

---

## DEFINITIONS

---

*In this prospectus, unless the context otherwise requires, the following expressions have the meanings set out below. Certain other terms are explained in the section headed “Glossary of technical terms” of this prospectus.*

“Agricultural Bank of China”	中國農業銀行西安市開發區支行 (Agricultural Bank of China, Xi’an National Hi-tech Industrial Development Zone Branch)
“Articles of Association” or “Articles”	the articles of association of the Company approved and adopted by its shareholders in general meeting on 18 October 2003
“associate(s)”	has the meaning ascribed to it by the GEM Listing Rules
“Board”	the board of Directors
“BJ Holdings”	北京京泰投資管理中心 (Beijing Holdings Investment Management Co., Ltd), a company incorporated in the PRC, is a Promoter and an Initial Management Shareholder. Its registered capital is owned solely by Beijing Holdings Limited and is principally engaged in investment management, economic information consultancy, storage and management of self-owned real properties
“Business Plan”	the business plan adopted by the Company for the Forward Looking Period, the details of which are set out under the section headed “Statement of business objectives and strategies” of this prospectus
“CAD”	computer aided design
“Capital Reorganisation”	the capital reorganisation of the Company involving the subdivision of each ordinary share of the Company of par value of RMB1.00 into 10 ordinary shares of RMB0.10 each, which became effective on 22 April 2003 in preparation for the listing of the Shares as referred to in the paragraph headed “Changes in share capital and shareholding structure” in appendix VI to this prospectus
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“China Everbright Bank”	中國光大銀行西安高新技術開發區支行 (China Everbright Bank, Xi’an National Hi-tech Industrial Development Zone Branch)
“China Mobile”	中國移動通信集團公司 (China Mobile Communications Corporation), a State-owned telecommunication enterprise under the administration of the Central Government of the PRC, which was established in April 2000 and whose principal business is the provision of mobile communication services in the PRC. It is the holding company of China Mobile (Hong Kong) Limited, a company listed on the Main Board and the New York Stock Exchange. It is an Independent Third Party

---

## DEFINITIONS

---

“China Mobile Group”	China Mobile and its subsidiaries and branch offices. They are collectively and individually Independent Third Parties
“China Netcom”	中國網絡通信有限公司 (China Netcom Corporation Limited) is a subsidiary of 中國網絡通信集團公司 (China Netcom Communication Group Corporation) which is a State-owned telecommunication enterprise formed on the basis of the former China Netcom Corporation Limited, some of China Telecom’s telecommunication companies located in northern China, and Jitong in accordance with the reform plan on the PRC telecommunication system. Its principal business includes fixed line services and data and multimedia services. It is an Independent Third Party
“China Telecom”	中國電信集團公司 (China Telecommunications Corporation), a State-owned telecommunication enterprise established in May 2002 and whose principal business is the operation of fixed-line networks in China and in certain other places. It is the holding company of China Telecom Corporation Limited, a company listed on the Main Board. It is an Independent Third Party
“China Unicom”	中國聯合通信有限公司 (China United Telecommunications Corporation), a State-owned telecommunication enterprise which was established on 19 July 1994 and is the controlling shareholder of China Unicom Limited whose shares were officially listed in New York and Hong Kong in June 2000. Its principal business includes operation of mobile communication networks, local and domestic networks, long distance networks, paging services and data and Internet services. It is an Independent Third Party
“China Unicom Group”	China Unicom and its subsidiaries and branch offices. They are collectively and individually Independent Third Parties
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Company” or “Haitian”	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 PRC under the Company Law, formerly known as Xi’an Haitian Communications (a limited liability company incorporated on 13 October 1999 and transformed into a joint stock limited company on 11 October 2000 as approved by the Shaanxi Provincial Government under the laws of the PRC) and where the context refers to any time prior to 11 October 2000, Xi’an Haitian Communications
“Company Law”	中華人民共和國公司法 (the Company Law of the PRC) as enacted by the Standing Committee of the Eighth NPC on 29 December 1993 and came into force on 1 July 1994, as amended, supplemented or otherwise modified from time to time

