Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited 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.

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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

CHARACTERISTICS OF GEM ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange 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 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 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.*

ANNUAL RESULTS

The board of Directors (the "Board") of the Company announces the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2018, together with the comparative figures for the year ended 31 December 2017 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2018

	Notes	**2018** **RMB**	2017 *RMB*
Revenue	*4*	**44,115,022**	59,925,087
Cost of sales		**(43,302,152)**	(59,777,605)
Gross profit		**812,870**	147,482
Other revenue	*6*	**747,799**	631,881
Change in fair value of financial assets at fair value through profit or loss ("FVTPL") / held for trading investments		**(8,773,966)**	5,132,378
Distribution expenses		**(420,995)**	(911,672)
Administrative expenses		**(22,202,700)**	(21,695,224)
Impairment loss recognised in respect of trade receivables		**–**	(73,201)
Impairment loss recognised in respect of other receivables		**(463,428)**	(121,642)
Impairment loss recognised in respect of intangible assets		**(5,291,506)**	–
Impairment loss recognised in respect of deposit paid for acquisition of non-current assets		**(2,145,299)**	–
Write-off of prepayments		**(3,576,091)**	(141,948)
Reversal of impairment loss recognised in respect of trade receivables		**516,278**	646,202
Reversal of impairment loss recognised in respect of other receivables		**223,246**	63,432
Reversal of impairment loss recognised in respect prepayments		**100,000**	–
Finance costs	*7*	**–**	(444,969)
Share of result of an associate		**(481,752)**	–
Loss before tax		**(40,955,544)**	(16,767,281)
Income tax (expense) credit	*8*	**(12,051)**	13,282
Loss and total comprehensive expense for the year	*9*	**(40,967,595)**	(16,753,999)
Attributable to:			
– Owners of the Company		**(41,080,398)**	(16,682,356)
– Non-controlling interest		**112,803**	(71,643)
		(40,967,595)	(16,753,999)
Loss per share:			
– Basic and diluted *(RMB cents)*	*11*	**(2.68)**	(1.09)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2018

	Notes	**2018** *RMB*	2017 *RMB*
Non-current assets			
Plant and equipment		**9,903,207**	11,908,193
Intangible assets		**–**	6,763,999
Interest in an associate		**1,018,248**	–
Deposits paid for acquisition of non-current assets		**18,546,000**	20,428,500
Prepayments		**225,790**	384,142
		29,693,245	39,484,834
Current assets			
Financial assets at FVTPL / held for trading investments	*12*	**16,357,613**	25,146,020
Inventories		**2,638,479**	2,051,965
Trade receivables	*13*	**937,317**	700,402
Deposits, other receivables and prepayments		**3,364,977**	6,232,513
Amounts due from related parties		**11,000**	230,000
Amounts due from a director and a supervisor		**805,812**	815,298
Bank balances and cash		**6,893,833**	14,811,124
		31,009,031	49,987,322
Current liabilities			
Trade payables	*14*	**7,858,713**	7,126,240
Other payables, accrued charges and deposits received		**9,010,565**	9,966,141
Contract liabilities		**20,818**	–
Amounts due to shareholders		**16,100,000**	4,700,000
Amounts due to related parties		**1,000,000**	–
		33,990,096	21,792,381
Net current (liabilities) assets		**(2,981,065)**	28,194,941
Net assets		**26,712,180**	67,679,775
Capital and reserves			
Share capital		**153,105,882**	153,105,882
Reserves		**(129,332,390)**	(88,251,992)
Equity attributable to owners of the Company		**23,773,492**	64,853,890
Non-controlling interest		**2,938,688**	2,825,885
Total equity		**26,712,180**	67,679,775

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018

	Attributable to owners of the Company							
	Share capital *RMB*	**Share premium** *RMB*	**Statutory surplus reserve** *RMB*	**Other Reserve** *RMB*	**Accumulated losses** *RMB*	**Sub-total** *RMB*	**Non-controlling interest** *RMB*	**Total** *RMB*
At 1 January 2017	153,105,882	115,390,048	16,153,228	15,856,279	(218,969,191)	81,536,246	2,897,528	84,433,774
Loss and total comprehensive expense for the year	–	–	–	–	(16,682,356)	(16,682,356)	(71,643)	(16,753,999)
At 31 December 2017	153,105,882	115,390,048	16,153,228	15,856,279	(235,651,547)	64,853,890	2,825,885	67,679,775
Loss and total comprehensive expense for the year	–	–	–	–	(41,080,398)	(41,080,398)	112,803	(40,967,595)
At 31 December 2018	**153,105,882**	**115,390,048**	**16,153,228**	**15,856,279**	**(276,731,945)**	**23,773,492**	**2,938,688**	**26,712,180**

Notes:

1. GENERAL

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 GEM of the Stock Exchange.

The principal activities of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") are 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.

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS

Notwithstanding that the Group incurred a loss attributable to owners of the Company of RMB41,080,398 for the year ended 31 December 2018 and as at 31 December 2018 the Group had net current liabilities of RMB2,981,065, the consolidated financial statements have been prepared on a going concern basis as the directors of the Company are satisfied that the liquidity of the Group can be maintained in the coming year taking into consideration of the following matters:

(i) The shareholders and related parties of the Group have undertaken not to demand the (i) repayment of the balances due from the Group totalling RMB16,100,000 and (ii) RMB1,000,000 as at 31 December 2018 within twelve months from the end of the reporting period and until the Group is in a financial position to do so; and

(ii) The Group subsequently received fund from shareholder with an amount of RMB40,000,000. The shareholders have undertaken not to demand the repayment of the whole amount until the Group is in a financial position to do so.

