Lenovo

Lenovo Group Limited 聯想集團有限公司

(Incorporated in Hong Kong with limited liability)

(HKD Counter Stock Code: 992 / RMB Counter Stock Code: 80992)

FY2025/26 ANNUAL RESULTS ANNOUNCEMENT

ANNUAL RESULTS

The board of directors (the "Board") of Lenovo Group Limited (the "Company") announces the audited results of the Company and its subsidiaries (the "Group") for the year ended March 31, 2026 together with comparative figures of last year, as follows:

FINANCIAL HIGHLIGHTS

- Full-year group revenue increased by 20 percent year-on-year, reaching a record US$83.1 billion. Adjusted profit attributable to equity holders, rose to US$2.0 billion, up 42 percent year-on-year, excluding the impact of one-time restructuring charges, non-cash fair value gain on warrants, notional interest on convertible bonds, and other non-cash items.
- Full-year adjusted operating margin and net margin expanded, driven by strong AI demand, efficiency, scale, innovation and mix improvement. All three business groups achieved strong double-digit year-on-year revenue growth, further expanding market share across devices, servers, services and solutions, despite a year of tariffs, rising component costs and the war in the Middle East.
- In the fourth fiscal quarter, revenue reached a record US$21.6 billion, up 27 percent year-on-year, marking the highest growth rate in the last five years. AI-related revenues were 38 percent of Group's total revenue and grew by 84 percent year-on-year.
- IDG revenue accelerated to US$14.6 billion in the fourth fiscal quarter, up 24 percent year-on-year, while maintaining leading profitability. PC global market share expanded further, achieving the largest market share lead in 15 years, with strengthened leadership across all segments. Premium PC shipment mix reached 50 percent in the fourth fiscal quarter. Motorola smartphone business delivered a record quarterly shipment and operating margin expansion.
- ISG achieved record quarterly revenue of US$5.6 billion, growing at 37 percent year-on-year, with a record operating profit of US$202 million in the fourth fiscal quarter. ISG turned full year profitable, marking a strong inflection towards sustainable growth and margin expansion. AI server full-year revenue posted high double-digit year-on-year growth, supported by a US$21 billion pipeline exiting the year. The Infinidat acquisition completed in April 2026, a strategical step to expand the Group's ability to capture higher-value opportunities in enterprise storage market.
- SSG revenue reached US$2.6 billion, up 19 percent year-on-year in the fourth fiscal quarter, with a stable operating margin of 22.4 percent. The revenue mix from Managed Services and Project & Solutions reached 62 percent of SSG, reinforcing the shift towards value-added offerings and recurring services.
- Lenovo's personal intelligence system Qira was officially released in April 2026, with expanded partnership and upgraded features to capture more premiumization and monetization opportunities. Lenovo's Hybrid AI Advantage™ delivered higher efficiency at lower cost, reinforcing the Group's commitment to Hybrid AI strategy.

	3 months ended March 31, 2026 *US$ million*	Year ended March 31, 2026 *US$ million*	3 months ended March 31, 2025 *US$ million*	Year ended March 31, 2025 *US$ million*	Year-on-year change 3 months ended March 31	Year-on-year change Full-year
Revenue	21,588	83,075	16,984	69,077	27%	20%
Gross profit	3,539	12,809	2,783	11,098	27%	15%
Gross profit margin	16.4%	15.4%	16.4%	16.1%	0 pt	(0.7) pts
Operating expenses	(2,653)	(9,547)	(2,452)	(8,934)	8%	7%
Operating profit	886	3,262	331	2,164	167%	51%
Other non-operating income/(expenses) – net	(151)	(592)	(153)	(683)	(2)%	(13)%
Profit before taxation	735	2,670	178	1,481	314%	80%
Profit for the period/year	594	2,160	124	1,462	378%	48%
Profit attributable to equity holders of the Company	521	1,912	90	1,384	479%	38%
Earnings per share attributable to equity holders of the Company						
Basic	US4.32 cents	US15.63 cents	US0.73 cents	US11.30 cents	US3.59 cents	US4.33 cents
Diluted	US3.80 cents	US13.91 cents	US0.71 cents	US10.62 cents	US3.09 cents	US3.29 cents
Non-HKFRS measures						
Adjusted operating profit	834	3,125	481	2,454	73%	27%
Adjusted profit before taxation	714	2,651	354	1,815	102%	46%
Adjusted profit for the period/year	567	2,118	297	1,504	91%	41%
Adjusted profit attributable to equity holders of the Company	559	2,049	278	1,441	101%	42%

PROPOSED DIVIDEND

The Board has resolved to recommend the payment of a final dividend of HK33.7 cents per share for the year ended March 31, 2026 (2025: HK30.5 cents). Subject to shareholders' approval at the forthcoming annual general meeting to be held on July 23, 2026 ("AGM"), the proposed final dividend will be payable on August 19, 2026 to the shareholders whose names appear on the register of members of the Company on or about August 7, 2026.

CLOSURE OF REGISTER OF MEMBERS

For the purposes of determining shareholders' eligibility to attend and vote at the AGM, and entitlement to the proposed final dividend, the register of members of the Company will be closed. Details of such closures are set out below:

(i) For determining shareholders' eligibility to attend and vote at the AGM:

Latest time to lodge transfer documents for registration	4:30 p.m. on July 16, 2026
Closure of register of members	From July 17 to July 23, 2026
Record date	July 17, 2026

(ii) For determining shareholders' entitlement to the proposed final dividend:

Latest time to lodge transfer documents for registration	4:30 p.m. on August 6, 2026
Closure of register of members	August 7, 2026
Record date	August 7, 2026

During the above closure periods, no transfer of shares will be registered. To be eligible to attend and vote at the AGM, and to qualify for the proposed final dividend, all properly completed transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than the aforementioned latest times.

BUSINESS REVIEW AND OUTLOOK

Full-Year Group Performance

For the fiscal year ended March 31, 2026, Lenovo (the Group) delivered highest revenue in history, surpassing the US$80 billion revenue milestone with total revenue of US$83.1 billion, up 20 percent year-on-year. The Group achieved strong double-digit year-on-year revenue growth across all three Business Groups, underpinned by accelerating momentum in AI-driven growth across our entire product and services portfolio.

Adjusted profit attributable to equity holders for the year reached US$2.0 billion, growing at 42 percent year-on-year, doubling the growth of revenues. Reported profit attributable to equity holders was US$1.9 billion, up 38 percent year-on-year. Key adjustments to the reported figure include one-time restructuring charges of US$285 million, income tax credit of US$45 million, non-cash fair value gains on warrants of US$230 million, notional interest on convertible bonds of US$114 million, and other non-cash adjustments of US$13 million.

Adjusted operating and net margins expanded to 3.8 percent and 2.5 percent respectively, supported by operating efficiency gains across the Group, disciplined execution, and continued innovation. The Group remains fully committed to accelerating profitability through higher scale, disciplined execution, innovation and a sustained focus on high-growth AI opportunities.

AI momentum accelerated during the fiscal year, with AI-related revenues increasing 105 percent year-on-year, representing 33 percent of Group's total revenue. The Group achieved triple-digit year-on-year revenue growth in AI devices and AI services, together with high double-digit year-on-year revenue growth in AI servers.

The Group further expanded market share across PCs, smartphones, infrastructure, services, and solutions. IDG delivered revenue growth of 17 percent year-on-year with a stable operating margin of 7.2 percent, supported by leadership in AI PCs, premium PCs, gaming PCs, and growth in adjacencies. ISG delivered record full-year revenue of US$19.2 billion and a full-year operating profit of US$73 million, reflecting solid transformation progress and a clearer path toward sustainable, profitable growth. SSG reached a new revenue milestone of US$10 billion, with operating profit more than doubling over the past five years[1] and revenue growing at approximately four times the IT services industry growth rate.

Fourth Fiscal Quarter Group Performance

For the fourth fiscal quarter ended March 31, 2026, the Group delivered its highest fourth fiscal quarter revenue of US$21.6 billion, up 27 percent year-on-year. Adjusted net income grew to US$559 million, up 101 percent year-on-year. AI-related revenues increased 84 percent year-on-year and reached 38 percent of Group revenue, driven by strong demand across AI-related devices, infrastructure, and services.

All three Business Groups delivered strong double-digit year-on-year revenue growth in the quarter. IDG maintained resilient profitability despite heightened component supply-demand imbalances, with global PC market share reaching a fourth-quarter record of 24.4 percent, up 1.3 percentage points year-on-year. Motorola smartphones delivered record fourth-quarter shipments since acquisition, supported by double-digit year-on-year revenue growth and operating margin expansion. ISG recorded its highest quarterly revenue, operating profit and operating margin, setting the path to sustainable growth and a strong inflection towards industry-level profitability. The SSG revenue mix from Managed Services and Project and Solution Services reached 62 percent, reinforcing the shift toward scalable, tech-led, labor-light enterprise AI solutions.

Business Group Performance Review

Intelligent Devices Group

IDG revenue increased to US$58.9 billion for the full year, representing 17 percent year-on-year growth, with operating margins well maintained at 7.2 percent. The Group reinforced its global leadership across both Consumer and Commercial PCs, AI PCs, premium PCs, and gaming PCs, while adjacencies revenue accelerated by double digits year-on-year with a clear margin uplift. The Group reached a cumulative milestone of 1.1 billion PCs sold in its history by the end of the fiscal year.

[1] Operating profit growth from FY20/21 to FY25/26.

In the PC business, the Group continued to outperform the market. In the fourth fiscal quarter, global PC market share reached a record 24.4 percent, up 1.3 percentage points year-on-year, supported by unit growth of 5.6 percentage points above market growth. The Group achieved its largest market share lead in 15 years in the fourth fiscal quarter, and its premium PC mix reached 50 percent of total shipments. Adjacencies delivered high double-digit revenue growth in the fourth fiscal quarter, with tablets and visual products contributing to higher profitability.

Smartphones achieved record full-year revenue since acquisition, with a premium mix reaching a record 19 percent of total shipments, supported by growth in the *Razr, Edge* and *Signature* series. Motorola also became the number one flip foldable brand in FY25/26, with a dominant market share in North America and Latin America.

In the fourth fiscal quarter, Smartphones delivered record shipments for Motorola since acquisition, with double-digit year-on-year revenue growth and operating margin expansion. The business achieved its 11th consecutive quarter of above-market growth globally excluding China, with unit growth of 6 percent compared with an overall market decline of 3 percent.

Looking ahead, further market share and profitability expansion in IDG will be driven by innovation in AI devices and adjacencies, premiumization, AI and software ecosystem development, and new monetization opportunities.

Infrastructure Solutions Group

ISG delivered a record full-year revenue of US$19.2 billion, up 32 percent year-on-year, and achieved a full-year operating profit of US$73 million, marking clear transformation progress toward sustainable growth and profitability.

Driven by strong AI momentum across both CSP and Enterprise&SMB, full-year AI server revenue delivered high-double-digit year-on-year growth, with the AI server pipeline expanding to US$21 billion exiting the year.

In the fourth fiscal quarter, ISG delivered record quarterly revenue of US$5.6 billion, up 37 percent year-on-year, and achieved the highest ever quarterly operating profit of US$202 million. The performance reflects strong customer adoption for Lenovo's optimized AI infrastructure portfolio across CSP and Enterprise&SMB, as customers increasingly prioritize performance, energy efficiency, supply predictability, and deployment readiness.

This marks a significant inflection point for ISG. The Group's strategic transformation efforts remain on track to turn the infrastructure business into a stronger engine for both growth and profitability.

ISG's record fourth-quarter and full-year performance reinforces its position in the AI Supercycle, with hypergrowth at a clear premium to the market. The Group ranked among the top three server vendors globally and in China, while continuing to strengthen its AI infrastructure capabilities and long-term growth foundation.

Lenovo's NVIDIA GB300 NVL72 platform achieved full shipment support in the fourth fiscal quarter, while next-generation Rubin-based platforms are targeted for time-to-market in the second half of calendar year 2026. The Group has delivered more than 5,800 AI customer deployments, and continued to scale rack-level execution, supported by annual capacity of more than 70,000 racks and direct liquid-cooled server capacity of more than 11,000 racks.

The Infinidat acquisition, completed in early April, further strengthened the Group's position in high-end enterprise storage, expanding both in its addressable market and long-term margins opportunities. Infinidat brings industry-leading innovation capability, while Lenovo brings global scale, a broader infrastructure portfolio, and proven execution reach, enabling the Group to expand high-end enterprise storage solutions worldwide and unlock higher-value opportunities across financial services, healthcare, telecommunications, and the public sector.

Solutions and Services Group

SSG reached a new full-year revenue milestone of US$10 billion, growing at 19 percent year-on-year. Operating profit increased to US$2.2 billion, more than doubling during FY20/21 to FY25/26 and representing a five-year CAGR of 21 percent. The Business Group delivered its twenty consecutive quarters of double-digit revenue year-on-year growth, growing at approximately four times the IT services industry growth rate and reinforcing its role as a key growth and profit engine for the Group. SSG continues to benefit from a differentiated, tech-led, labor-light delivery model that combines deep expertise with automation to help customers optimize service costs while supporting margin resilience.

In the fourth fiscal quarter, SSG revenue increased 19 percent year-to-year to US$2.6 billion, with a stable operating margin of 22.4 percent. The revenue mix from Managed Services and Project & Solutions reached 62 percent of SSG, reinforcing the shift towards value-added offerings and recurring services.

SSG capitalized on market tailwinds in high-growth areas, including Digital Workplace Solutions, Hybrid Cloud, sustainability solutions, TruScale, and AI-powered services. TruScale is a key growth driver and central to how Lenovo is moving up the AI value chain, enabling customers to move from infrastructure to AI in production through an end-to-end model spanning design, build, and ongoing management. As enterprises and cloud providers increasingly turn to TruScale to address constraints around supply, cost, and complexity, adoption continues to expand across Device-as-a-Service and Infrastructure-as-a-Service—reflecting a broader shift toward flexible, consumption-based models.

Lenovo's Hybrid AI Advantage™ accelerated customers' shift from experimentation to scaled AI in production, delivering measurable business impact. The AI Factory enabled deployment-ready environments with time to first token of approximately 90 days and sub-1.1 PUE efficiency, improving utilization and driving more cost-effective AI deployment at scale. The AI Library delivered value through more than 60 proven, enterprise-ready use cases deployed across industries including manufacturing, retail, and sports, enabling repeatable, outcome-driven implementations and improving value per token.

Geographic Performance

The Group operates across 180 markets, leveraging its diversified presence to deliver balanced growth globally. In the fiscal year, Asia Pacific, China, EMEA, and the Americas each contributed between 19 percent and 34 percent of consolidated revenue.

Asia Pacific (excluding China) delivered 23 percent year-on-year revenue growth, with sustained momentum across all business groups. The region maintained its #1 position in PCs across both Consumer and Commercial segments. Motorola achieved double-digit premium-to-market growth, supported by strong demand, while ISG posted solid performance with key deal wins across major markets.

China delivered solid double-digit growth, with full-year revenue increasing 16 percent year-on-year. In IDG, PC market share expanded, supported by double-digit shipment growth in AI PCs. ISG continued to benefit from strong execution in the Enterprise&SMB segment, as well as solid CSP momentum, underpinned by multi-year cloud demand visibility. SSG further accelerated its solutions and as-a-service momentum, driven by increasing adoption of AI-driven offerings through Lenovo Hybrid AI Advantage™ and sustained demand for TruScale.

EMEA revenue increased 21 percent year-on-year for the fiscal year, driven by accelerating momentum across the region. EMEA retained its leading PC market position for the 16th consecutive quarter, achieving a strong 28.2 percent market share. The PC business maintained leadership in both Consumer and Commercial segments and reached a key milestone by becoming the #1 player in the SMB segment for the first time.

Americas revenue rose 21 percent year-on-year for the fiscal year, supported by robust performance across all three business groups. IDG continued to gain market share amid a commercial recovery, supported by resilient consumer demand and ongoing e-commerce expansion. Notably, in the fourth fiscal quarter, the Group advanced to the number two position in the North America PC market, achieving a 20.4 percent shipment share. ISG benefited from sustained demand for GPUs, driving strong server momentum and hypergrowth in storage. SSG continued to build momentum, led by growth in DaaS and IaaS offerings

Outlook and Strategic Highlights

Looking ahead, the Group will continue to leverage its global scale, operational excellence, innovation capabilities, and diversified portfolio to navigate market uncertainties and capture growth opportunities under its Hybrid AI strategy. The Group's priorities remain focused on accelerating profitability, strengthening execution, expanding AI-led growth, and building long-term resilience through its global operations and manufacturing footprint.

In Personal AI, the Group officially rolled out cross-device intelligence across its ecosystem through Qira in April 2026. This spanned a broad portfolio of PCs, tablets, smartphones, and other devices. In China, enhanced capabilities in Tianxi drove year-on-year improvements in user engagement and stickiness. At the core is Personal Ambient Intelligence—always present, context-aware, agentic, multimodal, privacy by design, and powered by fused knowledge. Premium devices, service bundles, and partner-driven monetization opportunities will further support IDG's long-term growth and profitability.

In Enterprise AI, Lenovo's Hybrid AI Advantage™ is designed to accelerate the deployment of production-ready enterprise AI from edge to gigafactory. As AI shifts from model training toward real-time decision-making, inferencing is becoming central to enterprise value creation. Agentic AI is expected to fuel exponential inferencing growth, increasing demand for validated hybrid AI platforms that deliver both scale and economics. Lenovo's Hybrid AI platforms integrate private and public AI environments, helping customers reduce time to first token, improve token efficiency and maximize value per token.

By combining the Group's scaled device ecosystem, broadened AI infrastructure portfolio as well as tech-led services model, the Group is accelerating into an era of growth with improved profitability – delivering greater value for our stakeholders with increased resilience and executional strength.

FINANCIAL REVIEW

Results for the year ended March 31, 2026

	2026 *US$ million*	2025 *US$ million*	Year-on-year change
Revenue	**83,075**	69,077	20%
Gross profit	**12,809**	11,098	15%
Gross profit margin	**15.4%**	16.1%	(0.7) pts
Operating expenses	**(9,547)**	(8,934)	7%
Operating profit	**3,262**	2,164	51%
Other non-operating income/(expenses) – net	**(592)**	(683)	(13)%
Profit before taxation	**2,670**	1,481	80%
Profit for the year	**2,160**	1,462	48%
Profit attributable to equity holders of the Company	**1,912**	1,384	38%
Earnings per share attributable to equity holders of the Company			
Basic	**US15.63 cents**	US11.30 cents	US4.33 cents
Diluted	**US13.91 cents**	US10.62 cents	US3.29 cents

For the year ended March 31, 2026, the Group achieved total sales of approximately US$83,075 million. When compared to last year, gross profit margin eroded by 0.7 percentage points to 15.4 percent mainly due to the change in product mix and the lower profitability in ISG business; profit attributable to equity holders for the year increased by US$528 million to approximately US$1,912 million. Basic and diluted earnings per share were US15.63 cents and US13.91 cents, representing an increase of US4.33 cents and US3.29 cents respectively. Net profit margin attributable to equity holders of the Company increased by 0.3 percentage points to 2.3 percent.

Further analyses of sales by segment are set out in Business Review and Outlook.

