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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)*  
**(Stock Code: 8227)**

**SUPPLEMENATAL PRELIMINARY PLACING AGREEMENT  
AND  
RESIGNATION AND APPOINTMENT OF SUPERVISORS**

**SUPPLEMENTAL PRELIMINARY PLACING AGREEMENT**

On 14 April 2008, the Company and the Joint Placing Agents entered into the Supplemental Agreement. Pursuant to the Supplemental Agreement, the Company and the Joint Placing Agents agreed to extend the effective period of the Preliminary Placing Agreement to the date falling 12 months after the Supplemental Agreement is approved by the Shareholders in general meeting and the Class Meetings.

The specific mandate granted to the Directors to issue the New H Shares by the Shareholders at the 2007 EGM and Class Meetings will expire on 30 April 2008. Resolutions will be proposed at the AGM and the Class Meetings to approve, among other things, the Supplemental Agreement and the grant of the New Specific Mandate to authorize the Board to determine and deal with at its discretion and with full authority, matters relating to the Placing.

**RESIGNATION AND APPOINTMENT OF SUPERVISORS**

The Company was informed that Mr. Yang Jun (楊君先生) will resign as Supervisor and Ms. Sun Guilian (孫桂蓮小姐) and Mr. Mei Jie (梅杰先生) will resign as Supervisors representing the staff of the Company with effect from the conclusion of the AGM. The Board proposes to appoint Mr. Bai Fubo (白伏波) as Supervisor and Ms. Chen Hua (陳華) and Mr. Xu Hao (徐浩) as Supervisors representing the Company's staff.

**THE AGM AND THE CLASS MEETINGS**

The Company will despatch to the Shareholders a circular, together with notices of the AGM and the Class Meetings, as soon as practicable. Such circular will contain, among other things, further information on the Supplemental Agreement, the New Specific Mandate, the resignation and appointment of Supervisors and notices of the AGM and Class Meetings.

\* For identification purposes only

## **SUPPLEMENTAL PRELIMINARY PLACING AGREEMENT**

Reference is made to the announcement of the Company dated 5 March 2007 and the circular of the Company dated 15 March 2007 in relation to the Preliminary Placing Agreement.

Pursuant to the Preliminary Placing Agreement, the Joint Placing Agents have agreed to severally procure places to subscribe for and purchase in aggregate not more than 177,941,177 Placing Shares (comprising 161,764,706 New H Shares and 16,176,471 Sale H Shares) at the placing price to be agreed by the Company and the Joint Placing Agents on a best efforts basis upon the terms and conditions of the Definitive Placing Agreement. The Placing Price will be determined upon execution of the Definitive Placing Agreement, with reference to the average of the closing price of the H Shares for the 15 consecutive trading days before the date of execution of the Definitive Placing Agreement, subject to a discount of not more than 20% but the Placing Price should not in any event be less than the net asset value per H Share based on the Company's latest published audited net assets. As at 31 December 2007, the net asset value per Share was approximately RMB0.26.

On 14 April 2008, the Company and the Joint Placing Agents entered into the Supplemental Agreement. Pursuant to the Supplemental Agreement, the Company and the Joint Placing Agents agreed to extend the effective period of the Preliminary Placing Agreement to the date falling 12 months after the Supplemental Agreement is approved by the Shareholders in general meeting and the Class Meetings.

Save as supplemented and extended by the Supplemental Agreement, the provisions of the Preliminary Placing Agreement shall remain in full force.

## **REASONS FOR ENTERING THE SUPPLEMENTAL AGREEMENT AND USE OF PROCEEDS**

Under the Preliminary Placing Agreement, it will lapse and has no effect on the date falling 6 months after the approval of the CSRC for the issue of the New H Shares and the sale of the Sale H Shares has been obtained. The CSRC granted the required approval on 12 December 2007 and no further approvals in respect of the Placing are required to be obtained from the CSRC. In view of the securities market condition, the Placing has not been taken place. As the Preliminary Placing Agreement will lapse and has no effect on 12 May 2007, the Company entered into the Supplemental Agreement to extend the Preliminary Placing Agreement.

Based on the maximum number of the 161,764,706 New H Shares to be issued under the Placing and the indicative placing price of approximately HK0.32 per New H Share (being a maximum discount of 20% to the average closing price per H Share as quoted on GEM for the 15 consecutive trading days ended on 11 April 2008), the gross proceeds from the placing of the New H Shares are estimated to be approximately HK\$52.02 million. It is intended that the net proceeds from the placing of the New H Shares will be applied as follows:

- as to approximately 48% for further investment in production of TD-SCDMA products;
- as to approximately 15% for further empowering of the Group's research and development capabilities in order to enhance its product portfolio for existing business;
- as to approximately 8% for expansion of international market;
- as to approximately 14% for repayment of bank loans of the Group; and
- as to approximately 15% to be used as the general working capital of the Group.

