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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)

ISSUE OF H SHARES UNDER SPECIAL MANDATE

THE SUBSCRIPTION AGREEMENTS

The Board is pleased to announce that on 25 July 2014 (after trading hours), the Company entered into a subscription agreement with each of the Subscribers, pursuant to which the Company has conditionally agreed to allot and issue and the Subscribers have conditionally agreed to subscribe for in aggregate 300,000,000 New H Shares at a subscription price of HK\$0.189 per New H Share.

The New H Shares represent (i) approximately 185.45% of the total issued H Shares as at the date of this announcement; (ii) approximately 46.36% of the total issued share capital of the Company as at the date of this announcement; (iii) approximately 64.97% of the total issued H Shares as enlarged by the issue of the New H Shares; and (iv) approximately 31.68% of the total issued share capital of the Company as enlarged by the issue of the New H Shares.

* *For identification purposes only*

The Subscription Price of HK\$0.189 per New H Share represents: (i) a discount of approximately 17.47% to the closing price of HK\$0.229 per H Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a discount of approximately 13.54% to the average closing price of HK\$0.2186 per H Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day; (iii) a discount of approximately 9.1% to the average closing price of HK\$0.2079 per H Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day; and (iv) a premium of 687.5% over the net asset value of the Company of approximately HK\$0.024 per H Share based on the Company's audited consolidated net asset value of RMB12,187,934 (equivalent to approximately HK\$15,234,918) as at 31 December 2013. The net Subscription Price, after deduction of relevant expenses, is approximately HK\$0.185 per New H Share.

The gross proceeds from issue of the New H Shares will be HK\$56,700,000. The estimated net proceeds from the issue of the New H Shares will be approximately HK\$55,600,000. Among which, RMB20,000,000 (equivalent to approximately HK\$25,000,000) will be used for repayment of the bank loans of the Group; and remaining balance of HK\$30,600,000 will be reserved as general working capital of the Group.

THE SPECIAL MANDATE

Resolutions will be proposed at the Class Meetings and the EGM to seek the approval of the Shareholders for the grant of the Special Mandate to authorise the Directors to allot and issue the New H Shares.

GENERAL

The Class Meetings and the EGM will be convened during which resolutions will be proposed to the Shareholders to approve the Special Mandate.

A circular containing further details of the issue of the New H Shares together with the notice convening the Class Meetings and the EGM will be despatched to Shareholders as soon as practicable. None of the Shareholders is required to abstain from voting at the Class Meetings and the EGM to approve the Special Mandate.

An application will be made by the Company to the China Securities Regulatory Commission for the issue of the New H Shares. An application will also be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the New H Shares on the Stock Exchange.

As Completion is subject to the fulfillment of the conditions set out in the Subscription Agreements, the issue of the New H Shares may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

BACKGROUND

The Board is pleased to announce that on 25 July 2014 (after trading hours), the Company entered into a subscription agreement with each of the Subscriber, pursuant to which the Company has conditionally agreed to allot and issue and the Subscribers have conditionally agreed to subscribe for in aggregate 300,000,000 New H Shares at a subscription price of HK\$0.189 per New H Share.

THE SUBSCRIPTION AGREEMENTS

The principal terms of the Subscription Agreement with each of the Subscribers are identical, except for the number of New H Shares to be subscribed by each of the Subscribers and total Subscription Price payable therefor as more particularly set out in the paragraph headed “The Subscription Shares” below.

Summarised below are the principal terms of the Subscription Agreements:

1. Date

25 July 2014

2. Parties

- (i) the Company
- (ii) the respective Subscribers

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, each of the Subscribers and their respective ultimate beneficial owners are Independent Third Parties.

3. New H Shares

Details of the New H Shares to be subscribed by each of the Subscribers are as follows:

Subscriber	As at the date of this announcement			Immediately following the allotment and issue of the New H Shares		
	Approximate Number of New H Shares	Approximate % of the total issued H Shares	Approximate % of the total issued share capital	Approximate % of the total issued H Shares	Approximate % of the total issued share capital	Total Subscription Price (HK\$)
Jinsheng Enterprise	80,000,000	49.45%	12.36%	17.33%	8.44%	15,120,000
Great Harmony	60,000,000	37.09%	9.27%	12.99%	6.34%	11,340,000
Long Apex	60,000,000	37.09%	9.27%	12.99%	6.34%	11,340,000
Champari Winner	50,000,000	30.91%	7.73%	10.83%	5.28%	9,450,000
Variant Wealth	50,000,000	30.91%	7.73%	10.83%	5.28%	9,450,000
Total:	<u>300,000,000</u>	<u>185.45%</u>	<u>46.36%</u>	<u>64.97%</u>	<u>31.68%</u>	<u>56,700,000</u>

4. The Subscription Price and payment terms

The Subscription Price of HK\$0.189 per New H Share was arrived at after arm's length negotiations between the Company and the Subscribers with reference to the net asset value of the Company as at 31 December 2013, the prevailing market condition and the recent market prices of the H Shares. The Directors (including the independent non-executive Directors) consider that the Subscription Price is fair and reasonable. The total Subscription Price is to be satisfied by each Subscriber by way of bank draft or such other method specified by the Company.

