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If you are in doubt as to any aspect of this circular or as to the action you should take, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisor.

If you have sold or transferred all your shares in Xi'an Haitian Antenna Technologies Co., Ltd.*, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, the licensed securities dealer or registered institution or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**MAJOR TRANSACTION RELATING TO
ACQUISITION OF A PROPERTY;
PROPOSED AMENDMENT OF ARTICLES OF ASSOCIATION;
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Capitalised terms used on this cover, unless the contents require otherwise, shall have the same meanings ascribed to them in "Definitions" of this circular.

Notice convening the EGM to be held at Conference Room, A-2 of Standard Workshop Phase II, Zone B of Xi'an Export Processing Zone, No. 28 Xinxu Avenue, National Hi-tech Industrial Development Zone, Xi'an, Shaanxi Province, the People's Republic of China on 11 January 2016 at 2:30 p.m. are set out on pages EGM-1 to EGM-3 of this circular, and the reply slip and form of proxy are enclosed hereto.

Whether or not you are able to attend the EGM, you are requested to complete the enclosed reply slip and form of proxy in accordance with the instructions printed thereon and return them to the head office of the Company at No. 66 Jinye Road, National Hi-tech Industrial Development Zone, Xi'an, Shaanxi Province, the People's Republic of China (for holders of Domestic Shares), or the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Hopewell Centre, 17M Floor, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares), as soon as possible but in any event for reply slip, no later than 22 December 2015, and for the forms of proxy not less than 24 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the forms of proxy shall not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

This circular 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>.

* for identification purpose only

25 November 2015

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

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

“Articles of Association”	the articles of association of the Company
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Class Meetings”	class meetings of the holders of the Domestic Shares and the H Shares held on 21 August 2015, respectively
“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
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Construction in Progress”	two 3-level industrial buildings (Block A and Block B) and a 4-level industrial building (Block C) 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 held at Conference Room, A-2 of Standard Workshop Phase II, Zone B of Xi’an Export Processing Zone, No. 28 Xinxi Avenue, National Hi-tech Industrial Development Zone, Xi’an, Shaanxi Province, the People’s Republic of China on 11 January 2016 at 2:30 p.m. to consider and, if thought fit, approve the Purchase Agreement and the transactions contemplated thereunder and the proposed amendment of the Articles of Association as described in this circular

* for identification purpose only

DEFINITIONS

“Gaoxiang Investment”	Shanghai Gaoxiang Investment Management Co., Ltd.* (上海高湘投資管理有限公司), a company incorporated in the PRC with limited liability on 28 March 2012, which is beneficially owned by the spouse and mother-in-law of Mr. Chen Ji, an executive Director, in equal share
“Gaoxiang Investment Subscription Agreement”	the subscription agreement dated 26 June 2015 entered into between the Company and Gaoxiang Investment in relation to the subscription of 119,693,333 New Domestic Shares
“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

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DEFINITIONS

“Haorun Investment”	Xi’an Haorun Investment Limited* (西安昊潤投資有限責任公司), a company incorporated in the PRC with limited liability on 12 March 2010, which is beneficially owned as to 50% by Mr. Wang Yun (王贊先生) (secretary to the Board) and approximately 8.33% by each of Mr. Li Peng (李鵬先生) (general manager of Haitian Marine), Mr. Xu Hao (徐浩先生) (head of finance department of the Company), Ms. Qiu Ping (邱萍女士) (deputy head of finance department of the Company), Ms. Wang Jiefan (王潔凡女士) (supervisor of the department of company secretary to the Board, head of human resources department and administrative department of the Company), Mr. Yang Cheng (楊城先生) (deputy general manager of Haitian Marine) and Ms. Huang Ying (黃瑩女士) (cashier of finance department of Haitian Marine)
“Haorun Investment Subscription Agreement”	the subscription agreement dated 26 June 2015 entered into between the Company and Haorun Investment in relation to the subscription of 70,000,000 New Domestic Shares
“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), 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
“Latest Practicable Date”	23 November 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
“New Domestic Shares”	in total 400,000,000 new Domestic Shares to be allotted and issued by the Company as more particularly described in the announcement of the Company dated 29 June 2015 and the circular of the Company dated 6 July 2015
“PRC”	the People’s Republic of China

DEFINITIONS

“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
“Seizure Order”	a seizure 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
“Tian An Investment”	Xi’an Tian An Investment Co., Ltd.* (西安天安投資有限公司), an company established in the PRC on 26 January 2005, which is beneficially owned as to 60% by Mr. Xiao Bing, an executive Director, and 40% by his mother Ms. Yao Wenli
“Tian An Investment Subscription Agreement”	the subscription agreement dated 26 June 2015 entered into between the Company and Tian An Investment in relation to the subscription of 148,363,637 New Domestic Shares
“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 “Letter from the Board – Information on the Vendor” of this circular
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“sq.m.”	square metre
“%”	per cent.

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LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Xiao Bing (*Chairman*)

Mr. Chen Ji

Non-Executive Directors:

Mr. Sun Wenguo

Mr. Li Wenqi

Mr. Yan Feng

Mr. Xie Yiqun

Mr. Li Peng

Independent Non-Executive Directors:

Mr. Zhang Jun

Professor Shi Ping

Ms. Huang Jing

Mr. Tu Jijun

Registered office:

No. 66 Jinye Road

National Hi-tech

Industrial Development Zone

Xi'an, Shaanxi Province

The PRC

Principal place of

business in Hong Kong:

Room B, 16th Floor

Yam Tze Commercial Building

23 Thomson Road

Wanchai

Hong Kong

25 November 2015

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION RELATING TO
ACQUISITION OF A PROPERTY;
PROPOSED AMENDMENT OF ARTICLES OF ASSOCIATION;
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

On 24 August 2015, the Company announced, among other things, 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.

* *for identification purpose only*

LETTER FROM THE BOARD

On 30 September 2015, the Company announced that it proposed to amend the Articles of Association.

The purpose of this circular is to provide you with further information on the Purchase Agreement, the proposed amendment of the Articles of Association and other additional information as required by the GEM Listing Rules, and to give you notice of the EGM.

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), 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 two 3-level industrial buildings (Block A and Block B) and a 4-level industrial building (Block C) erected on the Land with a total construction area of approximately 10,678.89 sq.m.

* for identification purpose only

LETTER FROM THE BOARD

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

- (a) approximately RMB15.66 million shall be payable by cash to the Vendor or bank account designated by the Court within five working days from the effective date of the Purchase Agreement to be used for the release of the Seizure Order (the final amount of which shall be confirmed by the Court; however, the Vendor's creditor, namely the Bank of Communications, has in-principal agreed that the final amount shall be approximately RMB15.66 million);
- (b) approximately RMB18 million shall be payable by cash to the Vendor's creditor, namely the Agricultural Bank of China, or other person as designated by the Vendor upon the issue of an order to release the Seizure 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; however, the Vendor's creditor has in-principal agreed that the final amount shall be approximately RMB18 million);
- (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 to the Vendor within 10 working days after the title of the Land is transferred to the Company; and
- (e) all of the remaining balance of approximately RMB1.0 million shall be payable to the Vendor within 10 working days after the title of the Construction in Progress is transferred to the Company.

LETTER FROM THE BOARD

For avoidance of doubt, there is no adjustment on the consideration. After making payments to the Vendor's creditors and the relevant government authorities, the remaining balance of the consideration shall be paid to the Vendor.

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 in which the value of the land use rights and the value of the buildings erected on the Land were assessed, without taking into account any mortgages and assuming that the Property was under transaction.

According to the valuation conducted by Cushman & Wakefield Valuation Advisory Services (HK) Limited, the Property has no commercial value; however, the market value of the Property is RMB40,100,000 as at 30 September 2015, subject to the following conditions:

- (i) the loans secured by the Property has been settled;
- (ii) the Seizure Order has been released by the Court; and
- (iii) the Property can be freely transferred, leased, mortgaged or handled by other legitimate ways within the term specified in title certificates.

For further information, please refer to the valuation report set out in Appendix II of this circular.

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;

LETTER FROM THE BOARD

- (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 Seizure 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).

None of the above conditions precedent is waivable. As at the Latest Practicable Date, condition (a) had been fulfilled and the Purchase Agreement had been approved by the shareholders of the Vendor.

Transfer of title:

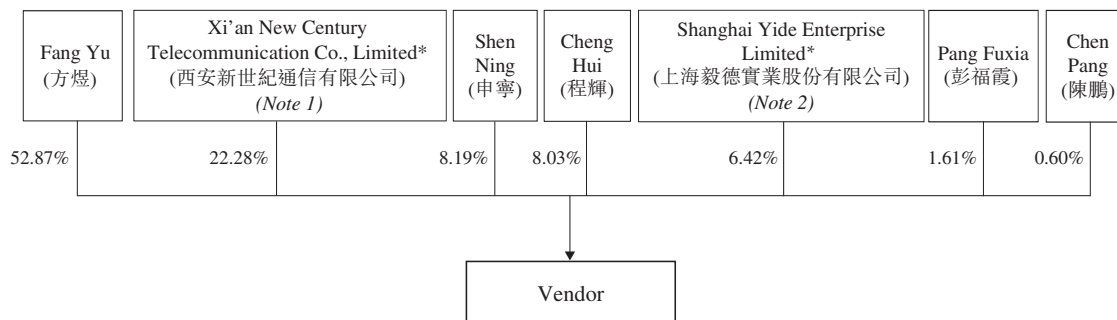
It is estimated that the relevant government authorities will require approximately 4-5 months to process the transfer of title of the Property. Assuming that the Purchase Agreement becomes effective in January 2016 and the debts owed by the Vendor to the Bank of Communications and the Agricultural Bank of China are settled no later than February 2016, it is estimated that the title of the Property will be transferred to the Company no later than July 2016.

LETTER FROM THE BOARD

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 shareholding structure of the Vendor is as follows:



Notes:

1. Xi'an New Century Telecommunication Co., Limited is held by Wang Guofang (王國芳), Yuan Fang (袁芳) and Hao Ruibin (郝瑞斌) as to 75%, 20% and 5% respectively.
2. Shanghai Yide Enterprise Limited is held by Qiao Xiaohui (喬曉輝), Shi Deyi (石德毅), Shi Decheng (石德成), Guan Jian (關劍) and Wang Wujiang (王武江) as to approximately 35.6%, 25.0%, 22.5%, 11.3% and 5.6% respectively.

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.

