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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)

DISCLOSEABLE TRANSACTION
TRANSFER OF EQUITY INTEREST IN SUNNADA HAITIAN

On 20 December 2013 (after trading hours), the Company and Kingsignal entered into the Settlement Agreement pursuant to which the Company has conditionally agreed to transfer the Transfer Asset to Kingsignal for full and final settlement of the Claim. As an applicable percentage ratio under Chapter 19 of the GEM Listing Rules exceeds 5% but is less than 25%, the Proposed Transfer constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under the GEM Listing Rules.

Reference is made to the Announcement. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

THE SETTLEMENT AGREEMENT

On 20 December 2013 (after trading hours), the Company and Kingsignal entered into the Settlement Agreement pursuant to which the Company has conditionally agreed to transfer the Transfer Asset to Kingsignal for full and final settlement of the Claim.

The principal terms of the Settlement Agreement are as follows:

- Date : 20 December 2013
- Parties : the Company as transferor; and Kingsignal as transferee.
- Equity interest to be transferred : the Transfer Asset, being 9.5% equity interest in Sunnada Haitian, will be transferred to Kingsignal as full and final settlement of the claim of Kingsignal together with interest in an aggregate amount of approximately RMB6.72 million payable by the Company to Kingsignal under the Award.

The Transfer Asset to be transferred to Kingsignal was arrived at after arm's length negotiation among the Company and Kingsignal with reference to, among other things, the value of the Transfer Asset at approximately RMB6.72 million as at 30 September 2013 as assessed by an independent valuer appointed by the Company.

- Conditions precedent : The Settlement Agreement shall take effect on the date when the shareholders of Sunnada Haitian have waived their pre-emptive rights to purchase the Transfer Asset and have approved the transfer of the Transfer Asset by the Company to Kingsignal at the shareholders' meeting of Sunnada Haitian.

- Cost incurred under the Settlement Agreement : It is agreed by the parties that the maximum amount of cost to be borne by Kingsignal shall be RMB25,000 and the balance shall be borne by the Company.

INFORMATION ON KINGSIGNAL

Kingsignal is a joint stock limited company incorporated in the PRC with limited liability. Kingsignal was a supplier of the Company and is principally engaged in the development, production and distribution of RF signal cables and connectors.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, Kingsignal and its ultimate beneficial owners are Independent Third Parties.

INFORMATION OF SUNNADA HAITIAN

Sunnada Haitian is a company incorporated in the PRC with limited liability. The Company holds 15% equity interest in Sunnada Haitian as at the date of this announcement. Upon completion of the Proposed Transfer, the Company will hold 5.5% equity interest in Sunnada Haitian.

Sunnada Haitian is principally engaged in the development, manufacture, sale, installation and examination of mobile communication system antennas, microwave technology products, electronic telecommunication products, automatic office equipments and relevant system engineering work.

The audited net asset of Sunnada Haitian as prepared in accordance with the PRC GAAP was approximately RMB57.39 million as at 31 December 2012. The audited net loss before and after taxation and extraordinary items of Sunnada Haitian as prepared in accordance with the PRC GAAP were approximately RMB1.21 million and RMB19.40 million for the two years ended 31 December 2011 and 2012 respectively.

INFORMATION ON THE GROUP

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

REASONS FOR AND BENEFIT OF THE PROPOSED TRANSFER

As disclosed in the Announcement, on 7 March 2013, the Court issued the Enforcement Notice to freeze the Equity Interest for two years, during which period the Company shall not dispose of the Equity Interest. The Company has been in negotiation with Kingsignal for settlement of the Award. Having considered that the unaudited book value of the Transfer Asset is amounted to approximately RMB4 million as at 30 September 2013 and the expected gain of the Company of approximately RMB2.4 million, the Directors (including the independent non-executive Directors) are of the view that the terms of the Settlement Agreement are on normal commercial terms and fair and reasonable, and the Proposed Transfer is in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE PROPOSED TRANSFER

It is expected that the Company will realize a gain of approximately RMB2.4 million from the Proposed Transfer with reference to the book value of the Transfer Asset of approximately RMB4 million as at 30 September 2013.

GEM LISTING RULES IMPLICATIONS

As an applicable percentage ratios under Chapter 19 of the GEM Listing Rules exceeds 5% but is less than 25%, the Proposed Transfer constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under the GEM Listing Rules.

DEFINITIONS

In this announcement, the following terms have the following meanings:-

“Announcement”	the announcement of the Company dated 8 July 2013 relating to freeze of the 15% equity interest held by the Company in Sunnada Haitian by virtue of the Enforcement Notice issued by the Court
“Board”	the board of Directors
“Claim”	the claim of Kingsignal together with interest in an aggregate amount of approximately RMB6.72 million payable by the Company to Kingsignal under the Award
“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
“Director(s)”	the director(s) of the Company
“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

“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
“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
“Hong Kong”	the Hong Kong Special Administration Region of the PRC
“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
“Kingsignal”	深圳金信諾高新技術股份有限公司 (Kingsignal Technology Co., Ltd.*), a joint stock company incorporated in the PRC with limited liability
“PRC”	the People’s Republic of China, but for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“PRC GAAP”	the PRC General Accepted Accounting Practices
“Proposed Transfer”	the proposed transfer of the Transfer Asset by the Company pursuant to the Settlement Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Settlement Agreement”	the settlement agreement dated 20 December 2013 entered into between the Company and Kingsignal in relation to the Proposed Transfer for full and final settlement of the Claim
“Shareholders”	holders of the Domestic Shares and the H Shares
“Shares”	Domestic Shares and H Shares

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sunnada Haitian”	西安三元達海天天綫有限公司 (Xi’an Sunnada Haitian Antenna Co., Ltd.*), a company incorporated in the PRC with limited liability
“Transfer Asset”	the equity interest of 9.5% in Sunnada Haitian
“%”	per cent

By Order of the Board
Xi’an Haitian Antenna Technologies Co., Ltd*
Xiao Bing
Chairman

Xi’an, the PRC, 20 December 2013

As at the date of this announcement, the Board comprises, Mr. Xiao Bing (肖兵先生) and Mr. Zuo Hong (左宏先生) being executive Directors; Mr. Sun Wenguo (孫文國先生), Mr. Li Wenqi (李文琦先生), Mr. Yan Feng (閔鋒先生) and Mr. Xie Yiqun (解益群先生) being non-executive Directors; and Mr. Zhang Jun (張鈞先生), 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 aspects 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 publication and at the website of the Company at <http://www.xaht.com>.

* For identification purposes only