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西安海天天綫科技股份有限公司

XI'AN HAITIAN ANTENNA TECHNOLOGIES CO., LTD.*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 8227)

ISSUE OF NEW H SHARES UNDER GENERAL MANDATE

THE SUBSCRIPTION AGREEMENTS

The Board is pleased to announce that on 18 December 2015 (after trading hours), the Company entered into a subscription agreement with each of the Subscribers, pursuant to which the Company has conditionally agreed to allot and issue and the Subscribers have conditionally agreed to subscribe for in aggregate 92,000,000 New H Shares at a subscription price of HK\$0.33 per New H Share.

The New H Shares represent (i) approximately 19.92% of the total issued H Shares as at the date of this announcement; (ii) approximately 6.83% of the total issued share capital of the Company as at the date of this announcement; (iii) approximately 16.61% of the total issued H Shares as enlarged by the issue of the New H Shares; and (iv) approximately 6.39% of the total issued share capital of the Company as enlarged by the issue of the New H Shares.

The Subscription Price of HK\$0.33 per New H Share represents (i) a discount of approximately 16.46% to the closing price of HK\$0.395 per H Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a discount of approximately 13.84% to the average closing price of HK\$0.383 per H Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day; (iii) a discount of approximately 13.84% to the average closing price of HK\$0.383 per H Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day; and (iv) a premium of approximately 378.26% over the net asset value of the Company of approximately HK\$0.069 based on the Company's unaudited consolidated net asset value of RMB54,473,000 and 947,058,824 Shares in issue as at 30 June 2015.

The gross proceeds from issue of the New H Shares will be HK\$30,360,000. The estimated net proceeds from the issue of the New H Shares will be approximately HK\$29,760,000. Among which, HK\$24,500,000 will be used for repayment of the bank loans of the Group, and remaining balance of HK\$5,260,000 will be reserved as general working capital of the Group.

GENERAL MANDATE

The New H Shares will be allotted and issued pursuant to the General Mandate and which allotment and issue are therefore not subject to the approval of the Shareholders. The Company has not allotted and issued any Shares pursuant to the General Mandate and has not repurchased any issued Shares within the last 30 days prior to the date of this announcement.

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

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

The Board is pleased to announce that on 18 December 2015 (after trading hours), the Company entered into a subscription agreement with each of the Subscribers, pursuant to which the Company has conditionally agreed to allot and issue and the Subscribers have conditionally agreed to subscribe for in aggregate 92,000,000 New H Shares at a subscription price of HK\$0.33 per New H Share.

THE SUBSCRIPTION AGREEMENTS

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

Summarised below are the principal terms of each Subscription Agreement:

1. Date

18 December 2015

2. Parties

(i) the Company

(ii) the respective Subscriber

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

3. New H Shares

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

Subscriber	As at the date of this announcement			Immediately following the allotment and issue of the New H Shares		Total Subscription Price (HK\$)
	Number of New H Shares	Approximate % of the total issued H Shares	Approximate % of the total issued share capital	Approximate % of the total issued H Shares	Approximate % of the total issued share capital	
Auspicious Zone	60,000,000	12.99%	4.45%	10.83	4.17	19,800,000
Oceanic Bliss	<u>32,000,000</u>	<u>6.93%</u>	<u>2.38%</u>	<u>5.78</u>	<u>2.22</u>	<u>10,560,000</u>
Total:	<u>92,000,000</u>	<u>19.92%</u>	<u>6.83%</u>	<u>16.61</u>	<u>6.39</u>	<u>30,360,000</u>

The 92,000,000 New H Shares represent:

- (i) approximately 19.92% of the total issued H Shares as at the date of this announcement;
- (ii) approximately 6.83% of the total issued share capital of the Company as at the date of this announcement;
- (iii) approximately 16.61% of the total issued H Shares as enlarged by the issue of the New H Shares; and
- (iv) approximately 6.39% of the total issued share capital of the Company as enlarged by the issue of the New H Shares.

4. The Subscription Price and payment terms

The Subscription Price of HK\$0.33 per New H Share was arrived at after arm's length negotiations between the Company and the Subscribers with reference to the net assets value of the Company as at 30 June 2015, the prevailing market condition and the recent market prices of the H Shares. The Directors (including the independent non-executive Directors) consider that the Subscription Price is fair and reasonable. The total Subscription Price is to be satisfied by each Subscriber by way of bank draft or other such method specified by the Company.

