

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountants or other professional adviser.

If you have sold all your shares in Xi'an Haitian Antenna Technologies Co., Ltd.\*, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)**

**DISCLOSEABLE TRANSACTION – DISPOSAL OF ASSETS**

A notice convening the EGM to be held on 8 August 2011 at 2:30 p.m. at Meeting Room, Level 4, No. 68 Keji San Road, National Hi-tech Industrial Development Zone, Xi'an, Shaanxi Province, the People's Republic of China, together with the reply slip and form of proxy are enclosed herein. Whether or not you are able to attend the EGM, you are requested to complete the enclosed reply slip and form of proxy in accordance with the instructions printed thereon and return them to the head office of the Company at No. 66 Jinye Road, National Hi-tech Industrial Development Zone, Xi'an, Shaanxi Province, the PRC (for holders of Domestic Shares), or the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Hopewell Centre, 17M Floor, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares), as soon as possible and in any event, for the reply slip, no later than 18 July 2011, and for the form of proxy, no later than 24 hours before the time appointed for holding the EGM or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjourned meeting (as the case may be) should you wish to do so.

This document 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 at the website of the Company at <http://www.xaht.com>.

## CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. 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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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## DEFINITIONS

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

“Agreement”	the agreement dated 11 June 2011 entered into between the Company as vendor and Shaanxi Haitong as purchaser in relation to the Disposal
“Articles of Association”	the articles of association of the Company as of the date of this circular
“Assets”	the Land, the Building and the Equipment
“associate”	has the meaning as defined in the GEM Listing Rules
“Board”	the board of Directors
“Building”	a complex building of 6-storeys erected on the Land with a construction area of 3,512.32 sq.m.
“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
“Directors”	the directors of the Company
“Disposal”	the disposal of the Assets by the Company pursuant to the Agreement
“Domestic Shares”	the domestic invested shares of nominal value of RMB0.10 each in the share capital of the Company, which are subscribed for in RMB
“EGM”	the extraordinary general meeting of the Company to be held on 8 August 2011 at 2:30 p.m. at Meeting Room, Level 4, No. 68 Keji San Road, National Hi-tech Industrial Development Zone, Xi’an, Shaanxi Province, the People’s Republic of China (“PRC”) for the Shareholders to consider and approve the Disposal, the Agreement and the transactions contemplated thereunder
“Equipment”	128 multi-probe 3D radiation pattern test system and ancillary equipment

\* for identification purpose only

## DEFINITIONS

“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administration Region of the PRC
“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
“Independent Third Party(ies)”	party(ies) which is independent of and not connected with the Company and any of connected person (as defined under the GEM Listing Rules) of the Company
“Land”	a parcel of land located at Keji San Lu, Xi’an National Hi-tech Industrial Development Zone, Xi’an, Shaanxi Province, the PRC with a site area of 2,567.5 sq.m. for a land use right of up to 4 August 2050
“Latest Practicable Date”	20 June 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“PRC”	the People’s Republic of China, but for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Shaanxi Haitong”	Shaanxi Haitong Antenna Company Limited* (陝西海通天線有限責任公司), information of which is set out in the paragraph headed “Information on the Group and Shaanxi Haitong”
“Shareholders”	holders of the Domestic Shares and the H Shares
“Shares”	Domestic Shares and H Shares
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

\* for identification purpose only

## DEFINITIONS

“RMB”	Renminbi, the lawful currency of the PRC
“sq.m.”	square metre
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

LETTER FROM THE BOARD



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)**

**Directors:**

*Executive Directors*

Professor Xiao Liangyong (*Chairman*)

Mr. Xiao Bing

Mr. Zuo Hong

*Non-executive Directors*

Mr. Liu Ruixuan

Mr. Sun Wenguo

Mr. Li Wenqi

Mr. Cong Chunshui

Mr. Xie Yiqun

*Independent non-executive Directors*

Professor Gong Shuxi

Mr. Lei Huafeng

Mr. Qiang Wenyu

**Registered office:**

No. 66

Jin Ye Road

National Hi-tech Industrial

Development Zone

Xi'an, Shaanxi Province

PRC

**Principal place of business**

**in Hong Kong:**

Room B, 16th Floor

Yam Tze Commercial Building

23 Thomson Road

Wanchai

Hong Kong

23 June 2011

*To the Shareholders*

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION – DISPOSAL OF ASSETS**

**INTRODUCTION**

On 13 June 2011, the Company announced that it has entered into the Agreement as vendor with Shaanxi Haitong as purchaser to dispose of the Assets at the aggregate consideration of RMB40 million.

