

ZTE Tops Industry Ranking

ZTE Corporation, one of China's leading telecom equipment manufacturers, was recently ranked number one in the "Top 10 Telecom



Manufacturers" ranking. Its CEO, Mr. HOU Wei-gui, came first in the "Top 10 Industry Leaders" ranking. Communications Weekly,

a well-known telecom newspaper under the Ministry of Information Industry (MII), compiled both rankings.

The newspaper editorial pointed out: "Differentiation strategy is key to ZTE's continual growth in the year 2002. It has made remarkable achievements in the fields of CDMA, PHS and handsets in 2002". Another factor contributing to ZTE's success is its multi-level product structure, Communications Weekly added.

In 2002, ZTE continued its rapid growth and development through its efficient product strategy, powerful international marketing campaign and improved internal efficiency. A multi-level product structure covering high-, middle- and low-end products has been established; mobile, data and optical products have become the company's new growth points; CDMA, PHS, handsets, and value-added services have largely sharpened the company's competitive edge.

ZTE Reports 7.8% Growth in Profits for 2002

Despite a slowdown in the global telecommunications industry in 2002, ZTE's net earnings rose 7.8% to 567 million yuan (\$68.5 million). Its turnover climbed nearly 18% to 11 billion yuan.

It's said 2002 was one of the most challenging years in the global telecommunications industry in more than a decade. While the

overall domestic industry recorded negative growth, ZTE managed to increase revenue. The increase in net profits is mainly because of its production and operations expansion.

Spending on wireless systems has slowed in China from the high levels of recent boom times, but demand for network infrastructure is healthier in China, ZTE's main market, than almost anywhere else.

ZTE and China Unicom Jointly Host 3GPP2 Plenary Seminar

On January 13—21, 2003, ZTE Corporation and China Unicom jointly hosted the 3GPP2 seminar in Shenzhen with more than 200 attendees consisting of CDMA operators, manufacturers and representatives from standardization organizations around the world. It is the third time that ZTE has hosted the 3GPP2 seminar in Shenzhen. It successfully hosted two plenary seminars in November 2001 and June 2002.

The 3GPP2 plenary seminar is divided into 5 technical specifications group sessions, organization and guide committee sessions, and organization and development partnership ses-



sions, considered as a summit seminar of CDMA 2000 standardization research experts. As the earliest 3GPP2 member as an equipment manufacturer in China, ZTE has achieved a lot in communication and cooperation with other 3GPP2 member units in respects of 1xEV-DV, ALL IP and service R&D.

ITU Passes Three Optical Proposals Submitted by ZTE

The ITU SG-15 plenary meeting held in Geneva recently passed three optical proposals submitted by ZTE. They are "Failure Process-

ing on SPC Connections Using RSVP-TE Signaling Mechanism in G.7713.2”, “Proposal for the General Network Representation of the IEEE 802.1 Based Data Transport Network” and “The Service Protection Time of the SDH/SONET Based Network with Virtual Concatenations”, which cover hot topics in today’s optical research field. The proposals have been regarded as very significant to operators as well as manufacturers because they come directly from practical products and engineering experience.

This is the first time that ZTE Corporation has submitted proposals to ITU since last July when ZTE became a sector member. ZTE is the sector member of ITU-T, ITU-R, ITU-D and has played an active role in 3GPP, 3GPP2, OMA, CDG, OIF, PRRA, DSL, IPV6, MPLS and NPF.

ZTE Wins Contract from India’s BSNL for CDMA Network

On January 20, 2003, ZTE Corporation signed a contract with BSNL (Bharat Sanchar Nigam Limited) for the construction of India’s national CDMA WLL network.

Under the agreement, ZTE will provide BSNL with CDMA WLL products and solu-



tions to construct India’s national CDMA WLL network, that will cover nine major provinces of India including Maharashtra, Karnataka and Kerala. This is the first time that China’s CDMA products have entered India’s telecom market.

The CDMA network is scheduled to start operation in June 2003. By then, over 500 000 lines of network users can enjoy voice and data services brought by ZTE’s CDMA 2000 1x

WLL technology.

