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Report

Huawei Annual Report Details Directors, Supervisory Board for First Time

Huawei Technologies Co. Ltd. -- China's largest telecommunications equipment manufacturer -- provided biographical information on its board members, elected in December 2010, in its 2010 annual report, released in April 2011. This is the first time that Huawei has been observed making detailed information on its board available publicly. The release of this information may be intended to counter media accusations that the company lacks transparency. All information included in this OSC report is taken from Huawei's official website and Huawei's 2010 annual report, except where noted.

In December 2010, Huawei's new board of directors and supervisory board were elected by 51 representatives and 8 alternates selected by Huawei employees. The newly-elected board of directors is comprised of one chairwoman, four deputy chairmen, four executive directors, and four directors. The supervisory board is composed of one chairman and four members.

- Huawei elects a new board of directors every five years. The 2010 election was originally scheduled to be held in 2009, five years after the last election in 2004, but it was postponed due to a "sharp increase" in the number of the company's employees, according to *Xinjing Bao*, a joint publication of the Guangming Ribao Press Group and Nanfang Ribao Press Group (19 January 2011).
- In the 2010 elections, the total number of seats on the board of directors increased from nine to 13, suggesting the new leadership would play a "vital role" in Huawei's future corporate structure, reported *Diyi Caijing Ribao*, a national financial daily headquartered in Shanghai (31 January 2011).

Some PRC media in late 2010 and early 2011 speculated on whether the new boards would reflect leadership changes within Huawei and criticized the company for its "lack of transparency." Specifically, PRC media carried conflicting reports about whether founder Ren Zhengfei intended to pass along leadership of the company to his younger family members.

- A 19 January 2011 *Xinjing Bao* article described Huawei as "lacking transparency" and asserted that Ren Zhengfei has not granted any media interviews since becoming the company's CEO in 1988.
- *Meiri Jingji Xinwen*, a subsidiary of the Chengdu Daily Group and the Jiefang Daily Group, reported that Ren Zhengfei sought to appoint his son Ren Ping to Huawei's board and offered Sun Yafang, the company's chairwoman, nearly RMB 1 billion if she agreed to step down so Ren Zhengfei could ensure a leadership succession (18 October 2010).
- According to a 28 October 2010 *Xinjing Bao* report, Ren Zhengfei has groomed his family members -- including his younger brother Ren Shulu, his daughter Meng

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Wanzhou, and his younger sister Zheng Li -- to assume high-level positions in the company. However, the article added that Huawei has refuted media reports the current Huawei management may be shuffled out of office as "unfounded rumor."

Reports in PRC media have also described Huawei's top leadership as having "connections" in the PLA and claimed that the company has received significant government funds.

- *Xinjing Bao* reported that Huawei Chairwoman Sun Yafang worked for the Communications Department of the Ministry of State Security for an unspecified period of time before joining Huawei (28 October 2010).
- Sun also used her "connections" at the Ministry of State Security to help Huawei through financial difficulties "at critical moments" when the company was founded in 1987, according to an undated report on Feng Huang Wang, the website of pro-Beijing Hong Kong broadcaster Phoenix Satellite Television Holdings Ltd.
- On 19 April 2011, *Zhengquan Ribao* a daily covering securities issues, sponsored by the State Council's economic daily *Jingji Ribao*, reported that Huawei received RMB 250 million (US\$36.8 million) and RMB 430 million (US\$63.2 million) in 2009 and 2010, respectively, from Beijing for "domestic development, innovation, and research." The company also received government funding amounting to RMB 328 million (US\$48.2 million) and RMB 545 million (US\$80 million) in 2009 and 2010, respectively for "completing certain research projects."

In an apparent attempt to be address rumors surrounding the newly-elected boards and allegations of Huawei's lack of transparency, in January 2011 CEO Ren Zhengfei admitted that his media approach has "created obstacles" for Huawei, according to PRC press.

- According to the same 19 January *Xinjing Bao* report, Ren admitted that his approach to dealing with media has "created obstacles" for Huawei and that the world needs to see the company "accurately."

Huawei Possesses Global Reach: According to its official website, Huawei Technologies Co. Ltd.¹ -- headquartered in Shenzhen, Guangdong Province -- is China's largest and the world's second largest telecommunications equipment manufacturer, behind Sony Ericsson. Huawei products and services are used in 130 countries by 45 of the world's top 50 telecom operators. The company's revenue in 2008, 2009, and 2010 respectively was valued at US\$18.3 billion, US\$21.8 billion and US\$28 billion. Huawei is predicted to soon become the world's largest telecom equipment maker, according to a 21 April 2011 report in China's state news agency *Xinhua*.

