



西安海天天綫科技股份有限公司

XI'AN HAITIAN ANTENNA TECHNOLOGIES CO., LTD.*

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

(Stock Code: 8227)

**FIRST QUARTERLY RESULTS ANNOUNCEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE
STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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 the 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, 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.*

* For identification purposes only

HIGHLIGHTS

- During the three months ended 31 March 2012, the Group recorded an unaudited profit of RMB1.4 million, comparing to the unaudited loss of RMB7.7 million for the corresponding period in the year of 2011.
- The unaudited revenue for the three months ended 31 March 2012 was RMB7.2 million, representing 66.4% of the unaudited revenue for the corresponding period in the year of 2011.
- The Board does not recommend the payment of a dividend for the three months ended 31 March 2012 (2011: nil).

CONSOLIDATED RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2012

The board of Directors of the Company (the “Board”) hereby submits the unaudited operating results of the Company and its subsidiaries (the “Group”) for the three months ended 31 March 2012, together with the unaudited comparative figures for the corresponding period in the year 2011 as follows:

Consolidated Statement of Comprehensive Income

		(Unaudited)	
		For the three months	
		ended 31 March	
		2012	2011
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	3	7,237	10,898
Cost of sales		(4,903)	(9,193)
Gross profit		2,334	1,705
Other revenue		3,189	342
Distribution costs		(619)	(1,869)
Administrative expenses		(3,548)	(7,073)
Share of result of an associate		–	–
Finance costs		(5)	(766)
Profit (Loss) before tax		1,351	(7,661)
Income tax expense	4	–	–
Profit (Loss) and total comprehensive income (expense) for the period		1,351	(7,661)
Profit (Loss) per share			
– Basic and diluted (in RMB cents)	6	0.21 cents	(1.18 cents)

Notes to the Consolidated Financial Results

For the three months ended 31 March 2012

1. BASIS OF PREPARATION

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 GEM of the Stock Exchange.

The Group is principally engaged in research and development, manufacture and sale of base station antennas and related products.

This unaudited consolidated financial information has been prepared in accordance with Hong Kong Financial Reporting Standards (HKFRSs) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements as set out in Chapter 18 of the GEM Listing Rules.

The Group's books and records are maintained in Renminbi ("RMB"), which is also the functional currency of the Company.

2. ACCOUNTING POLICIES

The accounting policies and methods of computation used in the preparation of this condensed consolidated financial information are consistent with those used in the Group's annual financial statements for the year ended 31 December 2011.

3. REVENUE

Revenue 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.

Revenue breakdown by nature:

	(Unaudited)	
	For the three months	
	ended 31 March	
	2012	2011
	RMB'000	RMB'000
Sales of antennas and related products	1,083	4,432
Service income	6,154	6,466
	<hr/>	<hr/>
	7,237	10,898
	<hr/>	<hr/>

3. REVENUE (continued)

Revenue breakdown by geographical locations:

	(Unaudited) For the three months ended 31 March	
	2012	2011
	RMB'000	RMB'000
PRC	7,187	10,885
Others	50	13
	7,237	10,898

4. INCOME TAX EXPENSE

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.

5. DIVIDENDS

The Board does not recommend the payment of a dividend for the three months ended 31 March 2012 (2011: nil).

6. PROFIT (LOSS) PER SHARE

The calculation of basic profit per share attributable to the owners of the Company is based on the unaudited profit for the three months ended 31 March 2012 attributable to owners of the Company of RMB1,351,000 (2011: unaudited loss of RMB7,661,000) and the weighted average number of 647,058,824 (2011: 647,058,824) ordinary shares in issue during the period.

The diluted profit (loss) per share is equal to the basic profit (loss) per share as calculated above as the Company did not have any potential shares outstanding for the both periods.