Accordingly, the directors of the Group are of the opinion that it is appropriate to prepare these consolidated financial statements for the year ended 31 December 2018 on a going concern basis. The consolidated financial statements do not include any adjustments relating to the carrying amount and reclassification of assets and liabilities that might be necessary should the Group be unable to continue as a going concern.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)")

In the current year, the Group has applied the following new and revised HKFRSs, which include HKFRSs, Hong Kong Accounting Standards ("HKAS(s)"), amendments and Interpretations ("Int(s)"), issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and related Amendments
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of Annual Improvements to HKFRSs 2014 – 2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration

Except as described below, the application of other new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

HKFRS 9 *Financial instruments*

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The Group has applied HKFRS 9 retrospectively to financial instruments that have not been derecognised at the date of initial application (i.e. 1 January 2018) in accordance with the transition provisions under HKFRS 9, and chosen not to restate comparative information. Differences in the carrying amounts of financial assets and financial liabilities on initial application are recognised in retained earnings as at 1 January 2018.

Summary of effects arising from initial application of HKFRS 9

The table below summarises the original measurement categories under HKAS 39 and the new measurement categories under HKFRS 9 for each class of the Group's financial assets and financial liabilities and reconciles the carrying amounts of financial assets and financial liabilities under HKAS 39 to the carrying amounts under HKFRS 9 on 1 January 2018.

	Carrying amount at 31 December 2017 (HKAS 39)	**Adoption of HKFRS 9 – Reclassification**	**Carrying amount at 1 January 2018 (HKFRS 9)**
	RMB	*RMB*	*RMB*
Financial assets			
Loan and receivable			
– Trade receivables	700,402	(700,402)	–
– Other receivables	1,128,453	(1,128,453)	–
– Amounts due from related parties	230,000	(230,000)	–
– Amounts due from a director and a supervisor	815,298	(815,298)	–
– Bank balances and cash	14,811,124	(14,811,124)	–
At amortised cost			
– Trade receivables	–	700,402	700,402
– Deposits and other receivables	–	1,128,453	1,128,453
– Amounts due from related parties	–	230,000	230,000
– Amounts due from a director and a supervisor	–	815,298	815,298
– Bank balances and cash	–	14,811,124	14,811,124
Financial assets at FVTPL / held for trading investments			
FVTPL			
– Trading securities	25,146,020	–	25,146,020

All the financial liabilities have not been impacted by the application of HKFRS 9 and continue to be classified and measured on the same basis as they were under HKAS 39.

HKFRS 15 *Revenue from Contracts with Customers*

HKFRS 15 superseded HKAS 11 Construction Contracts, HKAS 18 Revenue and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard established a five-step model for determining whether, how much and when revenue is recognised. The Group has elected to adopt the modified retrospective approach for contracts with customers that are not completed as at the date of initial application (i.e. 1 January 2018) with the cumulative effect of initially applying HKFRS 15 as an adjustment to the opening balance of retained earnings and comparative information is not restated. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 Revenue.

The amount of adjustment for each financial statement line item of the consolidated statement of financial position at 1 January 2018 affected by the application of HKFRS 15 is illustrated below. Line items that were not affected by the changes have not been included.

	Carrying amount previously reported at 31 December 2017	**Impact on adoption of HKFRS 15 – Reclassification**	**Carrying amount as restated (before adoption of HKFRS 9) at 1 January 2018**
	RMB	*RMB*	*RMB*
Other payables, accrued charges and deposits received	9,966,141	(244,000)	**9,722,141**
Contract liabilities	–	244,000	**244,000**

Disclosure of the estimated impact on the amounts reported in respect of the year ended 31 December 2018 as a result of the adoption of HKFRS 15 on 1 January 2018

The following tables summarise the estimated impact of applying HKFRS 15 on the consolidated statement of financial position at 31 December 2018, by comparing the amounts reported under HKAS 11, HKAS 18 and related interpretations that were in effect before the change. Line items that were not affected by the adjustments have not been included. The adoption of HKFRS 15 did not have material impact on the Group’s operating, investing and financing cash flows.

Impact on the consolidated statement of financial position at 31 December 2018

	As reported	**Impact of adopting HKFRS 15**	**Amount excluding impacts of adopting HKAS 18**
	RMB	***RMB***	***RMB***
Other payables, accrued charges and deposit received	**9,010,565**	**20,818**	**9,031,383**
Contract liabilities	**20,818**	**(20,818)**	**–**

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 16	Leases[1]
HKFRS 17	Insurance Contracts[4]
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments[1]
Amendments HKFRS 3	Definition of a Business[3]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to HKAS 1 and HKAS 8	Definition of Material[2]
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement[1]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[1]
Amendments to HKFRS	Annual Improvements to HKFRSs 2015 – 2017 Cycle[1]

1 *Effective for annual periods beginning on or after 1 January 2019.*

2 *Effective for annual periods beginning on or after 1 January 2020.*

3 *Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.*

4 *Effective for annual periods beginning on or after 1 January 2021.*

5 *Effective date not yet been determined.*

The directors of the Company anticipate that, except as described in the consolidated financial statements, the application of other new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

4. REVENUE

Revenue represents revenue arising on sale of goods for the year. An analysis of the Group's revenue for the year is as follows:

	2018	2017*
	RMB	*RMB*
Sales of goods		
Antennas products	**899,354**	971,805
Underwater surveillance and related products	**78,217**	257,809
Unmanned aerial products	**894,544**	1,187,693
Construction related products	**37,565,582**	56,713,620
Agricultural products	**4,677,325**	794,160
	44,115,022	59,925,087

* *The amounts for the year ended 31 December 2017 were recognised under HKAS 18.*

Disaggregation of the Group's revenue by timing of recognition

	2018
	RMB
At a point in time	**44,115,022**

5. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The directors of the Company have chosen to organise the Group around differences in products and services.

