>2,811</u>	<u>39,110</u>	

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

### Revenue

Unaudited revenue of approximately RMB18.05 million was recorded for the nine months ended 30 September 2018 (the “Review Period”), representing approximately 44% of unaudited revenue for the corresponding period in the year 2017. The significant decrease in revenue was mainly attributable to drop in income from the operating segment of sales of construction related products by approximately RMB24.67 million during the Review Period.

Income generated from the operating segment of sales of antennas products and related services was accounted for approximately 5% of revenue which was mainly from network optimisation, inspection and maintenance. After products review, updating and integration in the first half year of 2018, the Group mainly focused on 5G product development and marketing in the third quarter in order to provide the best products to 5G commercial network.

Products review, updating and integration for the operating segments of sales of underwater surveillance and related products, and sales of unmanned aerial products were carried out and still continued in the Review Period. Merely 5% of revenue was attributable to the operating segment of sales of unmanned aerial products and no sales order was completed in the third quarter of 2018.

Approximately RMB14.13 million or approximately 78% of revenue was recorded as income from the operating segment of sales of construction related products during the Review Period, which represented a decrease of approximately 64% as when comparing to approximately RMB38.80 million for the corresponding period in the year of 2017. In order to minimise trading risk of relative high price fluctuation, no sales order was completed in the third quarter of 2018.



In view of sales of agricultural products under the poverty alleviation project of the Company, income of approximately RMB2.12 million was realised in the Review Period, which represented approximately 12% of revenue of the Group. The development and operation of sales of agricultural products was at steady progress and it provided stable income to the Group during the Review Period.

### **Gross profit**

Low profit margin of the operating segment of sales of construction related products contributed approximately 78% of revenue during the Review Period, unaudited gross profit margin for the Review Period was approximately 2.0%, compared to approximately 1.7% in the corresponding period in the year 2017.

### **Other revenue**

Approximately RMB0.19 million and RMB0.09 million were recognised as rental income for office premises, and gain on wavier of trade and other payables during the Review Period.

### **Segment profit (loss)**

Distribution costs were decreased from approximately RMB0.70 million in the corresponding period in the year 2017 to approximately RMB0.34 million for the Review Period as there were decline in operating expenses, and salaries and welfare by approximately RMB0.13 million and RMB0.07 million respectively. Over 47% of distribution costs were allocated to marketing of the operating segment of sales of unmanned aerial products during the Review Period.

After allocation of gain on wavier of trade and other payables under other revenue, and depreciation and amortisation under administrative expenses, segment loss was reported for all operating segments as the gross 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 RMB1.18 million in respect of head office premises. Approximately RMB1.10 million was amortisation expenses of intangible assets under the operating segment of sales of unmanned aerial products during the Review Period.

## **Other costs and expenses**

Administrative expenses for the Review Period increased by approximately 26% or approximately RMB3.39 million, compared to approximately RMB12.85 million for the corresponding period in the year 2017. There was no significant fluctuation between the components of administrative expenses and the increment was mainly attributable to depreciation and amortisation expenses, and salaries and welfare by approximately RMB1.72 million and RMB1.54 million respectively.

No interest-bearing borrowings were raised during the Review Period and no interest expenses were incurred as finance costs.

Unrealised loss on fair value changes of held for trading investments was approximately RMB11.84 million as the result of drop in market price during the Review Period. Accordingly, the fair value of held for trading investments was approximately 33% lower than the original acquisition costs as at 30 September 2018.

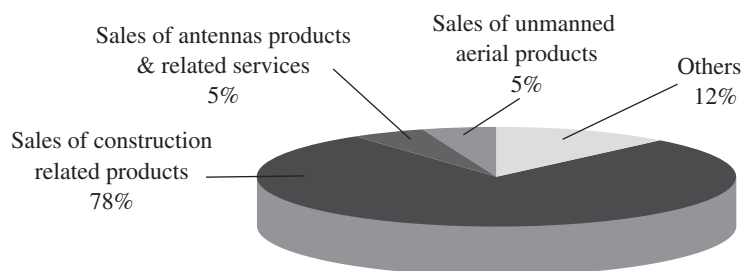
Approximately RMB0.79 million was recorded as a share of operating loss of newly incorporated associate, which was at the commencement stage of operation during the Review Period.

