



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)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 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.

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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 six months ended 30 June 2012, unaudited gross profit amounted to RMB3.5 million and gross profit margin was 26.9% which represented a large increase when compared to the gross profit margin of 11.8% for the corresponding period in 2011.
- The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2012.

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2012

The board of Directors of the Company (the “Board”) hereby submits the unaudited condensed consolidated financial statements of the Company and its subsidiaries (the “Group”) for the three months and six months ended 30 June 2012, together with the unaudited comparative figures for the corresponding period in the year 2011 as follows:

Condensed Consolidated Statement of Comprehensive Income

	<i>Notes</i>	(Unaudited) For the three months ended 30 June		(Unaudited) For the six months ended 30 June	
		2012 RMB'000	2011 RMB'000	2012 RMB'000	2011 RMB'000
Revenue	3	5,789	16,340	13,026	27,238
Cost of sales		(4,621)	(14,824)	(9,524)	(24,017)
Gross profit		1,168	1,516	3,502	3,221
Other revenue		1,585	3,092	4,774	3,434
Distribution costs		(624)	(2,528)	(1,243)	(4,397)
Administrative expenses		(3,562)	(7,107)	(7,110)	(14,180)
Share of result of an associate	9	(589)	–	(589)	–
Finance costs		(4)	(1,527)	(9)	(2,293)
Loss before tax		(2,026)	(6,554)	(675)	(14,215)
Income tax expense	4	–	–	–	–
Loss and total comprehensive expense for the period	5	(2,026)	(6,554)	(675)	(14,215)
Loss per share – Basic and diluted (in RMB cents)	7	(0.31)	(1.01)	(0.10)	(2.20)

Condensed Consolidated Statement of Financial Position

		(Unaudited) As at 30 June 2012 <i>RMB'000</i>	(Audited) As at 31 December 2011 <i>RMB'000</i>
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment	8	62,458	66,827
Intangible assets		6,888	8,228
Interest in an associate	9	10,226	10,055
		<u>79,572</u>	<u>85,110</u>
Current assets			
Inventories		28,628	29,186
Trade receivables	10	48,695	44,721
Other receivables and prepayments		44,708	18,280
Amounts due from directors		317	317
Amounts due from related parties		91	91
Tax recoverable		678	678
Pledged bank deposits		–	3,800
Bank balances and cash		2,820	2,144
		<u>125,937</u>	<u>99,217</u>
Assets classified as held for sale		–	28,901
		<u>125,937</u>	<u>128,118</u>
Current liabilities			
Trade payables	11	50,137	58,262
Other payables and accrued charges		59,949	60,183
Dividend payables		676	676
Amounts due to directors		3,551	3,551
Amounts due to related parties		45,672	57,590
Bank and other borrowings		23,000	23,000
		<u>182,985</u>	<u>203,262</u>
Net current liabilities		<u>(57,048)</u>	<u>(75,144)</u>
Total assets less current liabilities		<u>22,524</u>	<u>9,966</u>
Non-current liabilities			
Deferred income		8,221	6,905
		<u>8,221</u>	<u>6,905</u>
Net assets		<u>14,303</u>	<u>3,061</u>
Capital and reserves			
Share capital		64,706	64,706
Reserves		(50,403)	(61,645)
Equity attributable to owners of the Company and total equity		<u>14,303</u>	<u>3,061</u>

Condensed Consolidated Statement of Changes in Equity
For the six months ended 30 June 2012

	(Unaudited) Share capital <i>RMB'000</i>	(Unaudited) Share premium <i>RMB'000</i>	(Unaudited) Statutory surplus reserve <i>RMB'000</i>	(Unaudited) Other reserve <i>RMB'000</i>	(Unaudited) Accumulated losses <i>RMB'000</i>	(Unaudited) Total <i>RMB'000</i>
At 1 January 2011	64,706	71,229	16,153	3,939	(110,487)	45,540
Total comprehensive expense for the period	—	—	—	—	(14,215)	(14,215)
At 30 June 2011	<u>64,706</u>	<u>71,229</u>	<u>16,153</u>	<u>3,939</u>	<u>(124,702)</u>	<u>31,325</u>
At 1 January 2012	64,706	71,229	16,153	3,939	(152,966)	3,061
Total comprehensive expense for the period	—	—	—	—	(675)	(675)
Wavier of current accounts	—	—	—	11,917	—	11,917
At 30 June 2012	<u>64,706</u>	<u>71,229</u>	<u>16,153</u>	<u>15,856</u>	<u>(153,641)</u>	<u>14,303</u>