---

## DEFINITIONS

---

“CPY” or “Sponsor”	Core Pacific - Yamaichi Capital Limited, a deemed licensed corporation for types 1, 4, 6 and 9 regulated activities under the SFO and an approved sponsor for listing on GEM, being the global co-ordinator and sole sponsor to the Placing
“CPY International” or “Lead Manager” or “Sole Bookrunner and Lead Manager”	Core Pacific - Yamaichi International (H.K.) Limited, a deemed licensed corporation for type 1, 4, 6, 7 and 9 regulated activities under the SFO, being the sole bookrunner and lead manager of the Placing
“CSRC”	中國證券監督管理委員會 (China Securities Regulatory Commission), a regulatory body responsible for the supervision and regulation of the PRC national securities market
“Datang Mobile”	大唐移動通信設備有限公司 (Datang Mobile Communication Equipment Co., Ltd.), established in the PRC in February 2002, a major shareholder of Datang Telecom. It is an enterprise which is in possession of the core technology for TD-SCDMA development and is proposed to be engaged in the provision of 3G mobile communication equipment in the PRC
“Datang Telecom”	大唐電信科技產業集團 (Datang Telecom Technology and Industry Group), a group of enterprise(s) under the auspices of 信息產業部電信科學技術研究院 (Telecom Science and Technology Research Institute of MII). Its flagship company is 大唐電信科技股份有限公司 (Datang Telecom Technology Co., Ltd.), an enterprise established in the PRC with its shares listed on the Shanghai Stock Exchange and whose principal business includes the development, production and sale of communication equipment and the provision of related technical services. It is an Independent Third Party
“Director(s)”	the director(s) of the Company
“Domestic Shares”	ordinary shares of nominal value of RMB1.00 each, or (after the Capital Reorganisation) RMB0.10 each, in the registered capital of the Company, which are subscribed for in Renminbi
“Foreign Shares”	ordinary shares in the share capital of the Company, the nominal value of which is denominated in Renminbi, and which are subscribed for in a currency other than Renminbi
“Forward Looking Period”	the period from the Latest Practicable Date to 31 December 2005
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Committee”	the listing sub-committee of the Stock Exchange with responsibility for GEM
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

---

## DEFINITIONS

---

“GEM website”	the website of GEM located at the address of “www.hkgem.com”
“H Shares”	overseas listed Foreign Shares with a nominal value of RMB0.10 each, which are to be listed on GEM and subscribed for and/or purchased and traded in Hong Kong dollars
“Haitian Research Institute”	an in-house research department of the Company, responsible for the research and development of new products and technological support and which is not an independent legal entity
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“II”	information industry
“Independent Third Party(ies)”	party(ies) which is (are) independent of, and not connected with any of the Promoters, Directors, Supervisors, chief executives, Substantial Shareholders or Initial Management Shareholders of the Company or their respective associates
“Initial Management Shareholder(s)”	has the meaning as defined in the GEM Listing Rules and in relation to the Company refers to the persons set out in the paragraph headed “Initial Management Shareholders” in the section headed “Substantial and Initial Management Shareholders” in this prospectus
“ITU”	International Telecommunication Union, headquartered in Geneva, Switzerland, which is an international organisation within the United Nations system where governments and the private sector coordinate global telecommunication networks and services, whose purposes include maintenance and extension of international cooperation between all its member states for the improvement and rational use of telecommunications of all kinds
“Jitong”	吉通網絡通信股份有限公司 (Jitong Network Communications Company Limited), an enterprise established in the PRC whose principal activities (before its merger with China Netcom) were to provide data services for business customers by setting up satellite connections and was merged with China Netcom in May 2002 to form a new operator in northern China. It is an Independent Third Party
“Latest Practicable Date”	16 October 2003, being the latest practicable date for ascertaining certain information in this prospectus prior to its publication
“Listing Date”	the date on which dealings in the H Shares on GEM first commence

