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)

FINAL RESULTS ANNOUNCEMENT
(for the year ended 31 December 2009)

Characteristics of the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange")

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should, be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

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 GEM of the Stock Exchange (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.*

* *for identification only*

FINAL RESULTS

The board of Directors (the "Board") of Xi'an Haitian Antenna Technologies Co., Ltd. (the "Company") announces the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2009, together with the comparative figures for the year ended 31 December 2008 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2009

	NOTES	**2009** **RMB**	2008 *RMB*
Turnover	*3*	**195,410,138**	152,020,094
Cost of sales		**(153,623,223)**	(93,153,927)
Gross profit		**41,786,915**	58,866,167
Other revenue	*3*	**12,790,652**	4,803,402
Distribution costs		**(20,168,784)**	(18,637,571)
Administrative expenses		**(49,994,540)**	(55,905,410)
Finance costs	*5*	**(10,208,293)**	(10,234,449)
Loss before tax		**(25,794,050)**	(21,107,861)
Income tax (expense) credit	*6*	**(725,868)**	60,735
Loss for the year and total comprehensive expenses for the year	*8*	**(26,519,918)**	(21,047,126)
Loss per share			
– Basic	*9*	**(4.10 cents)**	(3.25 cents)
Dividends	*7*	**–**	–

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2009

	NOTES	2009 RMB	2008 RMB
Non-current assets			
Property, plant and equipment		**121,319,148**	117,559,544
Prepaid lease payments		**827,939**	848,716
Goodwill		**4,836,763**	4,836,763
Intangible assets		**14,699,421**	17,497,033
Pledged bank deposits		**6,061,500**	9,110,756
		147,744,771	149,852,812
Current assets			
Inventories		**33,446,187**	29,859,534
Trade receivables	*10*	**135,776,849**	98,694,632
Prepaid lease payments		**20,777**	20,777
Other receivables and prepayments		**45,845,647**	38,919,946
Amount due from a director		**823,559**	609,314
Amounts due from related parties		**9,782,768**	2,946,822
Pledged bank deposits		**4,125,986**	2,316,475
Bank balances and cash		**16,121,734**	8,662,072
		245,943,507	182,029,572
Current liabilities			
Trade payables	*11*	**85,821,388**	66,656,762
Other payables and accrued charges		**39,430,383**	20,072,616
Dividend payables		**1,487,140**	1,487,140
Amounts due to directors		**1,835,670**	3,000,650
Tax liabilities		**1,008,690**	4,129,285
Bank and other borrowings		**58,000,000**	87,449,905
		187,583,271	182,796,358
Net current assets (liabilities)		**58,360,236**	(766,786)
Total assets less current liabilities		**206,105,007**	149,086,026
Non-current liabilities			
Bank and other borrowings		**79,600,000**	–
Deferred taxation		**600,000**	600,000
		80,200,000	600,000
Net assets		**125,905,007**	148,486,026
Capital and reserves attributable to owners of the Company			
Share capital		**64,705,882**	64,705,882
Reserves		**61,199,125**	83,780,144
Total equity		**125,905,007**	148,486,026

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2009

	Share capital	Share premium	Statutory surplus reserve	Other reserve	Retained profits (accumulated losses)	Total
	RMB	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*
At 1 January 2008	64,705,882	71,228,946	16,153,228	–	17,445,096	169,533,152
Loss for the year and total comprehensive expenses for the year	–	–	–	–	(21,047,126)	(21,047,126)
At 31 December 2008	64,705,882	71,228,946	16,153,228	–	(3,602,030)	148,486,026
Loss for the year and total comprehensive expenses for the year	–	–	–	–	(26,519,918)	(26,519,918)
Waiver of current accounts	–	–	–	3,938,899	–	3,938,899
At 31 December 2009	**64,705,882**	**71,228,946**	**16,153,228**	**3,938,899**	**(30,121,948)**	**125,905,007**

Notes:

1. ORGANISATION AND OPERATIONS

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 Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The principal activities of the Company are research and development, manufacture and sale of base station antennas and related products.