* for identification purposes only

LETTER FROM THE BOARD

The Xi'an Branch of the Bank of Communications ("BOC") commenced a lawsuit against the Vendor at the Court with respect to certain outstanding payment owed by the Vendor. Upon application of BOC, the Seizure Order was issued by the Court on 19 November 2013. Pursuant to the Seizure Order, the Vendor cannot mortgage, transfer or established other rights on the Property. Subsequent to the entry into of the Purchase Agreement, a meeting was held between the Court, BOC, the Vendor and the Company, whereby BOC has in-principal agreed to (i) enter into a settlement agreement with the Vendor after the Purchase Agreement has been approved by the respective shareholders of the Company and the Vendor; and (ii) release the Seizure Order upon its receipt of repayment of approximately RMB15.66 million by the Vendor. As at the Latest Practicable Date, the settlement agreement had not been entered into between the Vendor and BOC. Pursuant to the terms of the Purchase Agreement, the repayment to BOC shall be settled within five working days from the effective date of the Purchase Agreement.

The Vendor (as borrower) and the Shaanxi Province Branch of the Agricultural Bank of China ("ABC") (as lender) entered into loan agreements which are secured by, among other things, mortgage of the 4-level industrial building (Block C) erected on the Land. As at the Latest Practicable Date, no lawsuit or other action to seize the mortgaged properties had been commenced or taken by ABC against the Vendor. Subsequent to the entry into of the Purchase Agreement, a meeting was held between ABC, the Vendor and the Company, whereby ABC has in-principal agreed that, upon its receipt of repayment of approximately RMB18 million by the Vendor, the mortgage will be released. Pursuant to the terms of the Purchase Agreement, the Vendor shall assist ABC and the Company to release the mortgage. It is estimated that the repayment to ABC will be settled within 20 days after the payment to BOC is settled.

The Company has no obligation and/or commitment to settle the Vendor's outstanding debt due to BOC, ABC and/or other financial institutions in relation to the Property.

INFORMATION ON THE GROUP

The Company

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.

LETTER FROM THE BOARD

Haitian Marine

Haitian Marine specializes in developing (i) underwater mechanical equipment to be used for ocean exploitation of natural gas, natural gas hydrate, oil and other natural resources in the future, and (ii) surveillance equipment for downhole or underwater monitoring and controlling.

Haitian Marine is currently focusing on the area of marine and underwater surveillance and detection and the area of downhole survey and probe. In relation to marine and underwater surveillance and detection, Haitian Marine has developed underwater cameras, underwater LED lights, underwater halogen lamps, underwater panoramic cameras, watertight connectors, high-speed underwater cameras, aquaculture systems and monitor type of remotely operated underwater vehicle (ROV), etc.. It is expected that, in the future, Haitian Marine will develop underwater laser cameras, open source underwater robot (OPENROV), autonomous underwater vehicle (AUV), underwater unmanned systems and other products. In relation to downhole survey and probe, Haitian Marine has developed multi-arm calipers, four-parameter instruments and oil well logging software system. It is expected that, in the future, Haitian Marine will develop electromagnetic detectors, multi-parameter ultrasonic imagers, underwater robots and other products.

In order to develop its products, Haitian Marine has purchased various research and development and testing equipment including debugging temperature equipment, temperature detector, pressure detector devices, communication link detection equipment and series of machining products. To further expand the business of Haitian Marine, it is expected that more equipment will be acquired. Moreover, Haitian Marine will increase a production line for producing marine equipment and will have an additional product testing laboratory.

Haitian Marine aims at selling its products in the PRC and overseas. It is expanding its customer base by participating in professional exhibitions and it would arrange sales teams to visit the customers to promote its products. In 2015, Haitian Marine has participated in various marine technology and equipment exhibitions that are held in Australia, Shanghai and Xiamen in order to meet potential customers. It is planned that Haitian Marine will participate in exhibitions to be held in Houston and Dubai in 2016.

Haitian Aerospace

Haitian Aerospace specializes in developing (i) products for meteorology and surveying and (ii) products for agricultural plant protection.

In relation to products for meteorology and surveying, Haitian Aerospace has completed the designs and produced the two prototypes of fixed-wing UAV which can be used for oil and electricity resources exploration, patrol and meteorological service. Haitian Aerospace is currently exploring cooperation opportunities with meteorological department and oil and electricity department for flight operational task. In relation to products for agriculture plant protection, Haitian Aerospace has completed the development of a multi-rotor UAV which can be used for plant protection, seeding, spraying pesticides and fire control.

LETTER FROM THE BOARD

In order to develop its products, Haitian Aerospace has set up its own research and development team and completed various product designs and testing of products. Moreover, it is establishing a team for the provision of agricultural plant protection, weather monitoring and other services. Currently, Haitian Aerospace is developing and testing a large autogyro UAV of carrying capacity of 300 kilograms and a small loading multipurpose UAV which can directly land on any level ground.

Haitian Aerospace aims at selling its products and providing its services in the PRC in 2016. Haitian Aerospace will explore business opportunities through participating in various exhibitions to meet its potential customers and will arrange sales teams to visit potential customers to promote its products and services.

Haitian Automotive

As at the Latest Practicable Date, Haitian Automotive has not commenced its business. The Group is in the course of studying and analyzing the automotive market in the PRC and such studies have not been completed as at the Latest Practicable Date. The development plan of Haitian Automotive will be determined after the thorough studies on the automotive market in the PRC have been completed.

INDUSTRY OUTLOOK

Marine equipment market

Marine engineering equipment manufacturing is one of the strategic emerging industries in the PRC in recent years. The PRC government places emphasis on the development of marine engineering equipment manufacturing, and the strategic plan in the newly released “Made in China 2025” also emphasizes the importance of the development of such industry.

The plan of the PRC government indicates that that there will be rapid development in deep-sea surveillance, resources exploration, marine operation safety protection equipment and related critical systems and special equipment. It will promote deep sea space station, large floating structures development and engineering. It will also improve the level of exploitation of marine resources, enhance the competitiveness of the liquefied natural gas vessels and other high technology vessels and master key equipment integration, intellectualization, modularization of the core technology of design and manufacture.

Marine engineering equipment usually refers to oil and gas equipment. Oil and gas equipment includes exploitation equipment, drilling equipment, production and processing equipment, transportation equipment, equipment for coastal engineering vessels, underwater equipment and equipment for underwater systems, etc.. In respect of drilling equipment, it mainly comprises offshore drilling platforms. In respect of the production equipment, it mainly comprises semi-submersible lifting platforms. There are also marine engineering vessels and underwater operations equipment.

LETTER FROM THE BOARD

The operating range of the current marine engineering equipment has expanded from shallow to deep water level, and to ultra-deep water level. The product has extended from a fixed platform to floating facility and underwater production system. In particular, the deep water level oriented features of such product is very outstanding.

In addition, underwater equipment has also been used in a wide range of application, including but not limited to, underwater robots, underwater control system, underwater monitoring system and underwater excavation.

Having considered the above and the feedback of customers of Haitian Marine on the products, the Directors are of the view that there is a demand for marine equipment of Haitian Marine, the business of Haitian Marine is in line with the plan of the PRC government and they are optimistic about the business prospect of Haitian Marine.

UAV market

Since the beginning of the 21st century, the unmanned aviation industry has been developing rapidly in the PRC. UAV can be used for aerial photography, land monitoring and forest fire control, etc..

Since 2013, the rapid development of agriculture, forestry, mining and other industries in the PRC has result in a significant increase in the demand of UAV, in particularly, the demand for large UAV.

The demands for UAV are elaborated as follows:

Agricultural: There is a large number of farm land in the Xinjiang region and the Northeast region of the PRC. Regular sowing and pesticide spraying in a large area by aircraft is of an indispensable necessity every year. The existing UAV usually have a maximum carrying capacity of not more than 100 kilograms and require landing stripe of more than 300 metres long. Due to these restraints, it cannot satisfy the market demand effectively and cost efficiently.

Forestry: The PRC has a vast amount of forest landscape. In case of fire or emergency, UAV are required to perform fixed-point firefighting, delivery and rescue services. The usual UAV in the market can only perform on-site observation but cannot carry large amount of items for rescuing and firefighting. In addition, the use of UAV can replace the traditional way of manually spraying pesticides in forests and monitoring and preventing forest disease. By using UAV, spraying of pesticides in forest could be done efficiently and cost effectively.

Mining: In the southwest part of the PRC, mineral resources exploitation work is carried out in very remote villages and mountains. UAV can be used to reach such places and carry large volume of necessities to the mine workers. Moreover, in case of emergency, UAV can also perform rescue services in these remote places.

LETTER FROM THE BOARD

Weather: In order to create artificial rainfall, rain bombs are usually used. However, the success rate of using rain bombs to increase the amount of rain or the precipitation probability is comparatively low and the drop of rain bombs may harm the environment and hurt the people on the ground. Instead, the use of UAV is a more effective and safe way to create artificial rainfall. UAV can fly to 6,000 to 8,000 meters and shoot catalysts without shells in clouds under thunder and lights to increase precipitation.

Other than the said uses, UAV can also be used in various industries to replace manpower in a timely manner and cost efficiently.

Having considered the above, the Directors are of the view that there is a demand for UAV in the PRC, in particular large UAV and UAV which does not require any landing stripe and they are optimistic about the business prospect of Haitian Aerospace.

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 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 Latest Practicable Date, the Group had developed various marine, underwater and downhole monitoring and surveillance and UAV products and services, and had accumulated experience on electronic and major components of automobile. With a view to satisfying the spatial requirements for the Group's development, the Group entered into the Proposed Acquisition. As at the Latest Practicable Date, about 80% of total construction area of the Construction in Progress was usable area.

The construction of the two 3-level industrial buildings (Block A and Block B) has been completed. It is intended that, after decoration of these industrial buildings, the Group will use the buildings for manufacturing, assembling and research and development of UAV, and as warehouse, office and showroom for display of products. It is estimated that the Group will be able to use such buildings in about one month after the Proposed Acquisition becomes effective.

* for identification purpose only

LETTER FROM THE BOARD

The main construction of the 4-level industrial building (Block C) has been completed and it can be used after completion of subsequent construction and decoration work. It is intended that the Group will use such building for manufacturing, assembling and research and development of UAV and as warehouse. It is estimated that the Group will be able to use such building in about one year after the title of the Property is transferred to the Company.

Having considered the above reasons and that the consideration of the Proposed Acquisition represents a discount of approximately 6.1% 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.

