



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)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2019

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.

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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 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.*

HIGHLIGHTS

- During the three months ended 31 March 2019, the Group recorded an unaudited profit of approximately RMB0.06 million, comparing to the unaudited loss of approximately RMB12.47 million for the corresponding period in the year of 2018.
- The unaudited revenue for the three months ended 31 March 2019 was approximately RMB1.35 million, representing approximately 75% of the unaudited revenue for the corresponding period in the year of 2018.
- The Board does not recommend the payment of a dividend for the three months ended 31 March 2019 (2018: nil).

CONSOLIDATED RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2019

The board of Directors of the Company (the “**Board**”) hereby submits the unaudited consolidated operating results of the Company and its subsidiaries (the “**Group**”) for the three months ended 31 March 2019, together with the unaudited comparative figures for the corresponding period in the year of 2018 as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income

| | | (Unaudited) | |
|--|--------------|----------------------------|-----------------------------|
| | | For the three months ended | |
| | | 31 March | |
| | <i>Notes</i> | 2019 | 2018 |
| | | <i>RMB'000</i> | <i>RMB'000</i> |
| Revenue | 3 | 1,354 | 1,806 |
| Cost of sales | | <u>(1,244)</u> | <u>(1,701)</u> |
| Gross profit | | 110 | 105 |
| Other revenue | | 166 | 165 |
| Change in fair value of financial assets at fair value through profit or loss/held for trading investments | | 5,741 | (7,518) |
| Distribution expenses | | (56) | (119) |
| Administrative expenses | | (4,702) | (5,081) |
| Finance costs | | (1,110) | (19) |
| Share of result of an associate | | <u>(89)</u> | <u>–</u> |
| Profit (loss) before tax | | 60 | (12,467) |
| Income tax expense | 4 | <u>–</u> | <u>–</u> |
| Profit (loss) and total comprehensive income (expense) for the period | | <u><u>60</u></u> | <u><u>(12,467)</u></u> |
| Attributable to: | | | |
| – Owners of the Company | | 38 | (12,458) |
| – Non-controlling interest | | <u>22</u> | <u>(9)</u> |
| | | <u><u>60</u></u> | <u><u>(12,467)</u></u> |
| Profit (loss) per share | | | |
| – Basic and diluted | 6 | <u><u>0.002 cents</u></u> | <u><u>(0.814 cents)</u></u> |

Notes to the Consolidated Financial Results

For the three months ended 31 March 2019

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 GEM of the Stock Exchange.

The Group is principally engaged in research and development, manufacture and sale of base station antennas and related products, underwater and underground surveillance, imaging, mechanical equipment, and complicated environment warning and surveillance equipment, agricultural and forestry used unmanned aerial vehicles, and provision of consultancy services 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 2018.

3. REVENUE

Revenue represents revenue arising on sale of goods for the period. An analysis of revenue and results by reportable and operating segments:

| | (Unaudited) | |
|---|-----------------------------------|---------|
| | For the three months ended | |
| | 31 March | |
| | 2019 | 2018 |
| | RMB'000 | RMB'000 |
| Revenue | | |
| Sales of antennas products and related services | 13 | 889 |
| Sales of underwater surveillance and related products | 2 | – |
| Sales of unmanned aerial products | – | – |
| Sales of construction related products | – | – |
| Sales of agricultural products | 1,339 | 917 |
| | 1,354 | 1,806 |

(Unaudited)
For the three months ended
31 March

| | 2019 | 2018 |
|---|-----------------------|------------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Segment profit (loss) | | |
| Sales of antennas products and related services | (351) | (342) |
| Sales of underwater surveillance and related products | (1) | (31) |
| Sales of unmanned aerial products | (49) | (50) |
| Sales of construction related products | (75) | (80) |
| Provision of consultancy services | – | – |
| Sales of agricultural products | 57 | 60 |
| | (419) | (443) |
| Unallocated other revenue | 155 | 104 |
| Unallocated corporate expenses | (4,307) | (4,591) |
| Change in fair value of financial assets at fair value through profit or loss/held for trading investments | 5,741 | (7,518) |
| Finance costs | (1,110) | (19) |
| Profit (loss) before tax | <u>60</u> | <u>(12,467)</u> |

Segment profit (loss) represents the profit earned by (loss from) each segment without allocation of central administration costs, directors' emoluments, certain other revenue, change in fair value of financial assets at fair value through profit or loss/held for trading investments and finance costs.