The Subscription Price of HK\$0.189 per New H Share represents:

- (i) a discount of approximately 17.47% to the closing price of HK\$0.229 per H Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 13.54% to the average closing price of HK\$0.2186 per H Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day;

- (iii) a discount of approximately 9.1% to the average closing price of HK\$0.2079 per H Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day; and
- (iv) a premium of approximately 687.5% over the net asset value of the Company of approximately HK\$0.024 per H Share based on the Company's audited consolidated net asset value of RMB12,187,934 (equivalent to approximately HK\$15,234,918) as at 31 December 2013.

The net Subscription Price, after deduction of relevant expenses, is approximately HK\$0.185 per New H Share.

5. Conditions precedent

Completion of each of the Subscription Agreements is conditional upon the satisfaction of the conditions below:

- (a) the obtaining by the Company of the approval by the Shareholders required for the issue of the New H Shares in accordance with the Articles of Association and the relevant laws and regulations;
- (b) the obtaining by the Company of all consents and approvals required for the issue of the New H Shares from the relevant regulatory authorities, which include approval of the China Securities Regulatory Commission;
- (c) the obtaining by the Company of the approval for listing of, and permission to deal in, the New H Shares from the Stock Exchange; and
- (d) each of the parties to the Subscription Agreement has not committed a material breach of the terms thereof.

If any of the above conditions is not satisfied on or before 30 June 2015 (or such other date as may be agreed by the parties to the Subscription Agreement), the Subscription Agreement shall be terminated and, save for any antecedent breach, the rights and obligations of each of the parties to the Subscription Agreement shall cease and determine.

6. Completion

Each Subscription Agreement is to be completed on the third Business Day after the satisfaction of the conditions, or at such other date as may be agreed between the Company and the Subscriber.

USE OF PROCEEDS AND REASONS FOR AND BENEFITS OF THE ISSUE OF THE NEW H SHARES

The gross proceeds from issue of the New H Shares will be HK\$56,700,000. The estimated net proceeds from the issue of the New H Shares will be approximately HK\$55,600,000. Among which, RMB20,000,000 (equivalent to approximately HK\$25,000,000) will be used for repayment of the bank loans of the Group; and remaining balance of HK\$30,600,000 will be reserved as general working capital of the Group.

By entering into the Subscription Agreements, the Company can strengthen the financial position of the Group and raise capital for the Group to support of its research and development of base station antennas and related products. The Board considers that the issue of the New H Shares will broaden the capital and shareholder base of the Company and, at the same time, increase the net asset value per Share, notwithstanding the dilution effect to the percentage in shareholding of the existing Shareholders as a whole.

Having considered, among other things, the foregoing reasons for and benefits of the issue of the New H Shares, the Directors are of the view that the transactions contemplated under the Subscription Agreements and the issue of the New H Shares are in the interests of the Company and the Shareholders as a whole.

THE SPECIAL MANDATE

Resolutions will be proposed at the Class Meetings and the EGM to seek the approval of the Shareholders for the grant of the Special Mandate to authorise the Directors to allot and issue the New H Shares.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY AS A RESULT OF THE ISSUE OF NEW H SHARES

Shareholders	As at the date of this announcement		Immediately after the allotment and issue of the New H Shares	
	Number of Shares	Approximate % of the total issued share capital	Number of Shares	Approximate % of the total issued share capital
Domestic Shares				
Xi'an Tian An Investment Co., Ltd.* (西安天安投資有限公司) ¹	180,000,000	27.82%	180,000,000	19.00%
Xi'an Kaiyuan Investment Group Co., Ltd.* (西安開元投資集團股份有限公司)	100,000,000	15.45%	100,000,000	10.56%
Shenzhen Huitai Investment Development Co., Ltd.* (深圳市匯泰投資發展有限公司)	75,064,706	11.60%	75,064,706	7.93%
Chang'an International Trust Co., Ltd.* (長安國際信託股份有限公司)	70,151,471	10.84%	70,151,471	7.41%
Beijing Holdings Investment Management Co., Ltd.* (北京京泰投資管理中心)	54,077,941	8.36%	54,077,941	5.71%
H Shares				
Mr. Zhang Jun (張鈞先生) ²	400,000	0.06%	400,000	0.04%
Public	167,364,706	25.87%	167,364,706	17.67%
Jinsheng Enterprise	0	0%	80,000,000	8.44%
Great Harmony	0	0%	60,000,000	6.34%
Long Apex	0	0%	60,000,000	6.34%
Champari Winner	0	0%	50,000,000	5.28%
Variant Wealth	0	0%	50,000,000	5.28%
TOTAL	<u>647,058,824</u>	<u>100%</u>	<u>947,058,824</u>	<u>100%</u>

Notes:

- Xi'an Tian An Investment Co., Ltd.* (西安天安投資有限公司) is beneficially owned as to 60% by Mr. Xiao Bing, an executive Director, and 40% by his mother Ms. Yao Wenli.
- Mr. Zhang Jun is an independent non-executive Director.