FINANCIAL EFFECT OF THE PROPOSED ACQUISITION

As a result of the Proposed Acquisition, non-current assets have been increased by RMB40 million and bank balance and cash have been decreased by RMB40 million in the balance sheet.

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.

AMENDMENT OF ARTICLES OF ASSOCIATION APPROVED BY THE BOARD

Reference is made to the announcement of the Company dated 29 June 2015 and the circular of the Company dated 6 July 2015 relating to, among other things, specific mandate to issue new Domestic Shares.

At the Class Meetings and the extraordinary general meeting held on 21 August 2015, special resolutions were passed by the Shareholders, pursuant to which the Board has been authorised to, among other things, make such amendments to the Articles of Association as it thinks fit so as to reflect the increase in the registered capital of the Company.

LETTER FROM THE BOARD

Pursuant to the above authorisation, the Board has approved the following amendment of the Articles of Association:

1. Article 20 of the Articles of Association provides that:

“Pursuant to the approval of the companies approving departments authorised by the State Council, the total number of ordinary shares which may be issued by the Company upon its incorporation was 50,000,000 domestic shares of RMB1.00 each, all being issued to the promoters and accounting for 100% of the total number of ordinary shares which may be issued by the Company. Of these shares, Xiao Liangyong held 18,000,000 Domestic Shares, representing 36% of the total share capital; Xi’an Kaiyuan Investment Group Co., Ltd. held 10,000,000 domestic shares, representing 20% thereof; Chang’an International Trust Co., Ltd. held 7,400,000 domestic shares, representing 14.8% thereof; Beijing Holdings Investment Management Co., Ltd held 6,000,000 domestic shares, representing 12% thereof; Shaanxi Silk Import & Export Corporation held 5,000,000 domestic shares, representing 10% thereof; Xian Zhengheng Investment & Advisory Co., Ltd. held 1,500,000 domestic shares, representing 3% thereof; Wu Chi Yan held 1,000,000 domestic shares, representing 2% thereof; Chen Xiao Bin held 600,000 domestic shares, representing 1.2% thereof; and Shaanxi Mant Intellectual Property Industry Development Co., Ltd held 500,000 domestic shares, representing 1% thereof.”

This Article has been amended to read as follows:

“Pursuant to the approval of the companies approving departments authorised by the State Council, the total number of ordinary shares which may be issued by the Company upon its incorporation was 50,000,000 shares of RMB1.00 each, all being issued to the promoters and accounting for 100% of the total number of ordinary shares which may be issued by the Company. Of these shares, Xiao Liangyong held 18,000,000 shares, representing 36% of the total share capital; Xi’an Kaiyuan Investment Group Co., Ltd. held 10,000,000 shares, representing 20% thereof; Chang’an International Trust Co., Ltd. held 7,400,000 shares, representing 14.8% thereof; Beijing Holdings Investment Management Co., Ltd. held 6,000,000 shares, representing 12% thereof; Shaanxi Silk Import & Export Corporation held 5,000,000 shares, representing 10% thereof; Xi’an Zhengheng Investment & Advisory Co., Ltd. held 1,500,000 shares, representing 3% thereof; Wu Chi Yan held 1,000,000 shares, representing 2% thereof; Chen Xiao Bin held 600,000 shares, representing 1.2% thereof; and Shaanxi Mant Intellectual Property Industry Development Co., Ltd. held 500,000 shares, representing 1% thereof.

Founder of the Company, Xiao Liangyong, had transferred 180,000,000 shares to Xi’an Tian An Investment Co., Ltd. in accordance with law.

Promoters of the Company, Xi’an Zhengheng Investment & Advisory Co., Ltd., Wu Chi Yan, Shaanxi Silk Import & Export Corporation and Shaanxi Mant Intellectual Property Industry Development Co., Ltd. had transferred 15,000,000 shares, 10,000,000 shares, 45,064,706 shares and 5,000,000 shares respectively to Shenzhen Huitai Investment Development Co., Ltd.”

LETTER FROM THE BOARD

2. Article 21 of the Articles of Association provides that:

“Upon its establishment, the Company increased its capital for the first time to further issue 161,764,706 ordinary shares and increased its capital for the second time to further issue 300,000,000 ordinary shares, subsequent to which the share capital structure of the Company became 947,058,824 shares. In particular, 485,294,118 shares were domestic shares, representing 51.2% of the total share capital, which were held as to 180,000,000 shares by Xiao Liangyong, 100,000,000 shares by Xi’an International Medical Investment Co., Ltd., 70,151,471 shares by Chang’an International Trust Co., Ltd., 54,077,941 shares by Beijing Holdings Investment Management Co., Ltd., 45,064,706 shares by Shaanxi Silk Import & Export Corporation, 15,000,000 shares by Xian Zhengheng Investment & Advisory Co., Ltd., 10,000,000 shares by Wu Chi Yan, 6,000,000 shares by Chen Xiao Bin and 5,000,000 shares held by Shaanxi Mant Intellectual Property Industry Development Co., Ltd. respectively. 461,764,706 shares are held by the holders of overseas listed foreign shares (“H Shares”), representing 48.8% of the total number of ordinary shares in issue of the Company.

Founder of the Company, Xiao Liangyong, had transferred 180,000,000 shares to Xi’an Tian An Investment Co., Ltd. in accordance with law.

Promoters of the Company, Xian Zhengheng Investment & Advisory Co., Ltd., Wu Chi Yan, Shaanxi Silk Import & Export Corporation and Shaanxi Mant Intellectual Property Industry Development Co., Ltd. had transferred 15,000,000 shares, 10,000,000 shares, 45,064,706 shares and 5,000,000 shares to Shenzhen Huitai Investment Development Co., Ltd.”

This Article has been amended to read as follows:

“Upon its establishment, the Company increased its capital for the first time to further issue 161,764,706 ordinary shares and increased its capital for the second time to further issue 300,000,000 ordinary shares, subsequent to which the share capital structure of the Company became 947,058,824 shares. The Company increased its capital for the third time to further issue 400,000,000 ordinary shares, subsequent to which the share capital structure of the Company became 1,347,058,824 shares. In particular, 885,294,118 shares were domestic shares, representing 65.72% of the total share capital, which were held as to 100,000,000 shares by Xi’an International Medical Investment Co., Ltd., 70,151,471 shares by Chang’an International Trust Co., Ltd., 54,077,941 shares by Beijing Holdings Investment Management Co., Ltd. and 6,000,000 shares by Chen Xiao Bin respectively, being promoters of the Company; and 328,363,637 shares by Xi’an Tian An Investment Co., Ltd., 75,064,706 shares by Shenzhen Huitai Investment Development Co., Ltd., 119,693,333 shares by Shanghai Gaoxiang Investment Management Co., Ltd., 70,000,000 shares by Xi’an Haorun Investment Ltd., 20,000,000 shares by Shaanxi Yinji Investment Ltd., 18,500,000 shares by Hongshi (Shanghai) Investment Consultancy Ltd., 18,500,000 shares by Shanghai Maokou Commerce and Trading Ltd. and 4,943,030 shares by Jiao Chengyi respectively,

LETTER FROM THE BOARD

being non-promoters of the Company. 461,764,706 shares are held by the holders of overseas listed foreign shares (“H Shares”), representing 34.28% of the total number of ordinary shares in issue of the Company.”

3. Article 24 of the Articles of Association provides that:

“Upon the completion of the second issue of overseas listed foreign shares, the registered capital of the Company shall increase to RMB94,705,882. The Company shall lodge an application to the foreign trade and economic departments of the State requesting to change into a sino-foreign equity joint venture enterprise. After obtaining approvals from the aforesaid departments, the Company shall conduct the relevant registration with the relevant administration for industry and commerce and file to the companies approving departments and the securities regulatory departments under the State Council.”

This Article has been amended to read as follows:

“Upon the completion of the third issue of shares, the registered capital of the Company shall increase to RMB134,705,882. Where the Company increases its capital by the issue of new shares, after obtaining approvals in accordance with the Articles of Association, the Company shall undertake the procedures pursuant to the relevant law and administrative measures of the State.”

PROPOSED AMENDMENT OF ARTICLES OF ASSOCIATION

The Company has been informed by holders of the Domestic Shares of the following intended transfers of Domestic Shares:

1. Chang’an International Trust Co., Ltd. as vendor and Gaoxiang Investment as purchaser entered into a share transfer agreement on 30 September 2015 in relation to the transfer of 70,151,471 Domestic Shares, representing approximately 7.41% of the issued share capital of the Company as at 30 September 2015; and
2. Mr. Chen Xiao Bin (陳曉濱先生) as vendor and Mr. Jiao Chengyi (焦成義先生) as purchaser entered into a share transfer agreement on 30 September 2015 in relation to the transfer of 6,000,000 Domestic Shares, representing approximately 0.63% of the issued share capital of the Company as at 30 September 2015.

The above transfers of Domestic Shares require the approval of the Department of Commerce of Shaanxi Province* (陝西省商務廳).

* for identification purpose only

LETTER FROM THE BOARD

In view of the above intended transfers of Domestic Shares, resolutions will be proposed at the EGM to approve, on the basis of the amendments approved by the Board as set out in the paragraph headed “Amendment of Articles of Association approved by the Board” above, the following further amendment of the Articles of Association:

Details of the proposed amendment of the Articles of Association are set out below:

1. Article 6 of the Articles of Association provides that:

“Pursuant to the “Company Law”, “Special Regulations”, “Mandatory Provisions for Articles of Association of the Companies to be Listed Overseas” (“Mandatory Provisions”) and the relevant provisions of other laws and administrative regulations of the State, the Company amended the original Articles of Association (the “Original Articles of Association”) and formulated these Articles of Association (“these Articles of Association” and “these Articles”) in the extraordinary general meeting held on 21 August 2015.”

This Article is proposed to be amended to read as follows:

“Pursuant to the “Company Law”, “Special Regulations”, “Mandatory Provisions for Articles of Association of the Companies to be Listed Overseas” (“Mandatory Provisions”) and the relevant provisions of other laws and administrative regulations of the State, the Company amended the original Articles of Association (the “Original Articles of Association”) and formulated these Articles of Association (“these Articles of Association” and “these Articles”) in the extraordinary general meeting held on _____ 2016.”

2. Article 7 of the Articles of Association provides that:

“Upon the approval by the special resolution of the extraordinary general meeting held on 21 August 2015, these Articles came into effect and replaced the Original Articles of Association.”