The Subscription Price of HK\$0.33 per New H Share represents:

- (i) a discount of approximately 16.46% to the closing price of HK\$0.395 per H Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 13.84% to the average closing price of HK\$0.383 per H Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 13.84% to the average closing price of HK\$0.383 per H Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day; and
- (iv) a premium of approximately 378.26% over the net asset value of the Company of approximately HK\$0.069 based on the Company's unaudited consolidated net asset value of RMB54,473,000 and 947,058,824 Shares in issue as at 30 June 2015.

The net Subscription Price, after deduction of relevant expenses, is approximately HK\$0.32 per New H Share.

5. Conditions precedent

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

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

If any of the above conditions is not satisfied on or before 31 December 2016 (or such other date as may be agreed by the parties to the Subscription Agreement), the Subscription Agreement shall be terminated and, save for any antecedent breach, the rights and obligations of each of the parties to the Subscription Agreement shall cease and determine.

6. Completion

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

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

The gross proceeds from issue of the New H Shares will be HK\$30,360,000. The estimated net proceeds from the issue of the New H Shares will be approximately HK\$29,760,000. Among which, HK\$24,500,000 will be used for repayment of the bank loans of the Group, and remaining balance of HK\$5,260,000 will be reserved as general working capital of the Group.

The Board considers that the issue of the New H Shares can strengthen the financial position of the Group, raise working capital for the Group and broaden the capital and shareholder base of the Company. The Directors consider that the Subscription Agreements are entered into on normal commercial terms following arm's length negotiations between the Company and the Subscribers, and that the terms of the Subscription Agreements (including the Subscription Price) are fair and reasonable so far as the interests of the Company and the Shareholders as a whole are concerned.

THE GENERAL MANDATE

The New H Shares will be allotted and issued pursuant to the General Mandate and which allotment and issue are therefore not subject to the approval of the Shareholders. The Company has not allotted and issued any Shares pursuant to the General Mandate and has not repurchased any issued Shares within the last 30 days prior to the date of this announcement.

APPLICATION FOR LISTING

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

INFORMATION OF 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 provides 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.

INFORMATION OF THE SUBSCRIBERS

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

1. Auspicious Zone is a company incorporated in the British Virgin Islands with limited liability in October 2015 and is principally engaged in industrial investment, investment management and management consultancy; and

2. Oceanic Bliss is a company incorporated in the British Virgin Islands with limited liability March 2015 and is principally engaged in import and export of goods and technologies, investment in securities, investment in projects, investment management and provision of consultancy services.

FUND RAISING ACTIVITIES DURING PAST TWELVE MONTHS

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

Date of announcement	Fund raising activity	Approximate net proceeds raised	Proposed use of the net proceeds	Actual use of the net proceeds
29 June 2015	Issue of new Domestic Shares under specific mandate	RMB41 million	(i) Approximately RMB15 million for the purchase of new office space and production plants;	This amount has not been used and is deposited at bank.
			(ii) approximately RMB16.5 million for research and development, production and operation of Haitian Aerospace;	Approximately RMB4.66 million has been used as planned and the balance is deposited at bank.
			(iii) approximately RMB9 million for research and development, production and operation of Haitian Marine; and	Approximately RMB4.24 million has been used as planned and the balance is deposited at bank.
			(iv) the remaining balance of approximately RMB0.5 million for marketing of the Group and its products and services.	Fully used as planned.

CHANGES OF SHAREHOLDING STRUCTURE

The changes of the shareholding structure of the Company as a result of the issue of the New H Shares are as follows:

Shareholders	As at the date of this announcement		Immediately after the allotment and issue of 92,000,000 New H Shares	
	Number of Shares	Approximate % of the total issued share capital	Number of Shares	Approximate % of the total issued share capital
Domestic Shares				
Xi'an Tian An Investment Co., Ltd.* (西安天安投資 有限公司) ¹	328,363,637	24.38%	328,363,637	22.82%
Xi'an International Medical Investment Co., Ltd.* (西安國際醫學投資股份 有限公司) ²	100,000,000	7.42%	100,000,000	6.95%
Shenzhen Huitai Investment Development Co., Ltd.* (深圳市匯泰投資發展 有限公司)	75,064,706	5.57%	75,064,706	5.22%
Chang'an International Trust Co., Ltd.* (長安國際信託股份 有限公司) ²	70,151,471	5.21%	70,151,471	4.87%
Beijing Holdings Investment Management Co., Ltd.* (北京京泰投資管理中心) ²	54,077,941	4.01%	54,077,941	3.76%
Mr. Chen Xiao Bin (陳曉濱先生) ²	6,000,000	0.45%	6,000,000	0.41%
Shanghai Gaoxiang Investment Management Co., Ltd.* (上海高湘投資管理 有限公司) ³	119,693,333	8.89%	119,693,333	8.32%
Domestic Shares held by the public	131,943,030	9.79%	131,943,030	9.17%
Domestic Shares sub-total:	885,294,118	65.72%	885,294,118	61.52%
H Shares				
Mr. Chen Ji (陳繼先生) ⁴	45,920,000	3.41%	45,920,000	3.19%
H Shares held by the public	415,844,706	30.87%	415,844,706	28.90%
Auspicious Zone	–	–	60,000,000	4.17%
Oceanic Bliss	–	–	32,000,000	2.22%
H Shares sub-total:	461,764,706	34.28%	553,764,706	38.48%
Total:	1,347,058,824	100%	1,439,058,824	100%