Specifically the Group's reportable segments are as follows:

– Sales of antennas products and related services;

– Sales of underwater surveillance and related products;

– Sales of unmanned aerial products;

– Sales of construction related products; and

– Sales of agricultural products.

In 2018, the CODM resolved to cease the provision of legal and investment advisory services. There were no segment revenue, segment result, segment assets or liabilities attributable to this segment since 1 January 2017 and accordingly the cessation of such segment had no significant impact to the Group and no segment information is presented.

The Group's sales of agricultural products was newly introduced for reportable segment for the year ended 31 December 2018 as the business has met the quantitative threshold and the CODM believe that the information of would be useful to the users of the financial statements.

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segments.

For the year ended 31 December 2018

	Sales of antennas products and related services *RMB*	**Sales of underwater surveillance and related products** *RMB*	**Sales of unmanned aerial products** *RMB*	**Sales of construction related products** *RMB*	**Sales of agricultural products** *RMB*	**Total** *RMB*
REVENUE						
External sales	**899,354**	**78,217**	**894,544**	**37,565,582**	**4,677,325**	**44,115,022**
Segment profit (loss)	**(27,624)**	**(107,631)**	**(12,264,274)**	**78,318**	**204,272**	**(12,116,939)**
Unallocated other revenue						**627,267**
Change in fair value of financial assets at FVTPL						**(8,773,966)**
Unallocated corporate expenses						**(20,691,906)**
Finance costs						**–**
Loss before tax						**(40,955,544)**

For the year ended 31 December 2017

	Sales of antennas products and related services *RMB*	Sales of underwater surveillance and related products *RMB*	Sales of unmanned aerial products *RMB*	Sales of construction related products *RMB*	Sales of agricultural products (restated) *RMB*	Total *RMB*
REVENUE						
External sales	971,805	257,809	1,187,693	56,713,620	794,160	59,925,087
Segment profit (loss)	760,750	(856,454)	(2,561,433)	(165,311)	(8,194)	(2,830,642)
Unallocated other revenue						247,607
Change in fair value of held for trading investments						5,132,378
Unallocated corporate expenses						(18,871,655)
Finance costs						(444,969)
Loss before tax						(16,767,281)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit (loss) represents the profit earned by (loss from) each segment without allocation of central administration costs, directors' emoluments, certain other revenue, unrealised gain on fair value changes of held for trading investments and finance costs. This is the measure reported to the CODM of the Company for the purposes of the resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

Segment assets

	2018	2017
	RMB	*RMB*
Sales of antennas products and related services	**5,600,410**	1,751,629
Sales of underwater surveillance and related products	**799,033**	838,232
Sales of unmanned aerial products	**21,661,333**	39,656,355
Sales of construction related products	**1,258,518**	1,509,238
Sales of agricultural products	**4,140,456**	3,067,943
Total segment assets	**33,459,750**	46,823,397
Unallocated assets	**27,242,526**	42,648,759
Consolidated total assets	**60,702,276**	89,472,156

Segment liabilities

	2018	2017
	RMB	*RMB*
Sales of antennas products and related services	**14,136,892**	8,574,819
Sales of underwater surveillance and related products	**62,069**	306,069
Sales of unmanned aerial products	**224,657**	7,767,230
Sales of construction related products	**1,567,330**	112,227
Sales of agricultural products	**88,511**	73,736
Total segment liabilities	**16,079,459**	16,834,081
Unallocated	**17,910,637**	4,958,300
Consolidated total liabilities	**33,990,096**	21,792,381

For the purposes of monitoring segment performance and allocating resources between segments:

– all assets are allocated to operating segments other than change in fair value of financial assets at FVTPL / held for trading investment, certain amounts due from related parties, bank balances and cash and certain corporate assets. Assets used jointly by operating segments are allocated on the basis of the revenues earned by individual reportable segments; and

– all liabilities are allocated to operating segments other than amounts due to shareholders and related parties and certain unallocated head office liabilities. Liabilities for which operating segments are jointly liable are allocated in proportion to segment asset

Other segment information

For the year ended 31 December 2018

	Sales of antennas products and related services *RMB*	Sales of underwater surveillance and related products *RMB*	Sales of unmanned aerial products *RMB*	Sales of construction related products *RMB*	Sales of agricultural products *RMB*	Unallocated *RMB*	Total *RMB*
Amounts included in the measure of segment profit or loss or segment assets:							
Additions to non-current assets	1,522,895	–	–	–	1,140,078	–	2,662,973
Depreciation of plant and equipment	1,938,700	31,410	6,563	–	271,993	886,721	3,135,387
Amortisation of intangible assets	–	–	1,472,493	–	–	–	1,472,493
Impairment loss recognised in respect of other receivables	463,428	–	–	–	–	–	463,428
Impairment loss recognised in respect of intangible assets	–	–	5,291,506	–	–	–	5,291,506
Impairment loss recognised in respect of deposit paid for acquisition of non-current assets	–	–	2,145,299	–	–	–	2,145,299
Loss on write-off of plant and equipment	–	–	–	–	14,612	17,960	32,572
Write-off of prepayments	–	–	3,576,091	–	–	–	3,576,091
Reversal of impairment loss recognised in respect of trade receivables	(516,278)	–	–	–	–	–	(516,278)
Reversal of impairment loss recognised in respect of other receivables	–	–	–	–	–	(223,246)	(223,246)
Reversal of impairment loss recognised in respect of prepayments	–	–	–	–	–	(100,000)	(100,000)
Government grants and government grants amortised	(33,000)	–	–	–	–	–	(33,000)
Waiver of trade payables	(377,754)	–	(27,500)	–	(5,523)	–	(410,777)
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:							
Bank interest income	–	–	–	–	–	(26,903)	(26,903)
Income tax expense	–	–	–	12,051	–	–	12,051
Change in fair value of financial assets at FVTPL	–	–	–	–	–	8,773,966	8,773,966