Analysis of revenue by geographical location:

(Unaudited)
For the three months ended
31 March

| | 2019 | 2018 |
|---|-----------------------|-----------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| The PRC (country of domicile) | 1,354 | 1,806 |
| Other Asian countries excluding the PRC | – | – |
| | <u>1,354</u> | <u>1,806</u> |

4. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax has been made for the period ended 31 March 2019 as there was no assessable profits for the period (2018: nil).

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the Company and the PRC subsidiaries is 25% for the period ended 31 March 2019 (2018: nil).

5. DIVIDENDS

The Board does not recommend the payment of a dividend for the three months ended 31 March 2019 (2018: nil).

6. LOSS PER SHARE

The calculation of basic loss per share attributable to the owners of the Company is based on the unaudited profit for the three months ended 31 March 2019 attributable to owners of the Company of RMB38,000 (2018: unaudited loss of RMB12,458,000) and the weighted average number of 1,531,058,824 (2018: 1,531,058,824) shares in issue during the period.

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

7. RESERVES

| | Attributable to owners of the Company | | | | | | (Unaudited) Non- controlling interest 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 | | |
| At 1 January 2019 | 153,106 | 115,390 | 16,153 | 15,856 | (276,732) | 23,773 | 2,939 | 26,712 |
| Profit and total comprehensive income for the period | – | – | – | – | 38 | 38 | 22 | 60 |
| At 31 March 2019 | <u>153,106</u> | <u>115,390</u> | <u>16,153</u> | <u>15,856</u> | <u>(276,694)</u> | <u>23,811</u> | <u>2,961</u> | <u>26,772</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 | – | – | – | – | (12,458) | (12,458) | (9) | (12,467) |
| At 31 March 2018 | <u>153,106</u> | <u>115,390</u> | <u>16,153</u> | <u>15,856</u> | <u>(248,109)</u> | <u>52,396</u> | <u>2,817</u> | <u>55,213</u> |

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

The Group recorded unaudited revenue of approximately RMB1.35 million for the three months ended 31 March 2019, representing approximately 75% of the unaudited revenue for the corresponding period of 2018. The decrease was mainly attributable to technologies upgrading, product improvement and resources deployment to 5G development.

During the three months ended 31 March 2019, no product sales was recorded for all of three operating segments of sales of antenna products and related services, sales of underwater surveillance and related products, and sales of unmanned aerial products, and only related services were provided to customers. Most of resources of the three operating segments were deployed to development of communication technologies including 5G in order to develop new antenna products, upgrade existing underwater surveillance products and improve industrial-grade unmanned aerial product series during the period.

No revenue was recorded for the operating segment of sales of construction related products because no sales order was fully completed during the three months ended 31 March 2019 in order to minimise inventory risk.

Approximately 99% of revenue of the Group was come from the operating segment of sales of agricultural products during the three months ended 31 March 2019 as sales channels were well developed. The operation is constantly expanding and provides stable income to the Group.

Gross Profit

During the three months ended 31 March 2019, an unaudited gross profit of approximately RMB0.11 million was recorded which represented gross profit margin of approximately 8.12%, comparing to the unaudited gross profit margin of approximately 5.81% in the corresponding period of 2018. It was mainly attributable to revenue contribution from the operating segment of sales of agricultural products.

Other Revenue

Receipts from impaired trade receivables and net exchange gain were accounted for approximately RMB0.01 million and approximately RMB0.11 million respectively during the three months ended 31 March 2019.

Segment Results

Distribution expenses for the period ended 31 March 2019 were approximately RMB0.06 million, representing a decrease of approximately 53% from the corresponding period of 2018 as no marketing and promotion activities were scheduled.

After allocation of receipts from impaired trade receivables under other revenue, and depreciation and amortisation expenses under administrative expenses for each operating segment, segment profit of approximately RMB0.06 million was recorded for sales of agricultural products. Segment losses were reported for all other operating segments as less than 1% of revenue was generated during the three months ended 31 March 2019.

Other Costs and Expenses

Because of decrease in professional fees by approximately RMB0.30 million, administrative expenses for the three months ended 31 March 2019 were decreased by approximately RMB0.38 million comparing to the corresponding period of 2018.

