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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)

**MAJOR AND CONNECTED TRANSACTION
IN RELATION TO THE ACQUISITION OF EQUITY INTEREST OF
SUZHOU HAITIAN NEW ANTENNA TECHNOLOGIES CO., LTD.
INVOLVING ISSUE OF DOMESTIC SHARES
UNDER SPECIFIC MANDATE**

The Board is pleased to announce that on 2 August 2019 (after trading hours), the Company and the Vendors entered into the Agreement, pursuant to which the Company has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell, the Sale Shares, representing approximately 91.43% equity interest of Suzhou Haitian at the aggregate consideration of approximately RMB34.98 million (subject to adjustment). The Consideration shall be satisfied by way of allotment and issue of the Consideration Shares to the Vendors. Upon Completion, Suzhou Haitian will become a wholly-owned subsidiary of the Company.

As the highest of the applicable percentage ratios exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules. As Xiao Antenna is a connected person of the Company, the Acquisition constitutes a connected transaction for the Company under Chapter 20 of the GEM Listing Rules. The Acquisition is subject to the reporting, announcement and independent shareholders' approval requirements under the GEM Listing Rules.

The EGM and the Classing Meetings will be held for the Independent Shareholders to consider and, if thought fit, pass resolutions to approve, among other things, the Agreement and the transactions contemplated thereunder and the Specific Mandate.

A circular containing further information on (i) the Agreement; (ii) the Specific Mandate; (iii) advice from the Independent Financial Adviser; (iv) financial information of the Group; (v) financial information of Suzhou Haitian; and (vi) recommendation from the Independent Board Committee, together with notices of the EGM and the Class Meetings, is expected to be despatched to the Shareholders on or before 31 August 2019 as additional time is required for preparing the information to be included in the circular.

Completion of the Agreement is subject to the satisfaction of a number of conditions which are more particularly set out in the section headed “The Agreement – 5. Conditions precedent” of this announcement. There is no assurance that any of the conditions to the Agreement will be fulfilled. Therefore, the issue of the Consideration Shares may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares.

INTRODUCTION

Reference is made to the announcements of the Company dated 14 May 2019 and 25 June 2019, respectively, in relation to the equity transfer intention agreement entered into by the Company and the Vendors.

The Board is pleased to announce that on 2 August 2019 (after trading hours), the Company and the Vendors entered into the Agreement, pursuant to which the Company has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell, the Sale Shares, representing approximately 91.43% equity interest of Suzhou Haitian at the Consideration. The Consideration shall be satisfied by way of allotment and issue of the Consideration Shares to the Vendors at the Issue Price.

THE AGREEMENT

Summarised below are the principal terms of the Agreement:

1. Date

2 August 2019

2. Parties

- (i) the Company;
- (ii) Xiao Antenna; and
- (iii) Mr. Liao.

3. Subject matter

The Company has conditionally agreed to purchase, and the Vendors have conditionally agreed to sell, the Sale Shares.

As at the date of this announcement, Suzhou Haitian has a registered capital of approximately RMB40.03 million, of which Xiao Antenna, the Company and Mr. Liao contributed and owned RMB34.60 million (approximately 86.43% equity interest), approximately RMB3.43 million (approximately 8.57% equity interest) and RMB2.0 million (approximately 5.00% equity interest), respectively. The Sale Shares represent all equity interest of the Vendors in Suzhou Haitian. Upon Completion, Suzhou Haitian will become a wholly-owned subsidiary of the Company.

4. Consideration

The Consideration, being approximately RMB34.98 million, was determined after arm's length negotiations between the Company and the Vendors with reference to the Estimated NAV and shall be adjusted in the following manners:

- (i) if the Actual NAV is more than the Estimated NAV, no adjustment shall be made;
- (ii) if the Actual NAV is less than the Estimated NAV and the difference is no more than 10% of the Estimated NAV, the Consideration shall be adjusted with reference to the Actual NAV; and
- (iii) if the Actual NAV is less than the Estimated NAV and the difference is more than 10% of the Estimated NAV, the Company and the Vendors shall re-negotiate and enter into a supplemental agreement to adjust the Consideration, failing which the Agreement will be terminated.

The Consideration will be satisfied by way of the allotment and issue of new Domestic Shares to the Vendors at the Issue Price. Based on the Estimated NAV and assuming that no adjustment will be made to the Consideration, 157,468,698 Domestic Shares and 9,101,478 Domestic Shares will be allotted and issued to Xiao Antenna and Mr. Liao, respectively.