For the year ended 31 December 2017

	Sales of antennas products and related services	Sales of underwater surveillance and related products	Sales of unmanned aerial products	Sales of construction related products	Sales of agricultural products (restated)	Unallocated	Total
	RMB	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*
Amounts included in the measure of segment profit or loss or segment assets:							
Additions to non-current assets	–	3,884	1,203,196	111,564	2,408,965	2,686,957	6,414,566
Depreciation of plant and equipment	8,699	35,847	1,788,426	315,338	12,972	391,261	2,552,543
Amortisation of intangible assets	–	–	613,539	–	–	–	613,539
Impairment losses recognised in respect of trade receivables	–	73,201	–	–	–	–	73,201
Impairment loss recognised in respect of other receivables and payments	232,390	31,200	–	–	–	–	263,590
Allowance for inventories	19,303	678,731	66,989	–	–	–	765,023
Loss on write-off of plant and equipment	48,748	–	–	–	–	–	48,748
Reversal of impairment loss recognised in respect of trade receivables	(646,202)	–	–	–	–	–	(646,202)
Reversal of impairment loss recognised in respect of other receivables and prepayments	(63,432)	–	–	–	–	–	(63,432)
Government grants and government grants amortised	(225,700)	–	–	–	–	–	(225,700)
Waiver of trade payables	(94,987)	–	–	–	–	–	(94,987)
Waiver of other payables	(63,587)	–	–	–	–	–	(63,587)
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:							
Bank interest income	–	–	–	–	–	(50,410)	(50,410)
Finance costs	–	–	–	–	–	444,969	444,969
Income tax expense (credit)	–	–	–	–	5,252	(18,534)	(13,282)
Unrealised gain on fair value changes of held for trading investments	–	–	–	–	–	(5,132,378)	(5,132,378)

Geographical information

The Group's operations are located in the PRC and other Asian countries excluding the PRC.

Information about the Group's revenue from external customers is presented based on the location of the operations and information about its non-current assets is presented based on the geographical location of the assets are detailed below:

	Revenue from external customers		Non-current assets	
	2018	2017	**2018**	2017
	RMB	*RMB*	***RMB***	*RMB*
The PRC (country of domicile)	**44,115,022**	59,925,087	**28,525,587**	37,603,072
Other Asian countries excluding the PRC	**–**	–	**1,167,658**	1,881,762
	44,115,022	59,925,087	**29,693,245**	39,484,834

6. OTHER REVENUE

	2018	2017
	RMB	*RMB*
Bank interest income	**26,903**	50,410
Government grants	**33,000**	37,500
Government grants amortised	**–**	188,200
Net exchange gain	**68,153**	–
Rental income	**193,714**	193,714
Sales of scrap materials	**9,114**	–
Waiver of trade payables	**410,777**	94,987
Waiver of other payables	**–**	63,587
Others	**6,138**	3,483
	747,799	631,881

7. FINANCE COSTS

	2018	2017
	RMB	*RMB*
Interests on bank borrowings	**–**	444,969

8. INCOME TAX EXPENSE(CREDIT)

	2018	2017
	RMB	*RMB*
Current tax:		
PRC Enterprise Income Tax	**12,051**	5,252
Over-provision in prior years:		
Hong Kong	**–**	(18,534)
	12,051	(13,282)

No provision for Hong Kong Profits Tax has been made for the years ended 31 December 2018 and 2017 as there were no assessable profits for both years.

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 the PRC subsidiaries is 25% for both years.

9. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging (crediting):

	2018	2017
	RMB	*RMB*
Depreciation of plant and equipment	**3,135,387**	2,552,543
Amortisation of intangible assets	**1,472,493**	613,539
Auditor's remuneration	**620,000**	600,000
Staff costs:		
– Directors' and supervisors' emoluments	**2,175,116**	2,575,674
– Salaries, wages and allowances	**6,723,954**	5,195,238
– Retirement benefit scheme contributions (excluding directors and supervisors)	**1,085,068**	884,294
Total staff costs	**9,984,138**	8,655,206
Loss on write-off of plant and equipment	**32,572**	48,748
Amount of inventories recognised as an expense	**43,302,152**	59,012,582
Allowance for inventories (included in cost of sales)	**–**	765,023
Exchange (gain) loss, net	**(68,153)**	668,224
Minimum lease payments paid under operating leases rentals in respect of rented office premises	**1,413,785**	1,004,189
Research and development costs recognised as an expense *(note)*	**751,825**	613,496

Note: Included in research and development costs were staff costs and depreciation of plant and equipment of RMB530,298 (2017: RMB563,514) and RMB56,732 (2017: RMB21,004) respectively.

10. DIVIDENDS

No dividend was paid or proposed during the year ended 31 December 2018, nor has any dividend been proposed since the end of the reporting period (2017: nil).

11. LOSS PER SHARE

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of RMB41,080,398 (2017: RMB16,682,356) and the weighted average number of 1,531,058,824 (2017: 1,531,058,824) shares in issue during the year.

The diluted loss per share is equal to the basic loss per share as calculated above since the Company does not have any potential shares outstanding for the years ended 31 December 2018 and 2017.

12. FINANCIAL ASSETS AT FVTPL / HELD FOR TRADING INVESTMENTS

Financial assets at FVTPL / held for trading investments include:

	2018	2017
	RMB	*RMB*
Trading securities		
– Equity securities listed in the PRC	**16,357,613**	25,146,020

13. TRADE RECEIVABLES

	2018	2017
	RMB	*RMB*
Trade receivables	**51,741,380**	52,960,743
Less: allowance for impairment loss	**(50,804,063)**	(52,260,341)
	937,317	700,402

In general, the Group allows a credit period ranging from 5 to 240 days (2017: 5 to 240 days) to its trade customers. The Group does not hold any collateral over these balances.