Approximately RMB1.10 million interest expenses were incurred for the short-term bank borrowings of approximately RMB50.00 million during the three months ended 31 March 2019 as the approved specific mandate with aggregate gross proceeds of RMB42.00 million was not completed. The bank borrowings were mainly used for the operations and technologies development for the year of 2019.

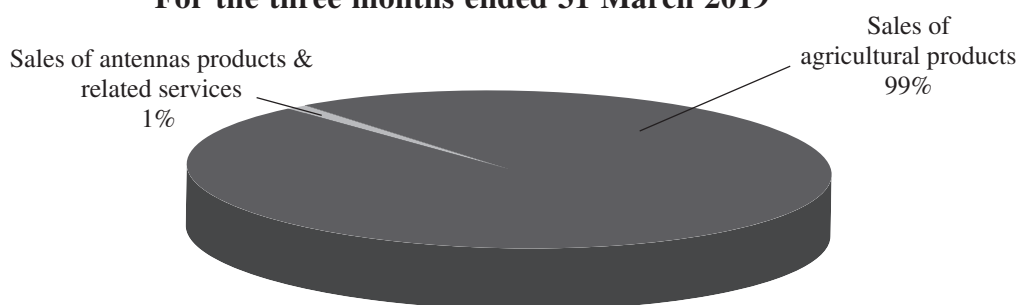
Approximately RMB5.74 million was recorded for the three months ended 31 March 2019 as unrealised gain on change in fair value of financial assets at fair value through profit or loss, comparing to unrealised loss of approximately RMB7.52 million in the corresponding period of 2018. As at 31 March 2019, the fair value of financial assets at fair value through profit or loss represented approximately 10% higher than original acquisition costs.

Loss of approximately RMB0.09 million was recognised during the three months ended 31 March 2019 as a share of result of an associate, which is principally engaged in research and development of 5G technologies. The associate was remained at technologies development and patents application stage, merely RMB0.09 million revenue was generated during the period.

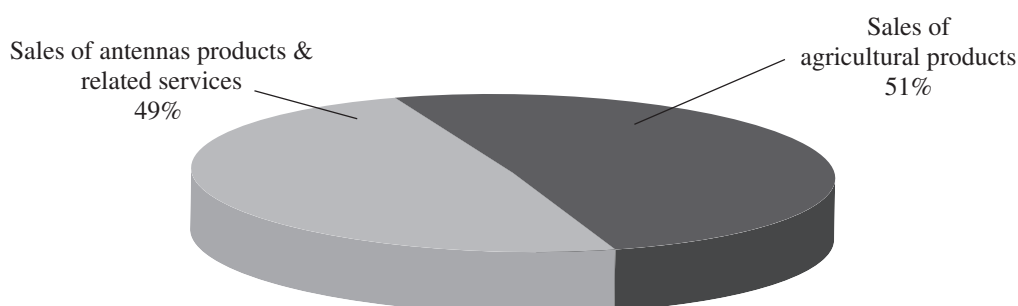
Profit for the period

Although the operating segments as a whole generated segment loss with unallocated administrative expenses and finance costs of approximately RMB4.31 million and approximately RMB1.11 million respectively, unrealised gain on change in fair value of financial assets at fair value through profit or loss was sufficient to cover all the operating loss. Consequently, profit for the period ended 31 March 2019 of approximately RMB0.06 million was reported by the Group, comparing to loss of approximately RMB12.47 million in the corresponding period of 2018.

For the three months ended 31 March 2019



For the three months ended 31 March 2018



PROSPECTS

In the first quarter of 2019, the Group focused on fully seizing the huge revenue-generating opportunities brought by 5G development to comprehensively enhance and improve the relevant mobile communication product series of the Group, with a view to expanding the Company's market share and improving its performance.

Although 5G commercialisation is yet to be fully realised, the mobile telecommunications technology is advancing towards the application of 5G network. In order to capture the key strategic opportunities for the development of 5G, leveraging on China's 5G network construction and planning, the Group has developed a new high-end 5G mobile communication antennas product targeting at smart cities, Internet of Vehicles, Internet of Things and etc. However, the 5G era has yet to come in an all-around way and the related 5G mobile communication antennas products are not ready for sales. Therefore, the Group has capitalised on its years of experience and market strengths in research and manufacturing of mobile communication products, as well as in serving system integration, mobile internet and mobile communication information technology, with continuous adjustments on its operating strategies, in order to improve the operation of such business segment. In the first quarter of 2019, the Group has carried out the communication market network service and other services, so as to comprehensively strengthen the basic business pertinent to the Company's mobile communications and ensure the Group's performance and income.