The purposes of this circular are to provide you with, among other things, further information regarding the Agreement and the notice of the EGM.

## LETTER FROM THE BOARD

### THE AGREEMENT

Date : 11 June 2011

Vendor : The Company

Purchaser : Shaanxi Haitong

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, as at the Latest Practicable Date, save for Lijun (李軍), the son-in-law of the Chairman of the Group and executive Director Professor Xiao Liangyong (肖良勇教授) and brother-in-law of the executive Director Mr. Xiao Bing (肖兵先生), was interested in 10% equity interest in Shaanxi Haitong, Shaanxi Haitong and its ultimate beneficial owners were Independent Third Parties.

Assets to be disposed: The Land – A parcel of land located at Keji San Lu, Xi'an National Hi-tech Industrial Development Zone, Xi'an, Shaanxi Province, the PRC with a site area of 2,567.5 sq.m. for a land use right of up to 4 August 2050.

The Building – a complex building of 6-storeys erected on the Land with a construction area of 3,512.32 sq.m.

The Equipment – 128 multi-probe 3D radiation pattern test system and ancillary equipment.

Consideration: RMB40 million

The consideration was agreed after arm's length negotiations between the Company and Shaanxi Haitong with reference to the valuation of the Assets at RMB40,004,900 as at 30 April 2011 conducted by Chinaunited Yangcheng Appraisal Co. Ltd. (廣東中聯羊城資產評估有限公司), an independent property valuer appointed by Shaanxi Haitong.



## LETTER FROM THE BOARD

- Payment of consideration:                   The consideration shall be paid in cash as follows:
1.   RMB24 million shall be paid to the Company within three days from the date of the Agreement; and
  2.   RMB16 million shall be paid to the Company within ten days following the completion of the transfer of title of the Assets to Shaanxi Haitong.
- Condition precedent:                        The obligation of the Company for the Disposal is subject to the approval by the Shareholders of the Agreement and the transactions contemplated thereunder. If the condition is not fulfilled by 15 August 2011, the rights and obligations of the parties to the Agreement will be void but without prejudice to their right to claim for any antecedent breach.
- Delivery of possession:                    The Company shall possession of the Assets to Shaanxi Haitong on the date of payment of RMB24 million, being partial payment of the consideration, by Shaanxi Haitong to the Company.

### INFORMATION ON THE GROUP AND SHAANXI HAITONG

The Group is principally engaged in the research and development, manufacture and sale of base station antennas and related products. In connection with such principal business, the Group also provides technical support, system integration and installation services of base station antennas.

Shaanxi Haitong is limited liability company incorporated in the PRC and, as at the Latest Practicable Date, was owned by Guangzhou Haige Communications Group Incorporated Company (廣州海格通信集團股份有限公司) as to 90% and Lijun (李軍) as to 10%. The shares of Guangzhou Haige Communications Group Incorporated Company (廣州海格通信集團股份有限公司) are listed on the Shenzhen Stock Exchange (stock code: 002465). Lijun (李軍) is the son-in-law of the Chairman of the Group and executive Director Professor Xiao Liangyong (肖良勇教授) and the brother-in-law of the executive Director Mr. Xiao Bing (肖兵先生). The principal activity of Shaanxi Haitong is the design, research and development, manufacture and sale of antennas for military use.

## LETTER FROM THE BOARD

### REASONS FOR THE DISPOSAL

The Company entered into a State-owned Land Use Rights Grant Contract in 2001 to acquire the Land at the consideration of approximately RMB1 million. Built on the Land is the Group's research and development building.

The Group has leased a piece of land as its headquarter with total usable area of 79,704.2 sq.m. at southwestern corner of Xi'an Gaoxin District Zhang Ba Si Road and Jinye Road (西安高新區丈八四路與錦業路交叉口西南角) for a term of 3 years commencing from 16 July 2009 and expiring on 15 July 2012 at the annual rental of RMB5,958,690. The Group will gradually relocate the departments now located at the Building to its headquarter after completion of the Disposal, and considers that it will have sufficient space for its operation. On the other hand, the Group intends to redeploy its assets and properties with a view to improving liquidity and consolidating its financial position. The Disposal will also save the maintenance expenses of the Building and the Equipment.