The following is an ageing analysis of trade receivables, net of allowance for impairment loss, presented based on the invoice dates, which approximates the respective revenue recognition dates, at the end of the reporting period.

	2018	2017
	RMB	*RMB*
Within 60 days	**598,217**	679,002
61 to 120 days	**26,040**	21,400
121 to 180 days	**–**	–
181 to 365 days	**313,060**	–
	937,317	700,402

At the end of each reporting period, the Group's trade receivables were individually determined to be impaired with an aggregate balance of RMB50,804,063 (2017: RMB52,260,341). The trade receivables are determined to be impaired based on the credit history of its customers, such as financial difficulties or default in payments, and current market conditions. Consequently, specific impairment loss was recognised. The movement in the allowance for impairment loss of trade receivables is as follows:

	2018	2017
	RMB	*RMB*
At 1 January	**52,260,341**	52,833,342
Impairment loss recognised	**–**	73,201
Amounts written off as uncollectible	**(940,000)**	–
Reversal of impairment loss recognised in previous years	**(516,278)**	(646,202)
At 31 December	**50,804,063**	52,260,341

14. TRADE PAYABLES

The following is an ageing analysis of trade payables, presented based on the invoice dates, at the end of the reporting period.

	2018	2017
	RMB	*RMB*
Within 60 days	**21,873**	66,322
61 to 120 days	**–**	89,437
121 to 365 days	**578,315**	324,132
Over 365 days	**7,258,525**	6,646,349
	7,858,713	7,126,240

The average credit period on purchases of goods is 90 days (2017: 90 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

15. EVENTS AFTER THE REPORTING PERIOD

(i) Subsequently to the end of the reporting period, there was a subsequent increase in the fair value of the equity securities listed in the PRC and the estimated unrealised gain on fair value changes of financial assets at FVTPL of RMB2,844,802 would be expected with reference to the market price of these equity securities as at the date on which the consolidated financial statements are approved by the board of directors of the Company.

(ii) On 19 March 2019, the Group received fund from shareholders with an amount of RMB40,000,000 which included RMB27,300,000 for a subscription shares under specific mandate described in the circular of the Company date 2 February 2018 . The shareholders have undertaken not to demand the repayment of the whole amount until the Group is in a financial position to do so.

MANAGEMENT DISCUSSION AND ANALYSIS

REVENUE

Revenue recorded for the year ended 31 December 2018 was approximately RMB44.12 million, representing a significant decrease of over 26% from RMB59.93 million for the year of 2017. During the year, the Group mainly operated in 5 reportable and operating segments including sales of antenna products and related services, sales of underwater surveillance and related products, sales of unmanned aerial products, sales of construction related products, and sales of agricultural products.

Sales of antenna products and related services

During the year, 4G antenna business in China became saturated due to low market purchase price, small profit margin and slow payment cycle of civil base station antennas, and the market competition of 4G business between communication operators gradually shifted from the market user volume to the data throughput and applications. In additions, demand for new 4G antenna products by communication operators became relatively lower as the result of expectation of commercialisation of 5G network in the near future. In turn, communication operators mainly concentrated to network planning, network optimization and network construction in order to improve existing 4G network before the launch of 5G. Accordingly, the Group began to deploy resources for the development of 5G commercial network technologies and products during the year and mainly engaged in provision of supporting services for network planning, network optimisation and network construction rather than sales of antenna products. Development and optimisation of related 5G antenna products of the Group would be continued in order to vigorously carry out marketing activities.

Revenue from the operating segments of sales of antenna products and related services remained at approximately 2% for the year, which was mostly come from network inspection, maintenance and optimisation.

Sales of underwater surveillance and related products

Based on the summary and analysis of the feedback from markets and customers, the products review, updating and integration for underwater surveillance products were carried on throughout the year. Accordingly, the related technical performance and indicators of products were adjusted and updated, and at the same time, the sales department comprehensively sorted out the improved product performance indicators which could lay a good foundation for future market expansion.

Revenue from the operating segments of underwater surveillance and related products was less than 1% as most of resources was allocated to the improvement of existing products and development of new products during the year.

Sales of unmanned aerial products

After completion of the high-altitude test for design verification of the first theoretical prototype large-loaded unmanned aerial vehicle ("UAV") by the end of 2017, the related standard finalisation test was carried out during the year and the research and development of industrial-grade UAV product series was basically completed. Further improvement on product performance in response to market demand, specialised and customised requirements and various industrial needs was scheduled to begin before product introduction to the market subsequently. During the research and development process of UAV, different parts and components of UAV were developed as part of product series.

Revenue from the operating segments of sales of unmanned aerial products was attributable to approximately 2%, which was mainly come from sales of parts and components such as aircraft engines.

Sales of construction related products

Relying on certain preferential policies in Shanghai Free Trade Zone, building materials trading launched steadily since 2016. As there were specific requirements for building materials by different customers and building materials were sensitive to price fluctuation, all sales and purchases were conducted in back-to-back trading in order to minimise inventory risk and price fluctuation risk. The Group also adopted low gross profit margin policy to improve turnover rate of trading products during the year.

During the year, trading products mainly consisted of aluminium ingots which was accounted for approximately 85% of revenue of the Group. Approximately RMB37.57 million was recognised as revenue during the year, representing merely 66% of revenue generated in 2017, because relatively high price fluctuation was sustained during the year.

Sales of agricultural products

Trading of agricultural products was carried out since 2017 in order to respond positively to the State policy of poverty alleviation and fulfil social responsibility of the Group. As the business was established in the navy fixed-point poverty alleviation village, the Group enjoyed geographical advantages and related policies to develop and expand its sales channels during the year.