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following new and revised Standards, Amendments to Standards and Interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investments in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC)-Int 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC)-Int 13	Customer Loyalty Programmes
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC)-Int 18	Transfer of Assets from Customers
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

Except as described below, the adoption of the new and revised HKFRSs had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

HKAS 1 (Revised 2007) Presentation of Financial Statements

HKAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the consolidated financial statements.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKAS 24 (Revised)	Related Party Disclosures[6]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[1]
HKAS 32 (Amendment)	Classification of Rights Issues[4]
HKAS 39 (Amendment)	Eligible Hedge Items[1]
HKFRS 1 (Revised)	First-time Adoption of HKFRSs[1]
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters[3]
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters[5]
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions[3]
HKFRS 3 (Revised)	Business Combinations[1]
HKFRS 9	Financial Instruments[7]
HK(IFRIC)-Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement[6]
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners[1]
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments[5]

1 Effective for annual periods beginning on or after 1 July 2009.
2 Effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate.
3 Effective for annual periods beginning on or after 1 January 2010.
4 Effective for annual periods beginning on or after 1 February 2010.
5 Effective for annual periods beginning on or after 1 July 2010.
6 Effective for annual periods beginning on or after 1 January 2011.
7 Effective for annual periods beginning on or after 1 January 2013.

The application of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary.

HKFRS 9 Financial Instruments introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

In addition, as part of *Improvements to HKFRSs(2009)*, HKAS 17 *Leases* has been amended in relation to the classification of leasehold land. The amendments will be effective from 1 January 2010, with earlier application permitted. Before the amendments to HKAS 17, leases were required to classify leasehold land as operating leases and presented as prepaid lease payments in the consolidated statement of financial position. The amendments have removed such a requirement. Instead, the amendments require the classification of leasehold land to be based on the general principles set out in HKAS 17, that are based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee. The application of the amendments to HKAS 17 might affect the classification and measurement of the Group's leasehold land.

The directors of the Company anticipated that the application of the new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements.

3. TURNOVER AND REVENUE

The principal activities of the Group are research and development, manufacture and sale of base station antennas and related products.

Turnover represents the amounts received and receivable for goods sold and services provided in the normal course of business, net of discounts and sales related taxes.

	2009	2008
	RMB	*RMB*
Turnover		
Sales of antennas and related products	**154,806,407**	142,627,852
Service income	**40,603,731**	9,392,242
	195,410,138	152,020,094
Other revenue		
Government grants	**9,454,842**	3,753,603
Impairment loss reversed in respect of trade receivables	**1,510,920**	–
Waiver of long outstanding trade payables	**852,926**	–
Interest income	**71,943**	100,520
Net foreign exchange gain	**65,921**	–
Gain on disposal of property, plant and equipment	**12,054**	–
Others	**822,046**	949,279
	12,790,652	4,803,402
Total revenue	**208,200,790**	156,823,496

4. SEGMENT INFORMATION

The Group is organised into a single operating segment as sale of telecommunication products and rendering of related services. Accordingly, no reportable segment is provided.

Details of the segment information by geographical segment are as follows:

	Revenue from external customers Year ended 31 December	
	2009	2008
	RMB	*RMB*
PRC	**191,807,494**	79,493,968
Asia excluding PRC	**3,526,523**	70,170,272
Others	**76,121**	2,355,854
	195,410,138	152,020,094

	Non-current assets As at 31 December	
	2009	2008
	RMB	*RMB*
PRC	**147,744,771**	149,852,812
Asia excluding PRC	**–**	–
Others	**–**	–
	147,744,771	149,852,812

5. FINANCE COSTS

	2009	2008
	RMB	*RMB*
Interests on bank and other borrowings wholly repayable within five years	**10,488,368**	10,648,173
Less: amount capitalised	**(280,075)**	(413,724)
	10,208,293	10,234,449

Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 6.14% (2008: 10.16%) per annum to expenditure on qualifying assets.

6. INCOME TAX EXPENSE (CREDIT)

	2009	2008
	RMB	*RMB*
Current tax		
PRC Enterprise Income Tax	**725,868**	7,593
Overprovision in prior years	**–**	(68,328)
	725,868	(60,735)

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

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

Currently, the Company and certain of its subsidiaries established in the PRC are approved by the Xi'an Municipal Bureau of Science and Technology as high technology enterprises located in the Xi'an National High-tech Industrial Development Zone, which are subject to EIT at the rate of 15%. Furthermore, the Company was exempted from EIT for two years starting from 2005 and is entitled to a 50% reduction, which is 7.5%, on the EIT for the following three years (i.e. commencing from 1 January 2007) in accordance with Article 8 of Income Tax Law of the People's Republic of China for Enterprises with Foreign Investment and Foreign Enterprises.

