



西安海天天綫科技股份有限公司

**XI'AN HAITIAN ANTENNA TECHNOLOGIES CO., LTD.\***

*(formerly known as 西安海天天實業股份有限公司 (Xi'an Haitiantian Holdings Co., Ltd. \*))*

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

**(Stock Code: 8227)**

## **THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019**

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

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*This announcement, for which the directors (the “**Directors**”) of Xi'an Haitian Antenna Technologies Co., Ltd.\* (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

\* For identification purpose only

## HIGHLIGHTS

- The Group's unaudited revenue for the nine months ended 30 September 2019 was approximately RMB26.84 million, representing approximately 149% of revenue generated during the corresponding period in the year of 2018.
- The Group's unaudited loss for the nine months ended 30 September 2019 was approximately RMB16.15 million, and the Group recorded a loss of approximately RMB28.57 million for the corresponding period in the year of 2018.
- The Board does not recommend the payment of a dividend for the nine months ended 30 September 2019.

## CONSOLIDATED RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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 and nine months ended 30 September 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 30 September		(Unaudited) For the nine months ended 30 September	
		2019	2018	2019	2018
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	3	3,802	1,167	26,844	18,047
Cost of sales		<u>(3,325)</u>	<u>(996)</u>	<u>(26,065)</u>	<u>(17,690)</u>
Gross profit		477	171	779	357
Other revenue		3,613	(81)	4,734	312
Change in fair value of financial assets at fair value through profit or loss (“FVTPL”)/held for trading investments		(1,829)	(5,740)	(1,981)	(11,836)
Distribution expenses		(117)	(104)	(252)	(342)
Administrative expenses		(5,055)	(5,448)	(16,188)	(16,247)
Finance costs		(454)	(5)	(3,103)	(20)
Share of result of an associate		<u>(236)</u>	<u>(794)</u>	<u>(794)</u>	<u>(794)</u>

		(Unaudited)		(Unaudited)	
		For the three months ended		For the nine months ended	
		30 September		30 September	
		2019	2018	2019	2018
<i>Notes</i>		<b><i>RMB'000</i></b>	<i>RMB'000</i>	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Loss before tax		(3,601)	(12,001)	(16,805)	(28,570)
Income tax credit	4	<u>673</u>	<u>–</u>	<u>659</u>	<u>–</u>
Loss and total comprehensive expense for the period		<u><b>(2,928)</b></u>	<u>(12,001)</u>	<u><b>(16,146)</b></u>	<u>(28,570)</u>
Attributable to:					
– Owners of the Company		(3,090)	(12,056)	(16,310)	(28,555)
– Non-controlling interest		<u>162</u>	<u>55</u>	<u>164</u>	<u>(15)</u>
		<u><b>(2,928)</b></u>	<u>(12,001)</u>	<u><b>(16,146)</b></u>	<u>(28,570)</u>
Loss per share					
– Basic and diluted (RMB cents)	6	<u><b>(0.20)</b></u>	<u>(0.79)</u>	<u><b>(1.07)</b></u>	<u>(1.87)</u>

# NOTES TO THE CONSOLIDATED FINANCIAL RESULTS

*For the nine months ended 30 September 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 the GEM of the Stock Exchange.

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

This unaudited consolidated financial information has been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements as set out in Chapter 18 of the GEM Listing Rules.

The Group's books and records are maintained in Renminbi ("RMB"), which is also the functional currency of the Company.

## 2. ACCOUNTING POLICIES

The accounting policies and methods of computation used in the preparation of this unaudited consolidated financial information are consistent with those used in the Group's annual financial statements for the year ended 31 December 2018.

### 3. REVENUE

Revenue represents revenue arising on sale of goods for the period.