---

## DEFINITIONS

---

“Lucent Qingdao”	青島朗訊科技通訊設備有限公司 (Lucent Technologies Qing Dao Telecommunication System Ltd.), a sino-foreign equity joint venture enterprise established in the PRC and whose shareholders include Lucent Technologies Inc., Qingdao Enterprise Development and Investment Corporation, China Telecom Group Shandong Corporation, Qingdao Company of China Telecom Group Shandong Corporation and China International Trust and Investment Corporation. Its principal products include advanced access systems, wireless technology and networking software
“Macau”	the Macau Special Administrative Region of the PRC
“Main Board”	the securities market operated by the Stock Exchange under the Rules Governing the Listing of Securities on the Stock Exchange prior to the establishment of GEM (excluding the option market) and continues to operate in parallel with GEM
“Mandatory Provisions”	到境外上市公司章程必備條款 (the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas) (as amended, supplemented and modified from time to time), for inclusion in the articles of association of companies incorporated in the PRC to be listed outside the PRC, which were promulgated by the State Council Securities Commission (國務院證券委員會) and the State Economic Restructuring Commission (國家經濟改革委員會) on 27 August 1994
“MII”	中國信息產業部 (the Ministry of Information Industry of the PRC), which is responsible for, among others, matters relating to information industry including telecommunications, telemedia and the Internet
“MOF”	中國財政部 (the Ministry of Finance of the PRC), which is responsible for (among others) the administration of State revenues and expenditures, financial and taxation policies and overall supervision of financial institutions
“MOFTEC”	中國對外貿易經濟合作部 (the Ministry of Foreign Trade and Economic Cooperation of the PRC), which is responsible for (among others) the formulation of PRC’s policy towards foreign trade, foreign investment and the economic cooperation with foreign countries
“MPT”	中國郵電部 (the Ministry of Post and Telecommunication), a ministry of the PRC Government which prior to the establishment of MII, was responsible for, among other things, matters relating to the PRC information industry including telecommunications, telemedia and the Internet
“Mr. Chen”	陳曉濱 (Chen Xiao Bin), who is a Promoter and an Initial Management Shareholder. He has no management or any other position in the Company
“Mr. Wu”	吳墀衍 (Wu Chi Yan), who is a Promoter and an Initial Management Shareholder. He has no management or any other position in the Company

---

## DEFINITIONS

---

“NASDAQ”	The Nasdaq Stock Market Inc.
“Network Access Licence”	電信設備進網許可證 (Network Access Licence for Telecommunications Equipment) granted by the MII
“New H Shares”	new H Shares being offered by the Company for subscription at the Placing Price under the Placing
“1994 Notice on Foreign Exchange Control Matters”	關於境外上市企業外匯管理有關問題的通知 (the Notice Relating to Foreign Exchange Control Matters for Enterprises Listed Overseas), issued by the CSRC and the SAFE in January 1994
“NPC” or “National People’s Congress”	中國全國人民代表大會 (the National People’s Congress of the PRC), the national legislative body of the PRC
“Over-allocation Option”	the option granted by the Company and the Vendors to the Placing Underwriters and exercisable by CPY International (on behalf of the Placing Underwriters) pursuant to the Placing and Underwriting Agreement to require the Company to issue up to 22,058,824 additional New H Shares and the Vendors to sell up to an aggregate of 2,205,882 additional Sale H Shares both at the Placing Price, which together represent approximately 15% of the Placing Shares initially offered under the Placing, to cover any over-allocation in the Placing, which will only be exercisable by CPY International (on behalf of the Placing Underwriters) where the Placing Price is HK\$0.70 or above
“PBOC”	中國人民銀行 (the People’s Bank of China), the central bank of the PRC
“PBOC Notice”	關於進一步改革外匯管理體制的公告 (the Notice Concerning Further Reform of the Foreign Currency Control System), issued by PBOC in December 1993
“PBOC Rate”	the exchange rate for foreign exchange transactions set daily by PBOC based on the previous day’s PRC interbank foreign exchange rates
“PHS MoU Group”	Personal Handy System Memorandum of Understanding Group, which was established in Japan in July 1996. The primary activities of the PHS MoU Group are the maintenance of the PHS technical specification and the promotion of PHS technology through the establishment and activity of various working groups
“PLA”	the People’s Liberation Army of the PRC
“Placing”	the conditional placing of the Placing Shares (subject to the Over-allocation Option) at the Placing Price with professional, institutional and other investors as described in the section headed “Structure and conditions of the Placing” in this prospectus
“Placing and Underwriting Agreement”	the conditional placing and underwriting agreement dated 24 October 2003 and entered into between, among others, the Company, the executive Directors, the Promoters, the Sponsor, the Lead Manager, the Placing Underwriters and the Vendors relating to the Placing, further details of which are set out in the section headed “Underwriting” of this prospectus