ZTE Attended Mexico Telecom Expo

Expo Comm Mexico 2003 was held in Mexico City on February 18—21, 2003. ZTE participated in the expo.

A VIP delegation consisting of leaders from COFETEL (the Federal Telecommunications Commission), SCT (Ministry of Communication and Transport) and Telecom Association visited the ZTE Booth. The chairman of COFETEL inquired about ZTE’s development in Mexico, and expressed his expectation for ZTE’s better performance in the country.



ZTE Partners with 724 Solutions

In March 2003, ZTE signed an OEM agreement with 724 Solutions, a leading provider of next-generation IP-based network and data services.

This agreement will enable ZTE to integrate and sell 724 Solutions’ X-treme Mobility Gateway in many of the world’s fastest growing wireless markets, including China, India and Brazil. The combination of ZTE’s global reach into leading wireless carriers and 724’s industry leading WAP 2.0 mobile access gateway, will propel the market towards more robust data services offerings.

The X-treme Mobility Gateway provides a flexible, standards-based infrastructure with linear scalability that supports every major carrier data standard, including WAP 2.0.

ZTE Establishes Global Customer Support Center

ZTE has established its global customer support center in Shenzhen to provide customers with round-the-clock technical support. It consists of one processing center, one super-

vising center and several local support centers worldwide.

So far, ZTE has set up over 100 sales and maintenance offices worldwide. The online customer support system includes customer problem management system, equipment management system, customer information system, training and authentication system, spare part management system and case study system. Continuous, efficient and quick customer support service has sharpened ZTE's competitive edge in its wide range of activities in the global telecom markets. ZTE introduced the six-sigma program in 2002 into its aftersales service and provided engineers with customer-oriented training programs.

ZTE's GSM Products Made Breakthrough in International Markets

On March 7, 2003, ZTE signed a contract with SMARTS, one of Russia's largest GSM operators, to supply a new mobile switching center (MSC) of 100 000 subscribers and 40 base stations, and expand the existing MSC to 60 000 subscribers.

On March 31, 2003, ZTE was awarded a GSM turnkey project by Nitel, Nigeria. According to the contract, ZTE will provide GSM and GPRS products and the turnkey engineering in four big cities in Nigeria.

On April 2, 2003, ZTE won again another turnkey GSM project from Ethiopian Telecommunication Corporation in Ethiopia. Under the contract, ZTE will expand the GSM mobile telephone network from 50 000 lines to

200 000 lines within 12 months.

On May 5, 2003, ZTE signed a commercial contract with PAKTEL in Pakistan, to provide the latter a turnkey GSM solution including the main GSM system and its

related accessory equipment such as optical transmission, power supply and monitoring systems. The first phase of this project will cover 8 major cities.



ZTE Is Playing An Important Role in World's CDMA Market

There are approximately 7 million lines of ZTE CDMA mobile communications and wireless access infrastructure equipment running on networks at home and abroad.

At the beginning of 2001, ZTE signed a CDMA-WLL contract of 5 000 lines with Telecard, the third Pay Phone operator in Pakistan. After six phases of extension, the



Telecard project has turned out to be a 60 thousand lines CDMA wireless network.

In May 2001, in bidding for China Unicom's Phase I CDMA cellular mobile network construction nationwide, ZTE competed against other world leading CDMA vendors and won out with a contract for 1.2 million lines.

In November 2002, ZTE won a 3.1 million lines primary infrastructure equipment contract in bidding China Unicom's CDMA network Phase II, which leads ZTE to be the top CDMA brand in China.

In 2002, ZTE's CDMA consecutively won a contract of 60 thousand lines in Brazil, a commercial contract of 50 thousand lines and a framework contract of 150 thousand lines in Sri Lanka, a 60 thousand lines contract in White Russia, and a contract of 500 thousand lines in India.

Now, ZTE is able to provide a full range of CDMA 2000 1X mobile communications system, IS-95 and CDMA 2000 1X handsets, as a total solution from network to terminal. ZTE's 1.9 GHz CDMA wireless access products account for 92% of domestic market share. Its 450 MHz products are also entering the markets of China Telecom, China Netcom as well as Russia and White Russia.