¹ For additional information on Huawei, see the 10 June 2010 OSC Report "Taiwan Opposition Voices Concern Over Huawei's Inroads" (CPP20100610637001) and the 15 July 2011 OSC Report "Taiwan Bans Huawei Equipment Over Reported National Security Concerns" (CPP20110715061001).

Profiles of Huawei's Board of Directors, Supervisory Board

The following biographical information on Huawei's board of directors and supervisory board comes from the 2010 annual report posted on Huawei's corporate website (huawei.com) unless otherwise noted.

Board of Directors

Sun Yafang

Born: Sun's date of birth is unknown but a *Xinjing Bao* report indicates that she is in her fifties (28 October 2010).

Education: Chengdu University of Electronic Science and Technology

Joined Huawei: 1989

In 1982, Sun was employed as a technician by Xinfei TV Manufacturers. Beginning in 1985, she worked as an engineer for Beijing Research Institute of Communication Technology. Since joining Huawei in 1989, she has served as an engineer with the Marketing and Sales Department, president of the Procurement Department, president of the Human Resources Committee, president of the Business

Transformation Executive Steering Committee, president of Strategy and Marketing, and president of Huawei University. She has served as the chair of the board of directors since 1999.



Huawei's 2010 annual report does not mention that Sun, the most trusted deputy of Huawei's founder Ren Zhengfei (*Xinjing Bao*, 28 October 2010), once worked for the PRC Ministry of State Security, a detail reported in Chinese media which has reinforced suspicions over potential close links between Huawei and the Chinese Government.

- *Xinjing Bao* reported that Sun worked for the Communications Department of the Ministry of State Security for an unspecified period of time before joining Huawei (28 October 2010).
- The same 28 October *Xinjing Bao* report also said that Sun joined Huawei in 1992 instead of 1989, as stated on Huawei's website.
- An undated report on *Feng Huang Wang* stated that Sun used her "connections" at the Ministry of State Security to help Huawei through financial difficulties "at critical moments" when the company was founded in 1987.

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Ren Zhengfei

Born: 25 October 1944 to parents who were middle school teachers, Ren spent his primary and middle school years in a remote, mountainous village in Guizhou Province.

Education: In 1963, he began his collegiate studies at the Chongqing Institute of Civil Engineering and Architecture (CICEA). However, the overseas edition of party daily *Renmin Ribao* reported that Ren actually graduated from Chongqing University of Posts and Telecommunications instead of the CICEA (1 December 2010).

Founded Huawei: 1987



Upon graduation, Ren was employed by an unspecified civil engineering organization until 1974, when he enlisted in the PLA Engineering Corps as a soldier participating in the construction of then French-imported Liao Yang Chemical Fiber Factory, where he successively held technician and engineer positions and was promoted to deputy director, which was a civilian title equivalent to a deputy regimental chief without a military rank. As a result of his outstanding performance at work, he was invited to attend the National Science Conference in 1978 and the 12th National Party Congress in 1982. Ren retired from the military in 1983 when the Chinese Government disbanded the entire Engineering Corps. Consequently, he worked for the logistics service base of the Shenzhen South Sea Oil Corporation (SSSOC). When he grew dissatisfied with his work at the SSOC, Ren decided to establish Huawei in 1987 with an initial registered capital of RMB 21,000 (US\$5,675). In 1988, he became the CEO of Huawei and has held the position since.

Chinese media have portrayed Ren as the most influential business leader in China as well as a tenacious and dedicated leader who seldom mentions his military background in public.

- In April 2011, the Chinese version of Fortune Magazine, *Forbes China*, listed Ren as China's most influential business leader.
- *Ta Kung Pao*, a PRC-owned Hong Kong daily, reported that Ren is a "tough," "low-profile," and "dedicated" leader who attaches great importance to "discipline" and "obedience" at work (25 April 2011).

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Guo Ping

Born: 1966

Education: MS from Huazhong University of Science and Technology (HUST).

Joined Huawei: 1988

Guo has served as an R&D project manager, general manager of supply chain, director of the Executive Office, chief legal officer, president of the Business Process and IT Management Department, president of the Corporate Development Department, chairman and president of Huawei Device, corporate executive vice president (EVP), and chairman of the Finance Committee.



An undated posting on *Former Huawei Employees Community* [Qian Huawei Ren Shequ], a forum registered in Beijing and hosted by former and current Huawei employees, indicated that after meeting Ren for the first time at HUST, Guo was employed as a product manager and later became the company's chief recruiter at the university (exhwren.com).

Chinese media reports depict Guo Ping as a "low-profile" and "level-headed" manager leading Huawei's US team who emerged victorious from a lawsuit with Cisco.

- In 2003, Guo traveled to the United States and directed Huawei's US team to "turn the tables" on Cisco after the US company accused Huawei of copying software and patent infringement, according to a 13 March 2010 report in *21 Shiji Jingji Baodao*, a Guangzhou-based economy-focused daily.

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Xu Zhijun

Born: 1967

Education: PhD from Nanjing University of Science and Technology

Joined Huawei: 1993

Xu has served as president of Huawei's wireless product line, chief strategy and marketing officer, chief products and solutions officer, corporate executive vice president, and chairman of the Investment Review Board.



PRC media has quoted Xu as saying that Huawei will seek to make inroads in the US market despite opposition from the US Government.

- Xu said that the company would continue to try to crack the US market despite opposition from the US Government, according to a 28 January 2011 report in *Shanghai Diyi Caijing Ribao*, a financial daily also known as *Chinese Business News*.
- The same 28 January report also cited Xu as saying that Huawei would first seek to establish business connections with non-mainstream telecom operators in the United State, gradually expand its outreach to third-tier or second-tier operators, and finally do business with top operators.

Hu Houkun

Birth: Unknown.

Education: Huazhong University of Science and Technology

Joined Huawei: 1990

Hu has held several senior roles within Huawei including president of Huawei's Chinese Market, president of Huawei Latin America, president of the Global Sales Department, chief sales and service officer, chief strategy and marketing officer, chairman of the Corporate Global Cyber Security Committee, chairman of Huawei USA, corporate executive vice president, and chairman of the Human Resources Committee.



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In February 2011, Hu wrote a letter to the US Government following Huawei's failed attempt to acquire 3Leaf in the United States.

- On 25 February 2011, following Huawei's failure to acquire US server vendor 3Leaf, Hu sent a letter to the US Government challenging US Government claims ranging from the company's involvement with the Chinese Government to Huawei's policies toward intellectual property rights and licensing regulations, according to a 25 February 2011 report on China National Radio (CNR), a Chinese state-run overseas broadcaster.
- The same 25 February report cited Hu as saying that his company did receive financial support from the Chinese Government for research and development activities but that this is consistent with the level of government financial support provided to other businesses in China and many other countries, including the United States.

Meng Wanzhou

Born: Unknown

Education: MS from Huazhong University of Science and Technology in 1998

Joined Huawei: 1993

Meng, Ren Zhengfei's daughter, has served as director of the International Accounting Department, chief financial officer (CFO) of Huawei Hong Kong, president of the Accounting Management Department, president of the Sales Financing and Treasury Management Department. Currently, she concurrently serves as the executive director of the Board of Directors and the CFO of Huawei.

Meng Wanzhou (Cathy Meng, 孟晚舟)

Executive Director



Photo source: Huawei official website

Meng reportedly holds a PhD, and Chinese media report she is likely to succeed Ren Zhengfei as Huawei's CEO.

- *Zhongguo Jingying Bao* reported that Meng is the daughter of Huawei founder Ren Zhengfei and holds a PhD from Nankai University (29 April 2011).
- A 19 April 2011 report in *Zhengquan Ribao* notes that Ren has been grooming Meng to be the company's CFO since she joined Huawei in 1993 and she is likely to succeed Ren in the due course.

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Xu Wenwei*Born:* 1963*Education:* MS from Southeast University in 1990*Joined Huawei:* 1991

Xu has served as president of the International Technical Sales and Marketing Department, president of the European Region, chief strategy and marketing officer, chief sales and service officer, president of the Joint Committee of Regions. He currently also serves as president of the Enterprise Business Group. According to a 19 April 2011 report in *Zhengquan Ribao*, Xu is the husband of Meng Wanzhou.

Xu Wenwei (William Xu, 徐文伟)*Executive Director*

*Photo sources: Huawei official website;
cnii.com.cn/20030915/ca202487.htm*

Li Jie*Born:* 1967*Education:* MS from Xi'an Jiao Tong University*Joined Huawei:* 1992

Li has served as president of an unspecified region, president of the Global Technical Service Department, president of the Human Resource Department, and president of the Joint Committee of Regions.

Li Jie (Jason Li, 李杰)*Executive Director*

*Photo source: Huawei
official website*

Ding Yun*Born:* 1969*Education:* MS from Southeast University*Joined Huawei:* 1996

Ding has served as president of Product Line, president of the Global Solution Sales Department, president of the Global Marketing Department, and chief products and solutions officer.

Ding Yun (Ryan Ding, 丁耘)*Executive Director*

*Photo sources: Huawei official website;
sh.eastday.com/qtmt/20100925/u1a804411.html*

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Chen Lifang*Born:* Unknown*Education:* Northwest University*Joined Huawei:* 1995

Chen has served successively as chief representative of the Beijing Representative Office, vice president of the International Marketing Department, deputy director of the Domestic Marketing Management Office, president of the Public Affairs and Communications Department, and corporate senior vice president.

Chen Lifang (陈黎芳)*Director**Photo source: Huawei official website***Wan Biao***Born:* 1972*Education:* BS from University of Science and Technology of China*Joined Huawei:* 1996

Wan has served as director of the UMTS RAN System, president of the UMTS Product Link, president of the Wireless Product Line, and CEO of Huawei Device.

Wan Biao (万飏)*Director**Photo sources: Huawei official website; maigoo.com/maigooCMS/2011/0706/kjmrwb.html***Zhang Ping'an***Born:* 1972*Education:* MS from Zhejiang University*Joined Huawei:* 1996

Zhang has served as president of Product Link, senior vice president, vice president of strategy and marketing, regional vice president, vice president of the Global Technical Service, and CEO of Huawei Symantec.

Zhang Ping'an (Alex Zhang, 张平安)*Director**Photo sources: Huawei official website; tech.sina.com.cn/other/2009-11-28/16563633017.shtml*

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Yu Chengdong*Born:* 1969*Education:* MS from Tsinghua University*Joined Huawei:* 1993

Yu has served as director of 3G Products, vice president of the Wireless Technical Sales Department, president of the European Region, and chief strategy and marketing officer.

Yu Chengdong (Richard Yu, 余承东)*Director*

*Photo sources: Huawei official website;
tech.ifeng.com/telecom/special/huawei-
sunnyafang/content-1/detail_2010_11/17/3134909_0.shtml*

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Supervisory Board**Liang Hua**

Born: 1964

Education: PhD from Wuhan University of Technology

Joined Huawei: 1995

Liang has served as president of the Supply Chain Management Department, CFO of Huawei, and president of the Global Technical Service Department.

Liang Hua (梁华)

Chairman of the Supervisory Board



Photo source: Huawei official website

Peng Zhiping

Born: 1967

Education: MS from Fudan University

Joined Huawei: 1996

Peng has served as president of the Terminal Product Link, president of the Optical Network Product Link, president of the Supply Chain Management Department, vice president of the Procurement Qualification Management Department. Currently, he also serves as chief operations and delivery officer.

Peng Zhiping (Benjamin Peng, 彭智平)

Member of the Supervisory Board



Photo sources: Huawei official website; customs.gov.cn/publish/portal0/tab35021/info191274.htm

Ren Shulu

Born: 1956

Education: Yunnan University

Joined Huawei: 1992

Ren has served as president of Shenzhen Smartcom Business Co., Ltd, president of the Internal Service Management Department, and head of the Capital Construction Investment Management Committee. On 19 April 2011, *Zhengquan Ribao* reported that Ren Shulu was elected to Huawei's supervisory board for the first time in January 2011. He is the brother of Ren Zhengfei, according to the same article.

Ren Shulu (Steven Ren, 任树录)

Member of the Supervisory Board



Photo source: Huawei official website

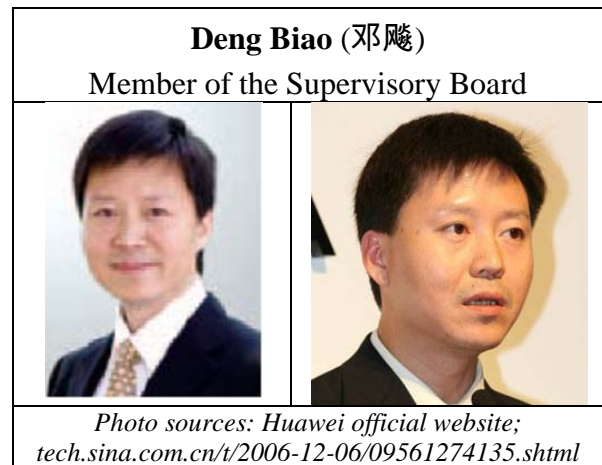
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Tian Feng*Born:* 1969*Education:* BS from Xi'an University of Electronic Science and Technology*Joined Huawei:* 1995

Tian has served as regional vice president, regional president, and CEO of Huawei Agissson.

**Deng Biao***Born:* 1971*Education:* BS from Jiangxi University*Joined Huawei:* 1996

Deng has served as president of the Access Network Product Link, president of the Network Product Line, and CEO of Huawei Software Technologies Co., Ltd.



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