7. RESERVES

	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Share capital	Share premium	Statutory surplus reserve	Other reserve	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2012	64,706	71,229	16,153	3,939	(152,966)	3,061
Total comprehensive income for the period	–	–	–	–	1,351	1,351
Waiver of current accounts	–	–	–	11,917	–	11,917
	64,706	71,229	16,153	15,856	(151,615)	16,329
At 31 March 2012	64,706	71,229	16,153	15,856	(151,615)	16,329
At 1 January 2011	64,706	71,229	16,153	3,939	(110,487)	45,540
Total comprehensive expense for the period	–	–	–	–	(7,661)	(7,661)
	–	–	–	–	(7,661)	(7,661)
At 31 March 2011	64,706	71,229	16,153	3,939	(118,148)	37,879

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Revenue

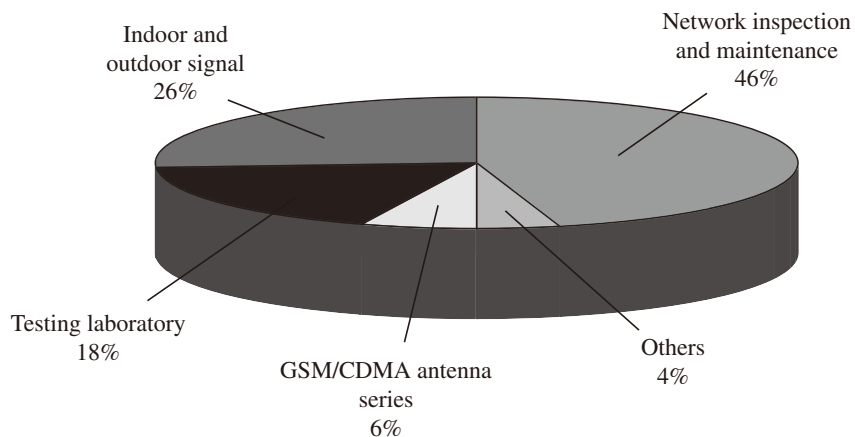
The Group recorded unaudited revenue of approximately RMB7.2 million for the three months ended 31 March 2012, representing 66.4% of the unaudited revenue for the corresponding period in the year of 2011. The decrease was mainly attributable to price competition in antennas and related products and services.

Service income from network inspection and maintenance and sales from GSM/CDMA antenna series dropped from approximately RMB5.2 million and RMB1.1 million respectively for the corresponding period in 2011 to approximately RMB3.3 million and RMB0.5 million for the three months ended 31 March 2012. In additions, there were no any sales for TD-SCDMA products during the period ended 31 March 2012, comparing with approximately RMB0.8 million for the corresponding period in 2011. In respect of indoor and outdoor signal services and testing laboratory services, there were growths in their revenue by approximately 56.1% and 28.7% respectively due to the increasing market demand for network optimisation and inspection services.

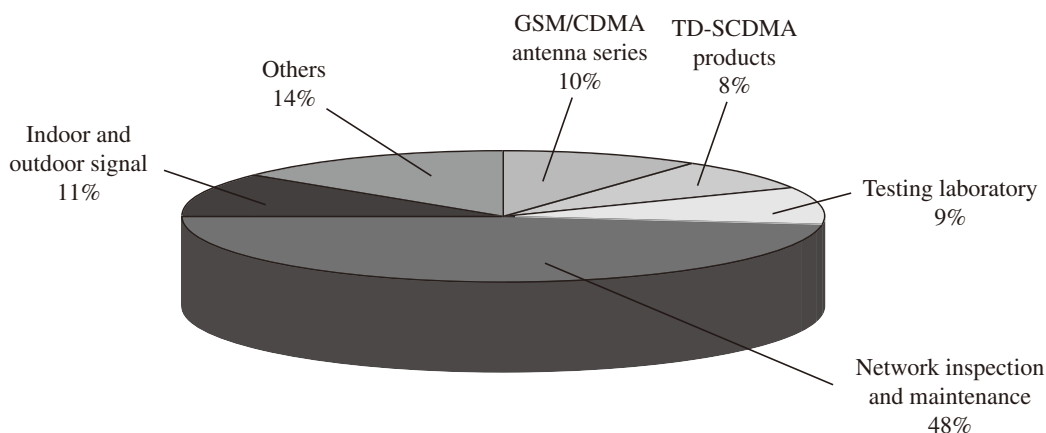
During the period, the Group continued to diversify its customer base to local agents and international suppliers for telecommunication facilities in order to expand its market share and establish its brand name. Revenue generated from the three major telecommunication operators was approximately 32% as compared to 30% in the corresponding period in 2011.