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

	(Unaudited)		(Unaudited)	
	For the three months ended		For the nine months ended	
	30 September		30 September	
	2019	2018	2019	2018
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue				
Sales of antennas products and related services	1,860	11	1,880	899
Sales of underwater surveillance and related products	28	–	135	(2)
Sales of unmanned aerial products	–	(1)	–	904
Sales of construction related products	–	–	19,377	14,130
Sales of agricultural products	1,914	1,157	5,452	2,116
	<u>3,802</u>	<u>1,167</u>	<u>26,844</u>	<u>18,047</u>
Segment profit (loss)				
Sales of antennas products and related services	3,216	(375)	2,947	(1,109)
Sales of underwater surveillance and related products	17	(47)	68	(106)
Sales of unmanned aerial products	(41)	(445)	(132)	(1,198)
Sales of construction related products	(73)	(47)	(140)	(98)
Sales of agricultural products	300	127	354	31
	<u>3,419</u>	<u>(787)</u>	<u>3,097</u>	<u>(2,480)</u>
Change in fair value of financial assets at FVTPL/ held for trading investments	(1,829)	(5,741)	(1,981)	(11,837)
Unallocated other revenue	90	(81)	239	224
Unallocated corporate expenses	(4,827)	(5,387)	(15,057)	(14,457)
Finance costs	(454)	(5)	(3,103)	(20)
Loss before tax	<u>(3,601)</u>	<u>(12,001)</u>	<u>(16,805)</u>	<u>(28,570)</u>

Analysis of Group's revenue by geographical location:

	(Unaudited)		(Unaudited)	
	For the three months ended		For the nine months ended	
	30 September		30 September	
	2019	2018	2019	2018
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
The PRC (country of domicile)	3,802	1,167	26,844	18,047
Other Asian countries excluding the PRC	—	—	—	—
	<u>3,802</u>	<u>1,167</u>	<u>26,844</u>	<u>18,047</u>

#### 4. INCOME TAX CREDIT

No provision for Hong Kong Profits Tax has been made as the Group did not generate assessable profits in Hong Kong for both periods.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the Company and the PRC subsidiaries is 25% for both periods.

The income tax credit represents a refund of tax overpaid in previous periods (2018: nil).

#### 5. DIVIDENDS

The Board does not recommend the payment of a dividend for the nine months ended 30 September 2019 (2018: nil).

#### 6. LOSS PER SHARE

The calculation of basic loss per share attributable to owners of the Company is based on the unaudited loss for the three months and nine months ended 30 September 2019 attributable to owners of the Company of RMB3,090,000 and RMB16,310,000 respectively (2018: RMB12,056,000 and RMB28,555,000 respectively) and the weighted average number of 1,531,058,824 (2018: 1,531,058,824) shares in issue during the period. The weighted average number of ordinary shares is the number of shares in issue at the beginning of the period, adjusted by the number of shares issued during the period multiplied by a time-weighting factor.

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

## 7. RESERVES

	Attributable to owners of the Company							(Unaudited) Non- controlling interest RMB'000	(Unaudited) Total RMB'000
	(Unaudited) Share capital RMB'000	(Unaudited) Share premium RMB'000	(Unaudited) Statutory surplus reserve RMB'000	(Unaudited) Other reserve RMB'000	(Unaudited) Accumulated losses RMB'000	(Unaudited) Sub-total RMB'000			
At 1 January 2018	153,106	115,390	16,153	15,856	(235,651)	64,854	2,826	67,680	
Loss and total comprehensive expense for the period	—	—	—	—	(28,555)	(28,555)	(15)	(28,570)	
At 30 September 2018	<u>153,106</u>	<u>115,390</u>	<u>16,153</u>	<u>15,856</u>	<u>(264,206)</u>	<u>36,299</u>	<u>2,811</u>	<u>39,110</u>	
At 1 January 2019	153,106	115,390	16,153	15,856	(276,732)	23,773	2,939	26,712	
Loss (profit) and total comprehensive expense (income) for the period	—	—	—	—	(16,310)	(16,310)	164	(16,146)	
At 30 September 2019	<u>153,106</u>	<u>115,390</u>	<u>16,153</u>	<u>15,856</u>	<u>(293,042)</u>	<u>7,463</u>	<u>3,103</u>	<u>10,566</u>	

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

### Revenue

Unaudited revenue of approximately RMB26.84 million was recorded for the nine months ended 30 September 2019 (the “**Review Period**”), representing approximately 149% of unaudited revenue for the corresponding period in the year of 2018. The significant increase in revenue was mainly attributable to the growth in revenue from the operating segments of sales of construction related products and sales of agricultural products by approximately RMB5.25 million and RMB3.34 million respectively during the Review Period.

No revenue was recognised for 5G products during the Review Period as no large-scale procurement was carried out by the telecommunication operators since the issue of 5G commercial licenses in June 2019. Approximately RMB1.87 million was come from sales of 4G antenna products which contributed approximately 7% to revenue of the Group for the Review Period.

