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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.*

*(formerly known as 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)

**INSIDE INFORMATION
DISMISSAL OF LEGAL PROCEEDINGS INITIATED BY THE COMPANY
AND
ARRANGEMENT FOR THE LAND USE RIGHT REGISTRATION**

This announcement is made by Xi'an Haitian Antenna Technologies Co., Ltd.* (the "**Company**") pursuant to Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**").

Reference is made to the announcement dated 24 August 2015, the circular dated 25 November 2015 (the "**Circular**") and the announcements dated 7 September 2017 and 11 December 2019 (the "**Announcements**") of the Company dated 1 September 2019 (the "**Announcement**") in relation to, among other things, the acquisition of the Property and the Legal Proceedings. Capitalised terms used herein shall have the same meanings as those defined in the Circular and the Announcements unless the context requires otherwise.

The Legal Proceedings initiated by the Company were dismissed by the People's Court of the Chang'an District of Xi'an City* (西安市長安區人民法院) on 14 November 2019 and the Company decided not to appeal the Court Decision on 9 December 2019. The Board is pleased to provide further information regarding the grounds of the Court Decision, the reasons of the Company for not appealing the Court Decision and the arrangement of the Company for the Land Use Right Registration.

THE GROUNDS OF THE COURT DECISION

The Legal Proceedings were dismissed on the grounds that the Property is still under the Seizure Order and is subject to an impounding order, and the Land has a boundary issue.

The Seizure Order

Upon application of the Bank of Communications (“**BOC**”), the Seizure Order was issued by the Intermediate Court of Xi’an City* (西安市中級人民法院) (the “**Court**”) on 19 November 2013. Pursuant to the Seizure Order, the Vendor cannot mortgage, transfer or established other rights on the Property. BOC has in-principal agreed to release the Seizure Order upon its receipt of repayment of approximately RMB15.66 million by the Vendor.

The Vendor has repaid the debts due to BOC while BOC has already applied for the release of the Seizure Order. For the avoidance of possibility of re-pledge of the Property by the Vendor or claims of creditor’s rights on the Property by other creditors of the Vendor after the release of the Seizure Order but before the Land Use Right Registration, therefore, after negotiation with the Court and BOC, the Company decided to release the Seizure Order after all other conditions for the Land Use Right Registration are satisfied.

The Impounding Order

The Property is subject to the impounding order by the Court, which was made by an independent third party on 26 June 2018 against the Vendor for an outstanding debt of approximately RMB36.00 million (the “**Impounding Order**”)

The Boundary Issue

During the process of the Land Use Right Registration, Xi’an Hi-tech Industrial Development Zone Branch of Xi’an Land and Resources Bureau* (西安市國土資源局高新技術產業開發區分局) discovered that a certain part of commercial building (the “**Overstepping Part**”) on adjacent land owned by the Vendor was erected on the boundary of the Land (the “**Affected Area**”). There is a boundary issue as the Land is for industrial use purposes (the “**Boundary Issue**”).

According to the design plan approved by the relevant planning management department, the Boundary Issue existed at the beginning of the design plan which neglected the problems of different land use purposes in the zone and was based only on production and operation needs. Therefore, Xi’an Hi-tech Industrial Development Zone Branch of Xi’an Land and Resources Bureau* eventually issued a reply letter for not being able proceed with the Land Use Right Registration due to the ambiguity concerning the title of the Land.

THE REASONS FOR NOT APPEALING THE COURT DECISION

After considering the following advices from legal advisers, the Company decided not to appeal the Court Decision and was of view that it would be in the interests of the Company and its shareholders as a whole.

The expected appeal results and litigation fee

The Land Use Right Registration could be accomplished only when the Impounding Order was released and the Boundary Issue was solved. Accordingly, the chance of an appeal being upheld would be low even if the appeal is lodged, but the litigation fee could be as high as approximately RMB0.24 million.

The potential consequence and impact to the Company

The Purchase Agreement dated 21 August 2015 entered into between the Company and the Vendor in relation to the acquisition of the Property is legitimate and valid. All departments of the Company including research and development, production and sales departments have relocated to the Property after certain simple transformation of the original design plan of the Property since January 2016.

The Impounding Order is inappropriate as the Property was acquired and occupied by the Company earlier than the Impounding Order, and the Company should be able to apply for the release of Impounding Order through opposition proceedings (the “**Opposition Proceedings**”). The Boundary Issue have no material adverse impact on the assets and business operation of the Company for the time being as the Affected Area is an open space situated at the boundary of the Land, and there are other alternatives to solve the Boundary Issue.

Other alternatives

As the Boundary Issue originated from the erection of a certain part of commercial building on an industrial land, the Company could attempt to apply for modification to the design plan of the Affected Area (the “**Design Plan Modification**”). Although the Affected Area may not be included in the Land Use Right Registration, it is only a small open space of the Land.

The Company could also negotiate with the Vendor on the demolition of the Overstepping Part (the “**Vendor Negotiation**”). No expenses are expected to be borne by the Company as it is not the fault of the Company.

THE ARRANGEMENT FOR THE LAND USE RIGHT REGISTRATION

At present, the Company will initiate the Opposition Proceedings to the Court and arrange the Vendor Negotiation in order to solve the Boundary Issue in a timely manner. The Design Plan Modification would be considered by the Board in due course.

The Company will apply for the release of the Seizure Order after all other conditions for the Land Use Right Registration are satisfied.

The Company will make further announcement regarding the Land Use Right Registration as and when appropriate. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

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

Xi'an, the PRC, 15 January 2020

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. 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 Professor Lei Zhenya (雷振亞教授) 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*