Condensed Consolidated Statement of Cash Flows
For the six months ended 30 June 2012

	(Unaudited) 2012 RMB'000	(Unaudited) 2011 RMB'000
Net cash (used in) from operating activities	<u>(4,416)</u>	<u>26,312</u>
Investing activities		
Pledged bank deposits released	3,800	–
Proceeds on disposal of property, plant and equipment	4,000	–
Purchases of property, plant and equipment	(59)	(542)
Expenditure on product development	(1,843)	(2,378)
Other investing cash flows	17	(4,267)
Net cash from (used in) investing activities	<u>5,915</u>	<u>(7,187)</u>
Financing activities		
New bank and other borrowings raised	–	24,390
Government grants received	–	1,261
Repayment of bank and other borrowings	–	(70,477)
Other financing cash flows	(823)	(2,837)
Net cash used in financing activities	<u>(823)</u>	<u>(47,663)</u>
Net increase (decrease) in cash and cash equivalents	676	(28,538)
Cash and cash equivalents at the beginning of period	<u>2,144</u>	<u>30,280</u>
Cash and cash equivalents at the end of period represented by bank balances and cash	<u>2,820</u>	<u>1,742</u>

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2012

1. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

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 condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" 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 condensed consolidated financial statements have not been audited by the Company's auditors, but have been reviewed by the Company's audit committee.

The condensed consolidated financial statements are presented 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 these condensed consolidated financial statements 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)		(Unaudited)	
	For the three months ended 30 June		For the six months ended 30 June	
	2012	2011	2012	2011
	RMB'000	RMB'000	RMB'000	RMB'000
Sales of antennas and related products	2,518	8,118	3,601	12,550
Service income	3,271	8,222	9,425	14,688
	5,789	16,340	13,026	27,238

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

Revenue breakdown by geographical location:

	(Unaudited)		(Unaudited)	
	For the three months ended 30 June		For the six months ended 30 June	
	2012	2011	2012	2011
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
PRC	5,127	16,182	12,314	27,053
Others	662	158	712	185
	<u>5,789</u>	<u>16,340</u>	<u>13,026</u>	<u>27,238</u>

No analysis of the Group's assets and liabilities by geographical location is presented as the majority of the Group's assets and liabilities are located in the PRC.

4. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax has been made as companies within the Group did not have any assessable profits in Hong Kong for either period.

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. LOSS FOR THE PERIOD

	(Unaudited) For the three months ended 30 June		(Unaudited) For the six months ended 30 June	
	2012 RMB'000	2011 RMB'000	2012 RMB'000	2011 RMB'000
Loss for the period has been arrived at after charging (crediting):				
Depreciation for property, plant and equipment	2,880	1,678	4,428	3,292
Amortisation of intangible assets (included in administrative expenses)	12	265	26	533
Total depreciation and amortisation	2,892	1,943	4,454	3,825
Auditors' remuneration				
– audit services	90	552	97	567
– other services	–	–	–	–
Cost of inventories recognised as an expense	3,138	8,741	3,325	12,565
Staff costs				
– Directors' remuneration and remuneration of members of supervisory committee (the "Supervisors")	142	388	369	776
– Salaries, wages and other benefits	1,557	4,170	3,814	8,869
– Retirement benefit scheme contributions (excluding Directors and Supervisors)	445	439	712	1,136
Total staff costs	2,144	4,997	4,895	10,781
Minimum lease payments under operating leases	–	1,587	–	3,078
Research and development costs recognised as an expense	1,334	926	3,157	2,215
Interests on bank and borrowings wholly repayable within five years	–	1,529	–	2,297
Interest income	4	13	14	26

6. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2012 (2011: nil).