The poverty alleviation project carried out by the Group in Yi County, poor county in Baoding City, Hebei Province, has also been developing and advancing steadily in the first quarter of 2019. Subsequently, the Group will continue to enhance the market exploration for other product series, to intensify its promotional effort, to further expand its customer base and to improve its sales networks, with an aim to strengthening the Group's performance and development in a comprehensive manner.

In respect of the fund required for diversifying operation, the Company, based on the needs of its business development, will also 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.

DIRECTORS', SUPERVISORY COMMITTEE MEMBERS' (THE "SUPERVISORS") AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 March 2019, the interests and short positions of the Directors, Supervisors (as if the requirements applicable to the Directors under the Securities and Futures Ordinance (the "SFO") (Chapter 571 of the Laws of Hong Kong) had applied to the Supervisors) and chief executives of the Company in the shares (the "Shares"), underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long positions in domestic shares of the Company ("Domestic Shares")

| Name of person | Capacity | Number of Domestic Shares | Approximate % in total issued Domestic Shares | Approximate % in total issued Shares | Approximate % in enlarged issued Domestic Shares (Note 5) | Approximate % in enlarged issued Shares (Note 5) |
|----------------------|---|---------------------------|---|--------------------------------------|---|--|
| Mr. Xiao Bing (肖兵先生) | Beneficial owner and interest in controlled corporation | 393,363,637 (Note 1) | 44.43% | 25.69% | 36.24% | 22.72% |
| Mr. Chen Ji (陳繼先生) | Beneficial owner and interest in controlled corporation | 273,344,804 (Note 2) | 30.88% | 17.85% | 25.19% | 15.79% |

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 Shares (Note 5) |
|----------------------|---|------------------------|--|--------------------------------------|--|
| Mr. Xiao Bing (肖兵先生) | Beneficial owner | 10,000,000 | 1.55% | 0.65% | 0.58% |
| Mr. Chen Ji (陳繼先生) | Beneficial owner and interest in controlled corporation | 46,071,000 (Note 3) | 7.13% | 3.01% | 2.66% |

Short positions in H Shares

| Name of person | Capacity | Number of underlying H Shares | Approximate % in total issued H Shares | Approximate % in total issued Shares | Approximate % in enlarged issued Shares (Note 5) |
|--------------------|------------------------------------|-------------------------------|--|--------------------------------------|---|
| Mr. Chen Ji (陳繼先生) | Interest in controlled corporation | 36,300,000 (Note 4) | 5.62% | 2.37% | 2.10% |

Notes:

- 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"), 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.
- 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 Mr. Chen Ji (陳繼先生) and his spouse Ms. Sun Xiangjun (孫湘君女士) in equal share. 18,500,000 Domestic Shares are held by Shanghai Hongzhen Ningshang Investment Management Partnership (limited partnership)* (上海泓甄寧尚投資管理合夥企業(有限合夥)) ("Shanghai Hongzhen Ningshang"), which is beneficially owned as to 83.33% by Mr. Chen Ji and 16.67% by Shanghai Hongzhen Investment Management Co., Ltd.* (上海泓甄投資管理有限公司) ("Shanghai Hongzhen Investment"), and Shanghai Hongzhen Investment is beneficially owned as to 60% by Gaoxiang Investment. 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.
- 9,771,000 H Shares are held by Mr. Chen Ji. 36,300,000 H Shares are held in investment products issued by Guotai Junan Financial Products Limited ("Guotai Junan Financial"), which is beneficially owned by Guotai Junan International Holdings Limited ("Guotai Junan International"). Guotai Junan International is beneficially owned as to 65.74% by Guotai Junan Holdings Limited ("Guotai Junan Holdings"), which is beneficially owned by Guotai Junan Securities Co., Ltd ("Guotai Junan Securities"). Zhongrong International Trust Co., Ltd.* (中融國際信託有限公司) ("Zhongrong International"), an investment manager of Gaoxiang Investment, holds such investment products issued by Guotai Junan Financial, and Gaoxiang Investment is beneficially owned by Mr. Chen Ji and his spouse Ms. Sun Xiangjun in equal share. By virtue of the SFO, Mr. Chen Ji is deemed to be interested in the same 36,300,000 H Shares.