5. Conditions precedent

Completion of the Agreement is conditional upon the satisfaction of the conditions below:

- (i) the obtaining by the Company of the necessary consents and approvals, including the approval by the Independent Shareholders, for the Agreement and the transactions contemplated thereunder in accordance with the Articles of Association of the Company and the relevant laws and regulations;

- (ii) the obtaining by Xiao Antenna of the necessary approvals, including approval of the board of directors and shareholders (if required);
- (iii) the internal approval procedures of Suzhou Haitian, including approval of the board of directors and shareholders, have been completed (if required); and
- (iv) all representations, warranties and undertakings of the Vendors being true and accurate in all material respects and remaining so from the date of the Agreement until Completion.

If any of the above conditions is not satisfied on or before 31 December 2019 (or such other date as may be agreed by the Company and the Vendors), the Agreement shall be terminated and, save for any antecedent breach, the rights and obligations of each of the parties to the Agreement shall cease and determine.

6. Completion

Within ten business days after the satisfaction of all the conditions precedent, the Vendors and the Company shall apply for the registration of the transfer of the Sale Shares at the relevant administration of industry and commerce. The Consideration Shares shall be allotted and issued to the Vendors following the completion of the registration of the transfer of the Sale Shares.

7. Exclusive licence

Xiao Antenna shall grant a sole licence to the Group under a patent regarding an “ultra-light artificial medium multilayer cylindrical lens (一種超輕人工介質多層圓柱透鏡)”. The initial term of the licence is ten years. The Company shall have the right of first refusal to extend the term of the licence upon the expiry of the initial term until the term of the patent is expired.

8. Non-competition undertaking

The Vendors have undertaken that during the term of the licence as described above, the Vendors shall not, and shall procure their respective associates not to, directly or indirectly compete with the business undertaken by the Group now or in the future or directly or indirectly hold any equity or interest in an entity which competes with the business undertaken by the Group now or in the future.

CONSIDERATION SHARES

Assuming that no adjustment will be made to the Consideration, the Consideration Shares represent:

- (i) approximately 18.82% of the total issued Domestic Shares as at the Last Trading Day;
- (ii) approximately 10.88% of the total issued share capital of the Company as at the Last Trading Day;
- (iii) approximately 15.84% of the total issued Domestic Shares as enlarged by the issue of the Consideration Shares;
- (iv) approximately 9.81% of the total issued share capital of the Company as enlarged by the issue of the Consideration Shares.

The Issue Price, being RMB0.21 (equivalent to approximately HK\$0.24) per Domestic Share represents:

- (i) a discount of approximately 93.77% of the closing of HK\$3.85 per H Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 93.78% of the average closing of HK\$3.86 per H Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and
- (iii) a premium of approximately 950.00% over the net asset value of the Company of approximately RMB0.02 per Share based on the Company's audited consolidated net asset value of RMB26,712,180 as at 31 December 2018.

The Issue Price was determined by the Company and the Vendors after arm's length negotiations and taking into account the net asset value of the Company as at 31 December 2018 of approximately RMB0.017 per Share, the financial performance of the Group in recent years and the non-listing status of the Domestic Shares. The Directors are of the view that the Issue Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Consideration Shares will be allotted and issued pursuant to a specific mandate to be sought by the Company and to be granted by the Independent Shareholders at the Class Meetings and the EGM. The Consideration Shares, when allotted and issued, will rank pari passu in all respects with the Domestic Shares in issue.

No application will be made by the Company to the listing committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

EFFECT ON THE SHAREHOLDING OF THE COMPANY FOLLOWING COMPLETION OF THE AGREEMENT

For reference and illustrative purpose only, assuming that: (1) the Agreement is completed in accordance with its terms and conditions; (2) no adjustment will be made to the Consideration; and (3) no further Shares are issued by the Company from the date of this announcement to the date of the allotment and issue of the Consideration Shares, the changes in the share capital and shareholding of the Company are set out below.

