

Huawei Investment & Holding Co., Ltd.



Appendix to 2013 Annual Report | Land Use Rights and Building Property



Preface

150,000

employees

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CNY3,133

million

As of December 31, 2013, the company invested CNY3,133 million on the purchase of land use rights.

As a leading global information and communications technology (ICT) solutions provider, Huawei is dedicated to providing competitive ICT products and solutions for telecom carriers, enterprises, and consumers, and aims to continuously improve the customer experience and create maximum value for our customers. Our products and solutions have been deployed in over 170 countries and regions, serving approximately 3 billion people around the world. Sales revenue in 2013 amounted to CNY239,025 million. As of December 31, 2013, the company's assets totaled CNY231,532 million and its global workforce exceeded 150,000.

With growing business scale and improved business presence, Huawei has set up offices and competence centers in many countries to support globalization and operational excellence. China has always been a strategic focus and important market for Huawei's global operations. As such, Huawei has made future-oriented investments in China to purchase land use rights and construct campuses, in order to meet such property needs as R&D, manufacturing, and offices brought about by the expansion of the company while taking advantage of localities, talent, and industry environments in the cities the campuses are located in and to improve the overall operating efficiency. As of December 31, 2013, the company invested CNY3,133 million on the purchase of land use rights. The land and buildings acquired or constructed in China are important assets of the company and are an integral part of Huawei's global strategic deployments.

To help all stakeholders further understand the conditions of Huawei's land and buildings, we hereby disclose relevant information of our campuses, including our R&D centers, manufacturing bases, and offices in China. This Appendix describes the functions as well as the data and photos of land and buildings on Huawei campuses. The financial data related to land use rights and buildings has been audited by ShenZhen Great Wall Certified Public Accountants Co., Ltd.

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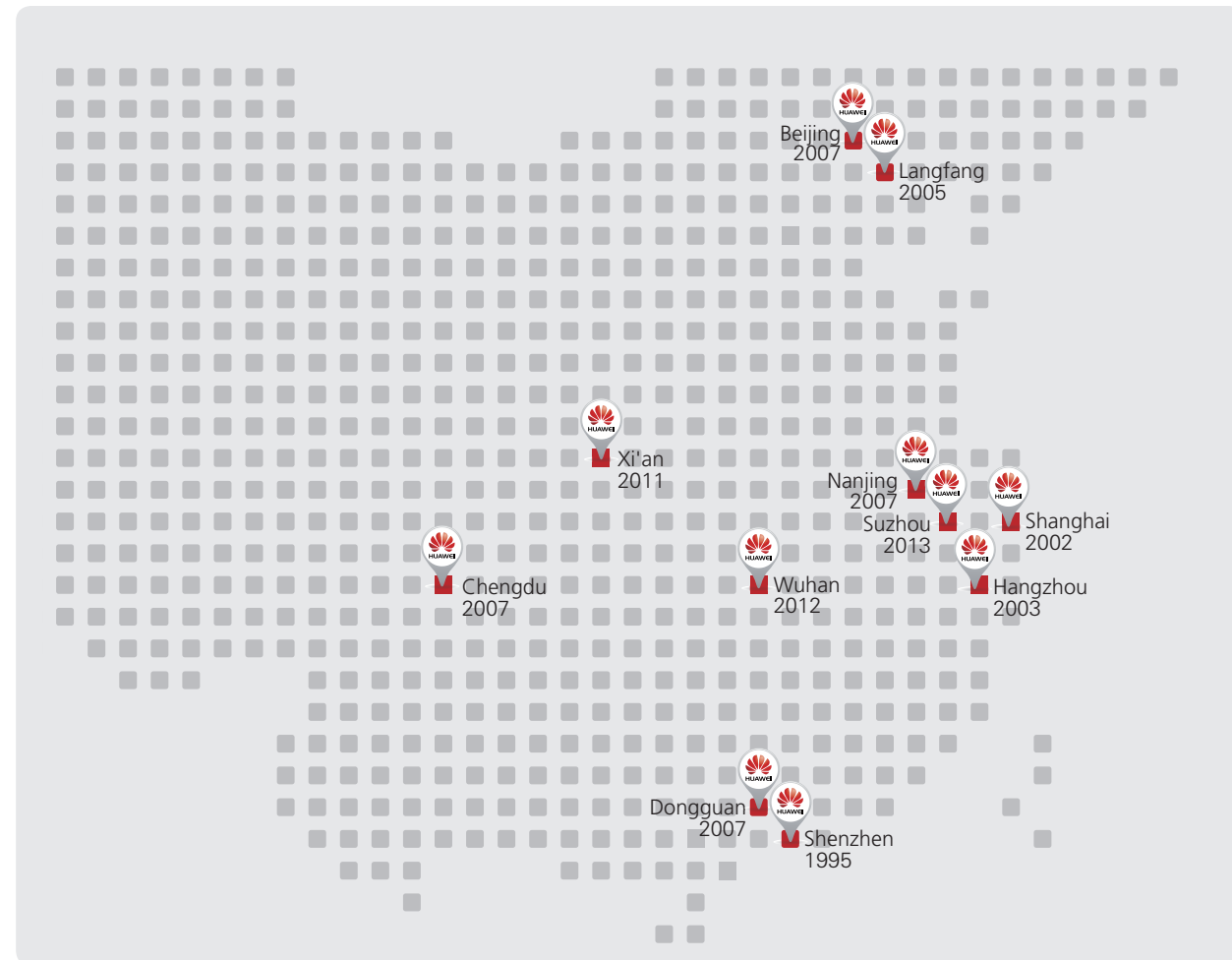
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A Glance at Land and Building Property

Overview

In its early years, Huawei mainly relied on leased plant and offices and a few purchased houses, which were used as offices and dormitories to ensure smooth business operations. Starting from 1995, Huawei began to buy land use rights at reasonable prices in many cities in China, including Shenzhen, Shanghai, Hangzhou, and Beijing, through state-owned land use right transfers, and hired world-class architectural design, construction, and landscaping organizations to build Huawei campuses in these cities (see Figure 1.1 for the campus distribution). Gradually, Huawei has built its own eco-friendly and people-oriented campuses that support business operations and development. These campuses create an innovative environment for employees and help attract and retain talent.

Figure 1.1 Distribution of Huawei campuses (China)



Note: The years shown in the figure indicate when Huawei first bought the land use rights to build campuses. The land use rights of the Chengdu Campus is owned by Huawei's joint venture in Chengdu.

By the end of 2013, Huawei had acquired the use rights of 6,833 thousand square meters* of land in 10 cities that has been defined for industrial and R&D purposes. The buildings have an area of 3,161 thousand square meters with an additional 2,103 thousand square meters under construction. Still, some other land on the campus is being planned for development. For more information about the areas of land use rights and buildings of Huawei campuses, see Table 1.1.

Table 1.1 Areas of land use rights and buildings of Huawei campuses

Unit: thousand square meters

City	Land Use Rights	Buildings		
		Completed	Under Construction	Planned
Shenzhen	1,602	1,118	636	Approx. 100
Shanghai	275	312	0	0
Hangzhou	363	293	92	0
Langfang	678	202	0	0
Nanjing	454	322	0	Approx. 120
Dongguan	2,001	619	593	Approx. 770
Beijing	451	295	188	0
Xi'an	285	0	594	0
Wuhan	292	0	0	Approx. 540
Suzhou	432	0	0	Approx. 600
Total	6,833	3,161	2,103	2,130

Note: The table excludes the land use rights and buildings owned by Huawei's joint venture in Chengdu.

* This figure refers to the area of the contractual land that Huawei has paid for and has obtained the land use permits of the People's Republic of China (PRC). It excludes the area of land use rights owned by Huawei's joint venture in Chengdu.

Accounting Policies and Financial Data

Based on the company's 2013 consolidated financial statements summary, the accounting policies adopted by Huawei for land use rights* as well as property, plant and equipment are as follows.

Land Use Rights

The cost of land use rights represents land premium, resettlement fees and related expenses in obtaining the relevant land use rights. The land use rights are stated at cost, less accumulated amortization and impairment losses. Amortization is charged to the consolidated statement of profit or loss on a straight-line basis over the period of the land use rights which is generally not exceeding 50 years.

Property, Plant and Equipment

(I) Recognition and Measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets. The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs. Construction in progress is transferred to property, plant and equipment when it is ready for its intended use.

(II) Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to Huawei and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

(III) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives. Table 1.2 shows the estimated useful lives of property, plant and equipment.

Table 1.2 Estimated useful lives of property, plant and equipment

	Estimated Useful Lives
Freehold land and construction in progress are not depreciated	
Buildings	20 years
Machinery, electronic equipment, and other equipment	3 to 10 years
Motor vehicles	5 years
Decoration and leasehold improvements	2 to 5 years

* Land use rights are embodied in long-term leasehold prepayments in the consolidated financial statements summary.

For the book value of property, plant and equipment as well as land use rights owned by Huawei and its consolidated subsidiaries for the fiscal year ended December 31, 2013, see Table 1.3 and Table 1.4. The data is from the company's 2013 consolidated financial statement.

Table 1.3 Book value of property, plant and equipment

	Unit: CNY million							
	Freehold Land	Buildings	Machinery, Electronic Equipment, and Other Equipment	Motor Vehicles	Construction in Progress	Investment Properties	Decoration and Leasehold Improvements	Total
Cost								
At January 1, 2013	49	8,693	17,634	540	3,764	434	5,712	36,826
At December 31, 2013	106	9,428	19,501	544	4,910	434	6,502	41,425
Accumulated depreciation								
At January 1, 2013	-	2,166	10,157	353	-	285	3,499	16,460
At December 31, 2013	-	2,554	11,717	361	-	307	4,277	19,216
Carrying amounts								
At December 31, 2013	106	6,874	7,784	183	4,910	127	2,225	22,209

Table 1.4 Land use rights

	Unit: CNY million	
	2013	2012
At January 1	2,361	2,223
Additions	462	198
Amortization for the year	(62)	(60)
At December 31	2,761	2,361

Special Audits on Land Use Rights and Buildings

In 2013, Huawei hired ShenZhen Great Wall Certified Public Accountants Co., Ltd. (hereinafter referred to as "the Auditor") to conduct special audits on the land use rights and buildings in China owned by Huawei and its consolidated subsidiaries. The Auditor examined Huawei's acquisition of assets, accounting policies according to which accounting treatments were performed, cost, amortization/depreciation, and carrying amount. The Auditor also examined Huawei's annual land use rights purchase contracts and title certificates of property item by item for each land plot as well as critical payment vouchers. The Auditor issued a special audit report dated on March 11, 2014.

In each accounting treatment, the cost of land use rights represents land premium, resettlement fees and related expenses in obtaining the relevant land use rights. The cost of purchased buildings includes expenditure that is directly attributable to the acquisition of the assets. The cost of self-constructed buildings includes the cost of materials, direct labor, the initial estimate, where relevant, of the costs of dismantling and removing the assets and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs.

In this Appendix, data related to the areas of land use rights and buildings along with their book value for Huawei campuses is derived from the special audit report.

By the end of 2013, the cost of land use rights, buildings, ancillary equipment, decorations, and other capital constructions in China had totaled CNY22,388 million (CNY3,133 million for land use rights, CNY9,029 million for buildings, CNY5,192 million for ancillary equipment, and CNY5,034 million for decoration and other assets.) For details, see Table 1.5.

Table 1.5 Book value of capital constructions

	Unit: CNY million		
	Cost	Accumulated Depreciation/ Amortization	Carrying Amount as of December 31, 2013
Land use rights	3,133	372	2,761
Buildings	9,029	2,605	6,424
Ancillary equipment	5,192	2,672	2,520
Decorations and others	5,034	3,344	1,690
Total	22,388	8,993	13,395

Audit Report

GWCPA Special Audit No. [2014] 023

Board of Directors of Huawei Investment & Holding Co., Ltd.:

We have audited the item table (the Item Table) of land use rights and building property in China owned by Huawei Investment & Holding Co., Ltd. (the "Company") and its consolidated subsidiaries ended December 31, 2013. The Item table is comprised of the land use rights item table, the buildings item table, and explanatory notes to the Item Table.

1. Management's responsibilities for the Item Table

The management of the Company and its subsidiaries is responsible for the preparation and fair presentation of the Item Table, including: (1) Preparing the Item Table on the basis described in the explanatory notes. (2) Designing, executing, and maintaining necessary internal controls to ensure that the Item Table is free of any critical misstatements due to fraud or human error.

2. Certified Public Accountants' responsibility

Our responsibility is to express an opinion on the Item Table based on our audit procedures, which were conducted in accordance with Auditing Standards for Chinese Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Item Table is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Item Table. The procedures selected depend on the Certified Public Accountants' judgments, including the assessment of the risks of material misstatement of the Item Table, whether due to fraud or error. During risk assessment, the Certified Public Accountants consider internal controls relevant to the preparation of the Item Table in order to design an appropriate audit procedure, but not for the purpose of expressing an opinion on the effectiveness of internal controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Item Table.

We believe that the audit evidence we have obtained provides a sufficient and appropriate basis for our audit opinion.

3. Audit opinion

In our opinion, the Item Table has been prepared on the basis described in the explanatory notes in all material aspects and fairly reflects the land use rights and building properties in China possessed by the Company and its consolidated subsidiaries for the fiscal year ended December 31, 2013.

4. Basis of the preparation and use limitations

We remind the intended users of the Item Table to pay attention to the basis described in the explanatory notes. The Item Table is prepared as supplementary information to the audited consolidated financial statement for the year 2013 to factually and fully reflect the land use rights and building properties in China owned by the Company and its consolidated subsidiaries as of December 31, 2013. This report is for use by the Company for the above stated purpose only. The information in this section has no impact on the audit opinion we have previously expressed.

ShenZhen Great Wall Certified Public Accountants Co., Ltd.
Shenzhen, China

Chinese Certified Public Accountant: Zhao Qing
Chinese Certified Public Accountant: Lin Yunqu

March 11, 2014

Shenzhen Campus

In 1995, Huawei purchased the use rights of the G03204-1 land plot in Buji County, Longgang District, Shenzhen, China, and started to construct the Shenzhen Campus, which was put into use in 2000. The Shenzhen Campus was the first campus built by Huawei.

The principal Shenzhen Campus is located in Bantian, Longgang District, Shenzhen. It borders the Meiguan Highway to the west and Banxuegang Blvd to the east, with Wuhe Blvd, Chongzhi Blvd, Julifuren Blvd, and Jiaxian Rd interweaving the campus. The Shenzhen Campus covers 1,602 thousand square meters. The completed structures enclose an area of 1,118 thousand square meters, and those expected to be completed in 2015 will enclose an area of 636 thousand square meters. Still, some other land on the campus is being planned for development.



Shenzhen Campus

In 2000, the campus was partially completed and put into use

Area:

1,602 thousand square meters

The Shenzhen Campus is the main operations and R&D center of the company. Huawei has built manufacturing, R&D, training, administration, and many other functions on the campus. For more information about the functions of each section and when they were put into use, see Table 2.1.

Table 2.1 Functions of the sections on the Shenzhen Campus

Section	Main Function	In Use Starting On
A, B, C, E, F, G, and K	R&D, manufacturing, and offices	March 2000
J	Training	December 2002
Baicao Garden	Ancillary facilities (dormitory)	December 2000
D	New R&D center	September 2011
H	Software R&D center	March 2012
Lizhi Garden and Yangmei land plot	Ancillary facilities (dormitory)	Under construction
Land plot of approx. 40 thousand square meters	Ancillary facilities	Planned

As of December 31, 2013, the cost of land use rights, buildings, ancillary equipment, decorations, and other capital constructions in Shenzhen totaled CNY8,664 million (CNY601 million for land use rights, CNY3,867 million for buildings, CNY2,089 million for ancillary equipment, and CNY2,107 million for decoration and other assets). By the end of 2013, the carrying amount of all the above-mentioned assets in Shenzhen had reached CNY3,240 million.

See Table 2.2 and Table 2.3 for the areas of land use rights and buildings acquired as of December 31, 2013 in the Shenzhen Campus as well as the book value.

Table 2.2 Area and book value of land use rights on the Shenzhen Campus

Unit: CNY million

Year Land Acquired	Area (Thousand Square Meters)	Cost	Accumulated Amortization	Carrying Amount as of December 31, 2013
1995	171	45	26	19
1998	330	109	37	72
1999	433	139	36	103
2000	184	52	14	38
2001	173	40	10	30
2005	199	113	16	97
2008	112	103	11	92
Total as of December 31, 2013	1,602	601	150	451

Table 2.3 Area and book value of buildings on the Shenzhen Campus

Unit: CNY million

Year Land Acquired	Area (Thousand Square Meters)	Cost	Accumulated Depreciation	Carrying Amount as of December 31, 2013
2000	346	1,258	750	508
2001	58	412	260	152
2002	56	263	162	101
2003	214	904	415	489
2004	171	432	186	246
2006	2	37	14	23
2009	2	19	4	15
2012	269	542	47	495
Total as of December 31, 2013	1,118	3,867	1,838	2,029

Shanghai Campus

Near the intersection of Jinhai Rd and Shenjiang Rd, the Shanghai Campus is located in the Jinqiao, Pudong New District, Shanghai. The Campus covers 275 thousand square meters. The completed structures enclose an area of 312 thousand square meters. The Shanghai Campus delivers R&D, office, and associated service functions. Jointly designed by American and Chinese design agencies, the campus compliments its long and narrow site with the monomer building as long as 770 meters.

The Shanghai Campus focuses on R&D for the carrier network and consumer businesses.

As of December 31, 2013, the cost of land use rights, buildings, ancillary equipment, decorations, and other capital constructions in Shanghai totaled CNY2,370 million (CNY129 million for land use rights, CNY987 million for buildings, CNY578 million for ancillary equipment, and CNY676 million for decoration and other assets). By the end of 2013, the carrying amount of all the above-mentioned assets in Shanghai had reached CNY1,516 million.

See Table 3.1 and Table 3.2 for the areas of land use rights and buildings acquired by the end of 2013 on the Shanghai Campus as well as the book value.

Table 3.1 Area and book value of land use rights on the Shanghai Campus

Unit: CNY million				
Year Land Acquired	Area (Thousand Square Meters)	Cost	Accumulated Amortization	Carrying Amount as of December 31, 2013
2002	275	129	26	103
Total as of December 31, 2013	275	129	26	103

Table 3.2 Area and book value of buildings on the Shanghai Campus

Unit: CNY million				
Year Land Acquired	Area (Thousand Square Meters)	Cost	Accumulated Depreciation	Carrying Amount as of December 31, 2013
2010	312	987	164	823
Total as of December 31, 2013	312	987	164	823



Hangzhou Campus

The Hangzhou Campus, built in two phases, is located in the Binjiang District of Hangzhou. Phase 1 buildings are located on Liuhe Rd, while phase 2 buildings are situated near the intersection of Binkang Rd and Jianghong Rd and face northeast. The Hangzhou Campus covers 363 thousand square meters. The completed structures enclose an area of 293 thousand square meters and those expected to be completed in 2014 will enclose an area of 92 thousand square meters.

The Hangzhou Campus focuses on the R&D for the network carrier and enterprise businesses.

293 thousand square meters

The Hangzhou Campus covers 363 thousand square meters. The completed structures enclose an area of 293 thousand square meters.



Figure above: Phase 1 Hangzhou Campus

Put into use in 2003

Area: 133 thousand square meters



Figure above: Phase 2 Hangzhou Campus Partially completed and put into use in 2013 Area: 230 thousand square meters

As of December 31, 2013, the cost of land use rights, buildings, ancillary equipment, decorations, and other capital constructions in Hangzhou totaled CNY1,950 million (CNY79 million for land use rights, CNY930 million for buildings, CNY418 million for ancillary equipment, and CNY523 million for decoration and other assets). By the end of 2013, the carrying amount of all the above-mentioned assets in Hangzhou had reached CNY1,698 million.

See Table 4.1 and Table 4.2 for the areas of land use rights and buildings acquired by the end of 2013 on the Hangzhou Campus as well as the book value.

Currently, the buildings on the Phase 1 Hangzhou Campus are leased to third parties. By the end of 2013, the cost of these buildings had amounted to CNY187 million and the carrying amount had reached CNY103 million.

Table 4.1 Area and book value of land use rights on the Hangzhou Campus

Unit: CNY million

Year Land Acquired	Area (Thousand Square Meters)	Cost	Accumulated Amortization	Carrying Amount as of December 31, 2013
2003	133	28	6	22
2007	230	51	6	45
Total as of December 31, 2013	363	79	12	67

Table 4.2 Area and book value of buildings on the Hangzhou Campus

Unit: CNY million

Year Land Acquired	Area (Thousand Square Meters)	Cost	Accumulated Depreciation	Carrying Amount as of December 31, 2013
2003	70	187	84	103
2013	223	743	3	740
Total as of December 31, 2013	293	930	87	843

Langfang Campus



Langfang Campus

In 2008, the campus was partially completed and put into use

Area:

678 thousand square meters

The area inside the dotted lines indicates the Langfang Campus

Located on the Yinhebei Rd in the Economic and Technological Development Zone of Langfang, the Huawei Langfang Campus borders the Beijing Economic and Technological Development Zone to the north, about 30 kilometers from Beijing and 40 kilometers from Tianjin. The campus covers 678 thousand square meters. The completed structures enclose an area of 202 thousand square meters.

Currently, the Langfang Campus mainly supports the sales and service functions of the China section.

As of December 31, 2013, the cost of land use rights, buildings, ancillary equipment, decorations, and other capital constructions in Langfang totaled CNY807 million (CNY69 million for land use rights, CNY393 million for buildings, CNY269 million for ancillary equipment, and CNY76 million for decoration and other assets). By the end of 2013, the carrying amount of all the above-mentioned assets in Langfang had reached CNY505 million.

See Table 5.1 and Table 5.2 for the areas of land use rights and buildings acquired by the end of 2013 on the Langfang Campus as well as the book value.

Table 5.1 Area and book value of land use rights on the Langfang Campus

Unit: CNY million

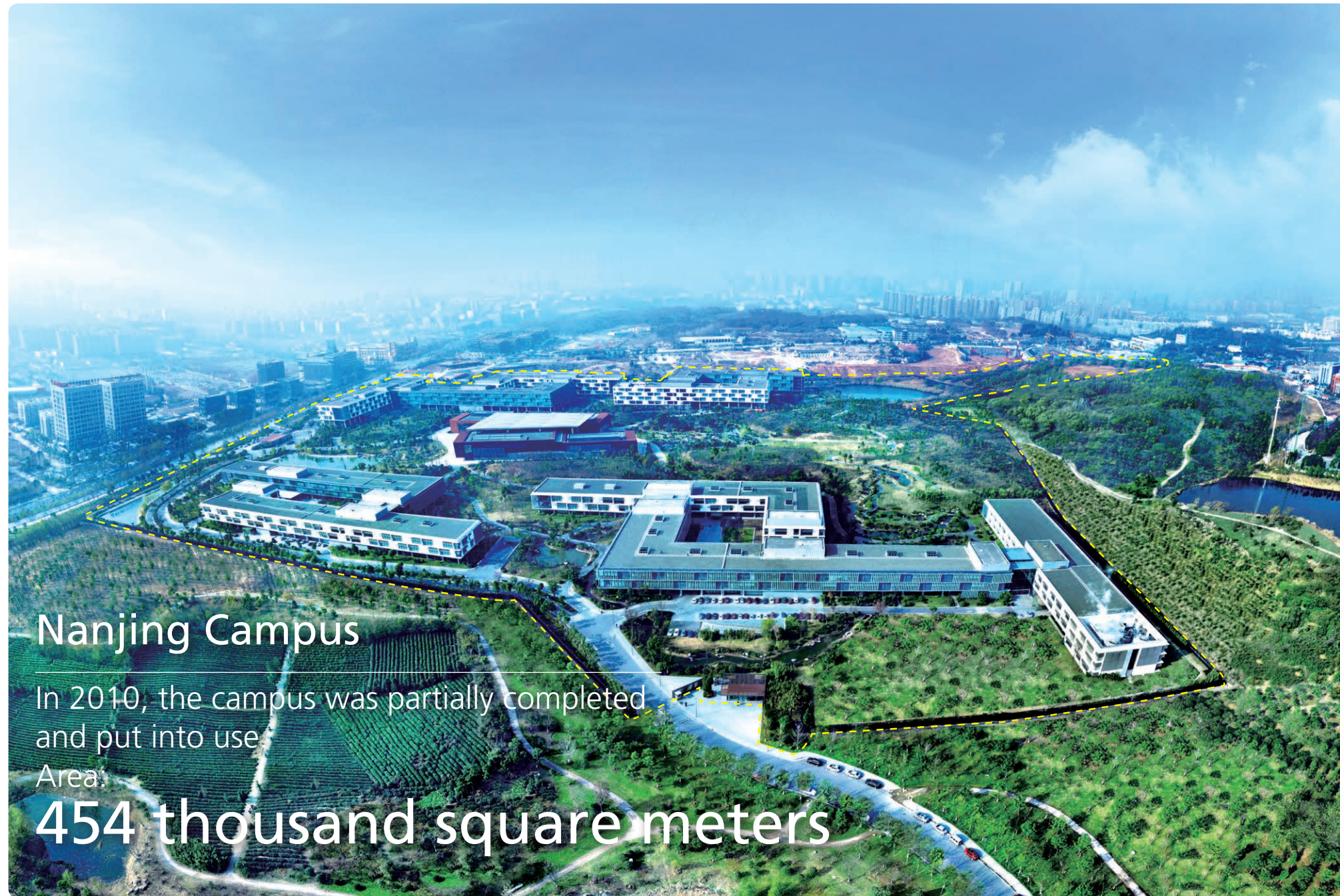
Year Land Acquired	Area (Thousand Square Meters)	Cost	Accumulated Amortization	Carrying Amount as of December 31, 2013
2005	678	69	7	62
Total as of December 31, 2013	678	69	7	62

Table 5.2 Area and book value of buildings on the Langfang Campus

Unit: CNY million

Year Land Acquired	Area (Thousand Square Meters)	Cost	Accumulated Depreciation	Carrying Amount as of December 31, 2013
2008	199	322	79	243
2009	3	71	14	57
Total as of December 31, 2013	202	393	93	300

Nanjing Campus



The area inside the dotted lines indicates the Nanjing Campus

Standing in the Yuhua District of Nanjing, the Nanjing Campus borders Ruanjian Blvd to the south, Jiangjun Rd to the east, Zijinghua Rd to the north, and Ningdan Rd to the west. The campus takes on a superior ecological appearance surrounded by low-lying hills and lush vegetation. The campus covers 454 thousand square meters. The completed structures enclose an area of 322 thousand square meters. Still, some other land on the campus is being planned for development.

The Nanjing Campus focuses on R&D for the carrier network businesses.

As of December 31, 2013, the cost of land use rights, buildings, ancillary equipment, decorations, and other capital constructions in Nanjing totaled CNY2,383 million (CNY248 million for land use rights, CNY837 million for buildings, CNY547 million for ancillary equipment, and CNY751 million for decoration and other assets). By the end of 2013, the carrying amount of all the above-mentioned assets in Nanjing had reached CNY1,488 million.

See Table 6.1 and Table 6.2 for the areas of land use rights and buildings acquired by the end of 2013 on the Nanjing Campus as well as the book value.

Table 6.1 Area and book value of land use rights on the Nanjing Campus

Unit: CNY million

Year Land Acquired	Area (Thousand Square Meters)	Cost	Accumulated Amortization	Carrying Amount as of December 31, 2013
2007	454	248	26	222
Total as of December 31, 2013	454	248	26	222

Table 6.2 Area and book value of buildings on the Nanjing Campus

Unit: CNY million

Year Land Acquired	Area (Thousand Square Meters)	Cost	Accumulated Depreciation	Carrying Amount as of December 31, 2013
2010	322	837	147	690
Total as of December 31, 2013	322	837	147	690

Dongguan Campus

The Dongguan Campus is divided into two sections—northern and southern—located in the North and South sections of the Songshanhu High-Tech Industrial Development Zone of Dongguan. The northern section is a production base neighboring Gongye (E) Rd and Xincheng Blvd, while the southern section is an R&D center north of Huanhu (S) Rd in the development zone. The Dongguan Campus covers 2,001 thousand square meters, including the northern section of 1,398 thousand square meters and the southern section of 603 thousand square meters. The completed structures enclose an area of 619 thousand square meters, and the buildings expected to be completed in 2014 and 2017 encompass an area of 593 thousand square meters. Still, some other land on the campus is being planned for development. See Table 7.1 for the functions of the northern and southern sections.

At present, the Dongguan Campus mainly serves as the manufacturing base of the company. As the construction of the southern section advances, the Dongguan Campus is expected to deliver more services and functions.

Table 7.1 Functions of the sections on the Dongguan Campus

Section	Main Function	In Use Starting On
Northern section	Manufacturing base	April 2009
	Ancillary facilities (dormitory)	November 2012
Southern section	HQ of the device business	Planned

As of December 31, 2013, the cost of land use rights, buildings, ancillary equipment, decorations, and other capital constructions in Dongguan totaled CNY3,071 million (CNY806 million for land use rights, CNY1,232 million for buildings,

CNY659 million for ancillary equipment, and CNY374 million for decoration and other assets). By the end of 2013, the carrying amount of all the above-mentioned assets in Dongguan had reached CNY2,396 million.

See Table 7.2 and Table 7.3 for the areas of land use rights and buildings acquired by the end of 2013 on the Dongguan Campus as well as the book value.

Table 7.2 Area and book value of land use rights on the Dongguan Campus

Unit: CNY million

Year Land Acquired	Area (Thousand Square Meters)	Cost	Accumulated Amortization	Carrying Amount as of December 31, 2013
2007	1,398	495	52	443
2013	603	311	4	307
Total as of December 31, 2013	2,001	806	56	750

Table 7.3 Area and book value of buildings on the Dongguan Campus

Unit: CNY million

Year Land Acquired	Area (Thousand Square Meters)	Cost	Accumulated Depreciation	Carrying Amount as of December 31, 2013
2009	299	588	137	451
2012	320	644	47	597
Total as of December 31, 2013	619	1,232	184	1,048



Left figure: Manufacturing base in the northern section on the Dongguan Campus

In 2009, the northern section was partially completed and put into use.

Area: 1,253 thousand square meters



Right figure: Dormitory on the Dongguan Campus

In 2012, the dormitory was partially completed and put into use.

Area: 145 thousand square meters

Beijing Campus



Located in the Zhongguancun National Demonstration Zone in the Haidian District, the Beijing Campus is next to the Xishan Scenic Area. It borders Chunyang Rd to the east and a hot springs town to the south, while lying beneath Xianling Mountain to the west and next to Beiqing Rd to the north. The campus finds itself in a transportation network comprised of main city roads such as Jingchang Highway, Wenquan (N) Rd, and Beiqing Rd reachable in all directions. The Beijing Campus covers 451 thousand square meters, with the completed structures enclosing an area of 295 thousand square meters. Additional structures expected to be completed in 2014 through 2015 will encompass an area of 188 thousand square meters.

The Beijing Campus focuses on R&D for the carrier network businesses.

As of December 31, 2013, the cost of land use rights, buildings, ancillary equipment, decorations, and other capital constructions in Beijing totaled CNY2,818 million (CNY876 million for land use rights, CNY783 million for buildings, CNY632 million for ancillary equipment, and CNY527 million for decoration and other assets). By the end of 2013, the carrying amount of all the above-mentioned assets in Beijing had reached CNY2,238 million.

See Table 8.1 and Table 8.2 for the areas of land use rights and buildings acquired by the end of 2013 on the Beijing Campus as well as the book value.

Table 8.1 Area and book value of land use rights on the Beijing Campus
Unit: CNY million

Year Land Acquired	Area (Thousand Square Meters)	Cost	Accumulated Amortization	Carrying Amount as of December 31, 2013
2007	345	628	65	563
2008	96	194	17	177
2012	10	54	2	52
Total as of December 31, 2013	451	876	84	792

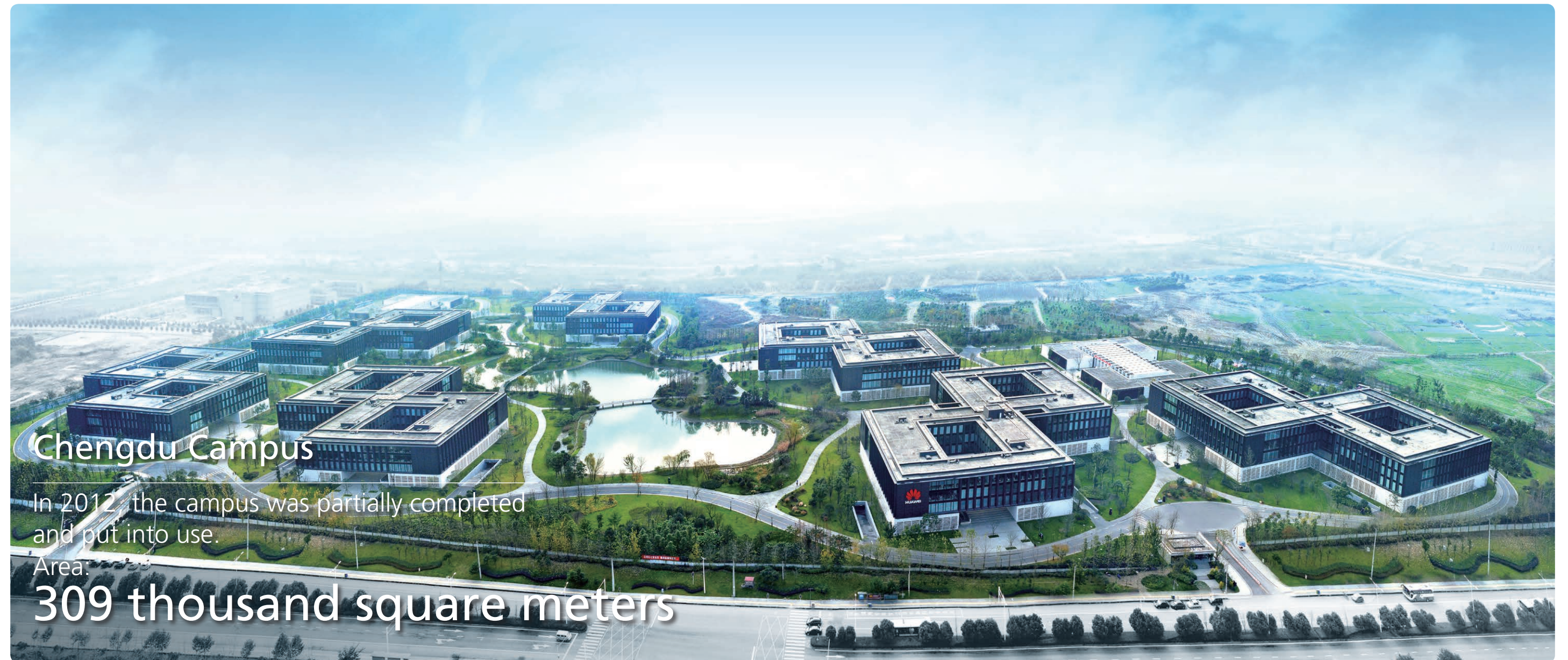
Table 8.2 Area and book value of buildings on the Beijing Campus
Unit: CNY million

Year Land Acquired	Area (Thousand Square Meters)	Cost	Accumulated Depreciation	Carrying Amount as of December 31, 2013
2008	38	68	18	50
2010	49	149	25	124
2012	208	566	49	517
Total as of December 31, 2013	295	783	92	691

Chengdu Campus

The Chengdu Campus is located northwest of the Chengdu Hi-tech Industrial Development Zone. It borders IT Rd, the main artery of the zone, to the west and Xiyuan Blvd to the east. The campus covers 309 thousand square meters, with completed structures encompassing an area of 289 thousand square meters. The campus is currently under the property of Huawei's joint venture in Chengdu. All structures on the campus are leased to Huawei as R&D and office buildings.

The Chengdu Campus is expected to carry out R&D for domains related to carrier network and enterprise businesses in the future.



Chengdu Campus

In 2012, the campus was partially completed and put into use.

Area:

309 thousand square meters

Xi'an Campus

285

thousand square meters

The campus covers 285 thousand square meters with the structures under construction expected to enclose an area of 594 thousand square meters when completed in 2015 and 2016.

The Xi'an Campus stands in the Xi'an High-Tech Industrial Development Zone. Surrounded by Xihan, Raocheng, and Xisanhuan highways, the campus neighbors Keji Rd 8 to the south, Zhangba Rd 7 to the west, Jinye Rd to the North, and Zhangba Rd 8 to the east, offering the campus easy access to the main urban areas of Xi'an and neighboring cities. The campus covers 285 thousand square meters with the structures under construction expected to enclose an area of 594 thousand square meters when completed in 2015 and 2016.

The Xi'an Campus is expected to carry out R&D for domains related to carrier network businesses in the future.

As of December 31, 2013, the cost of Huawei's land use rights in Xi'an totaled CNY113 million and the carrying amount totaled CNY107 million.

See Table 10.1 for the area of land use rights acquired by the end of 2013 on the Xi'an Campus as well as the book value.

Table 10.1 Area and book value of land use rights on the Xi'an Campus

Unit: CNY million

Year Land Acquired	Area (Thousand Square Meters)	Cost	Accumulated Amortization	Carrying Amount as of December 31, 2013
2011	285	113	6	107
Total as of December 31, 2013	285	113	6	107

Wuhan Campus

292

thousand square meters

The campus covers 292 thousand square meters, and planning is in progress to construct the campus.

Bordering Gaoxin Blvd to the north and Jiufeng Rd 1 to the south, the Wuhan Campus is situated in the Future Technology Promotion Park of the Wuhan East Lake High-Tech Industrial Zone. The campus covers 292 thousand square meters, and planning is in progress to construct the campus.

The Wuhan Campus is expected to carry out R&D for domains related to carrier network and consumer businesses in the future.

As of December 31, 2013, the cost of Huawei's land use rights in Wuhan totaled CNY62 million, and the carrying amount totaled CNY60 million.

See Table 11.1 for the area of land use rights acquired by the end of 2013 on the Wuhan Campus as well as the book value.

Table 11.1 Area and book value of land use rights on the Wuhan Campus

Unit: CNY million

Year Land Acquired	Area (Thousand Square Meters)	Cost	Accumulated Amortization	Carrying Amount as of December 31, 2013
2012	292	62	2	60
Total as of December 31, 2013	292	62	2	60

Suzhou Campus

432

thousand square meters

It covers 432 thousand square meters, and planning is in progress to construct the campus.

The Suzhou Campus is located on east Sangtian Island in the Science and Education Innovation District, Suzhou Industrial Park. It covers 432 thousand square meters, and planning is in progress to construct the campus.

The Suzhou Campus is designed to serve as an enterprise business operation center of the company.

As of December 31, 2013, the cost of Huawei's land use rights in Suzhou totaled CNY150 million, and the carrying amount totaled CNY147 million.

See Table 12.1 for the area of land use rights acquired by the end of 2013 on the Suzhou Campus as well as the book value.

Table 12.1 Area and book value of land use rights on the Suzhou Campus

Unit: CNY million

Year Land Acquired	Area (Thousand Square Meters)	Cost	Accumulated Amortization	Carrying Amount as of December 31, 2013
2013	432	150	3	147
Total as of December 31, 2013	432	150	3	147

Other Building Property

In addition to the previously described campuses, Huawei acquired a few residential houses in cities like Nanjing, Wuhan, Nanning, and Guangzhou in its early years. These houses have been mainly used as offices or dormitories for employees dispatched to the cities to support business development. As Huawei campuses in different cities are constructed and put into use, the company is gradually disposing of these houses. As of December 31, 2013, such houses in China had an area of approximately 7.4 thousand square meters and their carrying amount was CNY163 million.

In 1996, Huawei purchased Building #1, known as the Huawei Customer Service Building and located on No.1 Kefa Rd in Shenzhen Science and Technology Park, Nanshan District, to be used as Huawei offices. This building has a total area of approximately 19 thousand square meters, and is now leased to third parties.

In 2000, Huawei purchased property (now known as the Huawei Building) in Beijing for use as offices located on No. 1 Xinxi Middle Rd, Shangdi, Haidian District. This building has a total area of approximately 30 thousand square meters.



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