7. LOSS PER SHARE

The calculation of basic loss per share attributable to the owners of the Company is based on the unaudited loss for the three months and six months ended 30 June 2012 attributable to owners of the Company of RMB2,026,000 and RMB675,000 respectively (2011: RMB6,554,000 and RMB14,215,000 respectively) and the weighted average number of 647,058,824 (2011: 647,058,824) ordinary shares in issue during the period.

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

8. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent RMB0.1 million (2011: RMB0.5 million) on acquisition of property, plant and equipment.

9. INTEREST IN AN ASSOCIATE

	(Unaudited) As at 30 June 2012 RMB'000	(Audited) As at 31 December 2011 RMB'000
Cost of investment in an unlisted associate in the PRC	10,979	10,219
Share of post acquisition losses	(753)	(164)
	<u>10,226</u>	<u>10,055</u>

As at 30 June 2012, the Group acquired and held 13.77% (as at 31 December 2011: 13.77%) equity interest in a PRC private limited company engaged in the manufacturing and sales of base station antennas and related products in PRC.

10. TRADE RECEIVABLES

	(Unaudited) As at 30 June 2012 RMB'000	(Audited) As at 31 December 2011 RMB'000
Trade receivables	72,817	68,901
Less: impairment loss recognised	(24,122)	(24,180)
	<u>48,695</u>	<u>44,721</u>

The Group allows a credit period ranging 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.

The following is an aged analysis of trade receivables net of impairment loss recognised presented based on the invoice date at the end of the reporting period:

	(Unaudited) As at 30 June 2012 RMB'000	(Audited) As at 31 December 2011 RMB'000
Within 60 days	3,021	6,949
61 to 120 days	6,818	3,025
121 to 180 days	8,085	103
181 to 240 days	625	825
241 to 365 days	8,316	6,283
Over 365 days	21,830	27,536
	<u>48,695</u>	<u>44,721</u>

At the end of each reporting period, the Group's trade receivables were individually determined to be impaired. The individually impaired receivables are recognised based on the credit history of its customers, such as financial difficulties or default in payments, and current market conditions. Consequently, specific impairment loss was recognised.

11. TRADE PAYABLES

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	(Unaudited) As at 30 June 2012 <i>RMB'000</i>	(Audited) As at 31 December 2011 <i>RMB'000</i>
Within 60 days	1,707	11,063
61 to 120 days	4,783	2,837
121 to 365 days	18,474	8,991
Over 365 days	25,173	35,371
	<u>50,137</u>	<u>58,262</u>

The average credit period on purchases of goods is 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

12. CAPITAL COMMITMENTS

	(Unaudited) As at 30 June 2012 <i>RMB'000</i>	(Audited) As at 31 December 2011 <i>RMB'000</i>
Capital expenditure in respect of construction cost on properties under construction and acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	2,877	2,654
Capital expenditure in respect of capital investment in an associate contracted for but not provided in the condensed consolidated financial statements	1,021	1,781
	<u>3,898</u>	<u>4,435</u>

13. LITIGATION

As at the reporting date, the pending court cases listed below are related to the Group:

On 20 December 2011, 深圳金信諾高新技術股份有限公司 (the "Plaintiff") filed a writ at the Commissioner against the Company. The Plaintiff claimed that the Company owes the Plaintiff trade payable balance of RMB6,685,363, which aged over one year. The Plaintiff requested the Commissioner to resolve the contractual dispute by requesting the Company to perform its repayment obligation.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