**Investors should note that final amount of fund raised will only be ascertained upon execution of the Definitive Placing Agreement.**

#### **SPECIFIC MANDATE**

The specific mandate granted to the Directors to issue the New H Shares by the Shareholders at the 2007 EGM and Class Meetings will expire on 30 April 2008. Resolutions will be proposed at the AGM and the Class Meetings to approve, among other things, the Supplemental Agreement and the grant of the New Specific Mandate to authorize the Board to determine and deal with at its discretion and with full authority, matters relating to the Placing (including but not limited to the specific timing of the Placing, final number of the New H Shares to be issued, pricing mechanism, final Placing Price and the number and proportion of Placing Shares to be issued and sold to each placee).

#### **RESIGNATION OF SUPERVISORS**

Pursuant to the Articles of Association of the Company, the Supervisory Committee shall be formed by 5 Supervisors, of which 1 shall be representative of Shareholders, 2 shall be representatives of the Company's staff and 2 shall be independent Supervisors. The Supervisors representing the Shareholders and the independent Supervisors shall be elected by Shareholders in general meeting, while the Supervisors representing the Company's staff shall be elected democratically by the Company's staff.

The Company was informed that Mr. Yang Jun (楊君先生) will resign as Supervisor as XITIC proposes to nominate a candidate in place of him. Ms. Sun Guilian (孫桂蓮小姐) and Mr. Mei Jie (梅杰先生) will resign as Supervisors representing the staff of the Company as they no longer worked in the Company.

To the best of the Directors' knowledge, information and belief having made reasonable enquiry, regarding the resignation of Supervisors, there are no disagreements among the Board or the Supervisory Committee and there are no matters that need to be brought to the attention of the Shareholders.

## APPOINTMENT OF SUPERVISORS

The Board proposes the following new appointments to the Supervisory Committee:

- (i) Mr. Bai Fubo (白伏波), being representative nominated by XITIC; and
- (ii) Ms. Chen Hua (陳華) and Mr. Xu Hao (徐浩), being representatives of the Company's staff.

Set out below are their biographic particulars:

**Mr. Bai Fubo (白伏波)**, aged 50, possesses the qualification of engineer. In 1981 to 1985, he served consecutively as office secretary and deputy office supervisor of Xi'an Sewing Machine Factory (西安縫紉機廠). In October 1985 to February 1994, he served as deputy supervisor of technology department of Xi'an First Bureau of the Light Industry (西安市第一輕工業局). Since March 1994, he worked in XITIC and served consecutively as office secretary, deputy supervisor of sales department and manager of trust department. Mr. Bai currently serves as deputy general manager of sales department of XITIC.

**Ms. Chen Hua (陳華)**, aged 44, graduated from Shaanxi Radio and TV University (陝西廣播電視大學) in 1987. In 1990 to 1991, she completed a self-study bachelor degree in business accounting in Xi'an University of Finance and Economics (西安財經學院). In 1992 to 1996, she worked in Shaanxi Wenbo Advertising Co., Ltd. (陝西文博廣告公司) as accountant. In 1996 to 1999, she served as finance supervisor of Guangdong Aoxiang Industrial Co., Ltd. (廣東翱翔實業有限公司). In 1999 to 2003, she served as finance manager of Xi'an Yixin Industrial Co., Ltd. (西安怡欣實業有限公司). In 2003 to 2006, she served as chief finance officer of Shaanxi Tianditong Communication Development Co., Ltd. (陝西天地通通信發展有限公司). Since August 2006, Ms. Chen has served as deputy general manager and chief finance officer of Xi'an Haitian Communication System Engineering Co., Ltd. (西安海天通信系統工程有限公司).

**Mr. Xu Hao (徐浩)**, aged 37, graduated from Shaanxi Financial Technological College (陝西財政專科學校) with a major in finance and possesses the qualification of accountant. In 1994 to 2000, he worked in the finance division of Xi'an State-owned Tractor factory (國營西安拖拉機製造廠). In January 2001 to September 2003, he served as finance supervisor of Xi'an Tianhao Plastic Steel Product Limited Liability Company (西安添好塑鋼製品有限責任公司). In October 2003 to February 2005, he served as project manager of Xi'an Pengguang Tax Agent & Bureau Co., Ltd. (西安鵬光稅務師稅務所有限責任公司). Since March 2005, Mr. Xu has worked in the finance department of the Company.

Save as disclosed herein, to the best of the Directors' knowledge, information and belief having made reasonable enquiry, (i) the above persons have no relationship with any directors, supervisors and senior management or substantial shareholders or controlling shareholders of the Company; (ii) the above persons have no interest in the Shares within the meaning of Part XV of the SFO; and (iii) the above persons do not hold any position with the Company or its subsidiaries and do not have any other directorship held in listed public companies in the last three years.

