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西安海天天綫科技股份有限公司
XI'AN HAITIAN ANTENNA TECHNOLOGIES CO., LTD.*

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

(Stock Code: 8227)

DISCLOSEABLE TRANSACTION -
DISPOSAL OF SHARES IN CLOUD LIVE TECHNOLOGIES GROUP CO., LTD.*

THE DISPOSAL

The Company announces that up to 23 December 2020, the Company has, through a wholly-owned subsidiary, sold on Shenzhen Stock Exchange and through securities dealers an aggregate of 3,000,000 Cloud Live Shares, representing approximately 0.36% of the total issued share capital of Cloud Live as at 23 December 2020. The aggregate consideration for the disposal of such Cloud Live Shares was approximately RMB8.41 million. The Disposal was made based on or with reference to the market price of Cloud Live Shares at the time of sales.

The Disposal was made on Shenzhen Stock Exchange or through securities dealers, the Company was not fully aware of the identities of the buyers of such Cloud Live Shares and accordingly, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the buyers of such Cloud Live Shares and their ultimate beneficial owners are Independent Third Parties.

INFORMATION ON THE GROUP

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, agricultural and forestry used unmanned aerial vehicles, provision of consultancy services and sales of agricultural products.

INFORMATION ON CLOUD LIVE

Cloud Live is a joint stock limited company established in the PRC and its shares are listed on the Shenzhen Stock Exchange (002306.SZ). Cloud Live is principally engaged in group catering business in Beijing, Zhengzhou and Wuxi.

Mr. Chen Ji, an executive Director, is the director of Cloud Live, and Mr. Chen Ji and his associates directly and indirectly hold approximately 23.81% of the total issued share capital of Cloud Live, but he does not have controlling interest in Cloud Live.

According to the published financial statements of Cloud Live, its financial results for the two years ended 31 December 2019 and 2018 are as follows:

	(Audited)	
	For the year ended 31 December	
	2019	2018
	RMB'000	RMB'000
Net (loss) profit before tax	(35,625)	8,840
Net (loss) profit after tax	(36,111)	7,850

According to the published financial statements of Cloud Live, its net assets as at 31 December 2019 were approximately RMB8.75 million.

REASONS FOR AND BENEFIT OF THE DISPOSAL

After considering the financial performance of Cloud Live, in order to cope with the Company's development strategy in the capital market and revitalisation of existing assets, and given that the Disposal was made on and with reference to prevailing market prices, the Directors consider that the Disposal was made on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL

It is estimated that the Disposal will result in an investment gain of approximately RMB0.85 million for the financial year ending 31 December 2020, after taking into account the original acquisition costs and unrealised loss of fair value changes of approximately RMB11.82 million and RMB4.26 million respectively.

USE OF PROCEEDS

The proceeds of RMB8.41 million from the Disposal, after deducting expenses arising therefrom, will be used as general working capital of the Group.

GEM LISTING RULES IMPLICATIONS

As the highest of the applicable percentage ratio under Chapter 19 of the GEM Listing Rules in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the meanings set out below:

“Disposal”	the disposal of an aggregate of 3,000,000 Cloud Live Shares by the Company
“Board”	the board of Directors

“Cloud Live”	Cloud Live Technologies Group Co., Ltd.* (中科雲網科技集團股份有限公司)
“Cloud Live Shares”	ordinary shares of nominal value of RMB1 each in the issued share capital of Cloud Live
“Company”	西安海天天綫科技股份有限公司(Xi’an Haitian Antenna Technologies Co., Ltd.*), a joint stock company incorporated in the PRC and whose H Shares are listed on GEM
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“H Shares”	the overseas listed foreign invested shares of nominal value of RMB0.10 each in the share capital of the Company, which are listed on GEM and subscribed for and traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administration Region of the PRC
“Independent Third Party(ies)”	third party(ies) which is/are independent of and not connected with the Company and its connected persons and not otherwise a connected person of the Company
“PRC”	the People’s Republic of China, but for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the GEM Listing Rules
“%”	per cent

By order of the Board
Xi'an Haitian Antenna Technologies Co., Ltd.*
Xiao Bing
Chairman

Xi'an, the PRC, 23 December 2020

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), Mr. Yan Weimin (燕衛民先生) and Mr. Xu Xiong (徐雄先生) 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, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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.

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