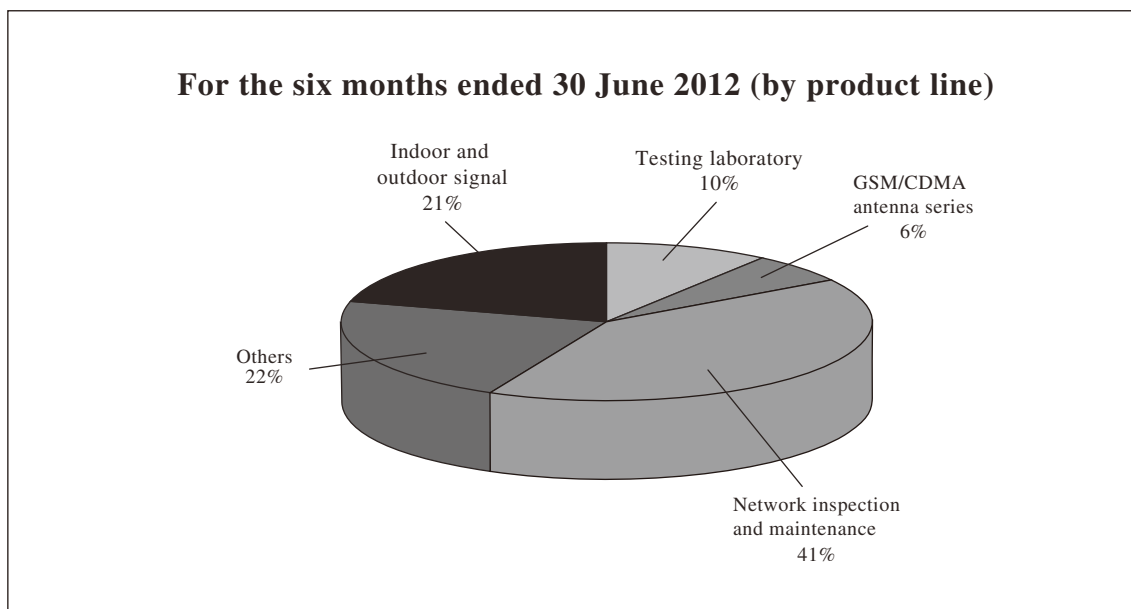
Revenue

Unaudited revenue of approximately RMB13.0 million for the six months ended 30 June 2012 (the “Review Period”), representing 47.8% of unaudited revenue for the corresponding period in the year of 2011. Prolonged price competition in antennas and related products and services was the main reason for the decrease in revenue.

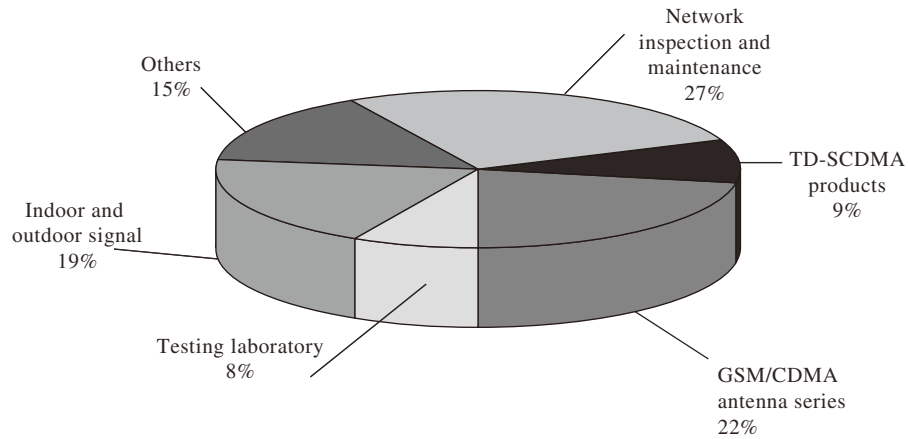
Over 72% of revenue was generated from service income, compared to nearly 54% for the corresponding period in 2011. As increasing market demand for network optimisation and inspection services, service income from network inspection and maintenance accounted for approximately 41% of revenue during the Review period, compared to approximately 27% for the corresponding period in 2011. In additions, revenue from indoor and outdoor signal services and testing laboratory services both increased by two percentage points, from approximately 19% and approximately 8% of revenue respectively for the corresponding period in 2011 to approximately 21% and approximately 10% respectively for the Review Period. Sales of GSM/CDMA antenna series dropped from approximately 22% of revenue for corresponding period in 2011 to approximately 6% for the Review Period because not only low profit margin orders were given up but also procurement contracts were not signed after confirmation of sales orders. Less than 1% of revenue was contributed by sales of TD-SCDMA products during the Review Period as major tenders are to be conducted in the second half of 2012.