Following the commencement of 5G commercialisation, the market demand for communication capacity of underwater surveillance products and unmanned aerial products were became higher and the Group concentrated to upgrade and improve existing underwater surveillance products and unmanned aerial products during the Review Period. Accordingly, merely 1% of revenue was attributable to the operating segment of sales of underwater surveillance and related products.

Approximately RMB19.38 million was recorded as revenue from the operating segment of sales of construction related products during the Review Period, which represented approximately 37% increase as when comparing to approximately RMB14.13 million for the corresponding period in the year of 2018. No sales order was completed in the third quarter of 2019 although the price was relatively stable than the corresponding period in the year of 2018.

There was significant growth in the revenue from the operating segment of sales of agricultural products from approximately RMB2.12 million for the corresponding period in the year of 2018 to RMB5.45 million for the Review Period, representing an increase of approximately 157%. The operation was steadily expanded to generate stable income to the Group.

### Gross Profit

Because of the revenue growth in the operating segment of sales of agricultural products with reasonable profit margin, the unaudited gross profit margin for the Review Period was approximately 2.9%, compared to approximately 2.0% in the corresponding period of 2018.



## **Other Revenue**

Approximately RMB3.12 million and RMB0.93 million were recognised as liquidated damages received from a supplier and receipts from impaired trade receivables respectively for the operating segment of sales of antennas products and related services. The liquidated damages received from the supplier were penalties for the supplier's failure to meet the required product technical specifications.

## **Segment Results**

Distribution expenses were decreased from approximately RMB0.34 million in the corresponding period of 2018 to approximately RMB0.25 million for the Review Period as the Group did not perform any large-scale marketing and promotion activities during the Review Period.

After allocation of the liquidated damages received and the receipts from impaired trade receivables under other revenue, net loss on waiver of trade and other payables, and depreciation and amortisation expenses under administrative expenses, except for the operating segments of sales of unmanned aerial products and sales of construction related products, segment profit was reported for all other operating segments. The profit margin and sales volume of the operating segment of sales of construction related products were not sufficient to cover relevant operating costs, and the liquidated damages received resulted in segment profit for the operating segment of sales of antennas products and related services.

## **Other Costs and Expenses**

Administrative expenses for the Review Period was approximately RMB16.19 million which was more or less the same as the corresponding period in the year of 2018. The travelling expenses were decreased by approximately RMB0.47 million due to less business trips for operating activities, and the amortisation expenses of intangible assets was decreased by approximately RMB1.10 million due to fully impaired self-developed prototype. Legal and professional fees were increased by approximately RMB0.61 million for the purposes of full acquisition of an associate, and rental expenses were increased by approximately RMB0.56 million for expansion of office premises in Shanghai.

Interest expenses of approximately RMB3.07 million were incurred during the Review Period for the short-term bank borrowings of approximately RMB50.00 million which was for the operation purposes and was fully repaid in July 2019.

Unrealised loss on change in fair value of financial assets at fair value through profit or loss was approximately RMB1.98 million as the result of drop in market price during the Review Period. The financial assets were the investment in equity securities listed on the Shenzhen Stock Exchange. Accordingly, the fair value of financial assets at fair value through profit or loss as at 30 September 2019 was approximately 28% lower than the original acquisition costs.

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

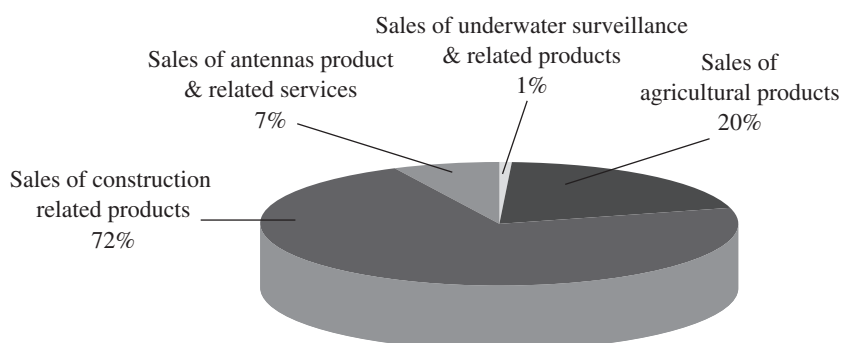
### Loss for the Period

As all expenses cannot be offset by low profit margin and low sales volume as a whole, loss of approximately RMB16.15 million was still reported for the Review Period. With a decrease in unrealised loss on change in fair value of financial assets at fair value through profit or loss by approximately RMB9.86 million when comparing to approximately RMB11.84 million for the corresponding period in the year of 2018, loss for the Review Period was approximately 43% less than the loss of approximately RMB28.57 million for the corresponding period in the year of 2018.