Save as disclosed herein, the Company considers that in relation to the appointment of the above persons as Supervisors, there is no information which is discloseable nor are/were the above persons involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 17.50(2)(h) to 17.50(2)(v) of the GEM Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

The proposed appointment of Mr. Bai Fubo as Supervisor is subject to (i) the approval by the Shareholders by way of ordinary resolution at the AGM; and (ii) the compliance of Rule 17.50(2) of the GEM Listing Rules. The proposed appointment of Ms. Chen Hua and Mr. Xu Hao as Supervisors representing the staff of the Company is subject to (i) the approval of the staff of the Company; and (ii) the compliance of Rule 17.50(2) of the GEM Listing Rules.

Following the conclusion of the AGM, the Company proposes to enter into a service agreement for a term to be ended on 19 May 2010, being the expiry date of the term of the third session of the Supervisory Committee, with each of the new Supervisors. Resolutions will be proposed at the AGM to authorize the Board to enter into service agreements with the new Supervisors and to fix their remuneration.

It is proposed that the annual remuneration of the new Supervisors is as follows:

Mr. Bai Fubo (白伏波)	RMB6,000
Ms. Chen Hua (陳華)	RMB60,000
Mr. Xu Hao (徐浩)	RMB45,600

## THE AGM AND CLASS MEETINGS

The Company will despatch to the Shareholders a circular, together with notices of the AGM and the Class Meetings, as soon as practicable. Such circular will contain, among other things, further information on the Supplemental Agreement, the New Specific Mandate and notices of the AGM and Class Meetings.

## DEFINITIONS

“2007 EGM and Class Meetings”	the extraordinary general meeting and separate meeting of holders of H Shares and Domestic Shares held on 30 April 2007
“AGM”	the 2008 annual general meeting of the Company
“Board”	the board of Directors
“Class Meetings”	separate meetings of the holders of H Shares and Domestic Shares
“Company”	Xi’an Haitian Antenna Technologies Co. Ltd.* (西安海天天綫科技股份有限公司), a joint stock limited company incorporated in the PRC and the H shares of which are listed on GEM of the Stock Exchange
“CSRC”	China Securities Regulatory Commission(中國證券監督管理委員會), the regulatory body responsible for the supervision and regulation of the PRC national securities market
“Definitive Placing Agreement”	the definitive placing agreement in relation to the Placing in a form to be agreed and to be entered into by, among other parties (if any), the Company and the Joint Placing Agents
“Director(s)”	the director(s) of the Company

“Domestic Shares”	ordinary shares in the share capital of the Company, with a nominal value of RMB0.10 each, which are subscribed for in Renminbi
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“H Shares”	overseas-listed foreign shares in the share capital of the Company, with a nominal value of RMB0.10 each, which are listed on GEM and subscribed for and traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Joint Placing Agents”	Vision Finance (Securities) Limited and SBI E2-Capital (HK) Ltd. (formerly known as SBI Cosby Limited)
“New H Shares”	not more than 161,764,706 new H Shares to be issued under the Placing
“New Specific Mandate”	the specific mandate to be granted to the Directors by the Shareholders at the AGM and the Class Meetings to issue the New H Shares
“Placing”	the possible placing of the Placing Shares
“Placing Shares”	the New H Shares and the Sale H Shares
“PRC”	the People’s Republic of China
“Preliminary Placing Agreement”	the non-binding preliminary placing agreement dated 2 March 2007 and entered into between the Company and the Joint Placing Agents in relation to the Placing
“Sale H Shares”	such number of H Shares to be converted from the equivalent number of State-owned Domestic Shares pursuant to the requirements under the Provisional Administrative Measures for the Reduction of State-owned Shares and the Raising of the Social Security Fund (減持國有股籌集社會保障資金管理暫行辦法) promulgated by the State Council of the PRC (中國國務院) on 12 June 2001 and to be disposed of under the Placing, the proceeds of which disposal will be transmit to National Council for Social Securities Fund (全國社會保障基金理事會)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of RMB0.10 each in the share capital of the Company

“Shareholders”	the holders of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Supplemental Agreement”	the Supplemental Preliminary Placing Agreement dated 14 April 2008 and entered into between the Company and the Joint Placing Agents
“XITIC”	Xi’an International Trust & Investment Co., Ltd.* (西安國際信託投資有限公司)

By Order of the Board  
**Xi’an Haitian Antenna Technologies Co., Ltd. \***  
**Professor Xiao Liangyong**  
*Chairman*

Xi’an, the PRC, 14 April 2008

*As at the date of this announcement, the Board comprises Professor. Xiao Liangyong (肖良勇教授), Mr. Xiao Bing (肖兵先生) and Mr. Zuo Hong (左宏先生) being executive Directors; Mr. Xing Changling (杏昌靈先生), Mr. Luo Maosheng (羅茂生先生), Mr. Sun Wenguo (孫文國先生), Ms. Wang Jing (王京女士) and Mr. Li Wenqi (李文琦先生) being non-executive Directors; and Professor Gong Shuxi (龔書喜教授), Mr. Lei Huafeng (雷華鋒先生) and Mr. Qiang Wenyu (強文郁先生) 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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

*The announcement will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least seven days from the date of its publication.*

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