

Changes in Share Capital and Shareholdings of Substantial Shareholders

(I) Changes in the share capital of the Company as at the end of the Reporting Period

There was no change in the share capital and share capital structure of the Company as at the end of the Reporting Period compared to 31 December 2004.

(II) Shareholders

1. Total number of shareholders as at the end of the Reporting Period

Number of shareholders: as at the end of the Reporting Period, the Company had a total of 27,498 shareholders (of which 26,673 were holders of A shares and 825 were holders of H shares).

2. Shareholdings of top ten shareholders and top ten holders of shares in circulation Shareholdings of top ten shareholders

Ranking	Name of shareholders	Increase/ decrease in shares during the Reporting Period (shares)	Number of shares held at the end of the Reporting Period (shares)	Percentage of total share capital	Type of shares	Number of shares pledged or locked up	Nature of shareholders
1	Zhongxingxin	0	423,221,760	44.11%	Non-circulating	None	State-owned legal person shares
2	HKSCC Nominees Limited	17,231,914	159,205,040	16.60%	Circulating	Unknown	Overseas-listed foreign shares
3	Fortune Trust & Investment Co., Ltd	0	21,565,440	2.25%	Non-circulating	None	Legal person shares
4	Deutsche Bank Aktiengesellschaft	-839,775	18,394,587	1.92%	Circulating	Unknown	Public shares (QFII)
5	Hunan Nantian (Group) Co., Ltd	0	13,478,400	1.40%	Non-circulating	None	Legal person shares
6	Southern Sustaining Growth Fund	-204,087	8,224,698	0.86%	Circulating	Unknown	Public shares
7	Tian Yuan Securities Investment Fund	1,992,235	7,992,235	0.83%	Circulating	Unknown	Public shares
8	CITIC Classic Securities Investment Fund	-17,500	7,341,600	0.77%	Circulating	Unknown	Public shares
9	SYWG BNP Paribas Security Investment Fund	328,311	6,984,962	0.73%	Circulating	Unknown	Public shares
10	Hebei Telecommunications Equipment Company, Limited	0	6,508,435	0.68%	Non-circulating	None	State-owned legal person shares
	China Mobile Telecommunications No. 7 Research Institute	0	6,508,435	0.68%	Non-circulating	None	State-owned legal person shares
	Lishan Microelectronics Corporation	0	6,508,435	0.68%	Non-circulating	None	State-owned legal person shares
	Shaanxi Telecommunications Industrial Company	0	6,508,435	0.68%	Non-circulating	None	State-owned legal person shares
	Jilin Posts and Telecommunications Equipment Company	0	6,508,435	0.68%	Non-circulating	None	State-owned legal person shares
	CASIC Shenzhen (Group) Company, Limited	0	6,508,435	0.68%	Non-circulating	None	State-owned legal person shares

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Shareholdings of top ten holders of shares in circulation*

		Number of shares in circulation held at the end of the Reporting Period	Type
1	HKSCC Nominees Limited	159,205,040	H shares
2	Deutsche Bank Aktiengesellschaft	18,394,587	A shares
3	Southern Sustaining Growth Fund	8,224,698	A shares
4	Tian Yuan Securities Investment Fund	7,992,235	A shares
5	CITIC Classic Securities Investment Fund	7,341,600	A shares
6	SYWG BNP Paribas Security Investment Fund	6,984,962	A shares
7	Citigroup Global Markets Limited	5,829,004	A shares
8	Merchant Pioneer Fund	5,264,427	A shares
9	Kai Yuan Securities Investment Fund	4,986,483	A shares
10	Yu Yang Securities Investment Fund	4,911,895	A shares

Note: including H Shares.

Descriptions of any connected party relationships or concert party relationships among the above top ten shareholders

Among the Company's top ten holders of shares in circulation, Southern Sustaining Growth Fund, Tian Yuan Securities Investment Fund and Kai Yuan Securities Investment Fund are managed by the same fund manager, Southern Fund Management Co., Ltd. The Company is not aware of any connected party relationships among other shareholders, or whether they are acting in concert, as defined under the "Measures for the Management of Information Disclosure for Changes in Shareholding of Shareholders of Listed Companies".

To the knowledge of the Company, the top ten shareholders of shares in circulation of the Company do not have any connected party relationships with holders of shares in circulation of the Company.

	Name of shareholder	Agreed period of shareholding
Agreed period of shareholding for strategic investors or legal persons participating in the placing of new shares	N/A	N/A

3. Controlling shareholder of the Company

There was no change in the controlling shareholder of the Company during the Reporting Period.

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4. Interests of substantial shareholders and other persons in shares or debentures

As at 30 June 2005, the following shareholders held an interest in 5% or more of any class of shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") were as follows:

Name	Number of shares held*	Shareholding as an approximate percentage of	
		Total share capital	Respective class of shares
Zhongxingxin	423,221,760 domestic shares (L)	44.11%	52.94%
Zhongxing WXT	423,221,760 domestic shares (L)	44.11%	52.94%
Xi'an Microelectronics	423,221,760 domestic shares (L)	44.11%	52.94%
China Aerospace Times Electronic Corporation	423,221,760 domestic shares (L)	44.11%	52.94%
China Aerospace Science and Technology Corporation	423,221,760 domestic shares (L)	44.11%	52.94%
Alliance Capital Management L.P.	19,456,000 H shares (L)	2.03%	12.15%
J.P. Morgan Chase & Co.	14,461,100 H shares (L)	1.51%	9.03%
	14,237,300 H shares (P)	1.48%	8.89%
Fidelity International Limited	12,619,400 H shares (L)	1.32%	7.88%
Goldman Sachs (Asia) LLC	11,622,000 H shares (L)	1.21%	7.26%
Goldman Sachs (Cayman) Holding Company	11,622,000 H shares (L)	1.21%	7.26%
Temasek Holdings (Private) Limited	11,326,800 H shares (L)	1.18%	7.07%
Aranda Investments (Mauritius) Pte Ltd	11,141,800 H shares (L)	1.16%	6.96%
Massachusetts Financial Services Company ("MFS")	8,428,100 H shares (L)	0.88%	5.26%
Sun Life Financial, Inc.	8,428,100 H shares (L)	0.88%	5.26%

* (L) = long position; (S) = short position; (P) = lending pool.

Save as disclosed above, as at 30 June 2005, so far as the Directors, Supervisors and senior management of the Company are aware, no person had an interest or short position in the shares or underlying shares of the Company that was required to be recorded in the register maintained pursuant to Section 336 of the SFO.