Shareholders	As at the Latest Trading Date		Immediately following the allotment and issue of the Consideration Shares	
	Number of Shares	Approximate % of the total issued share capital	Number of Shares	Approximate % of the total issued share capital
Domestic Shares				
Xi'an Tian An Corporate Management and Consulting Co., Ltd.* (西安天安企業管理諮詢有限公司) ¹	328,363,637	21.45%	328,363,637	19.34%
Shanghai Gaoxiang Investment Management Company Limited* (上海高湘投資管理有限公司) ²	189,844,804	12.40%	189,844,804	11.18%
Xi'an International Medical Investment Co., Ltd.* (西安國際醫學投資股份有限公司) ³	100,000,000	6.53%	100,000,000	5.89%
Beijing Holdings Investment Management Co., Ltd.* (北京京泰投資管理中心) ³	54,077,941	3.53%	54,077,941	3.19%
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)) ⁴	18,500,000	1.21%	18,500,000	1.09%
Xiao Antenna	–	–	157,468,698	9.28%
Mr. Liao	–	–	9,101,478	0.54%
Public	194,507,736	12.70%	194,507,736	11.45%
Domestic Shares sub-total:	885,294,118	57.82%	1,051,864,294	61.96%
H Shares				
Mr. Chen Ji (陳繼先生) ⁵	9,771,000	0.64%	9,771,000	0.58%
Mr. Xiao ⁵	10,000,000	0.65%	10,000,000	0.59%
Public	625,993,706	40.89%	625,993,706	36.87%
H Shares sub-total:	645,764,706	42.18%	645,764,706	38.04%
Total	1,531,058,824	100%	1,697,629,000	100%

Notes:

1. Xi'an Tian An Corporate Management and Consulting Co., Ltd.* (西安天安企業管理諮詢有限公司) is beneficially owned as to 60% by Mr. Xiao and 40% by his spouse Ms. Chen Jing (陳靜女士).
2. Shanghai Gaoxiang Investment Management Company Limited* (上海高湘投資管理有限公司) is beneficially owned by Mr. Chen Ji and his spouse Ms. Sun Xiangjun (孫湘君女士) in equal share.
3. A promoter of the Company and hence a connected person of the Company under the GEM Listing Rules.
4. 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)) is beneficially owned as to 83.33% by Mr. Chen Ji (陳繼).
5. Mr. Chen Ji (陳繼) and Mr. Xiao are executive Directors.

INFORMATION ON THE COMPANY AND THE GROUP

The Company is a joint stock limited company incorporated in the PRC with limited liability. The principal activities of the Group are research and development, manufacture and sale of mobile communication 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.

INFORMATION ON THE VENDORS

Xiao Antenna is a limited liability company established in the PRC and possesses core technologies of improving the performance of antennas. Xiao Antenna is beneficially owned as to 70.0% by Professor Xiao Liangyong (肖良勇教授) and 30.0% by Ms. Chen Jing (陳靜女士). Professor Xiao Liangyong (肖良勇教授) is the father of Mr. Xiao and Ms. Chen Jing (陳靜女士) is the spouse of Mr. Xiao. Xiao Antenna is therefore a connected person of the Company under the GEM Listing Rules.

The total historical investment costs of Suzhou Haitian made by Xiao Antenna as at 30 June 2019 was RMB34.6 million, of which RMB6.0 million was contributed in cash and RMB28.6 million was contributed by the assignment of certain patents to Suzhou Haitian.

Mr. Liao was an independent non-executive Director from 29 June 2016 to 30 August 2017. Save as disclosed in this announcement and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Mr. Liao is an Independent Third Party.

INFORMATION ON SUZHOU HAITIAN

Background Information

Suzhou Haitian is a limited company established in the PRC in August 2017 and principally engaged in research and development, production, sales and provision of after-sales services in respect of mobile communications antenna products and electronic communications equipment, technology development and technical services in respect of communications and computer software, and design, technical advice and construction in respect of communications engineering. As at the date of this announcement, Suzhou Haitian was awarded eleven patents in the PRC regarding antennas.

Shareholding

As at the date of this announcement, Suzhou Haitian was owned as to approximately 86.43% by Xiao Antenna, 5.00% by Mr. Liao and 8.57% the Company. Upon Completion, Suzhou Haitian will become a wholly-owned subsidiary of the Company.

Financial Information

Set out below is the unaudited financial information of Suzhou Haitian for the two financial years ended 31 December 2018 and the six months ended 30 June 2019:

	From 9 August 2017 (date of incorporation) to 31 December 2017 (RMB)	For the year ended 31 December 2018 (RMB)	For the six months ended 30 June 2019 (RMB)
Loss before taxation	451,310	1,957,448	1,885,210
Loss after taxation	451,310	1,957,448	1,885,210

The unaudited net asset value of Suzhou Haitian as at 30 June 2019 was approximately RMB38.26 million.