This Article is proposed to be amended to read as follows:

“Upon the approval by the special resolution of the extraordinary general meeting held on _____ 2016, these Articles came into effect and replaced the Original Articles of Association.”

3. Article 20 of the Articles of Association provides that:

“Pursuant to the approval of the companies approving departments authorised by the State Council, the total number of ordinary shares which may be issued by the Company upon its incorporation was 50,000,000 shares of RMB1.00 each, all being issued to the promoters and accounting for 100% of the total number of ordinary shares which may be issued by the Company. Of these shares, Xiao Liangyong held 18,000,000 shares, representing 36% of the total share capital; Xi’an Kaiyuan Investment Group Co., Ltd. held 10,000,000 shares, representing 20%

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thereof; Chang'an International Trust Co., Ltd. held 7,400,000 shares, representing 14.8% thereof; Beijing Holdings Investment Management Co., Ltd. held 6,000,000 shares, representing 12% thereof; Shaanxi Silk Import & Export Corporation held 5,000,000 shares, representing 10% thereof; Xi'an Zhengheng Investment & Advisory Co., Ltd. held 1,500,000 shares, representing 3% thereof; Wu Chi Yan held 1,000,000 shares, representing 2% thereof; Chen Xiao Bin held 600,000 shares, representing 1.2% thereof; and Shaanxi Mant Intellectual Property Industry Development Co., Ltd. held 500,000 shares, representing 1% thereof.

Founder of the Company, Xiao Liangyong, had transferred 180,000,000 shares to Xi'an Tian An Investment Co., Ltd. in accordance with law.

Promoters of the Company, Xi'an Zhengheng Investment & Advisory Co., Ltd., Wu Chi Yan, Shaanxi Silk Import & Export Corporation and Shaanxi Mant Intellectual Property Industry Development Co., Ltd. had transferred 15,000,000 shares, 10,000,000 shares, 45,064,706 shares and 5,000,000 shares respectively to Shenzhen Huitai Investment Development Co., Ltd."

This Article is proposed to be amended to read as follows:

"Pursuant to the approval of the companies approving departments authorised by the State Council, the total number of ordinary shares which may be issued by the Company upon its incorporation was 50,000,000 shares of RMB1.00 each, all being issued to the promoters and accounting for 100% of the total number of ordinary shares which may be issued by the Company. Of these shares, Xiao Liangyong held 18,000,000 shares, representing 36% of the total share capital; Xi'an Kaiyuan Investment Group Co., Ltd. held 10,000,000 shares, representing 20% thereof; Chang'an International Trust Co., Ltd. held 7,400,000 shares, representing 14.8% thereof; Beijing Holdings Investment Management Co., Ltd. held 6,000,000 shares, representing 12% thereof; Shaanxi Silk Import & Export Corporation held 5,000,000 shares, representing 10% thereof; Xi'an Zhengheng Investment & Advisory Co., Ltd. held 1,500,000 shares, representing 3% thereof; Wu Chi Yan held 1,000,000 shares, representing 2% thereof; Chen Xiao Bin held 600,000 shares, representing 1.2% thereof; and Shaanxi Mant Intellectual Property Industry Development Co., Ltd. held 500,000 shares, representing 1% thereof.

Founder of the Company, Xiao Liangyong, had transferred 180,000,000 shares to Xi'an Tian An Investment Co., Ltd. in accordance with law.

Promoters of the Company, Xi'an Zhengheng Investment & Advisory Co., Ltd., Wu Chi Yan, Shaanxi Silk Import & Export Corporation and Shaanxi Mant Intellectual Property Industry Development Co., Ltd. had transferred 15,000,000 shares, 10,000,000 shares, 45,064,706 shares and 5,000,000 shares respectively to Shenzhen Huitai Investment Development Co., Ltd.

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Promoter of the Company, Chang'an International Trust Co., Ltd. held 7,400,000 shares when the Company was established and held 70,151,471 shares after three issues of new shares, had transferred all shares to Shanghai Gaoxiang Investment Management Co., Ltd. in accordance with the relevant regulations.

Promoter of the Company, Chen Xiao Bin, held 600,000 shares when the Company was established and held 6,000,000 shares after three issues of new shares, had transferred all shares to Jiao Chengyi in accordance with the relevant regulations."

4. Article 21 of the Articles of Association provides that:

"Upon its establishment, the Company increased its capital for the first time to further issue 161,764,706 ordinary shares and increased its capital for the second time to further issue 300,000,000 ordinary shares, subsequent to which the share capital structure of the Company became 947,058,824 shares. The Company increased its capital for the third time to further issue 400,000,000 ordinary shares, subsequent to which the share capital structure of the Company became 1,347,058,824 shares. In particular, 885,294,118 shares were domestic shares, representing 65.72% of the total share capital, which were held as to 100,000,000 shares by Xi'an International Medical Investment Co., Ltd., 70,151,471 shares by Chang'an International Trust Co., Ltd., 54,077,941 shares by Beijing Holdings Investment Management Co., Ltd. and 6,000,000 shares by Chen Xiao Bin respectively, being promoters of the Company; and 328,363,637 shares by Xi'an Tian An Investment Co., Ltd., 75,064,706 shares by Shenzhen Huitai Investment Development Co., Ltd., 119,693,333 shares by Shanghai Gaoxiang Investment Management Co., Ltd., 70,000,000 shares by Xi'an Haorun Investment Ltd., 20,000,000 shares by Shaanxi Yinji Investment Ltd., 18,500,000 shares by Hongshi (Shanghai) Investment Consultancy Ltd., 18,500,000 shares by Shanghai Maokou Commerce and Trading Ltd., and 4,943,030 shares by Jiao Chengyi respectively, being non-promoters of the Company. 461,764,706 shares are held by the holders of overseas listed foreign shares ("H Shares"), representing 34.28% of the total number of ordinary shares in issue of the Company."

This Article is proposed to be amended to read as follows:

"Upon its establishment, the Company increased its capital for the first time to further issue 161,764,706 ordinary shares and increased its capital for the second time to further issue 300,000,000 ordinary shares, subsequent to which the share capital structure of the Company became 947,058,824 shares. The Company increased its capital for the third time to further issue 400,000,000 ordinary shares, subsequent to which the share capital structure of the Company became 1,347,058,824 shares. In particular, 885,294,118 shares were domestic shares, representing 65.72% of the total share capital, which were held as to 100,000,000 shares by Xi'an International Medical Investment Co., Ltd. and 54,077,941 shares by Beijing Holdings Investment Management Co., Ltd. respectively, being promoters of the Company; and 328,363,637 shares by Xi'an Tian An Investment Co., Ltd.,

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75,064,706 shares by Shenzhen Huitai Investment Development Co., Ltd., 189,844,804 shares by Shanghai Gaoxiang Investment Management Co., Ltd., 70,000,000 shares by Xi'an Haorun Investment Ltd., 20,000,000 shares by Shaanxi Yinji Investment Ltd., 18,500,000 shares by Hongshi (Shanghai) Investment Consultancy Ltd., 18,500,000 shares by Shanghai Maokou Commerce and Trading Ltd. and 10,943,030 shares by Jiao Chengyi respectively, being non-promoters of the Company. 461,764,706 shares are held by the holders of overseas listed foreign shares ("H Shares"), representing 34.28% of the total number of ordinary shares in issue of the Company."

THE EGM

The EGM will be held to consider and, if thought fit, pass resolutions to approve (i) the Purchase Agreement and the transactions contemplated thereunder, and (ii) the proposed amendment of the Articles of Association. To the best of information, knowledge and belief of the Directors, as at the Latest Practicable Date, no Shareholder has any material interest in the Proposed Acquisition and none of the Shareholders was required to abstain from voting in respect of the any of the resolutions at the EGM. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, there is (i) no voting trust or other agreement or arrangement or understanding entered into by or binding upon any Shareholder; and (ii) no obligation or entitlement of any Shareholder as at the Latest Practicable Date, whereby it has or may have temporarily or permanently passed control over the exercise of the voting right in respect of its Shares to a third party, either generally or on a case-by-case basis.

Notice convening the EGM to be held at Conference Room, A-2 of Standard Workshop Phase II, Zone B of Xi'an Export Processing Zone, No. 28 Xinxu Avenue, National Hi-tech Industrial Development Zone, Xi'an, Shaanxi Province, the People's Republic of China on 11 January 2016 at 2:30 p.m. are set out on pages EGM-1 to EGM-3 to this circular, and the reply slip and form of proxy are enclosed hereto. Whether or not you are able to attend the EGM, you are requested to complete the enclosed reply slip and form of proxy in accordance with the instructions printed thereon and return them to the Company's head office at No. 66 Jinye Road, National Hi-tech Industrial Development Zone, Xi'an, Shaanxi Province, the PRC (Post Code: 710075) (for Domestic Shareholders); or to the H share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for H Shareholders), as soon as possible but in any event for reply slip, no later than 22 December 2015, and for the form of proxy, not less than 24 hours before the time appointed for the holding of the EGM, or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

An announcement of the poll results of the EGM will be published on the websites of the Stock Exchange and of the Company after the EGM.

LETTER FROM THE BOARD

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company shall be closed from 12 December 2015 to 11 January 2016 (both days inclusive), during which period no transfer of shares can be registered. Holders of the Shares whose names appear on the register of members of the Company at the close of business on 11 December 2015 shall be entitled to attend and vote at the EGM. In order to qualify to attend and vote at the EGM, all instruments of transfer must be delivered to the head office of the Company at No. 66 Jinye Road, National Hi-tech Industrial Development Zone, Xi'an, Shannxi Province, the PRC (for holders of Domestic Shares), or the Company's registrar of H Share, Computershare Hong Kong Investor Services Limited at Hopewell Centre, Shops 1712-1716, 17/F, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares), no later than 4:30 p.m. on 11 December 2015.

RECOMMENDATIONS

The Board considers that the resolutions set out in the notice of the EGM are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all the resolutions as set out in the notice of the EGM.

FURTHER INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

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

* *for identification purpose only*

1. STATEMENT OF INDEBTEDNESS

As at the close of business on 30 September 2015, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the indebtedness of the Group was as follows:

(i) Bank borrowing

The Group had outstanding unsecured bank borrowing of RMB20,000,000 and was guaranteed by a Director and pledged by certain properties of the close family member of the Director.

(ii) Other indebtedness

The Group had outstanding indebtedness of RMB2,400,000 due to a connected party in which a Director's spouse has beneficial interest in. The amount was unsecured, non-interest bearing and repayable on demand.