Composite of sales by product line for the three months ended 31 March 2012, together with the comparative figures for the corresponding period in the year 2011, are provided as follows:

For the three months ended 31 March 2012 (by product line)

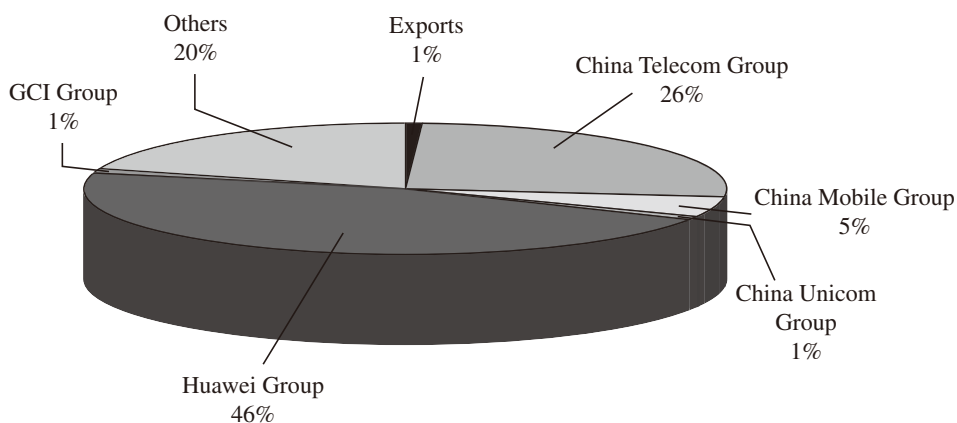


For the three months ended 31 March 2011 (by product line)

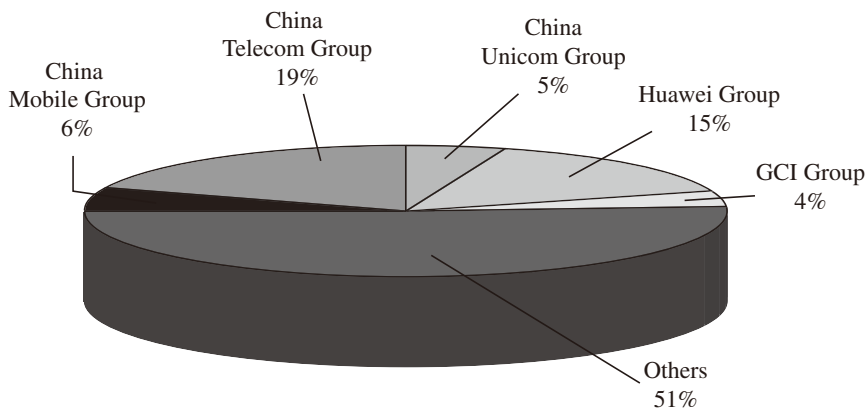


Composite of turnover by major customers for the three months ended 31 March 2012, together with the comparative figures for the corresponding period in the year 2011, are provided as follows:

For the three months ended 31 March 2012 (by major customers)



For the three months ended 31 March 2011 (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 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”)

Huawei Group: 華為技術有限公司 (Huawei Technologies Co., Ltd) and its subsidiaries and branch companies (collectively “Huawei Group”)

GCI: 廣州傑賽科技股份有限公司 (GCI Science & Technology Co., Ltd.) and its subsidiaries and branch companies (collectively “GCI Group”)

Gross Profit

During the three months ended 31 March 2012, an unaudited gross profit of approximately RMB2.3 million was recorded which represented gross profit margin of 32.3%, comparing to the unaudited gross profit margin of 15.6% in the corresponding period in 2011. It was mainly attributable to the effect of scale-down of excess production capacity and close-down of non-profitable operations and higher profit margin of the network inspection and maintenance services and testing laboratory services.

