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西安海天天實業股份有限公司
XI'AN HAITIANTIAN HOLDINGS 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 Board is pleased to announce that on 15 June 2018 (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 35,000,000 new H Shares at a subscription price of HK\$3.38 per New H Share.

The New H Shares will be allotted and issued pursuant to the General Mandate and which allotment and issue are therefore not subject to further approval of the Shareholders. The Company has not allotted and issued any Shares pursuant to the General Mandate.

Completion of the Subscription Agreements is subject to the satisfaction of a number of conditions which are more particularly set out in the section headed "The Subscription Agreements – Conditions precedent" of this announcement. There is no assurance that any of the conditions to the Subscription Agreements will be fulfilled. Therefore, the issue of the New H Shares may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares.

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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 section headed "The Subscription Agreements - New H Shares" below.

Summarised below are the principal terms of the Subscription Agreements:

1. Date

15 June 2018

2. Parties

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

3. New H Shares

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

Subscriber	Number of New H Shares	As at the Last Trading Date		Immediately following the allotment and issue of the New H Shares		Total Subscription Price (HK\$)
		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	
Creative Eagle	15,000,000	2.32%	0.98%	2.20%	0.96%	50,700,000
Zeal Warrior	10,500,000	1.63%	0.69%	1.54%	0.67%	35,490,000
Tampico Global	9,500,000	1.47%	0.62%	1.40%	0.61%	32,110,000
Total	35,000,000	5.42%	2.29%	5.14%	2.24%	118,300,000

The New H Shares represent:

- (i) approximately 5.42% of the total issued H Shares as at the Last Trading Day;
- (ii) approximately 2.29% of the total issued share capital of the Company as at the Last Trading Day;
- (iii) approximately 5.14% of the total issued H Shares as enlarged by the issue of the New H Shares;
and
- (iv) approximately 2.24% of the total issued share capital of the Company as enlarged by the issue of the New H Shares.

4. Subscription Price and payment terms

The Subscription Price of HK\$3.38 per New H Share was arrived at after arm's length negotiations between the Company and the Subscribers with reference to 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\$3.38 per New H Share represents:

- (i) a discount of approximately 18.94% to the closing price of HK\$4.17 per H Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 16.58% to the average closing price of HK\$4.052 per H Share as quoted on the Stock Exchange for the last five trading days immediately preceding the Last Trading Day; and
- (iii) a premium of approximately 6,500.00% over the net asset value of the Company of approximately HK\$0.052 per Share based on the Company's audited consolidated net asset value attributable to owners of the Company of RMB64,853,890 and 1,531,058,824 Shares in issue as at 31 December 2017.

5. Conditions precedent

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

- (i) the obtaining by the Company of the approval by the Shareholders or the Board required for the issue of the New H Shares in accordance with the articles of association of the Company and the relevant laws and regulations;
- (ii) 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;
- (iii) 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
- (iv) 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 2018 (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 precedent, or at such other date as may be agreed between the Company and the Subscriber.

USE OF PROCEEDS

The gross proceeds from issue of the New H Shares will be HK\$118.30 million. The estimated net proceeds from the issue of the New H Shares will be approximately HK\$117.80 million. It is intended that the net proceeds will be used for general working capital of the Group, among which approximately HK\$65.00 million is for the development of mobile Internet and the research and development, production and sale of ancillary facilities for wireless communication system; and approximately HK\$52.80 million is for the research and development, production and sale of mobile communication antennas and the expansion of overseas market for mobile communication system products.

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

The Board considers that the issue of the New H Shares can strengthen the financial position of the Group, raise working capital for the development of the Group's business and broaden the capital and shareholder base of the Company. The Directors consider that the Subscription Agreements are entered into on normal commercial terms after arm's length negotiations between the Company and the Subscribers, and 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 further approval of the Shareholders. The Company has not allotted and issued any Shares pursuant to the General Mandate.