The Group had outstanding indebtedness of RMB9,587,366 due to independent third parties, which was unsecured, non-interest bearing and repayable on demand.

(iii) Contingent liabilities

As at the close of business on 30 September 2015, the Group had no material contingent liabilities.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables, the Group did not have any debt securities issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptance or acceptance credits, mortgages, charges, hire purchase or finance lease commitments, guarantees or contingent liabilities.

2. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the Group's business prospects, internal resources, existing available financial resources and the Proposed Acquisition, the Group has sufficient working capital for its present requirements for at least the next 12 months from the date of this circular.

3. MATERIAL ADVERSE CHANGES SINCE 31 DECEMBER 2014

The Directors are not aware of any material adverse change in the financial and trading position of the Company since 31 December 2014 being the date to which the latest published audited financial statements of the Company were made up.

4. FINANCIAL AND TRADING PROSPECTS OF THE COMPANY

During the first half of 2015, the Group has substantially achieved turnaround through vigorous expansion into new business and more stringent account receivables management. Meanwhile, the Group has completed the new issue of an aggregate 300,000,000 H Shares which raised approximately HK\$56,700,000 of gross proceeds, thereby significantly improved the operating cash flow of the Company. The Group will continue to cut subsequent expenditure in the mobile communication antenna market and will shift its focus to the research, development and production of aviation products and marine products, and devoting more effort on market development.

In addition, the newly established companies namely, Haitian Marine and Haitian Aerospace gained initial success with satisfactory operational performance, in which Haitian Marine had successfully developed a number of products for underwater and underground surveillance, imaging, mechanical equipment, and complicated environment warning and surveillance equipment, all showcased promising market potentials. Haitian Aerospace had newly extended into the agricultural and forestry UAV services market in various provinces and cities across the country, and commenced research and development projects for related agricultural and forestry UAV services products. It is expected that the above new products will boost the sales to a fresh new round of growth in 2015, facilitate the Group to realise strategic diversification of products and achieve better business performance.

Furthermore, in respect of fund required for development of a diversified business model, in addition to financing channels of regular bank borrowings, the Company is conducting a new domestic shares placing, which is expected to raise over RMB41 million in cash. The Board and the management will step up their efforts in building the Group into a high-tech corporation with diversified business portfolio.

5. FINANCIAL INFORMATION OF THE GROUP

Details of the published financial information of the Group for each of the three years ended 31 December 2014 are disclosed in the annual reports of the Company for the years ended 31 December 2012, 2013 and 2014, respectively. All of these financial statements are available on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.xaht.com):

- annual report of the Company for the year ended 31 December 2012 published on 28 March 2013 (pages 29-83);
- annual report of the Company for the year ended 31 December 2013 published on 31 March 2014 (pages 27-85);
- annual report of the Company for the year ended 31 December 2014 published on 27 March 2015 (pages 29-85);
- first quarterly report of the Company for the three months ended 31 March 2015 published on 15 May 2015 (pages 3-8);
- interim report of the Company for the six months ended 30 June 2015 published on 17 August 2015 (pages 3-13); and
- third quarterly report of the Company for the nine months ended 30 September 2015 published on 12 November 2015 (pages 3-6).

The following is the text of a letter, summary of value and valuation certificate, prepared for the purpose of incorporation in this circular received from Cushman & Wakefield Valuation Advisory Services (HK) Limited, an independent valuer, in connection with its valuation as at 30 September 2015 of the property interest to be acquired by the Company.

25 November 2015

Cushman & Wakefield Valuation Advisory Services (HK) Limited
9/F St George's Building
2 Ice House Street, Hong Kong
Tel: (852) 2956 3888
Fax: (852) 2956 2323
www.cushmanwakefield.com



The Board of Directors
Xi'an Haitian Antenna Technologies Co., Ltd.
No. 66 Jinye Road
National Hi-tech Industrial Development Zone
Xi'an, Shaanxi Province
The People's Republic of China

Dear Sirs,

Preliminary

In accordance with the instructions from Xi'an Haitian Antenna Technologies Co., Ltd. (the "Company") for us to value the property held by Xi'an Xiangyu Aviation Technologies Co., Ltd. (西安翔宇航空科技股份有限公司) in The People's Republic of China ("The PRC"). We confirm that we have carried out physical inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property interest as at 30 September 2015 (the "valuation date").

Basis of Valuation

Our valuation of the property interest represents the "market value" which we would define as intended to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

The valuation has been prepared in accordance with the requirements set out in Chapter 8 of the Rules Governing the Listing of Securities on the Growth Enterprise Market issued by The Stock Exchange of Hong Kong Limited; the International Valuation Standards (2013) published by the International Valuation Standards Council effective from 1 January 2014; and The HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors effective from 1 January 2013.

Valuation
Assumptions

Our valuation has been made on the assumption that the seller sells the property interest in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interest.

As the property in the PRC is held under long term land use rights; we have assumed that the owner has free and uninterrupted rights to use the property for the whole of the unexpired term of the land use rights.

No allowance has been made in our report for any charges, mortgages or amounts owing on any of the property interest valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its values.

We have not carried out detailed site measurements to verify the correctness of the site area in respect of the property but have assumed that the site area shown on the documents and/or official plans handed to us by the Company are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

Site Inspection

We have inspected the exterior and, where possible, the interior of the property. However, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the property is free of rot, infestation or any other structural defects. No tests were carried out on any of the services.

Valuation
Methodology

In the valuation of the property interest, we have adopted the direct comparison approach assuming sale of the property interest in its existing state with the benefit of immediate vacant possession and by making reference to comparable sale transactions as available in the relevant markets. In the valuation of portion of the property which is under construction, we have also considered the development costs and professional fee relevant to the stage of construction as at the valuation date and the remainder of the cost and fee to be incurred to complete the development.

Source of
Information

We have relied to a very considerable extent on the information given by the Company and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, identification of the property and all other relevant matters.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also sought confirmation from the Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

Title Investigations

We have been, in some instances, provided by the Company with extracts of the title documents including State-owned Land Use Rights Grant Contracts and State-owned Land Use Rights Certificates relating to the property interest in the PRC, and have made relevant enquiries. However, we have not searched the original documents to verify the existing titles to the property interest and any material encumbrances that might be attached to the property or any lease amendments which may not appear on the copies handed to us. We have relied considerably on the advice given by the Company's legal advisers – Shaanxi Huaqin Lawfirm (陝西華秦律師事務所), concerning the validity of the Company's titles to the property interest in the PRC.

Currency & Exchange Rate

Unless otherwise stated, all monetary sums stated in this report are in Renminbi (RMB).

Our valuation is summarised below and the valuation certificate is attached.

Yours faithfully,
for and on behalf of

Cushman & Wakefield Valuation Advisory Services (HK) Limited
Vincent Cheung

Registered Professional Surveyor (GP)

BSc(Hons) MBA FRICS MHKIS

Executive Director and Head of Valuation & Advisory, Greater China

Note: Mr. Vincent Cheung holds a Master of Business Administration and he is a Registered Professional Surveyor with over 18 years' experience in real estate industry and assets valuations sector. His experience on valuations covers Hong Kong, Macau, Taiwan, South Korea, Mainland China, Vietnam, Cambodia and other overseas countries. Mr. Cheung is a fellow of The Royal Institution of Chartered Surveyors and a member of The Hong Kong Institute of Surveyors. Mr. Cheung is one of the valuers on the "list of property valuers for undertaking valuation for incorporation or reference in listing particulars and circulars and valuations in connection with takeovers and mergers" as well as a Registered Business Valuer of the Hong Kong Business Valuation Forum.

SUMMARY OF VALUE

PROPERTY INTEREST CONTRACTED TO BE ACQUIRED BY THE COMPANY

Property	Market Value in existing state as at 30 September 2015 RMB
An Industrial Complex located at the east of Shuoshi Road and the west of Chuangye Avenue, National Hi-Tech Industrial Development Zone, Xi'an, Shaanxi Province, The PRC	No commercial value
Grand-total:	<hr/> <hr/> Nil

VALUATION CERTIFICATE

PROPERTY INTEREST CONTRACTED TO BE ACQUIRED BY THE COMPANY

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2015 RMB								
An Industrial Complex located at the east of Shuoshi Road and the west of Chuangye Avenue, National Hi-Tech Industrial Development Zone, Xi'an, Shaanxi Province, The PRC	<p>The property comprises a parcel of land with a site area of approximately 19,723.3 square metres on which two 3-level industrial buildings (Block A and Block B) and a 4-level industrial building (Block C) are erected.</p> <p>Block A and Block B of the property were completed in 2002 and have a total gross floor area of approximately 8,108.59 square metres.</p> <p>The breakdown of the gross floor area of the property is listed below:</p> <table border="1"> <thead> <tr> <th>Building</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Block A</td> <td>3,339.69</td> </tr> <tr> <td>Block B</td> <td>4,768.90</td> </tr> <tr> <td>Total</td> <td>8,108.59</td> </tr> </tbody> </table> <p>Block C is under construction and planned to be completed in 2016. The planned gross floor area of Block C is approximately 2,570.3 square metres.</p> <p>The land use rights of the property were granted for a term of expiring on 14 March 2051 for industrial uses.</p>	Building	Gross Floor Area (sq.m.)	Block A	3,339.69	Block B	4,768.90	Total	8,108.59	<p>Portion of the property is currently occupied for industrial and ancillary office uses, and the remaining portion of the property is vacant and under construction.</p>	<p>No commercial value <i>(Refer to note 12)</i></p>
Building	Gross Floor Area (sq.m.)										
Block A	3,339.69										
Block B	4,768.90										
Total	8,108.59										

Notes:

1. The property was inspected by Mr. Samson Ho *MRICS MHKIS* on 13 July 2015. Mr. Samson Ho is a Member of The Royal Institution of Chartered Surveyors (RICS) and a Member of The Hong Kong Institute of Surveyors (HKIS), with over 8 years' experience in real estate valuations.
2. The general description of the property is summarised as below:

Location:	The property abuts Chuangye Avenue to the east and Shuoshi Road to the west and other industrial buildings to the south and north.
Transportation:	Xi'an Xianyang International Airport is located within a 45-minute driving distance from the property.
Nature of Surrounding Area:	The subject area is named National Hi-Tech Industrial Development Zone which is a major developed industrial zone of Xi'an.
3. Pursuant to a copy of Land Use Rights Certificate, Xi Gaoxin Changan Yuan Guo Yong (2001) Zi Di No. 007 dated 21 September 2001 and issued by the People's Government of Changan County (長安縣人民政府), the land use rights of the property with a site area of 17,117.3 square metres were granted to Xi'an Xiangyu Aviation Technologies Co., Ltd. (西安翔宇航空科技股份有限公司) for a term expiring on 14 March 2051 for industrial uses. According to the notes of the Land Use Rights Certificate, the site area of the property has been changed to 19,723.3 square metres.
4. Pursuant to a copy of Construction Land Use Planning Permit, Chang Ke Yuan Jian Di Gui Zi No. 04-012 dated 14 May 2004 and issued by the Management Office of Changan Technology Park, Xi'an Hi-Tech Industrial Development Zone (西安高新技術產業開發區長安科技產業園管理辦公室), the proposed land use of the property with a site area of 33.032 mu (including a site area of 3.447 mu for construction of public road) was approved.
5. Pursuant to a copy of Construction Project Planning Permit, Chang Ke Yuan Jian Gong Gui Zi No. 2003-020 dated 23 June 2003 and issued by the Management Office of Changan Technology Park, Xi'an Hi-Tech Industrial Development Zone (西安高新技術產業開發區長安科技產業園管理辦公室), the development of Block A and Block B of the property with a total gross floor area of 8,108.59 square metres was approved.
6. Pursuant to a copy of Construction Project Planning Permit, Chang Ke Yuan Jian Gong Gui Zi No. 2004-018 dated 18 December 2004 and issued by the Management Office of Changan Technology Park, Xi'an Hi-Tech Industrial Development Zone (西安高新技術產業開發區長安科技產業園管理辦公室), the proposed development of Block C of the property and Block D with a total planned gross floor area of 17,073.85 square metres was approved.
7. Pursuant to a copy of Construction Works Commencement Permit, Chang Ke Yuan Jian Shi Xu Zi No. 03-020 dated 4 July 2003 and issued by the Management Office of Changan Technology Park, Xi'an Hi-Tech Industrial Development Zone (西安高新技術產業開發區長安科技產業園管理辦公室), the construction works of the development of Block A and Block B of the property with a total gross floor area of 8,108.59 square metres was approved to commence.
8. Pursuant to a copy of Construction Works Commencement Permit, Chang Ke Yuan Jian Shi Xu Zi No. 04-017 dated 18 December 2004 and issued by the Management Office of Changan Technology Park, Xi'an Hi-Tech Industrial Development Zone (西安高新技術產業開發區長安科技產業園管理辦公室), the construction works of the proposed development of Block C of the property and Block D with a total planned gross floor area of 17,073.85 square metres was approved to commence.
9. Pursuant to a copy of Mortgage Contract dated 30 November 2007 entered into between Bank of Communications Co. Ltd, Xi'an Branch (交通銀行股份有限公司西安分行) ("Mortgagee") and Xi'an Xiangyu Aviation Technologies Co., Ltd. (西安翔宇航空科技股份有限公司), Block A and Block B of the property are subject to a mortgage in favour of the Mortgagee to secure an amount of RMB9,000,000.

10. Pursuant to copies of various Loan Contracts entered into between Agricultural Bank of China, Xi'an Hi-Tech Industrial Development Zone Branch (中國農業銀行西安高新技術產業開發區分行) ("Lender") and Xi'an Xiangyu Aviation Technologies Co., Ltd. (西安翔宇航空科技股份有限公司), Block C of the property and a land parcel located next to the property are subject to various loans in favour of the Lender to secure a total amount of RMB19,100,000.
11. According to the property legal opinion provided by the Company's PRC legal adviser, the property is seized by the Intermediate Court of Xi'an City (西安市中級人民法院). Therefore, in our valuation, we have attributed no commercial value to the property.
12. For reference purposes, we are of the opinion that the market value of the property as at the valuation date would be RMB40,100,000, subject to the following conditions:
 - a. The loans secured by the property has been settled;
 - b. The seizure of the property has been released by the Intermediate Court of Xi'an City (西安市中級人民法院); and
 - c. The property can be freely transferred, leased, mortgaged or handled by other legitimate ways within the term specified in title certificates.
13. We have been provided with a legal opinion regarding the legality of the property interest by the Company's PRC legal adviser, which contains, inter alia, the following:
 - a. The land premium of the land use rights of the property has been fully settled;
 - b. The buildings of the property has been in compliance with local land use and construction planning and has obtained relevant construction project planning permits and construction works commencement permits. There is no legal impediment in obtaining the building ownership certificate of the property after passing the acceptance examination of relevant authorities and completing the registration procedures;
 - c. The property is currently seized by the Intermediate Court of Xi'an City (西安市中級人民法院). Xi'an Xiangyu Aviation Technologies Co., Ltd. (西安翔宇航空科技股份有限公司) has no right to mortgage and transfer the property during the period of seizure; and
 - d. There is no legal impediment in transferring the property after settlement of outstanding loans and related interests of the property with relevant banks and the seizure of the property has been released by the Intermediate Court of Xi'an City (西安市中級人民法院).

1. RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors, Supervisors and chief executive of the Company

As at the Latest Practicable Date, the interest and short position of the Directors, the Supervisors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange, were as follows:

Interests in the Domestic Shares (long positions):

Name of person	Capacity	Number of Domestic Shares	Approximate % in total issued Domestic Shares	Approximate % in total issued Shares	Approximate %	
					enlarged by the issue of New Domestic Shares	enlarged by the issue of New Domestic Shares
Mr. Xiao Bing (肖兵先生) ⁽¹⁾	Interest in controlled corporation	328,363,637	67.66%	34.67%	37.09%	24.38%
Mr. Chen Ji (陳繼先生) ⁽²⁾	Spouse interest	119,693,333	24.66%	13.52%	12.64%	8.89%

Interest in H Shares (long positions):

Name of person	Capacity	Number of H Shares	Approximate % in total issued H Shares	Approximate % in total issued Shares	Approximate % in total issued Shares as enlarged by the issue of the New Domestic Shares
Mr. Chen Ji (陳繼先生)	Beneficial owner	39,620,000	8.58%	4.18%	2.94%

Notes:

- These 328,363,637 Domestic Shares comprised of (i) 180,000,000 Domestic Shares held by Tian An Investment; and (ii) 148,363,637 New Domestic Shares to be allotted and issued to Tian An Investment pursuant to the Tian An Investment Subscription Agreement. Tian An Investment is beneficially owned as to 60% by Mr. Xiao Bing and 40% by Ms. Yao Wenli. By virtue of the SFO, Mr. Xiao Bing was deemed to be interested in the same 328,363,637 Domestic Shares.
- These 119,693,333 Domestic Shares represent 119,693,333 New Domestic Shares to be allotted and issued to Gaoxiang Investment pursuant to the Gaoxiang Investment Subscription Agreement. Gaoxiang Investment is beneficially owned by the spouse and mother-in-law of Mr. Chen Ji. By virtue of the SFO, Mr. Chen Ji is deemed to be interested in the same 119,693,333 Domestic Shares.

(b) Directors' interests in assets and contracts

As at the Latest Practicable Date, save that (i) Mr. Xiao Bing was interested in the Tian An Investment Subscription Agreement; and (ii) Mr. Chen Ji is interested in the Gaoxiang Investment Subscription Agreement,

- (i) none of the Directors had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to the Company or are proposed to be acquired or disposed of by or leased to the Company since 31 December 2014, being the date to which the latest published audited accounts of the Company were made up; and
- (ii) none of the Directors was materially interested in any contract or arrangement entered into by the Company subsisting at the Latest Practicable Date and which is significant in relation to the business of the Company.

(c) Directors', Supervisors' and management shareholders' interests in competing business

As at the Latest Practicable Date, none of the Directors, the Supervisors or the controlling shareholders of the Company and their respective associates had an interest in a business, apart from the business of the Company, which competes or may compete with the business of the Company or has any other conflict of interest with the Company which would be required to be disclosed pursuant to the GEM Listing Rules.

(d) Substantial shareholders' and other shareholders' interests

As at the Latest Practicable Date, so far as is known to the Directors, the Supervisors or chief executive of the Company, the following persons, other than a Director, Supervisor or chief executive of the Company, had an interest or a short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is expected, directly or indirectly, to be interested in 10 per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

(i) Interests in the Domestic Shares (long positions):

Name of Shareholder	Capacity	Number of Domestic Shares	Approximately %	Approximately %	Approximately %	Approximately %
			in the total issued Domestic Shares	in the total enlarged by the issue of the New Domestic Shares	in the total issued Domestic Shares	in the total enlarged by the issue of the New Domestic Shares
Tian An Investment ⁽¹⁾	Beneficial owner	328,363,637	67.66%	37.09%	34.67%	24.38%
Professor Xiao Liangyong (肖良勇教授) ⁽¹⁾	Parties acting in concert	328,363,637	67.66%	37.09%	34.67%	24.38%
Ms. Yao Wenli (姚文俐女士) ⁽¹⁾	Interest in controlled corporation	328,363,637	67.66%	37.09%	34.67%	24.38%
Gaoxiang Investment ⁽²⁾	Beneficial owner	119,693,333	24.66%	13.52%	12.64%	8.89%
Ms. Sun Xiangjun (孫湘君女士) ⁽²⁾	Interest in controlled corporation	119,693,333	24.66%	13.52%	12.64%	8.89%
Ms. Gao Xuejuan (高雪娟) ⁽²⁾	Interest in controlled corporation	119,693,333	24.66%	13.52%	12.64%	8.89%
Xi'an International Medical Investment Company Limited* (西安國際醫學投資股份有限公司)	Beneficial owner	100,000,000	20.61%	11.30%	10.56%	7.42%
Shenzhen Huitai Investment Development Company Limited* (深圳市匯泰投資發展有限公司) ⁽³⁾	Beneficial owner	75,064,706	15.47%	8.48%	7.93%	5.57%
Mr. Zuo Hong (左宏先生) ⁽³⁾	Interest in controlled corporation	75,064,706	15.47%	8.48%	7.93%	5.57%