Other Revenue

Gain on debts restructuring in respect of waiver of trade and other payables amounted to approximately RMB2.8 million was recorded during the period.

Operating Costs and Expenses

Distribution costs for the period ended 31 March 2012 were approximately RMB0.6 million, representing a significant decrease of RMB1.3 million or 66.9% comparing to the corresponding period in 2011. Under the performance evaluation and incentive management approach, staff costs and welfare decreased by approximately RMB0.4 million during the period. Strategy of concentration on mainland China market development led to cost savings of approximately RMB0.3 million in exhibition and business fees, and disposal of idle and non-operating assets resulted in a decrease of depreciation expenses by approximately RMB0.2 million for the period ended 31 March 2012.

Decrease in administrative expenses by approximately RMB3.5 million comparing to the corresponding period in 2011 was mainly attributable to the effectiveness of cost control strategy over the Group's operations, especially significant drop in staff costs and welfare by approximately RMB1.0 million and waiver of rental expenses amounted to approximately RMB1.5 million during the period ended 31 March 2012.

No significant finance costs were incurred as there was no interest-bearing bank and other borrowings during the period ended 31 March 2012.

Profit for the period

Consequently, profit attributable to shareholders of approximately RMB1.4 million was reported by the Group for the period ended 31 March 2012, comparing to loss of approximately RMB7.7 million in the corresponding period in 2011. The turnaround was mainly attributable to the success in cost control and gain on debts restructuring.

Waiver of current accounts

Xi'an Haitian Investment Holdings Limited* (西安海天投資控股有限責任公司), a related company of the Company under common shareholders, agreed to waive the rental payable by the Company of RMB11.9 million. Such waiver is deemed to be a transaction with owners of the Company and therefore recorded in other reserve.

PROSPECTS

The Group will continue to concentrate its resources to develop those products and services with higher gross profit margin in order to improve its performance. At the same time, more resources and assets will be deployed to 3G follow-up evolution products and 4G products that high rate of return is expected on the issuance of 4G licenses by the PRC government.

DIRECTORS', SUPERVISORY COMMITTEE MEMBERS' (THE "SUPERVISORS") AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND THE ASSOCIATED CORPORATIONS

As at 31 March 2012, the interests and short positions of the Directors, Supervisors (as if the requirements applicable to the Directors under the Securities and Futures Ordinance ("SFO") (Chapter 571 of the Laws of Hong Kong) had applied to the Supervisors) and chief executives of the Company, including their respective associates, in the shares (the "Shares"), underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise required, pursuant to Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Long positions in domestic shares of the Company (the "Domestic Shares")

Name of Director	Type of interest	Capacity	Number of Domestic Shares held in the Company	Approximate percentage in the total issued Domestic Shares of the Company	Approximate percentage in the total issued share capital of the Company
Professor Xiao Liangyong (肖良勇教授)	Personal	Parties acting in concert	180,000,000 (Note 1)	37.09%	27.82%
Mr. Xiao Bing (肖兵先生)	Personal	Held by controlled corporation	180,000,000 (Note 1)	37.09%	27.82%
Mr. Zuo Hong (左宏先生)	Personal	Held by controlled corporation	75,064,706 (Note 2)	15.47%	11.60%

Notes:

1. The Domestic Shares were held by 西安天安投資有限公司 (Xi'an Tian An Investment Co., Ltd.*) ("Tian An Investment"), which is beneficially owned as to 60% by Mr. Xiao Bing and 40% by Ms. Yao Wenli. Professor Xiao Liangyong is the father of and a person acting in concert with Mr. Xiao Bing. By virtue of the SFO, Professor Xiao Liangyong and Mr. Xiao Bing were deemed to be interested in the same 180,000,000 Domestic Shares held by Tian An Investment.
2. The Domestic Shares were held by 深圳市匯泰投資發展有限公司 (Shenzhen Huitai Investment Development Co., Ltd.*) ("Shenzhen Huitai"), which is beneficially owned by Mr. Zuo Hong and Ms. Yi Li in equal share. By virtue of the SFO, each of Mr. Zuo Hong and Ms. Yi Li was deemed to be interested in the same 75,064,706 Domestic Shares held by Shenzhen Huitai.

Other than as disclosed above, none of the Directors, Supervisors and chief executive of the Company nor their respective associates had any interests or short positions in any Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 31 March 2012 as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise required, pursuant to Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' RIGHTS TO ACQUIRE H SHARES OF THE COMPANY (THE "H SHARES")

As at 31 March 2012, so far as is known to the Directors, Supervisors and chief executives of the Company, none of the Directors, Supervisors or chief executives of the Company or any of their respective associates including spouses and children under 18 years of age had any interest in, or has been granted, or exercised, any rights to subscribe for H Shares (or warrants or debentures, if applicable) or to acquire H Shares.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2012, the following persons or entities (other than the Directors, Supervisors and chief executives of the Company) had interests or short positions in the Shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

(A) Substantial shareholders of the Company

Long positions in Domestic Shares of the Company

Name of substantial shareholder	Type of interest	Capacity	Number of Domestic Shares held in the Company	Approximate percentage in the total issued Domestic Shares of the Company	Approximate percentage in the total issued share capital of the Company
Tian An Investment	Corporate	Beneficial owner	180,000,000 (Note 1)	37.09%	27.82%
Ms. Yao Wenli (姚文俐女士)	Personal	Held by controlled corporation	180,000,000 (Note 1)	37.09%	27.82%
西安開元投資集團股份有限公司 (Xi'an Kaiyuan Investment Group Co., Ltd.)* (formerly 西安開元控股集團股份有限公司 (Xi'an Kaiyuan Holding Group Co., Ltd.))	Corporate	Beneficial owner	100,000,000	20.61%	15.45%
Shenzhen Huitai	Corporate	Beneficial owner	75,064,706 (Note 2)	15.47%	11.60%
Ms. Yi Li (易麗女士)	Personal	Held by controlled corporation	75,064,706 (Note 2)	15.47%	11.60%

Name of substantial shareholder	Type of interest	Capacity	Number of Domestic Shares held in the Company	Approximate percentage in the total issued Domestic Shares of the Company	Approximate percentage in the total issued share capital of the Company
長安國際信託股份有限公司 (Chang'an International Trust Co., Ltd.*) (formerly 西安國際信託有限公司 (Xi'an International Trust Co., Ltd.))	Corporate	Beneficial owner	70,151,471 (Note 3)	14.46%	10.84%
西安市財政局 (Xi'an Finance Bureau*)	Corporate	Held by controlled corporation	70,151,471 (Note 3)	14.46%	10.84%
上海証大投資管理有限公司 (Shanghai Zendai Investment Management Co., Ltd.*)	Corporate	Held by controlled corporation	70,151,471 (Note 3)	14.46%	10.84%

Notes:

1. The Domestic Shares were held by Tian An Investment, which is beneficially owned as to 60% by Mr. Xiao Bing and 40% by Ms. Yao Wenli. By virtue of the SFO, Ms. Yao Wenli was deemed to be interested in the same 180,000,000 Domestic Shares held by Tian An Investment.
2. The Domestic Shares were held by Shenzhen Huitai, which is beneficially owned by Mr. Zuo Hong and Ms. Yi Li in equal share. By virtue of the SFO, each of Mr. Zuo Hong and Ms. Yi Li was deemed to be interested in the same 75,064,706 Domestic Shares held by Shenzhen Huitai.
3. The Domestic Shares were held by Chang'an International Trust Co., Ltd. ("CITC"). By virtue of the SFO, Xi'an Finance Bureau and Shanghai Zendai Investment Management Co., Ltd., which respectively holds more than one third of voting rights of CITC, were deemed to be interested in the same 70,151,471 Domestic Shares held by CITC.