4. Short position in 36,300,000 underlying H Shares are derived from unlisted and cash settled derivatives issued by Guotai Junan Financial, which is beneficially owned by Guotai Junan International. Guotai Junan International is beneficially owned as to 65.74% by Guotai Junan Holdings, which is beneficially owned by Guotai Junan Securities. Zhongrong International, an investment manager of Gaoxiang Investment, holds such unlisted and cash settled derivatives issued by Guotai Junan Financial, and Gaoxiang Investment is beneficially owned by Mr. Chen Ji and his spouse Ms. Sun Xiangjun in equal share. By virtue of the SFO, Mr. Chen Ji is deemed to have short position in the same 36,300,000 underlying H Shares.
5. 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).

Saved as disclosed above, as at 31 March 2019, none of the Directors, Supervisors and chief executives of the Company had any other interests or short positions in any Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2019, 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 person/entity | Capacity | Number of Domestic Shares | Approximate % in total issued Domestic Shares | Approximate % in total issued Shares | Approximate % in enlarged issued Domestic Shares (Note 14) | Approximate % in enlarged issued Shares (Note 14) |
|--|--|---------------------------|---|--------------------------------------|--|---|
| Ms. Chen Jing (陳靜女士) | Spouse interest and interest in controlled corporation | 393,363,637 (Note 1) | 44.43% | 25.69% | 36.24% | 22.72% |
| Professor Xiao Liangyong (肖良勇教授) | Parties acting in concert | 393,363,637 (Note 1) | 44.43% | 25.69% | 36.24% | 22.72% |
| Tian An Corporate | Beneficial owner | 328,363,637 (Note 1) | 37.09% | 21.45% | 30.25% | 18.97% |
| Ms. Sun Xiangjun (孫湘君女士) | Spouse interest and interest in controlled corporation | 273,344,804 (Note 2) | 30.88% | 17.85% | 25.19% | 15.79% |
| Gaoxiang Investment | Beneficial owner | 254,844,804 (Note 2) | 28.80% | 16.64% | 23.48% | 14.72% |
| 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% | 6.54% | 9.21% | 5.78% |
| Shenzhen Huitai Investment Development Co., Ltd.* (深圳市匯泰投資發展有限公司) | Beneficial owner | 75,064,706 (Note 3) | 8.48% | 4.90% | 6.92% | 4.34% |
| Ms. Wang Zengdi (王增娣女士) | Interest in controlled corporation | 75,064,706 (Note 3) | 8.48% | 4.90% | 6.92% | 4.34% |
| Xi'an Haorun Investment Ltd.* (西安昊潤投資有限責任公司) | Beneficial owner | 70,000,000 (Note 4) | 7.91% | 4.57% | 6.45% | 4.04% |
| Mr. Wang Yun (王贇先生) | Interest in controlled corporation | 70,000,000 (Note 4) | 7.91% | 4.57% | 6.45% | 4.04% |
| Beijing Holdings Investment Management Co., Ltd.* (北京京泰投資管理中心) | Beneficial owner | 54,077,941 (Note 5) | 6.11% | 3.53% | 4.98% | 3.12% |
| Beijing Holdings (Group) Ltd.* (京泰實業(集團)有限公司) | Interest in controlled corporation | 54,077,941 (Note 5) | 6.11% | 3.53% | 4.98% | 3.12% |
| Ms. Jin Rongfei (金嶸霏女士) | Beneficial owner | 50,000,000 (Note 6) | 5.65% | 3.27% | 4.61% | 2.89% |
| 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% | 1.16% |
| Mr. Zhang Jiandong (張建東先生) | Beneficial owner | 20,000,000 (Note 7) | 2.26% | 1.31% | 1.84% | 1.16% |
| Shanghai Hongzhen Ningshang | Beneficial owner | 18,500,000 (Note 2) | 2.08% | 1.21% | 1.71% | 1.07% |
| Shanghai Maokou Commerce and Trading Ltd.* (上海睿寇商貿有限公司) | Beneficial owner | 18,500,000 | 2.08% | 1.21% | 1.71% | 1.07% |
| Mr. Jiao Chengyi (焦成義先生) | Beneficial owner | 10,943,030 | 1.24% | 0.71% | 1.01% | 0.63% |