* for identification purpose only

Name of Shareholder	Capacity	Number of Domestic Shares	Approximately % in the total issued Domestic Shares	Approximately %	Approximately % in the total issued Shares as enlarged by the New issue of the Domestic Shares	Approximately %
				in the total issued Domestic Shares as enlarged by the New issue of the Domestic Shares		in the total issued Shares as enlarged by the New issue of the Domestic Shares
Ms. Yi Li (易麗女士) ⁽³⁾	Interest in controlled corporation	75,064,706	15.47%	8.48%	7.93%	5.57%
Chang'an International Trust Co., Ltd.* (長安國際信託有限公司) ⁽⁴⁾	Beneficial owner	70,151,471	14.46%	7.92%	7.41%	5.21%
Xi'an Finance Bureau* (西安市財政局) ⁽⁴⁾	Interest in controlled corporation	70,151,471	14.46%	7.92%	7.41%	5.21%
Shanghai Zendai Investment Management Co., Ltd.* (上海証大投資管理有限公司) ⁽⁴⁾	Interest in controlled corporation	70,151,471	14.46%	7.92%	7.41%	5.21%
Haorun Investment ⁽⁵⁾	Beneficial owner	70,000,000	14.42%	7.91%	7.39%	5.20%
Mr. Wang Yun (王贇先生) ⁽⁵⁾	Interest in controlled corporation	70,000,000	14.42%	7.91%	7.39%	5.20%
北京京泰投資管理中心 (Beijing Holdings Investment Management Co., Ltd.*) ⁽⁶⁾	Beneficial owner	54,077,941	11.14%	6.11%	5.71%	4.01%
京泰實業(集團)有限公司 (Beijing Holdings (Group) Limited*) ⁽⁶⁾	Interest in controlled corporation	54,077,941	11.14%	6.11%	5.71%	4.01%

* for identification purpose only

Notes:

1. These 328,363,637 Domestic Shares comprised of (i) 180,000,000 Domestic Shares held by Tian An Investment; and (ii) 148,363,637 New Domestic Shares to be allotted and issued to Tian An Investment pursuant to the Tian An Investment Subscription Agreement. Tian An Investment is beneficially owned as to 60% by Mr. Xiao Bing and 40% by Ms. Yao Wenli. Professor Xiao Liangyong is the father of and a person acting in concert with Mr. Xiao Bing. By virtue of the SFO, each of Professor Xiao Liangyong and Ms. Yao Wenli is deemed to be interested in the same 328,363,637 Domestic Shares.
2. These 119,693,333 Domestic Shares represent 119,693,333 New Domestic Shares to be allotted and issued pursuant to the Gaoxiang Investment Subscription Agreement. Gaoxiang Investment is beneficially owned by Ms. Sun Xiangjun (孫湘君女士) and Ms. Gao Xuejuan (高雪娟) in equal share. By virtue of the SFO, each of Ms. Sun Xiangjun (孫湘君女士) and Ms. Gao Xuejuan (高雪娟) is deemed to be interested in the same 119,693,333 Domestic Shares.
3. Shenzhen Huitai Investment Development Company Limited* (深圳市匯泰投資發展有限公司) is beneficially owned by Mr. Zuo Hong (左宏先生) and Ms. Yi Li (易麗女士) in equal share. By virtue of the SFO, each of Mr. Zuo Hong (左宏先生) and Ms. Yi Li (易麗女士) is deemed to be interested in the same 75,064,706 Domestic Shares.
4. By virtue of the SFO, Xi'an Finance Bureau* (西安市財政局) and Shanghai Zendai Investment Management Co., Ltd.* (上海証大投資管理有限公司), which respectively holds more than one third of voting rights of Chang'an International Trust Co., Ltd.* (長安國際信託有限公司), are deemed to be interested in the same 70,151,471 Domestic Shares.
5. These 70,000,000 Domestic Shares represent 70,000,000 New Domestic Shares to be allotted and issued to Haorun Investment pursuant to the Haorun Investment Subscription Agreement. By virtue of the SFO, Mr. Wang Yun (王贇先生) who owns 50% of the voting right of Haorun Investment, is deemed to be interested in the same 70,000,000 New Domestic Shares.
6. By virtue of the SFO, Beijing Holdings (Group) Limited* (京泰實業集團有限公司), which holds more than one third of voting rights of Beijing Holdings Investment Management Co., Ltd.* (京泰實業集團有限公司) is deemed to be interested in the same 54,077,941 Domestic Shares.

* for identification purpose only

(ii) *Interests in the H Shares (long positions):*

Name of shareholder	Capacity	Number of H Shares	Approximate % in the total issued H Shares	Approximately % in the total issued Shares	Approximate % in the total issued Shares as enlarged by the issue of the New Domestic Shares
Hongkong Jinsheng Enterprise Co., Limited (香港錦昇企業有限公司) ⁽¹⁾⁽⁶⁾	Beneficial owner	80,000,000	17.32%	8.45%	5.94%
Mr. Duan Bin (段斌先生) ⁽¹⁾⁽⁶⁾	Interest in controlled corporation	80,000,000	17.32%	8.45%	5.94%
Ms. Yin Shan (殷珊女士) ⁽²⁾⁽⁶⁾	Interest in controlled corporation	60,000,000	12.99%	6.34%	4.45%
Ms. Lu Jinhua (陸謹華女士) ⁽³⁾⁽⁶⁾	Interest in controlled corporation	50,000,000	10.83%	5.28%	3.71%
Ms. Sun Siwei (孫思瑋女士) ⁽⁴⁾⁽⁶⁾	Interest in controlled corporation	50,000,000	10.83%	5.28%	3.71%
Oceanic Harvest International Ltd. ⁽⁵⁾⁽⁶⁾	Beneficial owner	23,332,000	5.05	2.46	1.73

Notes:

- Hongkong Jinsheng Enterprise Co., Limited is beneficially owned as to 80% by Mr. Duan Bin (段斌先生). By virtue of the SFO, Mr. Duan Bin (段斌先生) is deemed to be interested in the same 80,000,000 H Shares.
- These 60,000,000 H Shares are held by Great Harmony Ventures Limited, which is wholly owned by Ms. Yin Shan (殷珊女士). By virtue of the SFO, Ms. Yin Shan (殷珊女士) is deemed to be interested in the same 60,000,000 H Shares.
- These 50,000,000 H Shares are held by Campari Winner Limited, which is wholly owned by Ms. Lu Jinhua (陸謹華女士). By virtue of the SFO, Ms. Lu Jinhua (陸謹華女士) is deemed to be interested in the same 50,000,000 H Shares.
- These 50,000,000 H Shares are held by Variant Wealth Limited, which is wholly owned by Ms. Sun Siwei (孫思瑋女士). By virtue of the SFO, Ms. Sun Siwei (孫思瑋女士) is deemed to be interested in the same 50,000,000 H Shares.
- Oceanic Harvest International Ltd. is wholly owned by Chen Wei.
- Details of these Shareholders are based on information as set out in the website of the Stock Exchange. The Company has not been notified by these Shareholders of their respective interest in the Company nor received any notice pursuant to the SFO from them.

As at the Latest Practicable Date, save for the persons described in the paragraph headed “Substantial shareholders’ and other shareholders’ interests” above, the Directors were not aware of any other person (other than the Directors, the Supervisors or chief executives of the Company) who had an interest or a short position in the shares or underlying shares of the Company that was required to be disclosed under Division 2 and 3 of Part XV of the SFO and the GEM Listing Rules.

As at the Latest Practicable Date, Mr. Xiao Bing was a director of Tian An Investment, Mr. Sun Wenguo was a director of Xi’an International Medical Investment Co., Ltd.* (西安國際醫學投資股份有限公司), Mr. Xie Yiqun was an employee of Chang’an International Trust Co., Ltd.* (長安國際信託股份有限公司) and Mr. Yan Feng was an employee of Beijing Holdings Investment Management Co., Ltd.* (北京京泰投資管理中心). Save as disclosed above, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which has an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. SERVICE CONTRACTS

Each of the Directors has entered into a service contract with the Company for a term valid until 28 June 2016 subject to renewal upon approval by the Shareholders for one or more consecutive terms of three years.

Details of the annual emoluments of the Directors as set out in their respective service contract with the Company are as follows:

	<i>(RMB)</i>
Mr. Xiao Bing	600,000
Mr. Chen Ji	600,000
Mr. Sun Wenguo	6,000
Mr. Li Wenqi	6,000
Mr. Yan Feng	6,000
Mr. Xie Yiqun	6,000
Mr. Li Peng	600,000
Mr. Zhang Jun	12,000
Professor Shi Ping	12,000
Ms. Huang Jing	12,000
Mr. Yu Jijun	12,000

As at the Latest Practicable Date, save as disclosed above, none of the Directors and the Supervisors had entered or was proposing to enter into a service contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

* for identification purpose only

4. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to the Directors to be pending or threatened against the Group.

5. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) had been entered into by the Company or any of its subsidiaries within two years preceding the Latest Practicable Date and are or may be material:

- (a) The Purchase Agreement;
- (b) Tian An Investment Subscription Agreement;
- (c) Gaoxiang Investment Subscription Agreement;
- (d) the subscription agreement dated 26 June 2015 entered into between the Company and Haorun Investment in relation to the subscription of 70,000,000 New Domestic Shares;
- (e) the subscription agreement dated 26 June 2015 entered into between the Company and Shaanxi Yinji Investment Limited* (陝西銀吉投資有限公司) in relation to the subscription of 20,000,000 New Domestic Shares;
- (f) the subscription agreement dated 26 June 2015 entered into between the Company and Hongshi (Shanghai) Investment Consultancy Limited* (宏獅(上海)投資諮詢有限公司) in relation to the subscription of 18,500,000 New Domestic Shares;
- (g) the subscription agreement dated 26 June 2015 entered into between the Company and Shanghai Maokou Commerce and Trading Limited* (上海睿寇商貿有限公司) in relation to the subscription of 18,500,000 New Domestic Shares;
- (h) the subscription agreement dated 26 June 2015 entered into between the Company and Mr. Jiao Chengyi (焦成義先生) in relation to the subscription of 4,943,030 New Domestic Shares;
- (i) the subscription agreement dated 25 July 2014 entered into between the Company and Hongkong Jinsheng Enterprise Co., Limited (香港錦昇企業有限公司) in relation to the subscription of 80,000,000 H Shares;

* for identification purpose only

- (j) the subscription agreement dated 25 July 2014 entered into between the Company and Great Harmony Ventures Limited (大同創投有限公司) in relation to the subscription of 60,000,000 H Shares;
- (k) the subscription agreement dated 25 July 2014 entered into between the Company and Long Apex Limited in relation to the subscription of 60,000,000 H Shares;
- (l) the subscription agreement dated 25 July 2014 entered into between the Company and Campari Winner Limited in relation to the subscription of 50,000,000 H Shares;
- (m) the subscription agreement dated 25 July 2014 entered into between the Company and Variant Wealth Limited in relation to the subscription of 50,000,000 H Shares; and
- (n) the agreement dated 10 January 2014 entered into between the Company and 西安海天投資控股有限責任公司 (Xi'an Haitian Investment Holding Co., Ltd.*) in relation to the proposed disposal by the Company of buildings and structures with a gross floor area of approximately 39,263.87 sq.m. along with the ancillary facilities attached thereon erected on a parcel of land located at south of Jinye Road and west of Zhangbasi Road, Xi'an Gao Xin District, Xi'an, Shaanxi Province, the PRC.