In addition to a good market response, the business achieved profitability during the year. Revenue generated from trading of agricultural products was approximately 11% during the year, comparing to 1% of revenue in 2017.

No revenue was recorded for overseas markets during the year.

GROSS PROFIT

Gross profit of approximately RMB0.81 million was recorded for the year with gross profit margin of approximately 1.84%, representing an increase of 1.59% as when comparing to gross profit margin of approximately 0.25% in 2017. It was mainly attributable to write-down of inventories by approximately RMB0.77 million in the year of 2017 but no such write-down for the year.

OTHER REVENUE

Approximately RMB0.75 million was recorded as other revenue in 2018, representing approximately 118% of other revenue in 2017, of which approximately RMB0.41 million was realised as gain on debts restructuring in respect of wavier of trade and other payables during the year, compared to approximately RMB0.16 million in 2017.

SEGMENT RESULTS

Distribution costs for the year were dropped from approximately RMB0.91 million in 2017 to approximately RMB0.42 million, representing a decrease of nearly 54%, as the Group concentrated on research and development activities without large scale exhibition and marketing events during the year.

No impairment loss on trade receivables was provided for the year but reversal of impairment loss on trade receivables of approximately RMB0.52 million was recorded for the receipts from impaired debts. The accumulated impairment loss on trade receivables was approximately 98% of total trade receivables at 31 December 2018 and the aging analysis of trade receivables which are past due but not impaired was within one year. Recoverability of those impaired trade receivables of approximately RMB50.80 million was serious considered during the year, and the process and action for debts recovery were scheduled to begin subsequently.

Although industrial-grade UAV product series was basically completed during the year, further improvement and development should be required before product introduction to the market. Accordingly, approximately RMB5.29 million was recognised as impairment loss on self-developed prototype under intangible assets during the year.

As new development plan should be required for UAV in response to market feedback, impairment loss of approximately RMB2.15 million was recognised on deposit paid for acquisition of equipment under original development plan. In additions, UAV would be replaced under new development plan, prepayments of approximately RMB3.58 million was written off during the year.

After allocation of government grants and gain on debts restructuring under other revenue, distribution costs, depreciation and amortisation expenses under administration expenses, and impairment loss on intangible assets, trade receivables, deposits, other receivables and prepayments recognised and reversed, segment losses were reported for operating segments of sales of antenna products and related services, sales of underwater surveillance and related products, and sales of unmanned aerial products. It was mainly because certain operating resources were used for products development and restructuring, and the sales volume was not sufficient to effectively utilise the existing business capacities.

OTHER COSTS AND EXPENSES

Administrative expenses were increased from approximately RMB21.70 million in 2017 to approximately RMB22.20 million for the year, representing an increase of approximately 2%, of which approximately RMB5.03 million was accounted for oversea market development including Hong Kong.

No finance costs were incurred as no interest-bearing borrowings were held during the year.

Net loss arising on change in fair value of financial assets at FVTPL of approximately RMB8.77 million was recorded in respect of listed equity securities held as the result of drop in market price at 31 December 2018. Accordingly, the fair value of financial assets at fair value through profit and loss at 31 December 2018 was approximately 18% lower than the original acquisition costs.

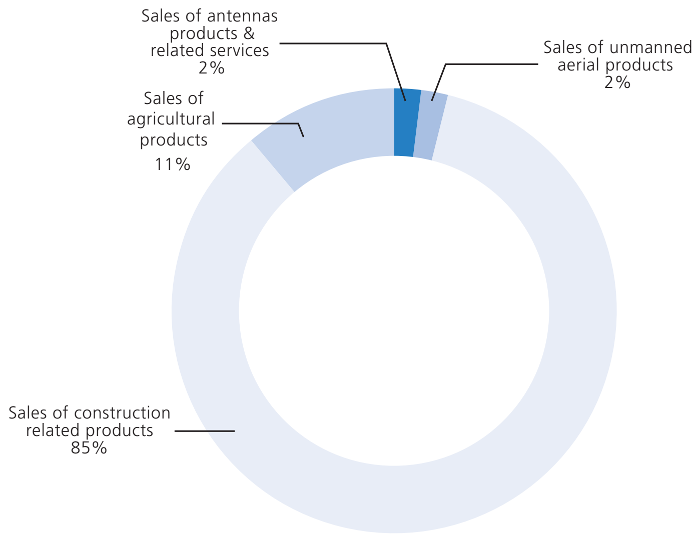
In order to enhance the research and development of new technologies for 5G antenna products, the Group invested in an associate which was awarded certain patents in the PRC regarding antennas during the year. As the associate was still at the development stage and did not have any revenue nor profit, a loss of approximately RMB0.48 million was recognised as a share of result of the associate.

LOSS FOR THE YEAR

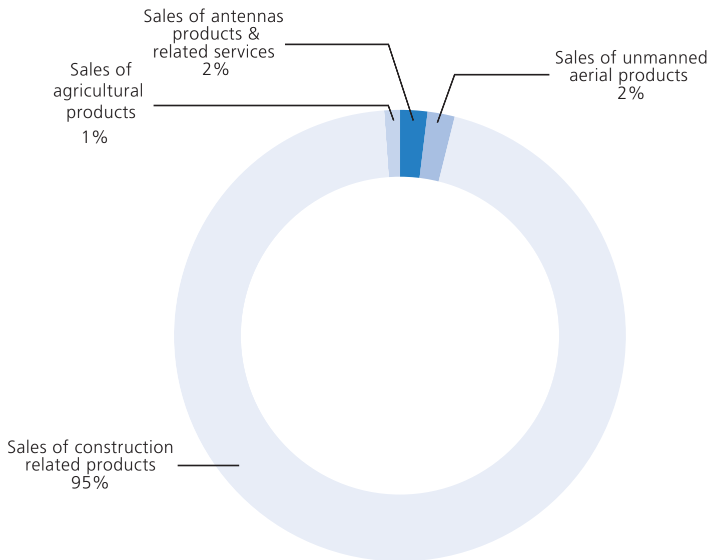
As the revenue was decreased by over 26% and the business capacities were not fully utilised, together with loss on fair value changes of financial assets and impairment loss on intangible assets, trade receivables, deposits, other receivables and prepayments, loss of approximately RMB40.97 million was reported for the year, which was approximately 145% more than loss of approximately RMB16.75 million reported in 2017.