---

## DEFINITIONS

---

“Placing Price”	the final price per H Share, exclusive of brokerage fees, SFC transaction levy, investor compensation levy and Stock Exchange trading fees, at which the H Shares are to be subscribed for or purchased (as the case may be) and issued or sold (as the case may be) pursuant to the Placing, to be determined as described in the paragraph headed “Determining the Placing Price” under the section headed “Structure and conditions of the Placing”
“Placing Shares”	the 147,058,824 New H Shares and 14,705,882 Sale H Shares initially being offered (subject to Over-allocation Option) pursuant to the Placing at the Placing Price, representing in aggregate approximately 25% of the registered capital of the Company immediately after the completion of the Placing
“Placing Underwriters”	the underwriters named in the paragraph headed “Placing Underwriters” under the section headed “Underwriting”
“PRC” or “China”	the People’s Republic of China, which for the purposes of this prospectus, does not include Hong Kong, Macau and Taiwan
“PRC Government” or “State”	the central government of the PRC, including all governmental subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities thereof
“Price Determination Time”	such time as the final Placing Price shall be fixed by agreement between the Lead Manager (for itself and on behalf of the Placing Underwriters) and the Company (for itself and on behalf of the Vendors), currently expected to be 6:00 p.m. on 28 October 2003, or such later date as may be agreed by the said parties
“Price Stabilising Rules”	Securities and Futures (Price Stabilising) Rules (Subsidiary Legislation W of Chapter 571 of the Laws of Hong Kong)
“Professor Xiao”	肖良勇教授 (Professor Xiao Liangyong), who is an executive Director, a Promoter and an Initial Management Shareholder
“Promoter(s)”	the promoter(s) of the Company, the names of which are set out under the paragraph headed “Incorporation” in appendix VI to this prospectus
“Regulations for the Reduction of State Shareholdings”	減持國有股籌集社會保障資金管理暫行辦法 (Provisional Administrative Measures for the Reduction of State-owned Shares and the Raising of the Social Security Fund) promulgated by the State Council on 12 June 2001
“Relevant Securities”	in respect of each Initial Management Shareholder, has the meaning as defined in Rule 13.15(4) of the GEM Listing Rules