During the year ended 31 December 2009, income tax expenses of the Company and its subsidiaries are charged on the estimated assessable profits at the appropriate current rates of taxation ruling in the PRC. For the year ended 31 December 2008, the balance represents overprovision for EIT of certain subsidiaries in prior years and provision for EIT on the estimated assessable profit of certain subsidiaries for the year.

7. DIVIDENDS

No dividend was paid or proposed during 2009, nor has any dividend been proposed since the end of the reporting period (2008: nil).

8. LOSS FOR THE YEAR

	2009	2008
	RMB	*RMB*
Loss for the year is arrived at after charging:		
Depreciation for property, plant and equipment	**9,783,532**	10,926,720
Amortisation of development costs	**6,747,645**	9,334,857
Amortisation of technological know-how	**1,000,000**	1,000,000
Amortisation of prepaid lease payments	**20,777**	20,777
Total depreciation and amortisation	**17,551,954**	21,282,354
Auditors' remuneration		
– audit services	**420,000**	420,000
– other services	**20,000**	20,000
Cost of inventories recognised as expenses	**120,800,918**	86,834,816
Staff costs		
– Directors' and supervisors' remuneration	**1,685,781**	1,602,600
– Salaries, wages and other benefits	**25,062,382**	20,379,301
– Retirement benefit scheme contributions (excluding directors and supervisors)	**1,426,289**	742,299
Total staff costs	**28,174,452**	22,724,200
Loss on disposal of property, plant and equipment	**–**	419,729
Allowance for inventories (included in cost of sales)	**6,734,535**	3,728,643
Impairment losses recognised in respect of intangible assets (included in administrative expenses)	**–**	5,659,730
Impairment loss recognised in respect of trade receivables (included in administrative expenses)	**–**	960,815
Impairment loss recognised in respect of other receivables (included in administrative expenses)	**8,349,527**	6,025,680
Net foreign exchange losses	**–**	1,364,419
Minimum lease payments under operating leases	**4,085,851**	2,881,071
Research and development costs	**2,981,634**	3,618,504

9. LOSS PER SHARE

The calculation of basic loss per share for the year is based on the loss for the year attributable to owners of the Company of RMB26,519,918 (2008: RMB21,047,126) and the weighted average of 647,058,824 (2008: 647,058,824) ordinary shares in issue during the year.

No diluted loss per share has been presented for the two years ended 31 December 2009 and 2008 as there were no diluting events existed during those years.

10. TRADE RECEIVABLES

The following is an aged analysis of trade receivables net of impairment loss recognised at the end of each reporting period:

	2009	2008
	RMB	*RMB*
0 – 60 days	**74,073,924**	29,599,632
61 – 120 days	**34,225,264**	8,726,388
121 – 180 days	**2,800,780**	9,325,879
181 – 240 days	**1,489,269**	13,758,876
241 – 365 days	**1,043,321**	1,670,249
Over 365 days	**22,144,291**	35,613,608
	135,776,849	98,694,632

Generally, the Group allows a credit period from 90 days to 240 days to its trade customers. For receivables from certain customers, the amounts are settled by installments which are mutually determined and agreed by the relevant parties.

11. TRADE PAYABLES

The aged analysis of trade payables is as follows:

	2009	2008
	RMB	*RMB*
0 – 60 days	**35,252,417**	27,848,330
61 – 120 days	**13,008,978**	1,058,912
121 – 365 days	**22,024,348**	14,122,627
Over 365 days	**15,535,645**	23,626,893
	85,821,388	66,656,762

BUSINESS REVIEW

Revenue

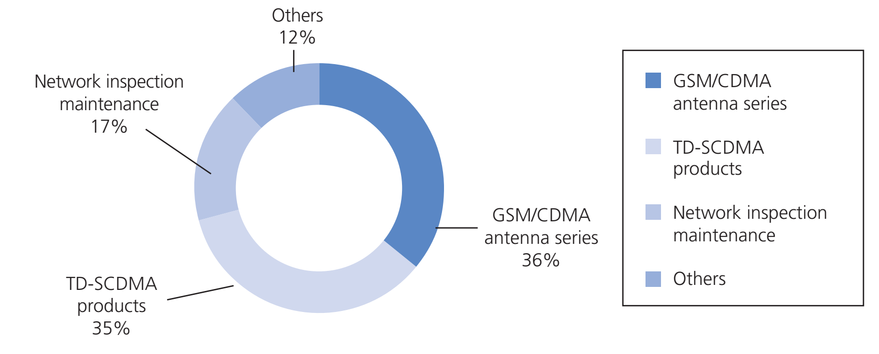
The Group recorded a turnover of approximately RMB195.4 million for the year ended 31 December 2009, representing an increase of approximately 28.5% from last year. The increase was mainly come from growth in sales of GSM/CDMA and TD-SCDMA products to compensate the decline in Indian markets due to global economic turndown.