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 principal activities of the Group are research and development, manufacture and sale of base station antennas and related products, underwater and underground surveillance, imaging, mechanical equipment, and complicated environment warning and surveillance equipment, agricultural and forestry used unmanned aerial vehicles, provision of consultancy services and sales of agricultural products.

INFORMATION OF THE SUBSCRIBERS

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

1. Creative Eagle is a company incorporated in the British Virgin Islands with limited liability; is wholly and beneficially owned by Mr. Zhang Qin (張勤先生); and is principally engaged in investment holding.
2. Zeal Warrior is a company incorporated in the British Virgin Islands with limited liability; is wholly and beneficially owned by Ms. Chen Wei (陳瑋女士); and is principally engaged in investment holding and trading. As at the date of this announcement, Ms. Chen Wei (陳瑋女士) directly owns 145,000 H Shares and, through Hongkong Jinsheng Enterprise Co., Limited, indirectly owns 73,347,000 H Shares.
3. Tampico Global is a company incorporated in the British Virgin Islands with limited liability; is wholly and beneficially owned by Ms. Yu Hong (于泓女士); and is principally engaged in investment holding.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save as disclosed in this section, each of (i) Creative Eagle and its ultimate beneficial owner; (ii) Zeal Warrior and its ultimate beneficial owner; and (iii) Tampico Global and its ultimate beneficial owners are Independent Third Parties and are independent of and not connected with each other.

FUND RAISING ACTIVITIES DURING PAST TWELVE MONTHS

On 10 October 2017, the Company announced that it has entered into subscription agreements, pursuant to which the Company has conditionally agreed to allot and issue in aggregate 200,000,000 new Domestic Shares at a subscription price of RMB0.21 per new Domestic Share. As at the date of this announcement, such issue of the new Domestic Shares is pending the approval of the Department of Commerce of Shaanxi Province* (陝西省商務廳) and has not completed. Further details of such issue of new Domestic Shares are set forth in the announcement of the Company dated 10 October 2017 and the circular of the Company dated 2 February 2018.

Save as disclosed above, 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.

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

For reference and illustrative purpose only, assuming that: (1) the Subscription Agreements are completed in accordance with their respective terms and conditions; and (2) no further Shares are issued by the Company from the date of this announcement to the date of completion of the Subscription Agreements, the changes in the share capital and shareholding of the Company are set out below.

Shareholders	As at the Last Trading Date		Immediately following the allotment and issue of the New H Shares	
	Number of Shares	Approximate % of the total issued share capital	Number of Shares	Approximate % of the total issued share capital
Domestic Shares				
Xi'an Tian An Investment Co., Ltd.* (西安天安投資有限公司) ¹	328,363,637	21.45%	328,363,637	20.97%
Shanghai Gaoxiang Investment Management Co., Ltd.* (上海高湘投資管理有限公司) ²	189,844,804	12.40%	189,844,804	12.12%
Xi'an International Medical Investment Co., Ltd.* (西安國際醫學投資股份有限公司) ³	100,000,000	6.53%	100,000,000	6.39%
Beijing Holdings Investment Management Co., Ltd.* (北京京泰投資管理中心) ³	54,077,941	3.53%	54,077,941	3.45%
Non-public holders of Domestic Shares sub-total	672,286,382	43.91%	672,286,382	42.93%
Public holders of Domestic Shares sub-total	213,007,736	13.91%	213,007,736	13.60%
Domestic Shares sub-total	885,294,118	57.82%	885,294,118	56.53%
H Shares				
Ms. Zhou Jin ⁴	77,093,000	5.04%	77,093,000	4.92%
Mr. Xiao Bing (肖兵先生) ⁵	10,000,000	0.65%	10,000,000	0.64%
Mr. Chen Ji (陳繼先生) ⁶	9,621,000	0.63%	9,621,000	0.62%
Non-public holders of H Shares sub-total	96,714,000	6.32%	96,714,000	6.18%
Creative Eagle	-	-	15,000,000	0.96%
Zeal Warrior	-	-	10,500,000	0.67%
Tampico Global	-	-	9,500,000	0.60%
H Shares held by the other public Shareholders	549,050,706	35.86%	549,050,706	35.06%
Public holders of H Shares sub-total	549,050,706	35.86%	584,050,706	37.29%
H Shares sub-total	645,764,706	42.18%	680,764,706	43.47%
Total	1,531,058,824	100%	1,566,058,824	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 (尚兵先生) and 40% by his mother Ms. Yao Wenli (姚文俐女士).
2. 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 (陳繼先生) in equal share.
3. A promotor of the Company and hence a connected person of the Company under the GEM Listing Rules.
4. Ms. Zhou Jin is a director of XAHT Antenna Technologies (Hongkong) Limited, a wholly-owned subsidiary of the Group.
5. Mr. Xiao Bing (尚兵先生) is an executive Director.
6. Mr. Chen Ji (陳繼先生) is the chairman of the Board and an executive Director.

