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If you have sold or transferred all your shares in Xi'an Haitian Antenna Technologies Co., Ltd.*, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission.



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 People's Republic of China)

(Stock Code: 8227)

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

* *For identification purposes only*

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CHARACTERISTICS OF GEM

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Ya Jian International Golf Club, Xi’an, Shaanxi Province, the PRC on 20 May 2004 at 4:00 p.m.
“Articles”	articles of association of the Company
“Board”	board of Directors
“Company”	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 established in the PRC, the H shares of which are listed on GEM
“Director(s)”	the director(s) of the Company
“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	Rules Governing the Listing of Securities on the GEM as may be amended, modified or supplemented from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“PRC”	The People’s Republic of China
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

LETTER FROM THE BOARD



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 People's Republic of China)

(Stock Code: 8227)

Executive Directors:

Mr. XIAO Liangyong (*Chairman*)

Mr. XIAO Bing

Mr. GUO Weisheng

Non-executive Directors:

Mr. LUO Maosheng

Mr. MI Yunping

Mr. WANG Quanfu

Mr. LIU Yongqiang

Mr. LI Wenqi

Independent Non-executive Directors:

Mr. ZHOU Tianyou

Mr. GONG Shuxi

Mr. DENG Yuanming

Registered Office:

No. 36 Gao Xin Liu Road

Xi'an National Hi-tech

Industrial Development Zone

Xi'an, Shaanxi Province

The PRC

Principal place of business in

Hong Kong:

34th Floor, West Tower

Shun Tak Centre

200 Connaught Road Central

Hong Kong

26 March 2004

To the Shareholders.

Dear Sir or Madam,

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

INTRODUCTION

The purpose of this circular is to provide you with information regarding a special resolution to be proposed at the AGM relating to the proposed amendments to the existing Articles.

* *For identification purposes only*

LETTER FROM THE BOARD

AMENDMENTS TO ARTICLES

On 30 January 2004, the Stock Exchange announced certain amendments to the GEM Listing Rules (most of which will come into effect on 31 March 2004) relating to corporate governance issues, initial listing criteria and continuing listing obligations. Among the amendments are amendments to Appendix 3 to the GEM Listing Rules which sets out the requirements with which the articles of association, or equivalent documents, of all companies listed on GEM must comply. All companies listed on GEM are required to amend their articles of association (or equivalent documents) to ensure compliance with the amended provisions of Appendix 3 to the GEM Listing Rules at the earliest opportunity and in any event no later than the conclusion of their next annual general meeting.

Accordingly, a special resolution will be proposed at the AGM to approve the amendments to the existing Articles. Among these proposed amendments:

1. the original Article 13 be amended to expand the scope of business of the Company to include research and manufacture, systemic integration, application and provision of other related technology services of computer software;
2. the original Article 78 be amended to provide that where any Shareholder is, under the GEM Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted;
3. the original Article 102 be amended to provide that the minimum seven-day period for lodgement by Shareholders of the notice to nominate a Director shall commence no earlier than the day after the dispatch of the notice of the meeting appointed for such election and end no later than seven days prior to the date of such meeting; and
4. the original Article 140 be amended to provide that a Director shall abstain from voting at the Board meeting on any matter in which the Director or any of his associate(s) (as defined in the GEM Listing Rules) has/have material interest(s) and is not to be counted towards the quorum of the relevant Board meeting.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, 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, (a) the information contained in this circular is accurate and complete in all material respects and not misleading; (b) there are no other matters the omission of which would make any statement in this circular misleading; and (c) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

RECOMMENDATION

The Directors are of the opinion that the proposed change to the Articles are in the best interests of the Company and its Shareholders and accordingly, recommend all of its Shareholders to vote in favour of the special resolution to be proposed at the AGM.

Yours faithfully,
For and on behalf of the Board
Xi'an Haitian Antenna Technologies Co., Ltd.*
Professor XIAO Liangyong
Chairman

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