Notes:

1. Xi'an Tian An Investment Co., Ltd.* (西安天安投資有限公司) is beneficially owned as to 60% by Mr. Xiao Bing, an executive Director, and 40% by his mother Ms. Yao Wenli.
2. A promoter of the Company and hence a connected person of the Company under the GEM Listing Rules.
3. Shanghai Gaoxiang Investment Management Co., Ltd.* (上海高湘投資管理有限公司) is beneficially owned by the spouse and mother-in-law of Mr. Chen Ji, an executive Director, in equal share.
4. Mr. Chen Ji (陳繼先生) is an executive Director.

GENERAL

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

DEFINITIONS

“Auspicious Zone”	Auspicious Zone Investments Limited, one of the Subscribers whose information is set out in the paragraph headed “Information of the Subscribers” of this announcement
“Board”	the board of Directors of the Company
“Company”	西安海天天綫科技股份有限公司 (Xi'an Haitian Antenna Technologies Co., Ltd.*), a joint stock company incorporated in the PRC and whose H Shares are listed on GEM
“Completion”	completion of the subscription of the New H Shares under the Subscription Agreements
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“Domestic Shares”	the domestic invested shares of nominal value of RMB0.10 in the share capital of the Company, which are subscribed for in Renminbi

“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the Directors to allot, issue and deal with the Shares at the annual general meeting of the Company held on 30 June 2015
“Group”	the Company and its subsidiaries
“H share”	the overseas listed foreign invested shares of nominal value of RMB0.10 each in the share capital of the Company, which are listed on GEM and subscribed for and traded in Hong Kong dollars
“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
“HK\$” or “Hong Kong dollars”	the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	person(s) or entity(ies) who/which is/are independent of and not connected with any connected person of the Company, and not a connected person of the Company
“Last Trading Day”	18 December 2015, being the last day of trading in the H Shares on the Stock Exchange prior to the release of this announcement
“New H Shares”	an aggregate of 92,000,000 H Shares to be issued and allotted to the Subscribers at the Subscription Price pursuant to the Subscription Agreements, and each the “New H Share”
“Oceanic Bliss”	Oceanic Bliss Holdings Limited,, one of the Subscribers whose information is set out in the paragraph headed “Information of the Subscribers” of this announcement
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of Domestic Shares and H Shares
“Shares”	collectively, Domestic Shares and H Shares
“Subscribers”	collectively, Auspicious Zone and Oceanic Bliss
“Subscription Agreements”	collectively, the subscription agreements entered into by the Company and each of the Subscribers dated 18 December 2015 in relation to the subscription of the New H Shares by the Subscribers and each, the “Subscription Agreement”
“Subscription Price”	the subscription price of HK\$0.33 per New H Share

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

%

per cent

By order of the Board

Xi'an Haitian Antenna Technologies Co., Ltd.*

Xiao Bing

Chairman

Xi'an, the PRC, 21 December 2015

As at the date of this announcement, the Board comprises Mr. Xiao Bing (肖兵先生) and Mr. Chen Ji (陳繼先生) being executive Directors; Mr. Sun Wenguo (孫文國先生), Mr. Li Wenqi (李文琦先生), Mr. Yan Feng (閆鋒先生), Mr. Xie Yiqun (解益群先生) and Mr. Li Peng (李鵬先生) being non-executive Directors; and Mr. Zhang Jun (張鈞先生), Professor Shi Ping (師萍教授), Ms. Huang Jing (黃婧女士) and Mr. Tu Jijun (涂繼軍先生) being independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting and be posted on the website of the Company at <http://www.xaht.com>.

* For identification purpose only