



Huawei passing 'darkest zone' with 76% net profit gain despite challenges

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Huawei Technologies posted 76 percent net profit growth last year, despite challenges such as the United States tech sanctions and the COVID-19 pandemic, the tech giant said last Sunday.

The company's chief financial officer Meng Wanzhou, who was detained in Canada for almost three years, spoke at the Huawei conference, her first public appearance since returning to China in September last year.

Huawei said it will increase research and development investment significantly, including recruiting 10,000 new employees this year.

In 2021, Huawei posted revenue of 636.8 billion yuan (US\$99.5 billion), compared with 891.4 billion yuan in 2020. Net profit was 113.7 billion yuan, jumping 75.9 percent year on year.

Huawei is passing "the darkest zone," Meng said, adding that "we have become more united."

Despite a revenue slump in 2021, Huawei's ability to make profit and generate cash flow is increasing, making it more capable of dealing with uncertainty, she added.

The company's R&D expenditure hit a record-high 142.7 billion yuan last year, representing 22.4 percent of its total revenue.

But Huawei admitted it is facing challenges due to the COVID-19 outbreak and US tech sanctions, which have impacted its consumer business for smartphones, tablets and other devices.

The sanctions have made it difficult for Huawei to obtain chips and key components it requires for some businesses.

Instead, Huawei has invested more in other sectors like cloud and software as well as emerging sectors like autonomous driving. It has also developed its own operating system HarmonyOS.

In the past two years, Huawei has recruited more than 26,000 employees. In 2022, it plans to hire 10,000 more staff,



Meng Wanzhou speaks at the Huawei conference in her first public appearance since returning to China in September.

— Ti Gong

said Guo Ping, Huawei's rotating chairman.

Talent, scientific research and innovation spirit are three key sectors that Huawei will depend on to survive and "reshape the ICT (information, communication and technology) industry," Guo added.

In the past five years, Huawei has had a huge lead over other Chinese firms in terms of invention patents granted. It is followed by OPPO, BOE, State

Grid and TSMC, according to PatSnap, a third-party patent consulting firm.

In 2021, Huawei's research spending accounted for 22 percent of its revenue, compared with 13.2 percent in 2013. It means that Huawei's research spending is not "constrained by revenue or profit," Meng pointed out.

Huawei's total R&D expenditure over the past decade totaled more than 845 billion

yuan, it revealed.

Meng, born in 1972, was arbitrarily detained by Canadian authorities at Vancouver International Airport on December 1, 2018, in response to a US extradition request.

Facts have proven that the targeting of Meng was a case of political persecution aiming to suppress Chinese high-tech companies.

After being detained in Canada for 34 months, she returned to China in September. Millions of Chinese netizens welcomed Meng's return, as crowds greeted her at Shenzhen airport, according to media reports.

Last Sunday was her first public appearance since retaking the CFO's role at Huawei.

During the conference, Meng quoted a Chinese proverb to describe her feeling: "One day in the middle of the cave, thousands of years in the world."

"I am trying to catch up with the rapid change and development," she told the conference.