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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 17 March 2015 (after trading hours), the Company and Chuangda Antenna entered into the Disposal Agreement pursuant to which the Company has conditionally agreed to sale and Chuangda Antenna has conditionally agreed to purchase the Sale Equity Interest at a consideration of RMB988,500. As an applicable percentage ratio under Chapter 19 of the GEM Listing Rules exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under the GEM Listing Rules.

THE DISPOSAL AGREEMENT

On 17 March 2015 (after trading hours), the Company and Chuangda Antenna entered into the Disposal Agreement pursuant to which the Company has conditionally agreed to sale and Chuangda Antenna has conditionally agreed to purchase the Sale Equity Interest.

The principal terms of the Disposal Agreement are as follows:

Date : 17 March 2015

Parties : the Company, as vendor
Chuangda Antenna, as purchaser

Asset to be disposed of : the Sale Equity Interest, being 5.5% equity interest in Sunnada Haitian

Consideration : RMB988,500, which shall be payable by Chuangda Antenna as follows:

- (i) RMB500,000, being deposit, shall be payable by cash within five Business Days following the effective date of the Disposal Agreement; and
- (ii) RMB488,500 shall be payable by cash within 30 Business Days following the completion of the registration with industry and commerce authority of the transfer of the Sale Equity Interest.

The consideration was agreed after arm's length negotiations between the Company and Chuangda Antenna with reference to the audited net asset value of Sunnada Haitian of approximately RMB17,000,000 as at 31 October 2014.

Conditions precedent : The Disposal Agreement shall take effect on the date the following conditions are satisfied:

- (i) the Disposal Agreement is signed by the respective legal representative of the Company and Chuangda Antenna and affixed with their respective company seal;
- (ii) (if required) the obtain of internal approvals by the Company including the approval of the Board and the Shareholders; and
- (iii) (if required) the obtain of internal approval by Sunnada Haitian including the approval of its board of directors and shareholders.

INFORMATION ON THE GROUP

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 Group also engaged in development, manufacturing and trading of computer software and hardware.

INFORMATION ON CHUANGDA ANTENNA

Chuangda Antenna is a company incorporated in the PRC with limited liability, and is principally engaged in the research and development, sale and production of mobile communications radio frequency products including antennas, modules and solutions.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, Chuangda Antenna 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. Sunnada Haitian has a registered capital of RMB80,000,000 as at the date of this announcement. The Company holds RMB4,400,000 of the registered capital of Sunnada Haitian, representing 5.5% equity interest in Sunnada Haitian, as at the date of this announcement. Upon completion of the Disposal, the Company will cease to have any 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 equipment's and relevant system engineering work.

The unaudited net asset of Sunnada Haitian as prepared in accordance with the PRC GAAP was approximately RMB13.8 million as at 31 December 2014. The audited net loss and unaudited net loss before and after taxation and extraordinary items of Sunnada Haitian as prepared in accordance with the PRC GAAP were approximately RMB35.6 million and RMB8.0 million for the two years ended 31 December 2013 and 2014 respectively.

REASONS FOR AND BENEFIT OF THE DISPOSAL

Having considered that (i) the financial performance of Sunnada Haitian, which recorded net loss before and after taxation and extraordinary items for the two years ended 31 December 2013 and 2014; (ii) the investment in Sunnada Haitian has no contribution to the Group so far; and (iii) the Company is not optimistic that the performance of Sunnada Haitian will improve in the near future; the Directors (including the independent non-executive Directors) are of the view that the terms of the Disposal Agreement are on normal commercial terms and fair and reasonable, and the Disposal is in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL

With reference to the unaudited financial statements of the Company for the six months ended 30 June 2014, as at 30 June 2014 the net book value of the Sale Equity Interest was approximately RMB1,293,580. It is estimated that the Disposal will result in a book loss of approximately RMB305,080 for the financial year ending 31 December 2015.

USE OF PROCEEDS

The proceeds of RMB988,500 from the Disposal, after deducting expenses arising therefrom, will be used as general working capital of the Group.

GEM LISTING RULES AND ARTICLES OF ASSOCIATION IMPLICATIONS

As an applicable percentage ratio under Chapter 19 of the GEM Listing Rules exceeds 5% but is less than 25%, the Disposal 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:-

“Board”	the board of Directors
“Business Day”	a day on which commercial banks in Xi’an are open for commercial banking business (including the day which commercial banks are required by the PRC government to carry out commercial banking business, but excluding public holidays and Saturday and Sunday on which commercial banks are not required by the PRC government to carry out commercial banking business)
“Chuangda Antenna”	西安創達天綫有限公司 (Xi’an Chuangda Antenna Company Limited*), a company incorporated in the PRC with limited liability
“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
“Disposal”	the sale of the Sale Equity Interest by the Company to Chuangda Antenna pursuant to the Disposal Agreement
“Disposal Agreement”	the agreement dated 17 March 2015 entered into between the Company and Chuangda Antenna in relation to the Disposal
“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 in the GEM Listing Rules) of the Company and not a connected person(s) of the Company
“PRC”	the People’s Republic of China, but for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan in the PRC
“PRC GAAP”	the PRC General Accepted Accounting Practices
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Equity Interest”	RMB4,400,000 of the registered capital of Sunnada Haitian, representing 5.5% equity interest in Sunnada Haitian as at the date of this announcement
“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

“%”

per cent

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

Xi'an, the PRC, 17 March 2015

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 (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 Ms. Huang Jing (黃婧女士) 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 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 purpose only