Composite of Group's revenue by reportable and operating segments for the year ended 31 December 2018, together with the comparative figures for the year ended 31 December 2017, are provided as follows:

For the year ended 31 December 2018



For the year ended 31 December 2017



PROSPECTS

In 2019, the Group will actively grasp the favourable opportunity of 5G commercialisation based on the demands of the market development, to conduct research and manufacturing and marketing of relevant products focusing on the mobile communication industry. Also, the Group will actively respond to China's targeted poverty alleviation work, vigorously develop the Group's agricultural products and other related products businesses, and conduct aerospace and marine engineering equipment businesses in an orderly manner.

According to the 5G promotion work deployment proposed by the Ministry of Industry and Information Technology of the PRC and the 5G commercial plans of the three major operators, China will launch 5G network construction in 2019, and officially launch commercial services in 2020. Therefore, the Group's key work in 2019 is mainly to actively grasp the 5G market. Based on the antennas developed by the Company which are characterised by broadband, high gain, light weight and multi-user intervention, the Company will continue to develop a series of antennas products in different frequency bands and with new materials which are characterised by new broadband, multiple-beam, high gain and full-angle coverage and could be widely used in a variety of industries including 5G mobile communication, wireless local area network (W-LAN), unmanned vehicles, automotive electronics and internet of things (IoTs), and for many purposes, to comprehensively enrich and perfect mobile communication related product series, ensuring that the Company could seize the market in the 5G era in a fast and effective manner.

Meanwhile, the Group will continue to strengthen the 4G network optimisation and other work in 2019. Even though 5G commercialisation is coming, it will take several years to realise the full coverage of 5G network. Thus, most mobile communication users will continue to use the existing network. Together with the time lag from replacement of mobile communication users' 5G mobile phones, 4G network is still indispensable for many people for a long period of time. Therefore, in 2019, in addition to fully support the development of 5G communication related products, the Group will continue to actively carry out 4G network optimisation and other related businesses, with an aim to fully increase the revenue and profit of mobile communication related products.

In 2019, by virtue of the established cultivation base for agricultural products and China's preferential policies on poverty alleviation, the Group will continue to further strengthen the efforts to poverty supporting and alleviation, enrich and improve related products, expand product sales channels and enhance daily management, striving to improve the Group's operating performance. With regard to the Company's aerospace, marine engineering equipment related products, the Group will develop steadily in accordance with the market demand, and conduct relevant marketing and sales while safeguarding its development of daily products, to make contributions to the sales performance of the Group.

Concerning the funds required for the sustainable development of the Group, apart from bank borrowings and revitalisation of our existing assets, the Group also intends to resort to other financing channels, such as new share issue and bond issue, as and when appropriate. The Board and management of the Group will strive to turn the Group into a high-tech enterprise with diversified operations.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the year, the Group was mainly financed by funds generated from operations and raised from issue of shares. As at 31 December 2018, no any interest-bearing borrowings were outstanding.

During the year, no any interest-bearing borrowings were raised. Majority of debts for operations were denominated in RMB during the year. Details of policy in respect of interest rate risk and foreign currency risk are disclosed in note 7 to the consolidated financial statements, the Directors consider that exposure to interest rate risk and foreign currency risk was minimal.

As at 31 December 2018, the gearing ratio was not applicable to the Group as there was no interest-bearing borrowings, which is calculated based on total interest-bearing borrowings over equity attributable to owners of the Company. Details of changes in equity of the Group are disclosed in the annual report and the structure of share capital is disclosed in note 32 to the consolidated financial statements.

Cash and cash equivalents decreased approximately from RMB14.81 million to RMB6.89 million. As at 31 December 2018, no bank deposit was pledged to secure any operations and liabilities of the Group.

FOREIGN EXCHANGE EXPOSURE

Since majority of the transactions of the Group are denominated in RMB, the Group has not experienced any material difficulties or effects on its operations or liquidity as a result of fluctuations in currency exchange rates during the year under review. The Group did not enter into any material foreign exchange contracts, interest or currency swaps or other financial activities. Details of policy in respect of foreign currency risk are disclosed in note 7 to the consolidated financial statements, the Directors consider that exposure to foreign exchange risk was minimal.

SIGNIFICANT INVESTMENT HELD

Except for investments in subsidiaries, interest in an associate and financial assets at fair value through profit or loss disclosed in notes 39, 19 and 21 to the consolidated financial statements respectively, the Group did not hold any significant investment for the year ended 31 December 2018.

MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in the paragraph headed "Significant Investment Held" above, the Group did not have any other material acquisitions and disposals of subsidiaries, associates and affiliated companies during the year ended 31 December 2018.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2018, the Group had 52 (2017: 54) full-time employees. Total staff costs for the year of 2018 amounted to approximately RMB9.98 million (2017: RMB8.66 million), including remuneration of the Directors and members of the supervisory committee (the "Supervisors"). The Group reviews employee remuneration from time to time and increases in remuneration are normally granted annually or by special adjustment depending on length of service and performance when warranted. In addition to salaries, the Group provides employee benefits including medical insurance and retirement benefits scheme. Bonuses are also available to employees of the Group at the discretion of the Directors and depending upon the financial performance of the Group. The Group has not granted any share options to the Directors and its employees.