FUND RAISING ACTIVITIES DURING PAST TWELVE MONTHS

Save as disclosed in this announcement, the Company has not conducted any fund raising activities in relation to issue of equity securities in the past twelve months prior to the date of this announcement.

GENERAL

The Class Meetings and the EGM will be convened during which resolutions will be proposed to the Shareholders to approve the Special Mandate.

A circular containing further details of the issue of the New H Shares together with the notice convening the Class Meetings and the EGM will be despatched to Shareholders as soon as practicable. None of the Shareholders is required to abstain from voting at the Class Meetings and the EGM to approve the Special Mandate.

An application will be made by the Company to the China Securities Regulatory Commission for the issue of the New H Shares. An application will also be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the New H Shares on the Stock Exchange.

As Completion is subject to the fulfillment of the conditions set out in the Subscription Agreements, the issue of the New H Shares may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

INFORMATION ON THE COMPANY

The Company is a joint stock limited company incorporated in the People's Republic of China with limited liability. 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 Company and its subsidiaries also provide technical support, system integration and installation services of base station antennas.

INFORMATION ON THE SUBSCRIBERS

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries:

1. Jinsheng Enterprise is a company incorporation in Hong Kong with limited liability on 16 July 2005 and is principally engaged in trading business;
2. Great Harmony is an investment company incorporated in the Republic of Seychelles with limited liability on 3 January 2014;
3. Long Apex is an investment company incorporated in the British Virgin Islands with limited liability on 12 December 2001;
4. Champari Winner is a company incorporated in the British Virgin Islands with limited liability on 1 November 2012 and is principally engaged in investment and trade of non-ferrous metals, mineral products, natural rubber, tire-related commodities; and
5. Variant Wealth is a company incorporated in the British Virgin Islands with limited liability on 15 November 2012 and is principally engaged in international trade and re-export of non-ferrous metals, natural rubber, tires and mineral products.

DEFINITIONS

“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors of the Company
“Champari Winner”	Champari Winner Limited, one of the Subscribers whose information is set out in “Information of the Subscribers”
“Class Meetings”	separate meetings of the holders of H Shares and Domestic Shares to be convened to consider and, if thought fit, approve, among other things, the Special Mandate
“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

“Completion”	completion of the subscription of the New H Shares under the Subscription Agreements
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“Domestic Shares”	the domestic invested shares of nominal value of RMB0.10 in the share capital of the Company, which are subscribed for in Renminbi
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the Special Mandate
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Great Harmony”	Great Harmony Ventures Limited (大同創投有限公司), one of the Subscribers whose information is set out in “Information of the Subscribers”
“Group”	the Company and its subsidiaries
“H share”	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
“HK\$” or “Hong Kong dollars”	the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	persons or entities which are independent of and not connected with any of the Directors, supervisors, chief executive or substantial shareholders of the Company or any of its subsidiaries or an associate of any of them, and not connected persons of the Company

“Jinsheng Enterprise”	Hongkong Jinsheng Enterprise Co., Limited (香港錦昇企業有限公司), one of the Subscribers whose information is set out in “Information of the Subscribers”
“Last Trading Day”	25 July 2014, being the last day of trading in the Shares on the Stock Exchange prior to the release of this announcement
“Long Apex”	Long Apex Limited, one of the Subscribers whose information is set out in “Information of the Subscribers”
“New H Shares”	an aggregate of 300,000,000 H Shares to be issued and allotted to the Subscribers at the Subscription Price pursuant to the Subscription Agreements, and each the “New H Share”
“PRC”	the People’s Republic of China
“Shareholders”	holders of Domestic Shares and H Shares
“Shares”	collectively, Domestic Shares and H Shares
“Special Mandate”	the special mandate to be sought from the Shareholders at the Class Meetings and the EGM to authorise the Directors to allot and issue the New H Shares under the Subscription Agreements
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	collectively, Variant Wealth, Champari Winner, Long Apex, Great Harmony and Jinsheng Enterprise
“Subscription Agreement”	collectively, the subscription agreements entered into by the Company and each of the Subscribers dated 25 July 2014 in relation to the subscription of the New H Shares by the Subscribers, and each the “Subscription Agreement”
“Subscription Price”	the subscription price of HK\$0.189 per New H Share
“Variant Wealth”	Variant Wealth Limited, one of the Subscribers whose information is set out in “Information of the Subscribers”

“RMB” Renminbi, the lawful currency of the PRC

“%” per cent.

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

Xiao Bing
Chairman

Xi'an, the PRC, 27 July 2014

As at the date of this announcement, the Board comprises Mr. Xiao Bing (肖兵先生) and Mr. Yan Weimin (燕衛民先生) being executive Directors; Mr. Sun Wenguo (孫文國先生), Mr. Li Wenqi (李文琦先生), Mr. Yan Feng (閆鋒先生) 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 Ms. Bao Yujie (鮑玉潔女士) 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>.