Revenue generated from the three major telecommunication operators was approximately 34%, compared to approximately 37% for the corresponding period in 2011 due to the Group’s customer base diversification policy to local agents and international suppliers for telecommunication facilities in order to expand its market share and establish its own brand name.

Composite of sales by product line for the six months ended 30 June 2012, together with the comparative figures for the corresponding period in the year 2011, are provided as follows:

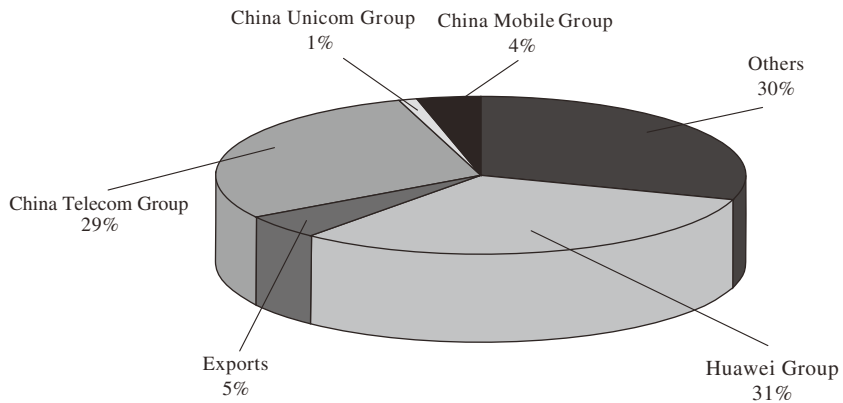


For the six months ended 30 June 2011 (by product line)

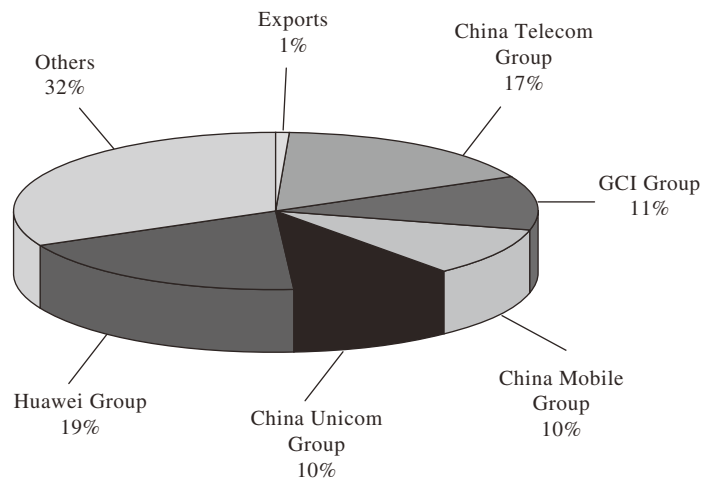


Composite of turnover by major customers for the six months ended 30 June 2012, together with the comparative figures for the corresponding period in the year 2011, are provided as follows:

For the six months ended 30 June 2012 (by major customers)



For the six months ended 30 June 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 Group: 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

Unaudited gross profit of approximately RMB3.5 million was recorded for the Review Period which represented gross profit margin of 26.9%, compared to the unaudited gross profit margin of 11.8% for the corresponding period in 2011. Improvement in gross profit margin reflected the effect of scale-down of excess production capacity and close-down of non-profitable operations together with high profit margin from service income.

Other Revenue

Approximately RMB3.2 million and approximately RMB0.6 million respectively were attributable to gain on debts restructuring in respect of waiver of trade and other payables and gain on disposal of property, plant and equipment during the Review Period.