The Directors consider that the terms of the Agreement are on normal commercial terms, fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

### FINANCIAL EFFECT OF THE DISPOSAL

With reference to the audited accounts of the Company for the year ended 31 December 2010, the aggregate net book value of the Assets was approximately RMB33.90 million as at 31 December 2010. It is estimated that the Disposal will result in a book profit of approximately RMB6.10 million with reference to the net book value of the Assets as at 31 December 2010 for the financial year ending 31 December 2011.

### USE OF PROCEEDS

The proceeds of RMB40 million from the Disposal, after deducting expenses arising therefrom for approximately HK\$1 million, will be used as to RMB24 million for repayment of bank loans and the balance will be used as general working capital of the Group.

### GEM LISTING RULES IMPLICATIONS

The Disposal constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules, and therefore is subject to the notification and announcement requirements thereunder.

### REQUIREMENTS UNDER THE ARTICLES OF ASSOCIATION

Pursuant to Article 103 of the Articles of Association, the power of the Board in disposing the assets of the Company is limited to the approval of the disposal or rent of assets with an amount not exceeding 30% net asset value and in aggregate not exceeding 50% net asset value per annum as shown in the latest audited financial statements.

## LETTER FROM THE BOARD

Pursuant to Article 104 of the Articles of Association, the Directors shall not, without the prior approval of shareholders in general meeting, dispose or agree to dispose of any fixed assets of the Company if the aggregate of:

- (i) the expected value of the fixed assets proposed to be disposed of; and
- (ii) the total consideration received by the Company for all disposals of fixed assets which took place within the period of four months immediately preceding the proposed disposal,

exceeds 33% of the value of the Company's fixed assets as shown in the latest balance sheet placed before the shareholders in general meeting.

As the amount of the Assets exceeds 30% of the net asset value of approximately RMB45.54 million and 33% of the value of fixed assets of approximately RMB115.96 million as shown in the audited financial statements of the Company for the year ended 31 December 2010, the Disposal exceeds the limit of the power of the Board in disposing assets of the Company and is subject to the approval of the Shareholders in general meeting.

### THE EGM

In accordance with the requirements under the Articles of Association, resolutions will be proposed at the EGM for the purpose of approving, among other things, approve the Disposal, the Agreement and the transactions contemplated thereunder. To the best of information, knowledge and belief of the Directors, as at the Latest Practicable Date, none of the Shareholders was required to abstain from voting in respect of the resolutions for the approval of the Disposal, the Agreement and the transactions contemplated thereunder at the EGM.

A notice convening the EGM to be held at 2:30 p.m. on 8 August 2011 at Meeting Room, Level 4, No. 68 Keji San Road, National Hi-tech Industrial Development Zone, Xi'an, Shaanxi Province, the People's Republic of China ("PRC"), is set out on pages 10 to 12 of this circular. The reply slip and form of proxy for use at the EGM are enclosed. Whether or not you are able to attend the EGM, you are requested to complete the enclosed reply slip and form of proxy in accordance with the instructions printed thereon and return them to the head office of the Company at No. 66 Jinye Road, National Hi-tech Industrial Development Zone, Xi'an, Shaanxi Province, the PRC (for holders of Domestic Shares), or the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Hopewell Centre, 17M Floor, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares), as soon as possible and in any event, for the reply slip, no later than 18 July 2011, and for the form of proxy, no later than 24 hours before the time appointed for holding the EGM or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting (as the case may be) should you so wish.

## LETTER FROM THE BOARD

### CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company shall be closed from 9 July 2011 to 8 August 2011 (both days inclusive), during which period no transfer of shares can be registered. Holders of Domestic Shares and H Shares whose names appear on the register of members of the Company at the close of business on 8 July 2011 shall be entitled to attend and vote at the EGM. In order to qualify to attend and vote at the EGM, all instruments of transfer must be delivered to the head office of the Company at No. 66 Jinye Road, National Hi-tech Industrial Development Zone, Xi'an, Shannxi Province, the PRC (for holders of Domestic Shares), or the Company's registrar of H Share, Computershare Hong Kong Investor Services Limited at Hopewell Centre, Shops 1712-1716, 17/F, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares), no later than 4:30 p.m. on 8 July 2011.

### GENERAL

This circular, 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 circular is accurate and complete in all material aspects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this circular misleading.

This circular has been prepared in both English and Chinese. In the case of any discrepancy, the English text prevails.