REASONS FOR AND BENEFITS OF THE ACQUISITION

In June 2019, the Ministry of Industry and Information Technology of the PRC officially issued 5G commercial licences to China Telecom, China Mobile, China Unicom and China Broadcast Network, indicating the official commercial use of 5G in the PRC.

Based on the testing and application report of a telecommunication operator and the due diligence of the Group, the artificial dielectric lens multi-beam antenna developed by Suzhou Haitian has the following competitive edges: (a) as compared with conventional plate antenna technology, the antenna is lighter in weight, lower in cost, more energy-efficient, the vertical lobes are wider and the coverage area is wider; (b) the antenna not only can greatly reduce the construction of wireless base stations, shorten the construction period of wireless telecommunication projects, but also can reduce the operation costs including electricity expenses and maintenance costs; (c) the antenna can be widely used in large-scale emergency communication support, Wi-Fi high-density coverage, large-capacity expansion of 4G networks, and high-capacity and high-rate data transmission for 5G mobile communications; and (d) the antenna's ultra-light characteristics will have a broad development potential in various wireless telecommunications and information technologies areas such as high-gain radar, aerospace and astronomical radio observations. The Group also noticed that the antenna has been widely recognized by telecommunication operators, system suppliers and other customers.

As disclosed in the annual report of the Company for the year ended 31 December 2018, the Group's key work in 2019 is mainly to actively grasp the 5G market. Based on the antennas developed by the Company, coupled with the national 5G network's construction plan, the Company has continued developing new high-end 5G mobile communication antenna products. The Group considers that the Acquisition will enable the Group, leverage on the antenna technologies developed by Suzhou Haitian and its research and development capabilities, to promote its development in the mobile communication market and enrich its mobile communication product series, ensuring that the Group could seize the market in the 5G era in a fast and effective manner.

For the year ended 31 December 2018, the Company incurred a loss attributable to owners of the Company of approximately RMB41.08 million. As at 31 December 2018, the Company had net current liabilities of approximately RMB2.98 million. As at 31 December 2018, the Group had bank balances and cash of approximately RMB6.89 million and had no interest bearing borrowings. Cash requirement by the Group's business remains significant. The settlement of the Consideration by way of the allotment and issue of the Consideration Shares would reduce cash outflows of the Group while the equity capital base of the Company would be enlarged and therefore, the current and future liquidity position of the Group can be maintained.

Having considered the above, the Directors (excluding the independent non-executive Directors who will form their views after considering the advices of the Independent Financial Adviser) consider that the terms of the Agreement are on normal commercial terms and fair and reasonable, and the Acquisition is in the interest of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the highest of the applicable percentage ratios exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules. As Xiao Antenna is a connected person of the Company, the Acquisition constitutes a connected transaction for the Company under Chapter 20 of the GEM Listing Rules. The Acquisition is subject to the reporting, announcement and independent shareholders' approval requirements under the GEM Listing Rules.

THE CLASS MEETINGS AND THE EGM

The EGM and the Classing Meetings will be held for the Independent Shareholders to consider and, if thought fit, pass resolutions to approve, among other things, the Agreement and the transactions contemplated thereunder and the Specific Mandate.

Mr. Xiao and his associates are regarded as having a material interest different from other Shareholders in the transactions contemplated under the Agreement by virtue of the interests of Professor Xiao Liangyong and Ms. Chen Jing in Xiao Antenna as described in the section headed "Information on the Vendors" of this announcement. Mr. Xiao has abstained from voting on the resolutions regarding the Agreement and the transactions contemplated thereunder at the Board meeting, and Mr. Xiao and his associates are required to abstain from voting at the Class Meetings and the EGM regarding the Agreement and the transactions contemplated thereunder.

GENERAL

A circular containing further information on (i) the Agreement; (ii) the Specific Mandate; (iii) advice from the Independent Financial Adviser; (iv) financial information of the Group; (v) financial information of Suzhou Haitian; and (vi) recommendation from the Independent Board Committee, together with notices of the EGM and the Class Meetings, is expected to be despatched to the Shareholders on or before 31 August 2019 as additional time is required for preparing the information to be included in the circular.