Long positions in H Shares

| Name of person/entity | Capacity | Number of H Shares (Note 8) | Approximate % in total issued H Shares | Approximate % in total issued Shares | Approximate % in enlarged issued Shares (Note 14) |
|---|---|--------------------------------|--|--------------------------------------|--|
| Huang Li Hou (黃李厚) | Beneficial owner | 85,100,000 | 13.18% | 5.56% | 4.92% |
| Ms. Chen Wei (陳瑋女士) | Beneficial owner and interest in controlled corporation | 73,492,000 (Note 9) | 11.38% | 4.80% | 4.25% |
| Hongkong Jinsheng Enterprise Co., Limited (香港錦昇企業有限公司) | Beneficial owner | 73,347,000 (Note 9) | 11.36% | 4.79% | 4.24% |
| Oceanic Bliss Holdings Limited (海祥控股有限公司) | Interest in controlled corporation | 73,347,000 (Note 9) | 11.36% | 4.79% | 4.24% |
| Zeal Warrior Investments Limited | Interest in controlled corporation | 73,347,000 (Note 9) | 11.36% | 4.79% | 4.24% |
| Auspicious Zone Investments Limited (彩域投資有限公司) | Beneficial owner | 51,592,000 (Note 10) | 7.99% | 3.37% | 2.98% |
| Sure Rosy Global Investments Limited (順盛環球投資有限公司) | Interest in controlled corporation | 51,592,000 (Note 10) | 7.99% | 3.37% | 2.98% |
| Mr. Wang Mingyue (王明月先生) | Interest in controlled corporation | 51,592,000 (Note 10) | 7.99% | 3.37% | 2.98% |
| Ms. Sun Xiangjun (孫湘君女士) | Spouse interest and interest in controlled corporation | 46,071,000 (Note 12) | 7.13% | 3.01% | 2.66% |
| Clear Renown Global Limited (朗譽環球有限公司) | Beneficial owner | 42,000,000 (Note 11) | 6.50% | 2.74% | 2.43% |
| Huang Wei Wen (黃偉汶) | Interest in controlled corporation | 42,000,000 (Note 11) | 6.50% | 2.74% | 2.43% |
| Guotai Junan Financial | Issuer of investment products | 36,300,000 (Note 12) | 5.62% | 2.37% | 2.10% |
| Guotai Junan International | Interest in controlled corporation | 36,300,000 (Note 12) | 5.62% | 2.37% | 2.10% |
| Guotai Junan Holdings | Interest in controlled corporation | 36,300,000 (Note 12) | 5.62% | 2.37% | 2.10% |
| Guotai Junan Securities | Interest in controlled corporation | 36,300,000 (Note 12) | 5.62% | 2.37% | 2.10% |
| Zhongrong International | Investment manager | 36,300,000 (Note 12) | 5.62% | 2.37% | 2.10% |
| Gaoxiang Investment | Beneficial owner | 36,300,000 (Note 12) | 5.62% | 2.37% | 2.10% |

Short positions in H Shares

| Name of person/entity | Capacity | Number of underlying H Shares (Note 8) | Approximate % in total issued H Shares | Approximate % in total issued Shares | Approximate % in enlarged issued Shares (Note 14) |
|----------------------------|---|---|--|--------------------------------------|--|
| Guotai Junan Financial | Issuer of unlisted and cash settled derivatives | 36,300,000 (Note 13) | 5.62% | 2.37% | 2.10% |
| Guotai Junan International | Interest in controlled corporation | 36,300,000 (Note 13) | 5.62% | 2.37% | 2.10% |
| Guotai Junan Holdings | Interest in controlled corporation | 36,300,000 (Note 13) | 5.62% | 2.37% | 2.10% |
| Guotai Junan Securities | Interest in controlled corporation | 36,300,000 (Note 13) | 5.62% | 2.37% | 2.10% |
| Zhongrong International | Investment manager | 36,300,000 (Note 13) | 5.62% | 2.37% | 2.10% |
| Gaoxiang Investment | Beneficial owner | 36,300,000 (Note 13) | 5.62% | 2.37% | 2.10% |
| Ms. Sun Xiangjun (孫湘君女士) | Interest in controlled corporation | 36,300,000 (Note 13) | 5.62% | 2.37% | 2.10% |