(B) Other persons who are required to disclose their interests pursuant to Divisions 2 and 3 of Part XV of the SFO

Long positions in Domestic Shares of the Company

Name of substantial shareholder	Type of interest	Capacity	Number of Domestic Shares held in the Company	Approximate percentage in the total issued Domestic Shares of the Company	Approximate percentage in the total issued share capital of the Company
北京京泰投資 管理中心 (Beijing Holdings Investment Management Co., Ltd.*)	Corporate	Beneficial owner	54,077,941 (Note 1)	11.14%	8.36%
京泰實業(集團) 有限公司 (Beijing Holdings Group) Limited*)	Corporate	Held by controlled corporation	54,077,941 (Note 1)	11.14%	8.36%

Long positions in H Shares of the Company

Name of substantial shareholder	Type of interest	Capacity	Number of H Shares held in the Company	Approximate percentage in the total issued H Shares of the Company	Approximate percentage in the total issued share capital of the Company
Taicom Capital Ltd.	Corporate	Investment manager	13,004,000 (Note 2)	8.04%	2.01%
Carlson Fund Equity Asian Small Cap	Corporate	Investment manager	10,520,000 (Note 2)	6.50%	1.63%
Ms. Song Ying	Personal	Beneficial owner	8,800,000 (Note 2)	5.44%	1.36%

Notes:

1. The Domestic Shares were held by Beijing Holdings Investment Management Co., Ltd. (“Beijing Holdings”). By virtue of the SFO, Beijing Holdings (Group) Limited, which holds more than one third of voting rights of Beijing Holdings, was deemed to be interested in the same 54,077,941 Domestic Shares held by Beijing Holdings.
2. The details of these shareholders of the Company were based on information as set out in the website of the Stock Exchange. The Company has not been notified by the relevant shareholders and has not received any Corporate Substantial Shareholder Notice from the relevant shareholders.

Save as disclosed above, as at 31 March 2012, the Directors, Supervisors and chief executives of the Company were not aware of any person (other than the Directors, Supervisors and chief executives of the Company) who had an interest or a short position in the Shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

COMPETING INTERESTS

None of the Directors, the Supervisors or the management shareholders of the Company (as defined in the GEM Listing Rules) or their respective associates had an interest in any business which competes or may compete, directly or indirectly, with the business of the Group nor any conflicts of interest which has or may have with the Group.

AUDIT COMMITTEE

An audit committee of the Company (the “Audit Committee”) was established on 4 April 2003 with terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control systems of the Group. As at 31 March 2012, the Audit Committee comprised of Mr. Lei Huafeng and Professor Gong Shuxi, independent non-executive Directors, and Mr. Li Wenqi, a non-executive Director. The Group’s unaudited consolidated results for the three months ended 31 March 2012 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

CODE ON CORPORATE GOVERNANCE PRACTICES

For the three months ended 31 March 2012, the Company has complied with the requirements of the code provisions in the Code on Corporate Governance Practices as set out in Appendix 15 of the GEM Listing Rules.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the three months ended 31 March 2012, the Company adopted a code of conduct regarding securities transactions by Directors on terms which are same as the required standard of dealings as referred to in Rule 5.48 to 5.67 of the GEM Listing Rules. The Company has made specific enquiries of all the Directors and the Company was not aware of any non-compliance with the required standard for dealings and the code of conduct regarding securities transactions by the Directors.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the three months ended 31 March 2012.

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

Xi'an, the PRC, 11 May 2012

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. 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 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 purposes only