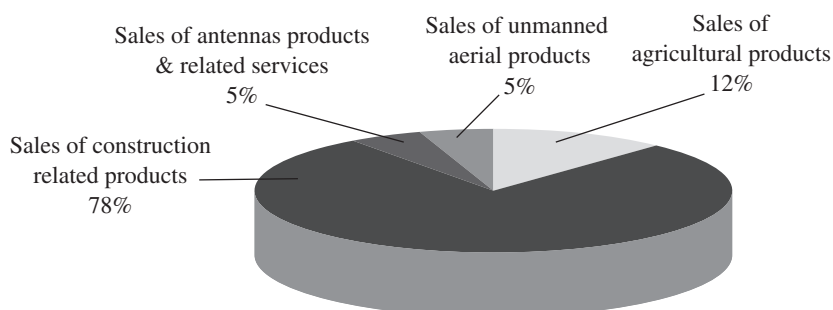
Loss attributable to owners of the Company was approximately RMB16.31 million after accounting for profit attributable to non-controlling interest of approximately RMB0.16 million in respect of sales of agricultural products.

Composite of Group's revenue by reportable and operating segments for the nine months ended 30 September 2019, together with the comparative figures for the corresponding period in the year of 2018, are provided as follows:

#### For the nine months ended 30 September 2019



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



## PROSPECTS

In June 2019, the Ministry of Industry and Information Technology officially issued 5G commercial licenses to four companies including China Telecom, China Mobile, China Unicom and China Broadcasting Network Corporation Ltd. According to a forecast by the Global System for Mobile Communications Association (GSMA), the investment from China's telecom carriers in 5G will exceed RMB1 trillion by 2025. Therefore, the Company will pay more attention to expanding mobile communication-related business in the future.

In the third quarter of 2019, in response to the Group's development strategy in the mobile communication market, the Company carried out related work on the full acquisition of Suzhou Haitian New Antenna Technologies Co., Ltd.\* (蘇州海天新天綫科技有限公司) (“**Suzhou Haitian**”). The Company entered into the share transfer agreement with Xi'an Xiao's Antenna Technologies Co., Ltd.\* (西安肖氏天綫科技有限公司) and Mr. Liao Kang on 2 August 2019 and issued a circular on 25 October 2019. The acquisition is expected to be approved at the H shareholders' class meeting, the domestic shareholders' class meeting and the extraordinary general meeting and completed during the year. After the completion of the acquisition of Suzhou Haitian, with the Group's years of experience in mobile communication product development and system integration, mobile interconnection, mobile communication information technology services and its market strength and based on the artificial dielectric lens antenna products, the Group will fully integrate resources to actively seize the huge market opportunity in mobile communication, especially the 5G development, and continue to research and develop a series of base stations antenna products with different frequency bands that can be widely used in 4.5G, 5G mobile communications, and develop miniaturised, broadband, multi-beam, high-gain and all-angle-coverage new material series antenna products in WLAN, driverless cars, automotive electronics, the Internet of Things, smart cities and other industries, so as to promote the Company's research and development and technical strength, as well as enrich and improve the varieties of mobile communication series products. Meanwhile, the Group will give full play to the established marketing network in the communication industry and thoroughly carry out the marketing of the artificial dielectric lens multi-beam antenna to expand its market in the field of mobile communications and rapidly improve the Group's performance. Besides, the Group will continue to steadily promote the communication-related network planning, network optimisation, maintenance and inspection and other businesses so as to further ensure the Company's performance.

In addition, the Group will conduct business related to trading, underwater surveillance, agricultural products and others in an orderly manner for the purpose of cooperating with the diversified development strategies.