Completion of the Subscription Agreements is subject to the satisfaction of a number of conditions which are more particularly set out in the section headed “The Subscription Agreements – Conditions precedent” of this announcement. There is no assurance that any of the conditions to the Subscription Agreements will be fulfilled. Therefore, the issue of the New H Shares may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares.

DEFINITIONS

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

“Board”	the board of Directors
“business day”	any day (other than a Saturday, a Sunday or public holiday in the PRC) on which licensed banks in the PRC are generally open for normal banking business
“Company”	西安海天天實業股份有限公司 (Xi'an Haitiantian Holdings 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
“Creative Eagle”	Creative Eagle Holdings Limited, which is more particularly described in the section headed “Information on the Subscribers” of this announcement
“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 GEM 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 2017
“Group”	the Company and its subsidiaries
“H Shares”	the overseas listed foreign invested shares of nominal value of RMB0.10 each in the share capital of the Company, which are listed on GEM and subscribed for and traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a third party who is independent of and not connected with the Company and any of its connected person, and not otherwise a connected person of the Company
“Last Trading Day”	15 June 2018, being the last day of trading in the H Shares on the Stock Exchange prior to the date of this announcement and the date of the Subscription Agreements
“New H Shares”	an aggregate of 35,000,000 H Shares to be allotted and issued to the Subscribers at the Subscription Price pursuant to the Subscription Agreements, and each the “New H Share”
“PRC”	the People’s Republic of China, and for the purpose of this announcement exclude Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Shareholders”	holders of Domestic Shares and H Shares
“Shares”	collectively, Domestic Shares and H Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	collectively, Creative Eagle, Tampico Global and Zeal Warrior
“Subscription Agreements”	collectively, the subscription agreements entered into by the Company and the Subscribers, respectively, on 15 June 2018 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\$3.38 per New H Share

“Tampico Global”	Tampico Global Investments Limited, which is more particularly described in the section headed “Information on the Subscribers” of this announcement
“Zeal Warrior”	Zeal Warrior Investments Limited, which is more particularly described in the section headed “Information on the Subscribers” of this announcement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

By order of the Board
Xi’an Haitiantian Holdings Co., Ltd.*
Chen Ji
Chairman

Xi’an, the PRC, 18 June 2018

As at the date of this announcement, the Board comprises Mr. Chen Ji (陳繼先生) and Mr. Xiao Bing (肖兵先生) being executive Directors; Mr. Sun Wenguo (孫文國先生), Mr. Li Wenqi (李文琦先生), Mr. Zuo Hong (左宏先生), Ms. Huang Jing (黃婧女士) and Mr. Yan Weimin (燕衛民先生) being non-executive Directors; and Mr. Zhang Jun (張鈞先生), Professor Shi Ping (師萍教授), Mr. Tu Jijun (涂繼軍先生) and Dr. Lam Lee G. (林家禮博士) being independent non-executive Directors.

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

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

* for identification purpose only