---

## DEFINITIONS

---

“Restructuring”	the transformation of Xi’an Haitian Communications into the Company, a joint stock limited company under the Company Law on the Restructuring Date, the details of which are set out in the paragraph headed “History and development” in the section of “Business” in this prospectus
“Restructuring Date”	11 October 2000, the date on which the Restructuring became effective
“SAFE”	國家外匯管理局 (the State Administration of Foreign Exchange), the PRC Government agency responsible for matters relating to foreign exchange administration
“Sale H Shares”	a total of 14,705,882 H Shares (or, upon the exercise of the Over-allocation Option in full, 16,911,764 H Shares) to be converted from an equal number of Domestic Shares of RMB0.10 each held by the Vendors, to be offered for sale by the Vendors at the Placing Price under the Placing. The proceeds raised from the sale of such State-owned shares will be allocated to and managed by 中國全國社會保障基金理事會 (the State Social Security Fund Council of the PRC), which is under the direct supervision of the State Council
“SARS”	Severe Acute Respiratory Syndrome
“Securities Law”	中華人民共和國證券法 (the Securities Law of the PRC) enacted by the Standing Committee on 29 December 1998 and which became effective on 1 July 1999, as amended, supplemented or otherwise modified from time to time
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shaanxi Mant”	陝西門德知識產業開發有限責任公司 (Shaanxi Mant Intellectual Property Industry Development Co., Ltd), a company incorporated in the PRC, a Promoter and an Initial Management Shareholder
“Shaanxi Silk”	陝西省絲綢進出口公司 (Shaanxi Silk Import & Export Corporation), a company incorporated in the PRC and a Promoter and an Initial Management Shareholder
“Shanghai Bell”	上海貝爾阿爾卡特股份有限公司 (Alcatel Shanghai Bell Co. Ltd.), an enterprise established in the PRC and a shareholder of which is Alcatel. Its principal business includes the provision of telecommunication infrastructure and solutions in the PRC. It is an Independent Third Party
“Shanghai Pudong Development Bank”	上海浦東發展銀行西安分行 (Shanghai Pudong Development Bank, Xi’an Branch)



---

## DEFINITIONS

---

“Shareholder(s)”	holder(s) of Shares
“Shares”	the Domestic Shares and H Shares
“Significant Shareholder(s)”	has the meaning ascribed to it by the GEM Listing Rules
“SME(s)”	small and medium enterprise(s)
“Special Regulations”	國務院關於股份有限公司境外募集股份及上市的特別規定 (the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies) promulgated by the State Council on 4 August 1994, as amended, supplemented or otherwise modified from time to time
“Standing Committee”	the Standing Committee of the NPC
“State Council”	中國國務院 (the State Council of the PRC), the highest government body in the PRC in charge of the formulation and implementation of State policies
“State Economic Restructuring Office”	中國國家經濟體制改革辦公室 (the State Economic Restructuring Office of the PRC), formerly 中國國家經濟體制改革委員會 (the Commission for Restructuring the Economic Systems of the PRC), an office of the State Council for restructuring the economic system
“State Shareholders”	BJ Holdings, Shaanxi Silk and XITIC and each a “State Shareholder”
“State II Tenth Five-year Plan”	信息產業「十五」計劃綱要 (Compendium to the State Tenth Five-year Plan in the PRC)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder(s)”	has the meaning as defined in the GEM Listing Rules and in relation to the Company refers to the persons set out in the paragraph headed “Substantial Shareholders” in the section headed “Substantial and Initial Management Shareholders” in this prospectus
“Supervisor(s)”	the member(s) of the supervisory committee of the Company
“Track Record Period”	the financial period consisting of the two years ended 31 December 2002 and the five months ended 31 May 2003
“UTStarcom”	UT 斯達康通訊有限公司 (UTStarcom Telecom Co., Ltd.), formerly known as UTStarcom (Hangzhou) Telecom Co., Ltd., an enterprise established in the PRC and a subsidiary of UTStarcom Inc, which introduced PHS to the PRC telecommunication market. Its principal business includes manufacture and distribution of telecommunication equipment. It is an Independent Third Party