## **Loss for the period**

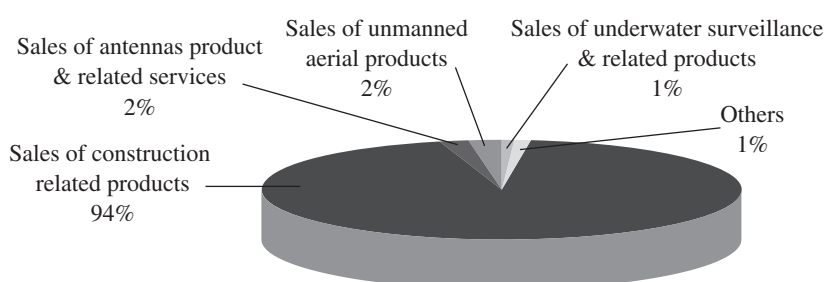
As all expenses cannot be offset by low profit margin and low sales volume under all operating segments, together with unrealised loss on fair value changes of held for trading investments, loss of approximately RMB28.57 million was reported for the Reviewed Period, comparing to loss of approximately RMB12.52 million in the corresponding period in the year 2017.

Composite of Group's revenue by reportable and operating segments for the nine months ended 30 September 2018, together with the comparative figures for the corresponding period in the year 2017, are provided as follows:

**For the nine months ended 30 September 2018**



**For the nine months ended 30 September 2017**



## PROSPECT

In the first three quarters of 2018, the Group has focused on improving and promoting its mobile communication related product, which is a series of antennas products with new materials characterised by new broadband, multiple-beam, high gain and full-angle applicable in 5G network construction and emergency communication support. At present, the product series has been substantially completed. The Company is proactively performing repetitive tests over its products and communicating with mobile communication operators in various cities and constantly refines and improves its project products based on the test results and user needs. Meanwhile, taking the opportunity of on-site live network test, the Company also consolidates the relevant customer base for the sale of its product series in the market in its next movement. The Company's related communications engineering, agricultural products, trade and other businesses make stable progress, ensuring the Company's performance growth in all aspects.

Before the commercial application of 5G, all domestic mobile communication operators are currently mainly engaged in network planning, network optimisation, network construction, etc. Customer satisfaction of the communication industry and stability maintenance of network operations will be the stable development direction for the industry in medium and long-term. Therefore, based on market needs and combined with the advantages of its own excellent network planning and network construction teams, the Company has expanded its core services business, including communications related engineering and network planning and network optimisation, in the third quarter of 2018. After participating in several market tenders of the tower company and the operators, the Company has successfully entered into their purchaser's list, and cooperated with a number of companies to jointly carry out market construction related work. For the next step, the Company will continue to promote communication related engineering and service work. While ensuring the Company's performance, the Company will also establish a good relationship with customers and a sound market foundation for the smooth development of the sales of the Company's related communication products after the full launch of 5G commercial network.

Meanwhile, by capitalising the regional advantage for locating at Shanghai Free Trade Zone, favourable policies and funding enjoyed by its subsidiary, Haitian Antenna (Shanghai) International Trade Co., Ltd.\*, the Company has commenced relevant trading business and improved its scale of performance during the third quarter of 2018. In the future, the Company will continue to take advantage of favourable policies, channels and other benefits to expand its related trading business and extend the types of its trading business.

The poverty alleviation project in Yi County, Baoding City, Hebei Province have come into operation. Its agricultural products of various kinds were penetrated into the market for sales, resulting in increasing sales revenue. The Company has gained not only sound achievement in poverty alleviation, but also new sales revenue source. The Company will, the next step, by capitalising its political and regional advantages in fixed-point poverty alleviation villages under the Navy, continue to explore the sales channels for its agricultural and side products and further promote its marketing initiatives, in order to make contribution to its sales performance.

In respect of the fund required for diversifying operation, based on the needs of its business development, the Company will also intend to resort to other financing channels, such as bank borrowings and revitalisation of the existing assets of the Group, as and when appropriate, so as to safeguard the Company's operation and development.