CHARGES ON GROUP ASSETS

As at 31 December 2018, no assets of the Group were pledged for its operations and liabilities.

FUTURE PLANS FOR MATERIAL INVESTMENTS

As at 31 December 2018, the Group had capital expenditure contracted for but not provided in the consolidated financial statements in respect of acquisition of property, plant and equipment amounted to approximately RMB21.45 million, and acquisition of an associate amounted to approximately RMB4.50 million.

Save as disclosed herein the Group did not have other plans for material investment.

CONTINGENT LIABILITIES

As at 31 December 2018, except for those disclosed in note 40 to the consolidated financial statements, the Group did not have any material contingent liabilities.

UTILISATION OF NET PROCEEDS FROM EQUITY FUND RAISING ACTIVITIES

During the year ended 31 December 2018, utilisation of net proceeds from equity fund raising activities is as follows:

Issue of 92,000,000 H shares under general mandate completed in full on 15 December 2016

Particulars of issue (more particularly described in the announcement of the Company dated 19 August 2016)

Date of issue:	19 August 2016
Closing price per H share:	HK$0.285 as quoted on the date of issue
Subscription price per H share:	HK$0.25 (a discount of approximately 12.28% to the closing price per H Share)
Subscribers:	Auspicious Zone Investments Limited, Clear Renown Global Limited and Oceanic Bliss Holdings Limited

	Approximate utilised amount of net proceeds			Approximate proposed amount of net proceeds (million)
Proposed use of net proceeds	**Previously utilised (million)**	**Utilised during the year (million)**	**Total utilised (million)**	
Repayment of bank loans and interest expenses	HK$6.09	HK$0	HK$6.09	HK$6.10
Working capital of the Group	HK$7.10	HK$8.84	HK$15.94	HK$16.40
Approximate amount utilised/raised	**HK$13.19**	**HK$8.84**	**HK$22.03**	**HK$22.50**

The unused net proceeds were deposited at bank for proposed use in the first quarter of 2019.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Board of the Company is always committed to maintaining high standards of corporate governance. In the opinion of the Board, the Company has complied with the code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the "Code") contained in Appendix 15 of the GEM Listing Rules throughout the financial year ended 31 December 2018.

Code of conduct for securities transactions by Directors

The Company adopted a code of conduct regarding securities transactions by Directors on terms which are the same as the required standard of dealings as referred to in Rules 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 of dealings and the code of conduct regarding securities transactions by the Directors.

AUDIT COMMITTEE

The Company established an Audit Committee with written terms of reference in compliance with Rules 5.28 of the GEM Listing Rules in April 2003. The Audit Committee is currently chaired by, an independent non-executive Director, Professor Shi Ping and the other members are Professor Lei Zhenya and Ms. Huang Jing, with the majority being independent non-executive Directors.

The terms of reference of the Audit Committee is published on the Company's website.

During the financial year ended 2018, the Audit Committee has, amongst other things, reviewed the quarterly, half-yearly and annual results of the Company and reviewed internal control matters of the Company. The Audit Committee has reviewed the audited financial results of the Group for the year ended 31 December 2018.

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 year ended 31 December 2018.

SUFFICIENCY OF PUBLIC FLOAT

At least 25% of the Company's total issued share capital was held by the public throughout the year ended 31 December 2018 and as at the date of this announcement.

DIRECTORS' AND SUPERVISORS' INTEREST IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in the paragraph headed "Connected Transactions" and except for Directors' and Supervisors' service contacts, no contract of significance, to which the Company or its subsidiaries was a party and in which a Director or a Supervisor had a material interest, whether directly or indirectly, subsisted at the end of the year or any time during the year.

CONNECTED TRANSACTIONS

During the year, the Company has undertaken and/or approved significant and discloseable connected transactions with connected persons of the Company (as defined under the GEM Listing Rules) as follows:

On 19 March 2018, Mr. Xiao Bing and Gaoxiang Investment were approved by the shareholders of the Company to subscribe 65,000,000 Domestic Shares each with total subscription price of RMB27.30 million in the issue of new Domestic Shares under specific mandate (more particularly described in the circular of the Company dated 2 February 2018). Mr. Xiao Bing, being an executive Director, is a connected person. Gaoxiang Investment is an associate of Mr. Chen, being an executive Director, and hence a connected person.

On 13 July 2018, the Company agreed to contribute RMB4.00 million to the capital of Suzhou Haitian New Antenna Technologies Co., Ltd.*（蘇州海天新天綫科技有限公司）("Suzhou Haitian"), an associate of the Company, in order to increase equity interest held by the Company from 20% to 30%. Suzhou Haitian was beneficially owned as to 60% by Xi'an Xiao's Antenna Technologies Co., Ltd.*（西安肖氏天綫科技有限公司）("Xiao Antenna") and 20% by Mr. Liao Kang（廖康先生）before the capital contribution (more particularly described in the announcement of the Company dated 15 July 2018). Xiao Antenna is an associate of Mr. Xiao Bing, being an executive Director, and hence a connected person. Mr. Liao Kang, being an independent non-executive Director from 29 June 2016 to 30 August 2017, is a connected person.

PRELIMINARY ANNOUNCEMENT OF THE RESULTS AND SCOPE OF WORK OF AUDITOR

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the related notes thereto for the year ended 31 December 2018 as set out in the preliminary announcement have been agreed by the Group's auditor, SHINEWING (HK) CPA Limited, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by SHINEWING (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by SHINEWING (HK) CPA Limited on the preliminary announcement.

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

Xi'an, the PRC, 22 March 2019

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*