Notes:

- 328,363,637 Domestic Shares are held by Tian An Corporate, which is beneficially owned as to 60% by Mr. Xiao Bing and 40% by his spouse Ms. Chen Jing. 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, each of Ms. Chen Jing and Professor Xiao Liangyong is deemed to be interested in the same 393,363,637 Domestic Shares.
- 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 Mr. Chen Ji and his spouse Ms. Sun Xiangjun in equal share. 18,500,000 Domestic Shares are held by Shanghai Hongzhen Ningshang, which is beneficially owned as to 83.33% by Mr. Chen Ji and 16.67% by Shanghai Hongzhen Investment, and Shanghai Hongzhen Investment is beneficially owned as to 60% by Gaoxiang Investment. By virtue of the SFO, Ms. Sun Xiangjun is deemed to be interested in the same 273,344,804 Domestic Shares.
- 75,064,706 Domestic Shares are held by Shenzhen Huitai Investment Development Co., Ltd.* (深圳市匯泰投資發展有限公司), 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. 145,000 H Shares are held by Ms. Chen Wei (陳瑋女士) who is beneficial owner of Zeal Warrior Investments Limited ("Zeal Warrior"). 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. By virtue of the SFO, each of Ms. Chen Wei, Oceanic Bliss and Zeal Warrior is deemed to be interested in the same 73,347,000 H Shares.
10. 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"), and 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.
11. 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.
12. 9,771,000 H Shares are held by Mr. Chen Ji. 36,300,000 H Shares are held in investment products issued by Guotai Junan Financial, which is beneficially owned by Guotai Junan International. Guotai Junan International is beneficially owned as to 65.74% by Guotai Junan Holdings, which is beneficially owned by Guotai Junan Securities. Zhongrong International, an investment manager of Gaoxiang Investment, holds such investment products issued by Guotai Junan Financial, and Gaoxiang Investment is beneficially owned by Mr. Chen Ji and his spouse Ms. Sun Xiangjun in equal share. By virtue of the SFO, Ms. Sun Xiangjun is deemed to be interested in the same 46,071,000 H Shares, and each of Guotai Junan International, Guotai Junan Holdings, Guotai Junan Securities, Zhongrong International and Gaoxiang Investment is deemed to be interested in the same 36,300,000 H Shares.

13. Short position in 36,300,000 underlying H Shares are derived from unlisted and cash settled derivatives issued by Guotai Junan Financial, which is beneficially owned by Guotai Junan International. Guotai Junan International is beneficially owned as to 65.74% by Guotai Junan Holdings, which is beneficially owned by Guotai Junan Securities. Zhongrong International, an investment manager of Gaoxiang Investment, holds such unlisted and cash settled derivatives issued by Guotai Junan Financial, and Gaoxiang Investment is beneficially owned by Mr. Chen Ji and his spouse Ms. Sun Xiangjun in equal share. By virtue of the SFO, each of Guotai Junan International, Guotai Junan Holdings, Guotai Junan Securities, Zhongrong International, Gaoxiang Investment and Ms. Sun Xiangjun is deemed to have short position in the same 36,300,000 underlying H Shares.
14. 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).

Saved as disclosed above, as at 31 March 2019, 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 31 March 2019, 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.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the three months ended 31 March 2019.

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.

CODE ON CORPORATE GOVERNANCE PRACTICES

For the three months ended 31 March 2019, the Company has complied with the code provisions as set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 15 of the GEM Listing Rules.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the three months ended 31 March 2019, 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.

AUDIT COMMITTEE

An audit committee of the Company (the “**Audit Committee**”) was established on 4 April 2003 with written 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, internal control systems, audit issues and operating risk management of the Group. As at 31 March 2019, the Audit Committee comprised of Professor Shi Ping and Professor Lei Zhenya, independent non-executive Directors, and Ms. Huang Jing, a non-executive Director. The Group’s unaudited consolidated results for the three months ended 31 March 2019 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.

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

Xi’an, the PRC, 8 May 2019

As at the date of this announcement, the Board comprises Mr. Xiao Bing (肖兵先生) and Mr. Chen Ji (陳繼先生) being executive Directors; Mr. Sun Wenguo (孫文國先生), Mr. Li Wenqi (李文琦先生), Mr. 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>.

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