6. EXPERT AND CONSENT

The following is the qualification of the expert who has provided its advice for inclusion in this circular:

Name	Qualification
Cushman & Wakefield Valuation Advisory Services (HK) Limited	Professional valuer

Cushman & Wakefield Valuation Advisory Services (HK) Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter of advice and the reference to its name in the form and context in which they appear.

As at the Latest Practicable Date, Cushman & Wakefield Valuation Advisory Services (HK) Limited:

- (a) was not interested beneficially or otherwise in any Shares or securities in any of subsidiaries or associated corporations (within the meaning of Part XV of the SFO) of the Company;

* for identification purpose only

- (b) did not have any rights, whether legally enforceable or not, or option to subscribe for or to nominate persons to subscribe for any Shares or securities in any of subsidiaries or associated corporations of the Company; and
- (c) did not have any interests, either direct or indirect, in any assets which have been, since 31 December 2014 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to the Company.

7. MISCELLANEOUS

- (a) The registered office of the Company is situated at No. 66 Jinye Road, National Hi-tech Industrial Development Zone, Xi'an, Shaanxi Province, the PRC.
- (b) The principal place of business of the Company in Hong Kong is at Room B, 16th Floor, Yam Tze Commercial Building, 23 Thomson Road, Wanchai, Hong Kong.
- (c) The Hong Kong share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited at Hopewell Centre, 17M Floor, 183 Queen's Road East, Wanchai, Hong Kong.
- (d) The company secretary of the Company is Mr. Lun Ka Chun. He is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants.
- (e) The compliance officer of the Company is Mr. Xiao Bing.

Mr. Xiao Bing, aged 49, is the son of Professor Xiao Liangyong, the founder of the Company. Mr. Xiao Bing is the Chairman of the Company and an executive Director. Mr. Xiao studied in the college of continuous education of Xidian University (西安電子科技大學). He worked in Xi'an General Factory of Oil Instruments (西安石油勘探儀器總廠) from 1988 to 1991 and was the deputy general manager of Xi'an Haitian Communications Equipment Company Limited (西安海天通訊設備有限公司) from 1999 to 2000. He joined the Group as an executive Director and first assumed the post of president of the Company since October 2000. Mr. Xiao was the chairman of the Board from August 2004 to November 2007.

- (f) The Company has established an audit committee on 4 April 2003 with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control systems of the Group. As at the Latest Practicable Date, the audit committee comprised Mr. Zhang Jun and Ms. Huang Jing, independent non-executive Directors, and Mr. Li Wenqi, a

non-executive Director. Ms. Huang Jing was the chairman of the audit committee. Biographical details of the members of the audit committee are set forth below:

Ms. Huang Jing (黃婧女士), aged 30, obtained Bachelor of Laws from Zhejiang Sci-Tech University* (浙江理工大學) in 2006. Ms. Huang worked for Shanghai Florin Investment Management Co., Ltd.* (上海豐瑞投資集團有限公司) as senior manager of legal department from December 2006 to March 2008. Since March 2008, she joined Shanghai Hui Da Feng Law Firm* (上海市匯達豐律師事務所) as paralegal and trainee solicitor and became lawyer and partner. Ms. Huang was securities affairs representative of Shanghai Zhongji Investment Holding Co., Ltd.* (上海中技投資控股股份有限公司), a company listed on The Shanghai Stock Exchange, from May 2011 to January 2014. Ms. Huang was appointed as director of Zhejiang Xinlian Co., Ltd.* (浙江信聯股份有限公司) on 2 March 2015. Ms. Huang was an independent Supervisor from 28 June 2013 to 13 February 2015, and was appointed as an independent non-executive Director with effect from 13 February 2015.

Mr. Zhang Jun (張鈞先生), aged 46, worked for 西北電業管理局 (Northwest Electrical Authority*) after graduation from 南京理工大學 (Nanjing University of Science and Technology*) in 1990. In 1993, he served as regional sales director and Beijing chief representative of 美國哈里斯(深圳)通信設備股份有限公司 (United States Harris Communications Equipment (Shenzhen) Co., Ltd.*). Mr. Zhang joined 北京地傑通信設備有限公司 (Beijing Dijie Communication Equipment Co., Ltd.*) as marketing director, general manager of overseas operations and vice president. Since 2011, Mr. Zhang was managing director of 深圳愛勞高科技有限公司 (Shenzhen Arrow Advanced Technology Co., Ltd.*).

Mr. Li Wenqi (李文琦先生), aged 49, graduated from Shaanxi College of Finance and Economics (陝西財經學院), now known as Xi'an Jiaotong University (西安交通大學). He worked for Shaanxi Silk Import & Export Corporation (陝西絲綢進出口公司) ("Shaanxi Silk"), as the deputy chief and manager of planning and finance department from October 1987 to April 1994 and from April 1994 to October 1997 respectively and the assistant to general manager and manager of planning and finance department from October 1997 to May 2001. He is an accountant and the chief accountant and manager of planning and finance department of Shaanxi Silk since May 2001. He joined the Company as a non-executive Director since October 2000.

- (g) Unless otherwise stated, in the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

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8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the office of Messrs. Locke Lord at 21/F., Bank of China Tower, 1 Garden Road, Central, Hong Kong within 14 days from the date of this circular:

- (a) the Articles of Association;
- (b) the contracts referred to in "Material contracts" in this Appendix;
- (c) the letter, summary of value and valuation certificate from Cushman & Wakefield Valuation Advisory Services (HK) Limited as set out in Appendix II to this circular;
- (d) the service contracts referred to in "Service contracts" in this Appendix;
- (e) the written consent of Cushman & Wakefield Valuation Advisory Services (HK) Limited referred to in "Expert and consent" of this Appendix; and
- (f) this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "EGM") of Xi'an Haitian Antenna Technologies Co., Ltd.* (the "Company") will be held at 2:30 p.m. on 11 January 2016 at Conference Room, A-2 of Standard Workshop Phrase II, Zone B of Xi'an Export Processing Zone, No. 28 Xinxi Avenue, National Hi-tech Industrial Development Zone, Xi'an, Shaanxi Province, the People's Republic of China (the "PRC") for the purpose of considering, and if thought fit, with or without modifications, passing the resolutions set out below:

ORDINARY RESOLUTION:

1. "THAT
 - (a) the agreement dated 21 August 2015 (the "Purchase Agreement") entered into between the Company and Xi'an Xiangyu Aviation Technologies Co., Ltd.* (西安翔宇航空科技股份有限公司) in relation to the proposed acquisition of (i) 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), 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 (the "Land"); and (ii) three factory buildings of two 3-level industrial buildings and a 4-level industrial building erected on the Land with a total construction area of approximately 10,678.89 sq.m. by the Company, a copy of which has been produced to this meeting marked "A" and signed by the Chairman of this meeting for the purpose of identification, and the transactions contemplated therein, be and are hereby approved, confirmed and/or ratified; and

* for identification purpose only

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) any director of the Company (the “Director”) authorised for and on behalf of the Company, among other matters, to sign, execute, perfect, deliver or to authorise signing, executing, perfecting and delivering the Purchase Agreement be and is hereby approved, confirmed and ratified, and any Director be and is hereby authorised to do or authorise doing all such acts, matters and things as he may in his absolute discretion consider necessary, expedient or desirable to give effect to and implement the transactions pursuant to the Purchase Agreement and to waive compliance from or make and agree such variations of a non-material nature to any of the terms thereof as he may in his discretion consider to be desirable and in the interest of the Company.”

SPECIAL RESOLUTION:

2. “THAT

- (a) the proposed amendment of the Articles of Association of the Company (the “Articles of Association”) as more particularly described in the circular of the Company dated 25 November 2015 be and are hereby approved; and
- (b) any one director of the Company be and is hereby authorised to make such adjustments or other amendments to the Articles of Association as he/she considers necessary or otherwise appropriate in connection with the proposed amendment or as may be required by the relevant regulatory authorities, and to file the amended Articles of Association with the relevant authorities for approval, endorsement and/or registration as appropriate, and to do or authorise doing all such acts, matters and things as he/she may in his/her absolute discretion consider necessary, expedient or desirable to give effect to and implement the amendment of the Articles of Association.”

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

Xi’an, the PRC, 25 November 2015

* *for identification purpose only*

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. The register of members of the Company will be closed from 12 December 2015 to 11 January 2016, during which period no transfer of shares of the Company can be registered.
2. Holders of domestic shares and H shares whose names appear on the register of members of the Company at the close of business on 11 December 2015 shall be entitled to attend and vote at the EGM convened by the above notice and may appoint one or more proxies in writing to attend and, in the event of a poll, vote on their behalves. A proxy need not be a member of the Company.
3. A proxy form for the EGM is herewith enclosed. In order to be valid, the proxy form must be deposited by hand or by post, for holders of H shares, to the H shares registrar of the Company, Computershare Hong Kong Investor Services Limited and, for holders of domestic shares, to the Company's head office, no later than 24 hours before the time for holding the EGM. If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form.
4. Shareholders or their proxies shall produce their identity documents when attending the EGM.
5. Shareholders who intend to attend the EGM should complete and return the enclosed reply slip by hand or by post, for holders of H Shares, to the H share registrar of the Company and, for holders of domestic shares, to the Company's head office no later than 22 December 2015.
6. Shareholders or proxies attending the EGM should state clearly, in respect of each resolution requiring a vote, whether they are voting for or against a resolution. Abstention votes will not be regarded by the Company as having voting rights for the purpose of vote counts.
7. The address of the Company's head office is as follows:

No. 66 Jinye Road
National Hi-tech Industrial Development Zone
Xi'an, Shaanxi Province
the People's Republic of China

The address of the Company's H share registrar is as follows:

17M Floor
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong