

ABUNDANT ACCUMULATED PROPRIETARY TECHNOLOGY, STRONG R&D AND INNOVATIVE CAPABILITY

The Group placed much emphasis on product research and development. We have a long-term focus on development of core technologies such as wireless communications, wireline communications, optical networks, handsets, telecommunications software systems and ASIC. By leveraging on its own intellectual property, shared technology platform and strong capability in R&D, the Group has launched new products to the market rapidly.





The Group has announced the first global digital trunking standard – GoTa independently researched and developed in China, and developed the smallest 3G handset in the world.



MAJOR EVENTS

- **In January 2004**, a new session of the Board of Directors of the Company was formed. Members of the third session of the Board of Directors were elected at the shareholders' general meeting: Mr. Hou Weigui was elected by the third session of the Board of Directors as Chairman of the Company, and Mr. Yin Yimin was appointed as President; the third session of the Board of Directors of the Company elected members of the nomination committee, remuneration and evaluation committee and audit committee.

- **In March 2004**, the Group announced the first global digital trunking standard independently researched and developed in China – GoTa (Global open Trunking architecture), becoming the pioneer among Chinese telecommunications companies in granting a patent to internationally renowned manufacturers.



- **In June 2004**, the Group entered into a contract with the Ministry of Transport and Communications of Tunisia for the construction of a WCDMA network that covers two key cities, Tunis and Sousse, and providing WCDMA equipment for commercial trial. This demonstrates that the Group has commenced construction of commercial 3G networks for international telecommunications service providers.
- **In July 2004**, the Company entered into a 3G intelligent network strategic cooperation agreement and a 3G terminal strategic partnership agreement with China Telecom, marking the full development of cooperative relations between the Company and China Telecom in the 3G domain.

- **In August 2004**, the Group donated its ADSL equipment for use in the 2004 Olympic Games in Athens, becoming the first Chinese telecommunications equipment manufacturer to successfully provide telecommunications equipment services at the Olympic Games.



- **In November 2004**, the Group succeeded in developing the world's smallest 3G handset by volume, weighing only 104 grams, which was well received at the Beijing telecommunications exposition.

- **In November 2004**, at the meeting of the ITU-T SG15 (Optical and other transport network infrastructures) held in Geneva, Switzerland, experts from the Company acted as editors, and the ITU-T G.665 (G. Raman) standard, based on the draft prepared by the Company, was discussed and formally approved for release at the meeting of the ITU. This standard has filled the gaps in the domain of research of the ITU.



- **In December 2004**, the Company issued 160,151,040 H shares which were listed on the main board of the Hong Kong Stock Exchange, making it the first A share listed company in China to successfully list in Hong Kong;



- **In December 2004**, Mr. Hou Weigui, Chairman of the Company was named "CCTV 2004 Chinese Economic Annual Figure".