

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

MAJOR TRANSACTION
RELATING TO ACQUISITION OF A PROPERTY

THE PURCHASE AGREEMENT

The Board is pleased to announce that on 21 August 2015 (after trading hours), the Company entered into the Purchase Agreement with the Vendor, pursuant to which the Vendor has agreed to sell and the Company has agreed to acquire the Property at a consideration of RMB40 million.

GEM LISTING RULES IMPLICATIONS

As the highest of the applicable percentage ratios under Chapter 19 of the GEM Listing Rules exceeds 25% but is less than 100%, the Proposed Acquisition constitutes a major transaction for the Company and is subject to the reporting, announcement and shareholders' approval requirements under the GEM Listing Rules.

* *for identification purpose only*

THE EGM

The EGM will be convened to consider and, if thought fit, approve the Purchase Agreement and the transactions contemplated thereunder. To the best of information, knowledge and belief of the Directors, as at the date of this announcement, none of the Shareholders is required to abstain from voting in respect of any resolution for the approval of the Purchase Agreement and the transactions contemplated thereunder at the EGM.

A circular containing further information on the Purchase Agreement and the transactions contemplated thereunder together with a notice of the EGM will be sent to the Shareholders as soon as possible and within 15 business days from the date of this announcement.

The Board is pleased to announce that on 21 August 2015 (after trading hours), the Company entered into the Purchase Agreement with the Vendor, pursuant to which the Vendor has agreed to sell and the Company has agreed to acquire the Property at a consideration of RMB40 million.

THE PURCHASE AGREEMENT

The principal terms of the Purchase Agreement are as follows:

- | | | |
|-------------------------|---|---|
| Date | : | 21 August 2015 |
| Purchaser | : | The Company |
| Vendor | : | Xi'an Xiangyu Aviation Technologies Co., Ltd.* (西安翔宇航空科技股份有限公司) |
| Property to be acquired | : | the Property, comprising: <ul style="list-style-type: none">(a) the Land, being a parcel of land located at the east of Shuoshi Road (碩士路以東) and the west of Chuangye Avenue (創業大道以西), Xi'an National Hi-tech Industrial Development Zone, Xi'an, Shaanxi Province, the PRC, with a site area of approximately 19,723.3 sq.m. and a land use right of up to 14 March 2051; and(b) the Construction in Progress, being three factory buildings of three-storeys erected on the Land with a total construction area of approximately 10,678.89 sq.m. |

Consideration : RMB40 million shall be payable by the Company as follows:

- (a) approximately RMB15.66 million shall be payable by cash within five working days from the effective date of the Purchase Agreement to be used for the release of the Seal Up Order (the final amount of which shall be confirmed by the Court);
- (b) approximately RMB18 million shall be payable by cash upon the issue of an order to release the Seal Up Order for repayment of a loan owed by the Vendor to a bank secured by a mortgage over one of the factory buildings erected on the Land (the final amount of which shall be confirmed by the relevant bank);
- (c) approximately RMB3 million shall be payable to the relevant government authorities on behalf of the Vendor in the course of application for the transfer of title of the Property as taxation payment (the final amount of which shall be confirmed by the relevant government authorities);
- (d) approximately RMB2.34 million shall be payable within 10 working days after the title of the Land is transferred to the Company; and
- (e) approximately RMB1.0 million shall be payable within 10 working days after the title of the Construction in Progress is transferred to the Company.

The consideration was agreed after arm's length negotiations between the Company and the Vendor with reference to, among other things, the fair value of the Property as at 28 July 2015 of approximately RMB42.61 million as assessed by an independent valuer in the PRC appointed by the Company by using the cost approach.

- Conditions precedent : The Purchase Agreement shall take effect upon the following conditions are satisfied:
- (a) the Purchase Agreement has been signed by the respective legal person or authorised representative of the Company and the Vendor;
 - (b) the Purchase Agreement has been approved by the respective shareholders of the Company and the Vendor (if required); and
 - (c) the entering into of a settlement agreement between the Vendor and the Bank of Communications regarding the release of the mortgage of the Property and the Seal Up Order upon the repayment of RMB15.66 million by the Vendor to the Bank of Communications (the final amount of which shall be confirmed by the Court).

INFORMATION ON THE VENDOR

The Vendor is a joint stock limited company incorporated in the PRC with limited liability. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendor and its ultimate beneficial owners is an Independent Third Party.

The Vendor is principally engaged in maintenance of aircraft airborne electronic, electrical and mechanical accessories, development of related testing equipment accessories, and research and development of unmanned aircraft and related technical services.

As disclosed in the announcement of the Company dated 10 April 2015, Haitian Aerospace and the Vendor entered into a memorandum of cooperation on 10 April 2015 in relation to research, development and marketing of products of UAV including fixed wing land-based and sea-based stealth UAV, fixed wing and rotary wing UAV civilian products, UAV detection system, and agricultural and forestry UAV aviation services business.

INFORMATION ON THE GROUP

The Company is a joint stock limited company incorporated in the PRC 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 Group also provide technical support, system integration and installation services of base station antennas.