The original telecommunication operating licenses in the Mainland China were rearranged to three major telecommunication operators in 2009, the Group was benefited from their further expansion and development of existing network increase in sales.

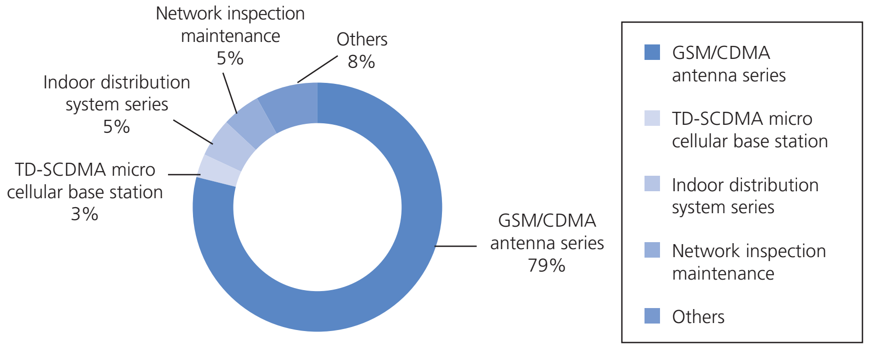
Commencement of third generation mobile telecommunications business in Mainland China during the year, the sales in TD-SCDMA products which have the leading technologies in the industry contribute 35% revenues to the Group.

Composite of sales by product line for the year ended 31 December 2009, together with the comparative figures for the year ended 31 December 2008, are provided as follows:

For the year ended 31 December 2009 (by product lines)

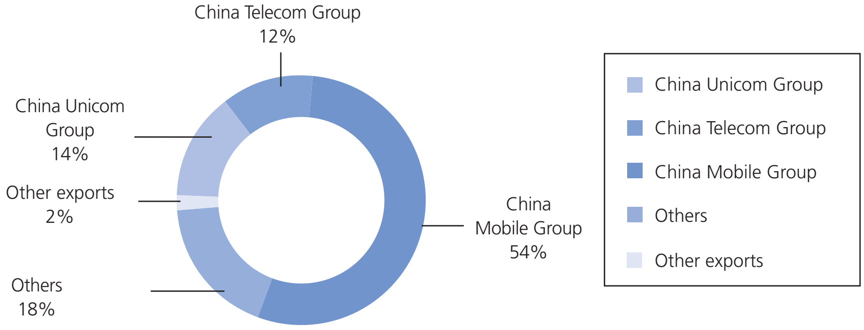


For the year ended 31 December 2008 (by product lines)

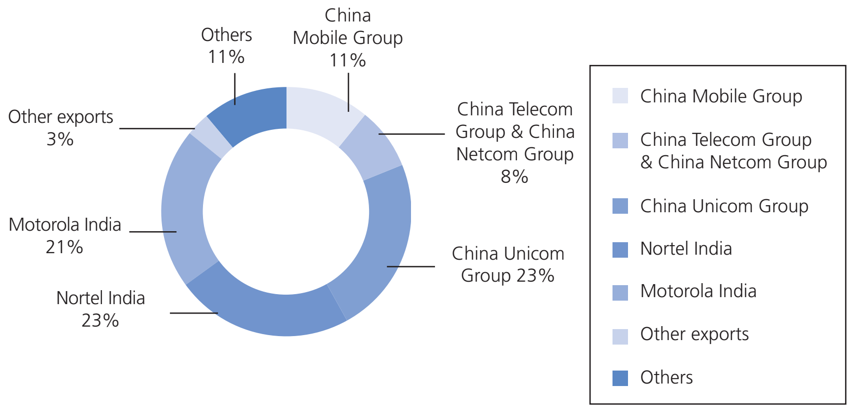


Composite of turnover by major customers for the year ended 31 December 2009, together with the comparative figures for the year ended 31 December 2008, are provided as follows:

For the year ended 31 December 2009 (by major customers)