### RECOMMENDATION

The Directors consider that the proposed resolutions referred to in this circular are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions set out in the notice of the EGM.

Yours faithfully  
By order of the Board,  
**Xi'an Haitian Antenna Technologies Co., Ltd.\***  
**Professor Xiao Liangyong**  
*Chairman*

# NOTICE OF EXTRAORDINARY GENERAL MEETING



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)**

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** an extraordinary general meeting (the "EGM") of Xi'an Haitian Antenna Technologies Company Ltd., (the "Company") will be held at Meeting Room, Level 4, No. 68 Keji San Road, National Hi-tech Industrial Development Zone, Xi'an, Shaanxi Province, the People's Republic of China ("PRC") on 8 August 2011 at 2:30 p.m. for the following purposes to consider and, if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution:

**"THAT:**

- (a) the agreement dated 11 June 2011 entered into between the Company as vendor and Shaanxi Haitong Antenna Company Limited\* (陝西海通天線有限公司) as purchaser (the "Agreement"), a copy of which has been produced to this meeting marked "A" and signed by the Chairman of this meeting for the purpose of identification, and the transactions contemplated therein, be and are hereby approved, confirmed and/or ratified; and
- (b) the executive directors of the Company (the "Executive Directors") authorised for and on behalf of the Company, among other matters, to sign, execute, perfect, deliver or to authorise signing, executing, perfecting and delivering all such documents and deeds be hereby approved, confirmed and ratified, and any Executive Director be and is hereby authorised to do or authorise doing all such acts, matters and things as he may in his absolute discretion consider necessary, expedient or desirable to give effect to and implement the transactions pursuant to the Agreement and to waive compliance from or make and agree such variations of a non-material nature to any of the terms of the Agreement as he may in his discretion consider to be desirable and in the interest of the Company."

Yours faithfully  
By order of the Board,  
**Xi'an Haitian Antenna Technologies Co., Ltd.\***  
**Professor Xiao Liangyong**  
*Chairman*

Xi'an, the PRC, 23 June 2011

\* *for identification purpose only*

## NOTICE OF EXTRAORDINARY GENERAL MEETING

*Notes:*

1. The register of members of the Company shall be closed from 9 July 2011 to 8 August 2011 (both days inclusive), during which period no transfer of shares of the Company can be registered.
2. Holders of domestic shares and H shares whose names appear on the register of members of the Company at the close of business on 8 July 2011 shall be entitled to attend and vote at the EGM convened by the above notice and may appoint one or more proxies in writing to attend and, in the event of a poll, vote on their behalves. A proxy need not be a member of the Company.
3. A proxy form for the EGM is herewith enclosed. In order to be valid, the proxy form must be deposited by hand or by post, for holders of H shares, to the H shares registrar of the Company, Computershare Hong Kong Investor Services Limited and, for holders of domestic shares, to the Company's head office no later than 24 hours before the time for holding the EGM. If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form.
4. Shareholders or their proxies shall produce their identity documents when attending the EGM.
5. Shareholders who intend to attend the EGM should complete and return the enclosed reply slip by hand or by post, for holders of H shares, to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited and, for holders of domestic shares, to the Company's head office no later than 18 July 2011.
6. Shareholders or proxies attending the EGM should state clearly, in respect of each resolution requiring a vote, whether they are voting for or against a resolution. Abstention votes will not be regarded by the Company as having voting rights for the purpose of vote counts.
7. The EGM is expected to take half a day. Shareholders or proxies attending the EGM shall be responsible for their own transportation, meal and accommodation expenses.
8. The address of the Company's head office is as follows:

No. 66 Jinye Road  
National Hi-tech Industrial Development Zone  
Xi'an, Shaanxi Province  
The People's Republic of China  
Post Code: 710075  
Contact person: Mr. Wang Yun  
Tel: 86-29-87660027  
Fax: 86-29-87660188

The address of the Company's H share registrar is as follows:

Computershare Hong Kong Investor Services Limited  
Hopewell Centre  
17M Floor  
183 Queen's Road East  
Wanchai  
Hong Kong

## NOTICE OF EXTRAORDINARY GENERAL MEETING

*As at the date of this notice, 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. Liu Ruixuan (劉瑞軒先生), 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. Xie Yiqun (解益群先生) 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 notice, 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 notice is accurate and complete in all material aspects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this notice misleading.*