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 2018, 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 of the Company (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	Approximate % in enlarged issued Domestic Shares <i>(Note 3)</i>	Approximate % in enlarged issued Shares <i>(Note 3 &amp; 4)</i>
Mr. Xiao Bing (肖兵先生)	Beneficial owner and interest in controlled corporation	393,363,637 <i>(Note 1)</i>	44.43%	25.69%	36.24%	22.27%
Mr. Chen Ji (陳繼先生)	Spouse interest and interest in controlled corporation	273,344,804 <i>(Note 2)</i>	30.88%	17.85%	25.19%	15.48%

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

Name of person	Capacity	Number of H Shares	Approximate % in total issued H Shares	Approximate % in total issued Shares	Approximate % in enlarged issued H Shares <i>(Note 4)</i>	Approximate % in enlarged issued Shares <i>(Note 3 &amp; 4)</i>
Mr. Xiao Bing (肖兵先生)	Beneficial owner	10,000,000	1.55%	0.65%	1.47%	0.57%
Mr. Chen Ji (陳繼先生)	Beneficial owner	9,771,000	1.51%	0.64%	1.44%	0.55%

Notes:

1. 328,363,637 Domestic Shares are held by Xi'an Tian An Corporate Management and Consulting Co., Ltd.\* (西安天安企業管理諮詢有限公司) (“Tian An Corporate”) (formerly known as Xi'an Tian An Investment Co., Ltd.\* (西安天安投資有限公司)), which is beneficially owned as to 60% by Mr. Xiao Bing (肖兵先生) and 40% by his spouse Ms. Chen Jing (陳靜女士). By virtue of the SFO, Mr. Xiao Bing is deemed to be interested in the same 328,363,637 Domestic Shares. 65,000,000 Domestic Shares are to be issued and allotted under specific mandate (more particularly described in the circular of the Company dated 2 February 2018) to Mr. Xiao Bing.
2. 189,844,804 Domestic Shares are held by and 65,000,000 Domestic Shares are to be issued and allotted under specific mandate (more particularly described in the circular of the Company dated 2 February 2018) 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 (陳繼先生) in equal share. 18,500,000 Domestic Shares are held by Shanghai Hongzhen Ningshang Investment Management Partnership\* (上海泓甄寧尚投資管理合夥企業), which is beneficially owned as to 83.33% by Mr. Chen Ji. By virtue of the SFO, Mr. Chen Ji is deemed to be interested in the same 254,844,804 and 18,500,000 Domestic Shares.
3. The issued Shares are to be enlarged by the issue and allotment of 200,000,000 Domestic Shares under specific mandate (more particularly described in the circular of the Company dated 2 February 2018). The specific mandate was approved by the extraordinary general meeting on 19 March 2018 and is subject to the approval of the Department of Commerce of Shaanxi Province\* (陝西省商務廳).
4. The issued Shares are to be enlarged by the issue and allotment of 35,000,000 H Shares under general mandate (more particularly described in the announcement of the Company dated 18 June 2018). The general mandate was approved by the annual general meeting on 30 June 2017 and is subject to the approval of the China Securities Regulatory Commission\* (中國證券監督管理委員會) and the Stock Exchange.

Saved as disclosed above, as at 30 September 2018, 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 2018, 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 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	Approximate % in enlarged issued Domestic Shares <i>(Note 13)</i>	Approximate % in enlarged issued Shares <i>(Note 13 &amp; 14)</i>
Professor Xiao Liangyong (肖良勇教授)	Parties acting in concert	393,363,637 <i>(Note 1)</i>	44.43%	25.69%	36.24%	22.27%
Tian An Corporate	Beneficial owner	328,363,637 <i>(Note 1)</i>	37.09%	21.45%	30.25%	18.59%
Ms. Chen Jing (陳靜女士)	Interest in controlled corporation	328,363,637 <i>(Note 1)</i>	37.09%	21.45%	30.25%	18.59%
Gaoxiang Investment	Beneficial owner	254,844,804 <i>(Note 2)</i>	28.78%	16.64%	23.48%	14.43%
Ms. Sun Xiangjun (孫湘君女士)	Interest in controlled corporation	254,844,804 <i>(Note 2)</i>	28.78%	16.64%	23.48%	14.43%
Ms. Gao Xuejuan (高雪娟女士)	Interest in controlled corporation	254,844,804 <i>(Note 2)</i>	28.78%	16.64%	23.48%	14.43%
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%	9.21%	5.66%
Shenzhen Huitai Investment Development Co., Ltd.* (深圳市匯泰投資發展有限公司)	Beneficial owner	75,064,706 <i>(Note 3)</i>	8.48%	4.90%	6.92%	4.25%