For the year ended 31 December 2008 (by major customers)



Legend:

China Telecom Group: 中國電信集團公司 (China Telecommunications Corporation) and its subsidiaries and branch companies (collectively "China Telecom Group")

China Netcom Group: 中國網絡通信有限公司 (China Netcom Corporation Limited) and its subsidiaries and branch companies (collectively "China Netcom Group")

China Unicom Group: 中國聯合通信有限公司 (China United Telecommunications Corporation) and its subsidiaries and branch companies (collectively "China Unicom Group")

China Mobile Group: 中國移動通信集團公司 (China Mobile Communications Corporation) and its subsidiaries and branch companies (collectively "China Mobile Group")

Nortel India: Nortel Networks India PVT Ltd

Motorola India: Motorola India Private Limited

Gross Profit

The Group's gross profit for the year 2009 amounted to approximately RMB41.8 million, representing a decrease of approximately 29.0% over 2008. Gross profit margin was 21.4% in 2009 compared to 38.7% in 2008. The drop in gross profit margin was due to high value-added GSM/CDMA antenna series sales together with high profit margin export sales were dropped. In additions, in order to maintain the market share for 2G products, the overall prices level in 2009 was lower than previous year..

Other Revenue

Other revenue was approximately RMB12.8 million, representing an increase of 166.3%. The significant increase was mainly attributable to government grants increase from approximately RMB3.8 million in 2008 to approximately RMB9.5 million in 2009, and reversal of impairment loss on trade receivables was approximately RMB1.5 million for the year.

Operating Costs and Expenses

Distribution costs were approximately RMB20.2 million, representing an increase of approximately 8.2% over year 2008. The increase was lower than the growth of sales for the year because of a great decrease in overseas traveling expenses for export sales.

Administrative expenses had decreased by approximately RMB5.9 million, representing a decrease of 10.6% as compared with the year 2008. The decrease was mainly due to the decrease of amortization of developments costs reduced from approximately RMB9.3 million in 2008 to approximately RMB6.7 million this year and the impairment loss on development costs for technology of PHS of approximately RMB5.7 million in 2008 had not recurred this year, the above decrease was affect by the increase in impairment loss on trade and other receivables by approximately RMB1.4 million for the year.

Finance costs amounted to approximately RMB10.2 million which was remained the same as in 2008. The main reason was the decrease of average interest rate by 3 – 4% per annum during the year, nonetheless the average interest bearing borrowings were increased more than RMB50 million.

Consequently, loss attributable to shareholders for the year ended 31 December 2009 was approximately RMB26.5 million, as compared to a loss attributable to shareholders of approximately RMB21.0 million in 2008. The net loss position was mainly due to the drop in gross profit margin and the impairment losses on other receivables as mentioned above.

PROSPECTS

3G potentials

Following the permission to operate third generation mobile telecommunications ("3G") business in Mainland China in January 2009, the investments in 3G network spent by the three major telecommunication operators contribute a large portion of revenues to the Group. The Group has successful products in 3G business and leading technologies in 3G networking, it believes that the Group could maintain its large market share in the construction of 3G networking and have increasing revenues from the related products and services. The Group will continue to focus on developing 3G related products and the Directors expect the opportunities that 3G brought to the Group are expectant.

Global income source

Globalization of 3G network leads to worldwide auction of its network construction to be carried out in the near future. The valuable experience and advance technology on the development for 3G network held by the Group could capture the enormous business opportunities in these markets, especially the well-developed customer network in India and newly developing market in South America. The Group expects that expansion of such overseas markets would have a substantial contribution to its revenues in the future.

Enhancement of competitiveness

The Group continually strengthen its research and development, especially for product development. Several new products are expected to be launched in the World Expo at Shanghai in 2010 and they are expected to have a larger contribution to the future revenue. Besides, more resources would be put into improvement and development of high value-added and environmental protection remote electrical tilt antenna products.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the year, the Group was mainly financed by cash from banking facilities. As at 31 December 2009, the Group had bank loans of approximately RMB133.6 million and other loans of approximately RMB4.0 million of which RMB58.0 million were repayable within one year. These borrowings were mainly used for the Group's daily operations.

As at 31 December 2009, all of the Group's interest-bearing borrowings borne fixed interest rates ranging from 5.58% to 15%. Since all the borrowings were denominated in RMB, the Directors consider that exposure to foreign exchange risk was minimal.

