

---

# CONTENTS

---

*You should rely only on the information contained in this prospectus to make your investment decision.*

*The Company has not authorised anyone to provide you with information that is different from the information contained in this prospectus.*

*Any information or representation not made nor contained in this prospectus must not be relied on by you as having been authorised by the Company, the Vendors, the Sponsor, the Lead Manager, the Placing Underwriters, their respective directors or any other persons involved in the Placing.*

*The contents on the websites [www.xaht.com](http://www.xaht.com) and [www.htantenna.com](http://www.htantenna.com) do not form part of this prospectus.*

	<i>Page</i>
<b>CHARACTERISTICS OF GEM</b> .....	i
<b>EXPECTED TIMETABLE(S)</b> .....	ii
<b>CONTENTS</b> .....	iii
<b>SUMMARY OF THE PROSPECTUS</b> .....	1
<b>DEFINITIONS</b> .....	20
<b>GLOSSARY OF TECHNICAL TERMS</b> .....	31
<b>RISK FACTORS</b> .....	36
<b>WAIVER FROM COMPLIANCE WITH THE GEM LISTING RULES</b> .....	53
<b>INFORMATION ABOUT THIS PROSPECTUS AND THE PLACING</b> .....	54
<b>DIRECTORS AND SUPERVISORS</b> .....	59
<b>PARTIES INVOLVED IN THE PLACING</b> .....	61
<b>CORPORATE INFORMATION</b> .....	64
<b>INDUSTRY OVERVIEW</b> .....	66
<b>RELEVANT LAWS AND REGULATIONS OF THE PRC RELATING TO THE INDUSTRY AND THE COMPANY</b> .....	74

---

# CONTENTS

---

	<i>Page</i>
<b>BUSINESS</b>	
History and development .....	78
Milestones .....	82
Statement of active business pursuits .....	83
Corporate structure .....	88
Description of the businesses .....	96
Products .....	98
Research and development .....	105
Sales and marketing .....	107
Purchases and inventories .....	120
Quality control .....	124
Product warranty, after-sale services and technical support .....	125
Electricity supply .....	126
Insurance .....	126
Competition .....	127
Impact of PRC's accession to the WTO .....	127
Effect of SARS on the Company .....	127
Strategic alliance and membership in international organisation .....	128
Awards, recognitions and honours .....	129
Government subsidies .....	130
Principal strengths of the Company .....	130
Intellectual property rights .....	132
Continuing connected transactions .....	134
<b>STATEMENT OF BUSINESS OBJECTIVES AND STRATEGIES</b>	
Overall business objectives and strategies .....	136
Bases and assumptions .....	136
Market potential .....	137
Business strategies .....	137
Future plans .....	138
Implementation plan .....	141
Reasons for the Placing and use of proceeds .....	145
<b>DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES</b>	
Directors .....	148
Supervisors .....	149
Senior management .....	150
Qualified accountant and company secretary .....	150
Compliance officer .....	151
Audit committee .....	151
Employees .....	152
<b>SUBSTANTIAL AND INITIAL MANAGEMENT SHAREHOLDERS</b>	
Substantial Shareholders .....	155
Initial Management Shareholders .....	155
Significant Shareholders .....	157
Undertakings .....	157
<b>SHARE CAPITAL</b> .....	161

---

# CONTENTS

---

	<i>Page</i>
<b>FINANCIAL INFORMATION</b>	
Indebtedness . . . . .	163
Liquidity, financial resources and capital structure . . . . .	166
Trading record . . . . .	170
Management discussion and analysis . . . . .	171
Taxation . . . . .	180
Value-added tax and business tax . . . . .	181
Property interests . . . . .	181
Dividend policy . . . . .	183
Distributable reserves . . . . .	183
Statutory surplus reserve . . . . .	183
Statutory public welfare fund . . . . .	184
Working capital . . . . .	184
Adjusted net tangible assets . . . . .	184
Capitalisation of product research and development expenses . . . . .	185
Disclosure under chapter 17 of the GEM Listing Rules . . . . .	185
No material adverse change . . . . .	187
<b>SPONSOR'S INTEREST</b>	
Sponsor's agreement . . . . .	188
Sponsor's interest in the Company . . . . .	188
<b>UNDERWRITING</b>	
Placing Underwriters . . . . .	189
Underwriting arrangements and expenses . . . . .	189
<b>STRUCTURE AND CONDITIONS OF THE PLACING</b>	
The Placing Price payable on subscription . . . . .	193
Placing . . . . .	193
Transfer of Sale H Shares . . . . .	193
Determining the Placing Price . . . . .	194
Conditions of the Placing . . . . .	194
Over-allocation Option . . . . .	195
Stabilisation . . . . .	196
Commencement of dealings in H Shares . . . . .	196
Shares will be eligible for admission into CCASS . . . . .	196
<b>APPENDICES</b>	
<b>Appendix I – Accountants' report . . . . .</b>	<b>197</b>
<b>Appendix II – Property valuation . . . . .</b>	<b>218</b>
<b>Appendix III – Taxation . . . . .</b>	<b>236</b>
<b>Appendix IV – Foreign exchange . . . . .</b>	<b>239</b>
<b>Appendix V – Summary of relevant PRC and Hong Kong laws and regulations and the Articles of Association . . . . .</b>	<b>241</b>
<b>Appendix VI – Statutory and general information . . . . .</b>	<b>300</b>
<b>Appendix VII – Documents delivered to the Registrar of Companies and available for inspection . . . . .</b>	<b>316</b>