In March 2015, combined with the Company's communication technologies and research and development strengths, three subsidiaries were established, namely, Haitian Marine, Haitian Aerospace and Haitian Automotive, in order to expand existing business areas and improve market competitiveness of the Group.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The principal office and the production facilities of the Company are located at Jinye Road, Xi'an Gao Xin District, Xi'an, Shaanxi Province, the PRC with a site area of approximately 62,425.33 sq.m., which have been under demolition as a result of land resumption implemented by Xi'an Hi-tech Industrial Development Zone Branch of Xi'an Land and Resources Bureau* (西安市國土資源局高新技術產業開發區分局). Please refer to the announcement and circular of the Company dated 10 January 2014 and 24 January 2014 respectively for further information of such property.

The Group has been optimised its resources and diversified its business. As at the date of this announcement, the Group has developed various marine, underwater and downhole monitoring and surveillance and UAV products and services, and has accumulated experience on electronic and major components of automobile. With a view to satisfying the spatial requirements for the Group's development, the Group proposed to enter into the Proposed Acquisition. As at the date of this announcement, about 80% of total construction area of the Construction in Progress are usable area.

Having considered the above reasons and that the consideration of the Proposed Acquisition represents a discount of approximately 6.5% to the fair value of the Property of approximately RMB42.61 million as at 28 July 2015 as assessed by an independent valuer in the PRC appointed by the Company, the Directors (including the independent non-executive Directors) are of the view that the terms of the Purchase Agreement are on normal commercial terms and fair and reasonable, and the Proposed Acquisition is in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As the highest of the applicable percentage ratios under Chapter 19 of the GEM Listing Rules exceeds 25% but is less than 100%, the Proposed Acquisition constitutes a major transaction for the Company and is subject to the reporting, announcement and shareholders' approval requirements under the GEM Listing Rules.

THE EGM

The EGM will be convened to consider and, if thought fit, approve the Purchase Agreement and the transactions contemplated thereunder. To the best of information, knowledge and belief of the Directors, as at the date of this announcement, none of the Shareholders is required to abstain from voting in respect of any resolution for the approval of the Purchase Agreement and the transactions contemplated thereunder at the EGM.

A circular containing further information on the Purchase Agreement and the transactions contemplated thereunder together with a notice of the EGM will be sent to the Shareholders as soon as possible and within 15 business days from the date of this announcement.

DEFINITIONS

In this announcement, the following expressions have the following meanings, unless the context otherwise requires:

“Board”	the board of Directors of the Company
“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 limited company incorporated in the PRC and whose H Shares are listed on GEM
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Construction in Progress”	three factory buildings of three-storeys erected on the Land with a total construction area of approximately 10,678.89 sq.m.
“Court”	the Intermediate Court of Xi'an City* (西安市中級人民法院)
“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 the Purchase Agreement and the transactions contemplated thereunder
“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
“Haitian Aerospace”	Xi’an Haitian Aerospace Technologies Co., Ltd.* (西安海天航空航天科技有限公司), a wholly-owned subsidiary of the Company mainly engaged in development of unmanned aerial vehicles, avionics imaging and monitoring, and other related products and services
“Haitian Automotive”	Xi’an Haitian Automotive Electronics Technologies Co., Ltd.* (西安海天汽車電子科技有限公司), a wholly-owned subsidiary of the Company mainly engaged in development, sales and service of automotive electronic equipment, mechanical equipment and other related products
“Haitian Marine”	Xi’an Haitian Marine Technologies Co., Ltd.* (西安海天海洋科技有限公司), a wholly-owned subsidiary of the Company mainly engaged in research, development and marketing of underwater surveillance, underwater imaging, underwater mechanical equipment and other related products
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party”	a third party who is independent of, and not connected with, any connected person of the Company and not a connected person of the Company
“Land”	a parcel of land located at the east of Shuoshi Road (碩士路以東) and the west of Chuangye Avenue (創業大道以西), Xi’an National Hi-tech Industrial Development Zone, Xi’an, Shaanxi Province, the PRC, with a site area of approximately 19,723.3 sq.m. and a land use right of up to 14 March 2051
“PRC”	the People’s Republic of China
“Property”	collectively, the Land and the Construction in Progress
“Proposed Acquisition”	the proposed acquisition of the Property by the Company pursuant to the Purchase Agreement
“Purchase Agreement”	the agreement dated 21 August 2015 entered into between the Company and the Vendor in relation to the Proposed Acquisition
“Seal Up Order”	a seal up order made by the Court regarding the Property
“Shareholders”	holders of Domestic Shares and H Shares
“Shares”	collectively, Domestic Shares and H Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“UAV”	unmanned aerial vehicles
“Vendor”	Xi’an Xiangyu Aviation Technologies Co., Ltd.* (西安翔宇航空科技股份有限公司), which is more particularly described in “Information on the Vendor” of this announcement

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“sq.m.”	square metre
“%”	per cent.

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

24 August 2015, Xi'an, the PRC

As at the date of this announcement, the Board comprises Mr. Xiao Bing (肖兵先生) and Mr. Chen Ji (陳繼先生) 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), Mr. Xie Yiqun (解益群先生) and Mr. Li Peng (李鵬先生) being non-executive Directors; and Mr. Zhang Jun (張鈞先生), Professor Shi Ping (師萍教授), Ms. Huang Jing (黃婧女士) and Mr. Tu Jijun (塗繼軍先生) 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 purpose only