

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



西安海天天實業股份有限公司
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)

**CONNECTED TRANSACTION RELATING TO
CAPITAL CONTRIBUTION TO SUZHOU HAITIAN**

The Board is pleased to announce that on 13 July 2018 (after trading hours), the Company entered into a capital contribution agreement with Xiao Antenna and Mr. Liao, pursuant to which the Company has agreed to contribute RMB4.00 million to the capital of Suzhou Haitian.

As Xiao Antenna and Mr. Liao are connected persons of the Company, the transaction under the Capital Contribution Agreement constitutes a connected transaction for the Company under Chapter 20 of the GEM Listing Rules.

As the highest of the applicable percentage ratios in respect of the Capital Contribution Agreement, as aggregated under Rule 19.22 of the GEM Listing Rules, is less than 5%, the transaction is exempt from the circular (including independent financial advice) and shareholders' approval requirements pursuant to Rule 20.74(2) of the GEM Listing Rules.

The Board is pleased to announce that on 13 July 2018 (after trading hours), the Company entered into a capital contribution agreement with Xiao Antenna and Mr. Liao, pursuant to which the Company has agreed to contribute RMB4.00 million to the capital of Suzhou Haitian.

THE CAPITAL CONTRIBUTION AGREEMENT

Summarised below are the principal terms of the Capital Contribution Agreement:

1. Date

13 July 2018

2. Parties

- (i) the Company
- (ii) Xiao Antenna
- (iii) Mr. Liao

3. Subject matter

The Company has agreed to contribute RMB4.00 million to the capital of Suzhou Haitian, of which approximately RMB1.43 million will be contributed to registered capital and approximately RMB2.57 million will be contributed to capital reserve of Suzhou Haitian.

Reference is made to the announcement of the Company dated 1 September 2017 in relation to the acquisition of in aggregate 2.00 million shares in Suzhou Haitian, representing 20.00% of its registered capital, from Xiao Antenna and Mr. Liao, at the total purchase price of RMB2.00 million. Immediately following such acquisition and as at the date of this announcement, Suzhou Haitian is owned as to 60.00% by Xiao Antenna, 20.00% by the Company and 20.00% by Mr. Liao. Immediately following the capital contribution made by the Company pursuant to the Capital Contribution Agreement, Suzhou Haitian will be owned as to 52.50% by Xiao Antenna, 30.00% by the Company and 17.50% by Mr. Liao.

4. Capital Contribution

RMB4.00 million shall be paid to Suzhou Haitian in cash by the Company.

The Capital Contribution was determined after arm's length negotiations between the Company, Xiao Antenna and Mr. Liao having considered, among other things, the capital requirements, business development and prospect of Suzhou Haitian.

REASONS FOR AND BENEFITS OF THE CAPITAL CONTRIBUTION AGREEMENT

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.

As at the date of this announcement, Suzhou Haitian is still at the development stage and does not have any revenue nor profit. Nonetheless, Suzhou Haitian has been awarded three patents in the PRC regarding antennas in March, May and June 2018, respectively. These achievements demonstrated the strong technical ability of Suzhou Haitian in antennas. The Company is optimistic about the business of Suzhou Haitian and believes that Suzhou Haitian, leveraging on its strong research and development ability and experienced management team, has the ability to develop new antenna products and capture business opportunities in domestic and overseas mobile communications antenna market.

Having considered the foregoing, the Directors (including the independent non-executive Directors) consider that the terms of the Capital Contribution Agreement are on normal commercial terms and fair and reasonable, and the Capital Contribution is in the interest of the Company and its shareholders as a whole.

INFORMATION OF SUZHOU HAITIAN

Suzhou Haitian is a limited company established in the PRC in August 2017 and principally engaged in research and development, production, sales and provision of after-sales services in respect of mobile communications antenna products and electronic communications equipment, technology development and technical services in respect of communications and computer software, and design, technical advice and construction in respect of communications engineering.

Based on the unaudited financial statements of Suzhou Haitian, its net loss before and after tax was approximately RMB451,310 for the year ended 31 December 2017 and its net asset was approximately RMB4,853,138 as at 30 June 2018.

INFORMATION OF THE PARTIES

Xiao Antenna is a limited liability company established in the PRC and possesses a core technology of improving the performance of antennas. Xiao Antenna is beneficially owned as to 70.00% by Professor Xiao Liangyong (尚良勇教授) and 30.00% by Ms. Chen Jing (陳靜女士). Professor Xiao Liangyong is the father and Ms. Chen Jing is the spouse of Mr. Xiao Bing (尚兵先生), an executive Director. Xiao Antenna is therefore a connected person of the Company under the GEM Listing Rules.

Mr. Liao was an independent non-executive Director from 29 June 2016 to 30 August 2017 and is a connected person of the Company under the GEM Listing Rules. He possesses vast experience in the mobile communications industry.

GEM LISTING RULES IMPLICATIONS

As Xiao Antenna and Mr. Liao are connected persons of the Company, the transaction under the Capital Contribution Agreement constitutes a connected transaction for the Company under Chapter 20 of the GEM Listing Rules.

As the highest of the applicable percentage ratios in respect of the Capital Contribution Agreement, as aggregated under Rule 19.22 of the GEM Listing Rules, is less than 5%, the transaction is exempt from the circular (including independent financial advice) and shareholders' approval requirements pursuant to Rule 20.74(2) of the GEM Listing Rules.

Mr. Xiao Bing, who is interested in the transaction under the Capital Contribution Agreement by virtue of the interest of Professor Xiao Liangyong and Ms. Chen Jing in Xiao Antenna as described in the section headed "Information of the parties" of this announcement, is required and has abstained from voting on the relevant resolutions of the Board. Save as the foregoing, none of the Directors is required or has abstained from voting on the relevant resolutions of the Board.

DEFINITIONS

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

“Board”	the board of Directors
“Capital Contribution”	the contribution of RMB4.00 million to the capital of Suzhou Haitian by the Company pursuant to the Capital Contribution Agreement
“Capital Contribution Agreement”	the capital contribution agreement dated 13 July 2018 entered into between the Company, Xiao Antenna and Mr. Liao

“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
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Mr. Liao”	Mr. Liao Kang (廖康先生), who is more particularly described in the section headed “Information on the parties” of this announcement
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suzhou Haitian”	Suzhou Haitian New Antenna Technologies Co., Ltd.* (蘇州海天新天綫科技有限公司), which is more particularly described in the section headed “Information on Suzhou Haitian” of this announcement
“Xiao Antenna”	Xi’an Xiao’s Antenna Technologies Co., Ltd.* (西安肖氏天綫科技有限公司), which is more particularly described in the section headed “Information on the parties” of this announcement
“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, 15 July 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