Concerning the funds required for production and operation, the Group will conduct fund raising in due course according to business development needs through bank borrowing, additional issuance, vitalising its existing assets and other various financing channels, so as to safeguard the Company's operation and development. The Board and the management of the Company will endeavour to develop the Group into a high-tech enterprise with diversified operations.

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

As at 30 September 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 <i>(Note 6)</i>	Approximate % in enlarged issued Shares <i>(Note 6)</i>
Mr. Xiao Bing (肖兵先生)	Beneficial owner and interest in controlled corporation	393,363,637 <i>(Note 1)</i>	44.43%	25.69%	36.24%	22.72%
Mr. Chen Ji (陳繼先生)	Beneficial owner and interest in controlled corporation	273,344,804 <i>(Note 2)</i>	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 6)
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%
Ms. Lu Lihua (陸麗華女士)	Beneficial owner	14,000 (Note 4)	<0.01%	<0.01%	<0.01%

## 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 6)
Mr. Chen Ji (陳繼先生)	Interest in controlled corporation	36,300,000 (Note 5)	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.

3. 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. Ms. Lu Lihua (陸麗華女士) is a Supervisor representing staff and workers.
6. 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 30 September 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 30 September 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 <i>(Note 13)</i>	Approximate % in enlarged issued Shares <i>(Note 13)</i>
Ms. Chen Jing (陳靜女士)	Spouse interest and interest in controlled corporation	393,363,637 <i>(Note 1)</i>	44.43%	25.69%	36.24%	22.72%
Professor Xiao Liangyong (肖良勇教授)	Parties acting in concert	393,363,637 <i>(Note 1)</i>	44.43%	25.69%	36.24%	22.72%
Tian An Corporate	Beneficial owner	328,363,637 <i>(Note 1)</i>	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 <i>(Note 2)</i>	30.88%	17.85%	25.19%	15.79%
Gaoxiang Investment	Beneficial owner	254,844,804 <i>(Note 2)</i>	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 <i>(Note 3)</i>	8.48%	4.90%	6.92%	4.34%

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 13)	Approximate % in enlarged issued Shares (Note 13)
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 13)
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%
Ms. Sun Xiangjun (孫湘君女士)	Spouse interest and interest in controlled corporation	46,071,000 (Note 11)	7.13%	3.01%	2.66%
Clear Renown Global Limited (朗譽環球有限公司)	Beneficial owner	42,000,000 (Note 10)	6.50%	2.74%	2.43%
Huang Wei Wen (黃偉汶)	Interest in controlled corporation	42,000,000 (Note 10)	6.50%	2.74%	2.43%
Guotai Junan Financial	Issuer of investment products	36,300,000 (Note 11)	5.62%	2.37%	2.10%
Guotai Junan International	Interest in controlled corporation	36,300,000 (Note 11)	5.62%	2.37%	2.10%
Guotai Junan Holdings	Interest in controlled corporation	36,300,000 (Note 11)	5.62%	2.37%	2.10%
Guotai Junan Securities	Interest in controlled corporation	36,300,000 (Note 11)	5.62%	2.37%	2.10%
Zhongrong International	Investment manager	36,300,000 (Note 11)	5.62%	2.37%	2.10%
Gaoxiang Investment	Beneficial owner	36,300,000 (Note 11)	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 13)
Guotai Junan Financial	Issuer of unlisted and cash settled derivatives	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%
Ms. Sun Xiangjun (孫湘君女士)	Interest in controlled corporation	36,300,000 (Note 12)	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. 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.
11. 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.
12. 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.

13. The issued Shares are to be enlarged by the issue and allotment of 200,000,000 Domestic Shares under specific mandate (more particularly described in the circular of the Company dated 2 February 2018). The specific mandate was approved by the extraordinary general meeting on 19 March 2018 and is subject to the approval of the Department of Commerce of Shaanxi Province\* ( 陝西省商務廳 ).

Saved as disclosed above, as at 30 September 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 at 30 September 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 nine months ended 30 September 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 nine months ended 30 September 2019, the Company has complied with the requirements of the code provisions as set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 15 of the GEM Listing Rules.

## CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the nine months ended 30 September 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 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 30 September 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 nine months ended 30 September 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 Haitian Antenna Technologies Co., Ltd.\***

**Xiao Bing**

*Chairman*

Xi’an, the PRC, 8 November 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>.*