Completion of the Agreement is subject to the satisfaction of a number of conditions which are more particularly set out in the section headed "The Agreement – Conditions precedent" of this announcement. There is no assurance that any of the conditions to the Agreement will be fulfilled. Therefore, the issue of the Consideration Shares may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions have the following meanings, unless the context otherwise requires:

“Acquisition”	the acquisition of approximately 91.43% equity interest in Suzhou Haitian by the Company pursuant to the Agreement
“Actual NAV”	the audited net asset value of Suzhou Haitian as at 30 June 2019 as set out in the Audited Accounts
“Agreement”	the agreement dated 2 August 2019 entered into between the Vendors and the Company in relation to the Acquisition
“Audited Accounts”	the audited financial statements of Suzhou Haitian for the two years ended 31 December 2018 and the six months ended 30 June 2019 prepared by Confucius International CPA Limited in accordance with Hong Kong Financial Reporting Standards
“Board”	the board of Directors
“Class Meetings”	collectively, the Domestic Shareholders Class Meeting and the H Shareholders Class Meeting
“Company”	西安海天天實業股份有限公司 (Xi’an Haitiantian Holdings Co., Ltd.*), a joint stock company incorporated in the PRC and whose H Shares are listed on GEM
“Completion”	the completion of the sale and purchase of the Sale Shares pursuant to the Agreement
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	the total consideration for the Acquisition of approximately RMB34.98 million, which is subject to adjustment
“Consideration Shares”	new Domestic Shares to be allotted and issued to the Vendors at the Issue Price for satisfaction of the Consideration
“Director(s)”	the director(s) of the Company

“Domestic Shareholders Class Meeting”	class meeting of the holders of the Domestic Shares to be convened to consider and, if thought fit, approve among other things, the Agreement and the transactions contemplated thereunder
“Domestic Shares”	the domestic invested shares of nominal value of RMB0.10 in the share capital of the Company, which are subscribed for in RMB
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the Agreement and the transactions contemplated thereunder and the Specific Mandate
“Estimated NAV”	the estimated net asset value of Suzhou Haitian as at 30 June 2019 as set out in the latest draft of the Audited Accounts
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“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
“H Shares Class Meeting”	class meeting of the holders of the H Shares to be convened to consider and, if thought fit, approve, among other things, the Agreement and the transactions contemplated thereunder
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee of the Board comprising all independent non-executive Directors which has been established to advise the Independent Shareholders on the terms of the Agreement and the transactions contemplated thereunder
“Independent Financial Adviser”	the independent financial adviser to be appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Agreement and the transactions contemplated thereunder

“Independent Third Party”	a third party who is independent of and not connected with the Company and any of its connected person, and not otherwise a connected person of the Company
“Independent Shareholders”	Shareholders other than Mr. Xiao and his associates, any other Shareholders who are involved in, or interested in, the Agreement and the transactions contemplated thereunder; and any other Shareholders who are required by the GEM Listing Rules to abstain from voting in respect of the resolution(s) relating to the Agreement and the transactions contemplated thereunder at the Class Meetings and the EGM
“Issue Price”	the issue price of RMB0.21 per Consideration Share
“Last Trading Day”	2 August 2019, being the last day of trading in the H Shares on the Stock Exchange prior to the release of this announcement
“Mr. Liao”	Mr. Liao Kang (廖康先生)
“Mr. Xiao”	Mr. Xiao Bing (肖兵先生), the Chairman of the Board and an executive Director
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this announcement
“Sale Shares”	approximately 91.43% equity interest of Suzhou Haitian held by the Vendors (as to approximately 86.43% held by Xiao Antenna and as to approximately 5.00% held by Mr. Liao)
“Shares”	collectively, Domestic Shares and H Shares
“Shareholder(s)”	holder(s) of Domestic Shares and H Shares
“Specific Mandate”	the specific mandate to be sought from the Independent Shareholders at the Class Meetings and the EGM to authorise the Directors to allot and issue the Consideration Shares under the Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Suzhou Haitian”	Suzhou Haitian New Antenna Technologies Co., Ltd.* (蘇州海天新天綫科技有限公司)
“Vendors”	Xiao Antenna and Mr. Liao
“Xiao Antenna”	Xi’an Xiao’s Antenna Technologies Co., Ltd.* (西安肖氏天綫科技有限公司)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

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

Xi’an, the People’s Republic of China, 2 August 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 nonexecutive 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