

# Competitor Watch Summary Report

Report of December on ZTE's competitors

We totally collected more than 200 pieces of information about rivals of Company A and made the diagrams.

## A. COMPANIES NEWS SCAN

### 1. [Focus Wireless](#) Plans to Make Public December 3, YNET

Focus Wireless is likely to be split off by its parent company and listed in the stock market, according to the third quarter financial report of Focus Media.

### 2. [China Unicom](#) Still Opens to Talks on iPhone December 5, ccidnet

China Unicom Ltd (SEHK: 0762) has not started negotiations with Apple Inc. (Nasdaq: APPL) on jointly vending iPhone mobile phones in the Chinese market but is still open to the talks, said Li Zhengmao, its vice president, on December 4, 2007.

### 3. [TCL Group](#) Undergoing Business Restructuring December 5, SINA

TCL Group announced in a high profile on December 3 that it will regroup its businesses into six major departments of multimedia, telecommunications, home appliance, consumer electronics, real estate and financing investment, and logistics and service.

### 4. [Ningbo Bird](#) Shifts from Phone to Car December 10, SOHU

The State Development and Reform Commission of China made an announcement on December 10 that Ningbo Bird, a traditional mobile phone maker, had been approved by the commission to produce automobile engines.

### 5. [Changhong](#) brand is stained by its handset quality December 10, SINA

Local media are full of reports about the poor quality of mobile phones of Changhong Group, a home appliance and mobile handset maker in Sichuan, China, leading the group into a brand crisis.

### 6. [Nokia China](#) Jan-to-Sep Mobile Phones Sales Hit 50.50mn December 12, SINA

Nokia Corporation (NYSE: NOK) gained EUR 4.677 billion, or CNY 50.9 billion, sales revenue in China in the first three quarters of 2007, including the revenue of the joint venture Nokia Siemens Networks since April 1, Nokia's vice president David Tang announced in Beijing on December 11.

### 7. [Dopod](#) Plans to Roll out CMDA Handsets December 18, xkb.com.cn

Dopod Communication Corp announced on December 18 that it would join hands with China Unicom to launch its first CMDA mobile phones. This time Dopod came up with a new sub-brand VIVIE for its CDMA products.

### 8. [D. Phone](#) Expands to Consumer Electronics Retailing December 26, YNET

D.Phone, one of the largest mobile phone retailers in China, is in full sail shifting its exposure to consumer electronics and home appliance retailing markets, where it will face directly great competitive challenge from Gome and Sunning, the top two home appliance retailers in this country.

## B. BRIEF SUMMARIZE

Furious competition tends to polarize the current over 60 mobile phone brands in the Chinese market. Overseas brands,

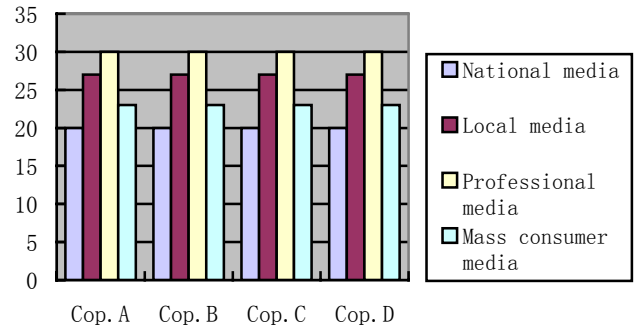
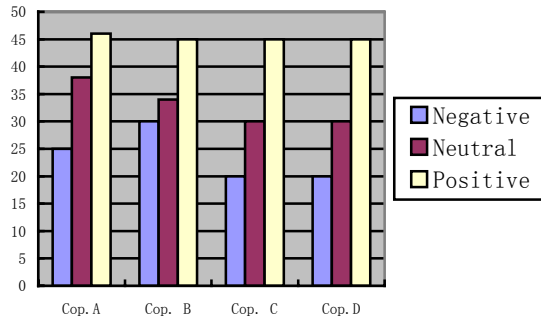
such as Nokia, Motorola, and Sony Ericsson, take much bigger market shares while some other brands, without

independent intellectual propriety right or outstanding performance, have less profit space. Chinese manufacturers, facing competition both from overseas giants and domestic

rivals, snatch declining market shares. Some of them start expansion in foreign countries while some other ones even have been out of the market.

**C. STATISTICAL ANALYSIS**

1. News by tone of articles: (in all 90 pieces)

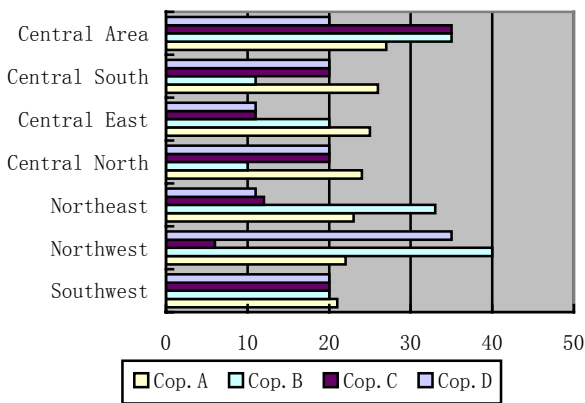


2. News by media: (in all 90 pieces)

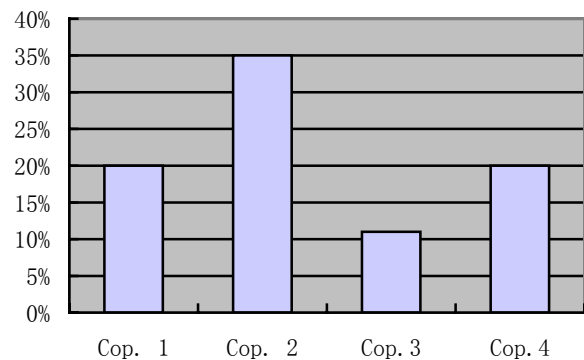
3. All news about the most competitive competitor by subjects: Product related, Marketing (Public relations), Company organizational issues (Management issues), Merger/acquisition and Investment issues, Legal issues, Others

	Product related	Marketing	Company organizational issues	Merger/acquisition and Investment issues	Legal issues	Others	Total
Number of articles	20	27	30	23	10	10	120
Percent	20%	27%	30%	23%	10%	10%	100%

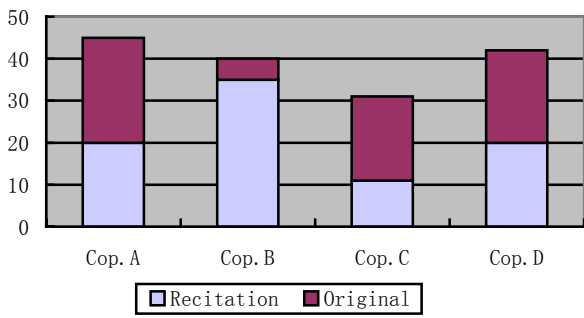
4. Breakdown of the press coverage by city: (in all 90 pieces)



5. Contrast of negative news



6. Share of voices: (in all 90 pieces)



	Cop. 1	Cop. 2	Cop. 3	Cop. 4
Original	25	5	20	22
Recitation	20	35	11	20