As at 31 December 2009, the Group's gearing ratio increased to 109.3% (2008: 58.9%), which is calculated based on total interest bearing borrowings of approximately RMB137.6 million and total shareholders' funds of approximately RMB125.9 million. Cash and cash equivalents increased from approximately RMB8.7 million to RMB16.1 million. Most of the Group's bank deposits were deposited with banks as short-term deposits and were denominated in RMB, which are directly related to the Group's businesses in the areas of the currencies concerned.

PURCHASES, SALE OR REDEMPTION OF SHARES

During the year ended 31 December 2009, neither the Company or any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CHARGES ON GROUP ASSETS

As at 31 December 2009, the Group pledged bank deposits of approximately RMB10.2 million, buildings of carrying value of approximately RMB23.1 million and land lease premium held for own use of carrying value of approximately RMB0.8 million for banking facilities.

CONTINGENT LIABILITIES

As at 31 December 2009, the Group did not have any material contingent liabilities.

FOREIGN EXCHANGE EXPOSURE

Since most of the transactions of the Group are denominated in RMB, the Group has not experienced any material difficulties or effects on its operations or liquidity as a result of fluctuations in currency exchange rates during the year under review. The Group did not enter into any material foreign exchange contracts, interest or currency swaps or other financial activities.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2009, the Group had approximately 1,104 full-time employees. Total staff costs for the year 2009 amounted to approximately RMB28.2 million (2008: RMB22.7 million), including remuneration of the Directors and members of the supervisory committee (the "Supervisors"). The Group reviews employee remuneration from time to time and increases in remuneration are normally granted annually or by special adjustment depending on length of service and performance when warranted. In addition to salaries, the Group provides employee benefits including medical insurance and retirement benefits scheme. Bonuses are also available to employees of the Group at the discretion of the Directors and depending upon the financial performance of the Group. The Group has not granted any share options to the Directors and its employees.

SIGNIFICANT INVESTMENT HELD

Except for investment in subsidiaries, the Group did not hold any significant investment for the year ended 31 December 2009.

FUTURE PLANS FOR MATERIAL INVESTMENTS

As at 31 December 2009, the Group had capital expenditure contracted for but not provided in the financial statements in respect of construction cost on properties under construction and acquisition of property, plant and equipment amounted to approximately RMB3.9 million (2008: RMB1.0 million).

Save as disclosed herein the Group did not have other plans for material investment.

MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in the paragraph headed "Significant Investment Held" above, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies during the year ended 31 December 2009.

DIRECTORS' AND SUPERVISORS' INTEREST IN CONTRACTS OF SIGNIFICANCE

No contract of significance, to which the Company or its subsidiaries was a party and in which a Director or a supervisor had a material interest, whether directly or indirectly, subsisted at the end of the year or any time during the year.

CORPORATE GOVERNANCE

Compliance with the Code on Corporate Governance Practices

In the opinion of the Board, the Company has complied with the code provisions in the Code on Corporate Governance Practice (the "Code") as set out in Appendix 15 of the GEM Listing Rules throughout the financial year ended 31 December 2009.

Audit Committee and Summary of Independent Auditor's Report

The Company established an audit committee with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules in April 2003. The Audit Committee is currently chaired by an independent non-executive Director, Mr. Lei Huafeng, and the other members are Professor Gong Shuxi and Mr. Li Wenqi, with the majority being independent non-executive Directors.

The Audit Committee is responsible for reviewing accounting policies and practices adopted by the Group. It also reviews and discusses matters related to financial reporting, internal control and audit, performs other duties as assigned by the Board, and reports its work, findings and recommendations to the Board after each meeting in respect of the above matters as well as operating risks faced by the Group. The Audit Committee has reviewed the audited financial results of the Group for the year ended 31 December 2009.

The terms of reference of the Audit Committee is published on the Company's website.

On behalf of the Board
Xi'an Haitian Antenna Technologies Co., Ltd.*
Professor Xiao Liangyong
Chairman

Xi'an, the PRC, 19 March 2010

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. Luo Maosheng (羅茂生先生), Mr. Sun Wenguo (孫文國先生), Mr. Li Wenqi (李文琦先生), Mr. Cong Chunshui (叢春水先生) and Mr. Lin Deqiong (林德瓊先生) 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 will remain on the GEM website at "www.hkgem.com" on the "Latest Company Announcements" page for at least 7 days from the day of its posting.

* *for identification only*