---

## DEFINITIONS

---

“Vendors”	collectively, XITIC, BJ Holdings and Shaanxi Silk, existing holders of the Sale H Shares
“Winfor Consulting”	北京經緯萬方信息諮詢有限公司，a company established on 17 December 2001 in the PRC with a registered capital of RMB100,000 and engaged in consulting services (include management consulting, product consulting and industry analysis service in relation to telecommunication, chemical engineering and medicine) and is an Independent Third Party
“WTO”	the World Trade Organisation
“XITIC”	西安國際信託投資有限公司 (Xi’an International Trust & Investment Co., Ltd.), a company established in the PRC, a Promoter and an Initial Management Shareholder. Its shareholders are Xi’an Finance Bureau, Shaanxi Baosheng International Investment Company Limited, Shaanxi Blower (Group) Limited Company, Xi’an Mingwei (Group) Economic Technology Development Company Limited, Shaanxi Baichuan Xingye Investment Company Limited, Xi’an Qinli Property (Group) Company Limited, Xi’an National Hi-tech Industrial Development Zone Science and Technology Investment Service Centre, Xi’an Television Broadcast and Xi’an Lanxi Technology Enterprise (Group) Company Limited. The scope of business of XITIC is entrusted operation of capital trust business, entrusted operation of trust business of movable, immovable and other property, fund investment operation in accordance with the laws and regulations of the PRC; fund investment as a founder of a fund management entity; community chest trustee; corporate intermediate businesses such as asset reconstruction, acquisition and merger, corporate finance, financial consultancy; distribution of treasury bonds and corporate bonds as an agent approved by relevant departments under the State Council; asset management, deployment and disposal as an agent; custody; credit witness, credit inquiry and economic consultancy; allocating its fund resources by ways of bank deposit, intra-sector lending, lease finance and investment; providing third party guarantee with its fund resources; intra-sector lending and borrowing; other financial businesses authorized by the People’s Bank of the PRC
“Xi’an Government”	西安市人民政府 (the Municipal People’s Government of Xi’an)
“Xi’an Haitian Communications”	西安海天通訊設備有限公司 (Xi’an Haitian Communications Equipment Company Limited), the predecessor of the Company, which immediately prior to the completion of the Restructuring had an economic nature of a limited liability company

---

## DEFINITIONS

---

“Xi’an Jiefang Group”	西安解放集團股份有限公司 (Xi’an Jiefang Group Co., Ltd.), a company established in the PRC with its shares listed on the Shenzhen Stock Exchange, a Promoter and an Initial Management Shareholder. It is principally engaged in the retail business. As at 2 August 2003, each of Xi’an Gao Xin Hospital Co. Ltd. and Xi’an Finance Bureau was interested in 5% or more of its registered capital and the other portion of its registered capital was held by public shareholders
“Xi’an Zhengheng Investment”	西安正衡投資諮詢有限責任公司 (Xi’an Zhengheng Investment & Advisory Co., Ltd.), a company established in the PRC, a Promoter and an Initial Management Shareholder. Its shareholders are Lei Hua Feng, Gao Hui Min and Gao Xu. The scope of business of Xi’an Zhengheng Investment is the provision of consultancy service in relation to enterprise investment project and preparation of feasibility study report; the provision of corporate finance management consultancy service and devising of marketing strategy for its clients
“Xidian University”	西安電子科技大學 (Xidian University), which was known as 西北電訊工程學院 (College of Northwest Telecommunication Engineering), 軍事電信工程學院 (College of Military Telecommunication Engineering) and 通信工程學院 (College of Telecommunication Engineering) before 1988 respectively
“HK\$” and “HK cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“U.S.” or “United States”	United States of America
“US\$” or “U.S. Dollar(s)”	United States dollar(s), the lawful currency of the U.S.
“sq.ft.”	square feet
“sq.m.”	square metre(s)
“%”	per cent.

*Unless otherwise specified in this prospectus, amounts denominated in RMB and US\$ have been translated, for the purpose of illustration only, into Hong Kong dollars as follows:*

$$HK\$7.80 = US\$1.00 \quad HK\$1.00 = RMB1.06$$

*No representation is made that any amounts in RMB, US\$ or HK\$ could have been or could be converted at the above rate or at any other rates.*

*In this prospectus, the English names of publications or documents, enterprises established in or citizens of the PRC are translations of their Chinese names and are included for identification purpose only.*

*The contents at the various websites referred to in this prospectus do not form part of this prospectus.*