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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 with limited liability)

(Stock Code: 8227)

NEW LEASE AGREEMENT

The Board of Company is pleased to announce that the Company has entered into the New Lease Agreement with the Landlord on 10 August 2012, pursuant to which the Landlord agreed to lease the Land to the Company for a term of 2 years free of charge. The Landlord is a connected person of the Company under the GEM Listing Rules and therefore the New Lease Agreement constitutes a continuing connected transaction for the Company. The entering into of the New Lease Agreement is exempt from the reporting, annual review, announcement and independent shareholders' approval requirements pursuant to Rule 20.33(3) of the GEM Listing Rules.

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules.

THE NEW LEASE AGREEMENT

On 10 August 2012, the Company, as tenant, has entered into the New Lease Agreement with the Landlord, pursuant to which the Company agreed to rent the Land with the following details:

- Date : 10 August 2012
- Parties : (i) the Landlord; and
(ii) the Company
- Premises : A piece of land with total useable 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) in the PRC
- Term : 2 years commencing from 16 July 2012 and expiring on 15 July 2014 (both dates inclusive)
- Rental : Free of charge

* For identification purposes only

CONTINUING CONNECTED TRANSACTION

The Landlord is a connected person of the Company within the meaning of the GEM Listing Rules by virtue of its being owned as to 75% by Mr. Xiao Bing (肖兵先生), an executive Director and substantial Shareholder. The remaining 25% equity interest of the Landlord is owned as to 5% by Mr. Zuo Hong (左宏先生), an executive Director, and 20% by Independent Third Parties. Accordingly, the New Lease Agreement constitutes a continuing connected transaction for the Company under the GEM Listing Rules.

As each of the applicable percentage ratios in respect of the New Lease Agreement on an annual basis is less than 0.1%, the entering into of the New Lease Agreement is exempt from the reporting, annual review, announcement and independent shareholders' approval requirements pursuant to Rule 20.33(3) of the GEM Listing Rules.

REASONS FOR THE TRANSACTION

The Land is the land rented by the Company from the Landlord pursuant to the Old Lease Agreement, details of which were disclosed in the announcement of the Company dated 10 August 2009, where the Group's production facility, research and development centre and office buildings were erected. Under the Old Lease Agreement, the Company rented useable area of 79,704.2 sq.m. for a term of 3 years commencing from 16 July 2009 at the rental of RMB5,958,690 per annum. The Old Lease Agreement was expired on 15 July 2012. Having considered that the Company's ongoing operations is in the phase of rapid development with funding pressure and in order to maintain long-term relations and cooperation, the Landlord decided to lease the Land to the Company for a term of 2 years free of charge. Save as differences in lease term and rental as aforesaid, the terms of the New Lease Agreement are same as the terms of the Old Lease Agreement.

The Directors, including the independent non-executive Directors, considers that the terms of the New Lease Agreement are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

The Company intends to renew the New Lease Agreement upon its expiry of its term with reference to the prevailing market rent in the vicinity.

GENERAL INFORMATION

The Company is a high-technology enterprise principally engaged in the research and development, manufacture and sale of base station antennas and related products. In connection with such principal business, the Company also provides technical support, system integration and installation services of base station antennas. The Company provides products and services to corporate clients comprising PRC's mobile communication network operators and mobile communication equipment vendors/system integrators. The Landlord is principally engaged in investment holding activities.

DEFINITIONS

Unless otherwise stated, the following words and phrases have the following meanings in this announcement:

“Board”	the board of Directors
“Company”	Xi’an Haitian Antenna Technologies Co., Ltd.* (西安海天天綫科技股份有限公司), a joint stock limited company incorporated in the PRC and the H shares of which are listed on GEM
“Director(s)”	the director(s) of the Company, including the independent non-executive director(s)
“GEM”	the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Independent Third Party(ies)”	independent third party(ies) which is(are) not connected persons of the Company (as defined in the GEM Listing Rules)
“Land”	a piece of land with total useable 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) in the PRC owned by the Landlord
“Landlord”	Xi’an Haitian Investment Holdings Limited* (西安海天投資控股有限責任公司), a company incorporated in the PRC
“New Lease Agreement”	the agreement for the lease of the Land dated 10 August 2012 entered into between the Company and the Landlord
“Old Lease Agreement”	the agreement for the lease of the Land dated 10 August 2009 entered into between the Company and the Landlord
“PRC”	the People’s Republic of China
“Share(s)”	ordinary share(s) of RMB0.10 each in the share capital of the Company
“Shareholders”	holder(s) of the Shares

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“RMB” Renminbi, the lawful currency of the PRC

“sq.m.” square metre

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

Xi'an, the People's Republic of China, 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, 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 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.

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>.

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