Name of shareholder	Capacity	Number of Domestic Shares	Approximate % in total issued Domestic Shares	Approximate % in total issued Shares	Approximate % in enlarged issued Domestic Shares <i>(Note 13)</i>	Approximate % in enlarged issued Shares <i>(Note 13 &amp; 14)</i>
Ms. Wang Zengdi (王增娣女士)	Interest in controlled corporation	75,064,706 <i>(Note 3)</i>	8.48%	4.90%	6.92%	4.25%
Xi'an Haorun Investment Ltd.* (西安昊潤投資有限責任公司)	Beneficial owner	70,000,000 <i>(Note 4)</i>	7.91%	4.57%	6.45%	3.97%
Mr. Wang Yun (王贇先生)	Interest in controlled corporation	70,000,000 <i>(Note 4)</i>	7.91%	4.57%	6.45%	3.97%
Beijing Holdings Investment Management Co., Ltd.* (北京京泰投資管理中心)	Beneficial owner	54,077,941 <i>(Note 5)</i>	6.11%	3.53%	4.98%	3.06%
Beijing Holdings (Group) Ltd.* (京泰實業(集團)有限公司)	Interest in controlled corporation	54,077,941 <i>(Note 5)</i>	6.11%	3.53%	4.98%	3.06%
Ms. Jin Rongfei (金嶸霏女士)	Beneficial owner	50,000,000 <i>(Note 6)</i>	5.65%	3.27%	4.61%	2.83%
Shaanxi Yinji Investment Ltd.* (陝西銀吉投資有限公司)	Beneficial owner	20,000,000	2.26%	1.31%	1.84%	1.13%
Mr. Zhang Jiandong (張建東先生)	Beneficial owner	20,000,000 <i>(Note 7)</i>	2.26%	1.31%	1.84%	1.13%
Shanghai Hongzhen Ningshang Investment Management Partnership* (上海泓甄寧尚投資管理合伙企業)	Beneficial owner	18,500,000	2.09%	1.21%	1.71%	1.05%
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%	1.71%	1.05%
Mr. Jiao Chengyi (焦成義先生)	Beneficial owner	10,943,030	1.24%	0.71%	1.01%	0.62%



## Long positions in H Shares

Name of shareholder	Capacity	Number of H Shares <i>(Note 8)</i>	Approximate % in total issued H Shares	Approximate % in total issued Shares	Approximate % in enlarged issued H Shares <i>(Note 14)</i>	Approximate % in enlarged issued Shares <i>(Note 13 &amp; 14)</i>
Huang Li Hou (黃李厚)	Beneficial owner	85,100,000	13.18%	5.56%	12.50%	4.82%
Hongkong Jinsheng Enterprise Co., Limited (香港錦昇企業有限公司)	Beneficial owner	73,347,000 <i>(Note 9)</i>	11.36%	4.79%	10.77%	4.15%
Oceanic Bliss Holdings Limited (海祥控股有限公司)	Interest in controlled corporation	73,347,000 <i>(Note 9)</i>	11.36%	4.79%	10.77%	4.15%
Zeal Warrior Investments Limited	Interest in controlled corporation	83,847,000 <i>(Note 9)</i>	12.98%	5.48%	12.32%	4.75%
Ms. Chen Wei (陳瑋女士)	Beneficial owner and interest in controlled corporation	83,992,000 <i>(Note 9)</i>	13.01%	5.49%	12.34%	4.76%
Ms. Zhou Jin	Beneficial owner	77,093,000 <i>(Note 10)</i>	11.94%	5.04%	11.32%	4.37%
Auspicious Zone Investments Limited (彩域投資有限公司)	Beneficial owner	51,592,000 <i>(Note 11)</i>	7.99%	3.37%	7.58%	2.92%
Sure Rosy Global Investments Limited (順盛環球投資有限公司)	Interest in controlled corporation	51,592,000 <i>(Note 11)</i>	7.99%	3.37%	7.58%	2.92%
Mr. Wang Mingyue (王明月先生)	Interest in controlled corporation	51,592,000 <i>(Note 11)</i>	7.99%	3.37%	7.58%	2.92%
Clear Renown Global Limited (朗譽環球有限公司)	Beneficial owner	42,000,000 <i>(Note 12)</i>	6.50%	2.74%	6.17%	2.38%
Huang Wei Wen (黃偉汶)	Interest in controlled corporation	42,000,000 <i>(Note 12)</i>	6.50%	2.74%	6.17%	2.38%

Notes:

1. 328,363,637 Domestic Shares are held by Tian An Corporate, which is beneficially owned as to 60% by Mr. Xiao Bing (肖兵先生) and 40% by his spouse Ms. Chen Jing (陳靜女士). By virtue of the SFO, Ms. Chen Jing is deemed to be interested in the same 328,363,637 Domestic Shares. 65,000,000 Domestic Shares are to be issued and allotted under specific mandate (more particularly described in the circular of the Company dated 2 February 2018) to Mr. Xiao Bing. Professor Xiao Liangyong (肖良勇教授) is the father of and a person acting in concert with Mr. Xiao Bing. By virtue of the SFO, Professor Xiao Liangyong is deemed to be interested in the same 393,363,637 Domestic Shares.
2. 189,844,804 Domestic Shares are held by and 65,000,000 Domestic Shares are to be issued and allotted under specific mandate (more particularly described in the circular of the Company dated 2 February 2018) to Gaoxiang Investment, which is beneficially owned by Ms. Sun Xiangjun (孫湘君女士) and Ms. Gao Xuejuan (高雪娟女士) 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 254,844,804 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), which is beneficially owned by as to 60% by Ms. Wang Zengdi (王增娣女士). By virtue of the SFO, Ms. Wang Zengdi 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 (王贇先生). 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. 50,000,000 Domestic Shares are to be issued and allotted under specific mandate (more particularly described in the circular of the Company dated 2 February 2018) to Ms. Jin Rongfei (金嶸霏女士).
7. 20,000,000 Domestic Shares are to be issued and allotted under specific mandate (more particularly described in the circular of the Company dated 2 February 2018) to Mr. Zhang Jiandong (張建東先生).
8. 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.
9. 73,347,000 H Shares are held by Hongkong Jinsheng Enterprise Co., Limited (香港錦昇企業有限公司), which is beneficially owned by Oceanic Bliss Holdings Limited (海祥控股有限公司) (“Oceanic Bliss”), and Oceanic Bliss is beneficially owned by Zeal Warrior Investments Limited (“Zeal Warrior”). 10,500,000 H Shares are to be issued and allotted under general mandate (more particularly described in the announcement of the Company dated 18 June 2018) to Zeal Warrior. 145,000 H Shares are held by Ms. Chen Wei (陳瑋女士) who is beneficial owner of Zeal Warrior. By virtue of the SFO, Oceanic Bliss, Zeal Warrior and Ms. Chen Wei are deemed to be interested in the same 73,347,000 H Shares, 83,847,000 H Shares and 83,992,000 H Shares respectively.

10. 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.
11. 51,592,000 H Shares are held by Auspicious Zone Investments Limited (彩域投資有限公司), which is beneficially owned by Sure Rosy Global Investments Limited (順盛環球投資有限公司) (“Sure Rosy”). Mr. Wang Mingyue (王明月先生) 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 51,592,000 H Shares.
12. 42,000,000 H Shares are held by Clear Renown Global Limited (朗譽環球有限公司), which is beneficially owned by Huang Wei Wen (黃偉汶). By virtue of the SFO, Huang Wei Wen is deemed to be interested in the same 42,000,000 H Shares.
13. The issued Shares are to be enlarged by the issue and allotment of 200,000,000 Domestic Shares under specific mandate (more particularly described in the circular of the Company dated 2 February 2018). The specific mandate was approved by the extraordinary general meeting on 19 March 2018 and is subject to the approval of the Department of Commerce of Shaanxi Province\* (陝西省商務廳).
14. The issued Shares are to be enlarged by the issue and allotment of 35,000,000 H Shares under general mandate (more particularly described in the announcement of the Company dated 18 June 2018). The general mandate was approved by the annual general meeting on 30 June 2017 and is subject to the approval of the China Securities Regulatory Commission\* (中國證券監督管理委員會) and the Stock Exchange.

Saved as disclosed above, as at 30 September 2018, 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 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 2018, 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 2018, the Audit Committee comprised of Professor Shi Ping, an independent non-executive Director, and Ms. Huang Jing, a non-executive Director. Professor Lei Zhenya, an independent non-executive Director, was newly appointed as member of the Audit Committee on 19 October 2018. The Group’s unaudited consolidated results for the nine months ended 30 September 2018 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 2018, 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 2018, the Company adopted a code of conduct regarding securities transactions by Directors on terms which are same as the required standard of dealings as referred to in Rule 5.48 to 5.67 of the GEM Listing Rules. The Company has made specific enquiries of all the Directors and the Company was not aware of any non-compliance with the required standard for dealings and the code of conduct regarding securities transactions by the Directors.

## PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2018.

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

Xi'an, the PRC, 8 November 2018

*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 Professor Lei Zhenya (雷振亞教授) 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