Operating Costs and Expenses

Distribution costs were dropped by approximately RMB3.2 million for the Review Period, which represented a significant decrease of approximately 71.7% comparing to the corresponding period in 2011. Staff costs and welfare decreased by approximately RMB0.7 million during the Review Period under the performance evaluation and incentive management approach. Cost savings of approximately RMB1.1 million during the Review Period in exhibition and business fees were attributable to strategy of concentration on mainland China market development. Disposal of idle and non-operating assets resulted in decrease in depreciation expenses by approximately RMB0.4 million for the Review Period.

Significant decrease in administration expenses by approximately RMB7.1 million or 49.9% comparing to the corresponding period in 2011 reflected the effectiveness of cost control strategy over the Group's operations, particularly significant drop in staff costs and welfare by approximately RMB1.2 million, cost savings in utilities by approximately RMB1.2 million and waiver of rental expenses amounted to approximately RMB3.0 million during the Review Period.

No significant finance costs were incurred as there was no interest-bearing bank and other borrowings during the Review Period.

Loss for the period

Although there were improvement in gross profit margin and success in cost control on operations during the Review Period, significant decline in revenue was not sufficient to cover the operating costs and expenses. Consequently, the Group reported an unaudited loss attributable to shareholders of approximately RMB0.7 million for the Review Period.

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 during the Review Period which was deemed to be a transaction with owners of the Company and therefore recorded in other reserve.

PROSPECTS

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

LIQUIDITY AND FINANCIAL RESOURCES

During the period, the Group was mainly financed by revenue generated from operations and proceeds from disposal of property, plant and equipment.

The Group had no any interest-bearing borrowings for the period ended and as at 30 June 2012. Other borrowings of approximately RMB23 million were denominated in Renminbi, exposure to foreign exchange risk was minimal.

The Group's gearing ratio is calculated based on total interest-bearing borrowings over total shareholders' funds. As at 30 June 2012, gearing ratio was not applicable to the Group because there was no interest-bearing borrowings (as at 31 December 2011: nil). Cash and cash equivalents increased from RMB2.1 million to RMB2.8 million. Most of the Group's bank deposits were deposited with banks as short-term deposits and mainly denominated in Renminbi, which are directly related to the Group's business in the areas of the currencies concerned.

CHARGES ON GROUP ASSETS

As at 30 June 2012, the Group did not have any charges on assets.

CONTINGENT LIABILITIES

As at 30 June 2012, the Group did not have any material contingent liabilities.

FOREIGN EXCHANGE EXPOSURE

For the period ended 30 June 2012, the Group was not exposed to any significant foreign exchange risk as majority of the Group's transactions were denominated in Renminbi. Hence, no financial instrument for hedging was employed.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2012, the Group had 175 full-time employees. Total staff costs for the six months ended 30 June 2012 amounted to RMB4.9 million (six months ended 30 June 2011: RMB10.8 million), including remuneration of the Directors and 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 on 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 and an associate, during the six months ended 30 June 2012 and as at the balance sheet date, the Group did not hold any significant investment in equity interest in any company.

FUTURE PLANS FOR MATERIAL INVESTMENTS

As at 30 June 2012, 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, and capital investment in an associate amounted to approximately RMB2.9 million and approximately RMB1.0 million respectively (as at 31 December 2011: RMB2.6 million and RMB1.8 million respectively). 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, during the six months ended 30 June 2012, the Group did not have any other material acquisitions and disposals of subsidiaries, associates and affiliated companies.

DIRECTORS’, SUPERVISORS’ AND CHIEF EXECUTIVES’ INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND THE ASSOCIATED CORPORATIONS

As at 30 June 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 Share”)

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 30 June 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 30 June 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 30 June 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 30 June 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 30 June 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 six months ended 30 June 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 six months ended 30 June 2012, the Company has complied with the requirements of the code provisions as set out in Appendix 15 (Corporate Governance Code and Corporate Governance Report) of the GEM Listing Rules.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the six months ended 30 June 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 six months ended 30 June 2012.

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

Xi'an, the PRC, 10 August 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. Chen Ji (陳繼先生) 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*