Analysis of operating expenses by function for the years ended March 31, 2026 and 2025 is as follows:

	2026 ***US$'000***	2025 *US$'000*
Selling and distribution expenses	**(4,049,100)**	(3,584,534)
Administrative expenses	**(3,092,286)**	(2,822,604)
Research and development expenses	**(2,490,403)**	(2,288,204)
Other operating income/(expenses) – net	**84,110**	(238,115)
	(9,547,679)	(8,933,457)

Operating expenses for the year increased by 7 percent as compared with last year. During the year, ISG executed restructuring actions to accelerate portfolio optimization, workforce upskilling, and productivity and efficiency enhancements, resulting in restructuring charges of US$285 million (2025: nil). These charges primarily comprised the impairment of intangible assets and construction-in-progress, and severance costs. Employee benefit costs increased by US$714 million due to increase in headcount, severance costs, long-term incentive awards, performance-based bonus and sales commissions. Advertising and promotional expenses increased by US$122 million for new product launch and special campaigns. Research and development related laboratory testing, services and supplies increased by US$115 million, driven by the Group's continued investment in the research and development of new products. The Group recorded fair value gain on derivative financial liabilities relating to warrants of US$230 million (2025: fair value loss of US$118 million). Fair value gain from strategic investments amounted to US$330 million (2025: US$60 million), reflecting the change in value of the Group's portfolio. The Group recorded impairment of interests in associates of US$58 million (2025: nil).

Key expenses by nature comprise:

	2026	2025
	US$'000	*US$'000*
Depreciation of property, plant and equipment	**(209,360)**	(199,762)
Depreciation of right-of-use assets	**(97,330)**	(96,283)
Amortization of intangible assets, excluding internal use software	**(109,930)**	(151,419)
Impairment and write-off of intangible assets	**(234,316)**	(123,140)
Impairment and write-off of construction-in-progress	**(3,258)**	-
Impairment and write-off of property, plant and equipment	**(284)**	-
Employee benefit costs, including	**(5,551,266)**	(4,837,162)
- long-term incentive awards	***(335,048)***	*(290,245)*
- severance and related costs	***(92,112)***	*(21,541)*
Rental expenses	**(15,231)**	(12,570)
Net foreign exchange loss	**(55,100)**	(21,467)
Advertising and promotional expenses	**(1,192,304)**	(1,070,447)
Legal, professional and consulting expenses	**(422,525)**	(412,448)
Information technology expenses, including	**(346,301)**	(385,538)
- amortization of internal use software	***(210,803)***	*(240,242)*
Increase in loss allowance of trade receivables	**(94,035)**	(102,905)
Unused amounts of loss allowance of trade receivables reversed	**45,331**	57,623
Increase in loss allowance of lease receivables	**(15,046)**	(3,671)
Unused amounts of loss allowance of lease receivables reversed	**655**	-
Research and development related laboratory testing, services and supplies	**(536,952)**	(422,427)
Loss on disposal of property, plant and equipment	**(4,316)**	(3,596)
Loss on disposal of intangible assets	**(812)**	(2,954)
Loss on disposal of construction-in-progress	**(385)**	(535)
Fair value gain on financial assets at fair value through profit or loss	**330,266**	59,552
Fair value gain/(loss) on derivative financial liabilities relating to warrants	**230,423**	(118,275)
Impairment of interests in associates	**(58,117)**	-
Dilution gain on interest in a joint venture	**2,204**	-
Dilution gain on interests in associates	**752**	-
Gain on disposal of interests in associates	**826**	-
Gain on deemed disposal of a subsidiary	**-**	22,627
Others	**(1,211,268)**	(1,108,660)
	(9,547,679)	(8,933,457)

Other non-operating income/(expenses) – net for the years ended March 31, 2026 and 2025 comprise:

	2026	2025
	US$'000	*US$'000*
Finance income	**110,929**	109,964
Finance costs	**(688,102)**	(773,269)
Share of losses of associates and joint ventures	**(14,662)**	(19,978)
	(591,835)	(683,283)

Finance income mainly represents interest on bank deposits.

Finance costs for the year decreased by 11 percent as compared with last year. The decrease is mainly attributable to the decrease in factoring costs of US$107 million, interest on notes of US$53 million and interest on bank loans and overdrafts of US$14 million, partly offset by increase in interest on convertible bonds of US$78 million.

Share of losses of associates and joint ventures primarily represents operating losses arising from principal business activities of respective associates and joint ventures.

The Group adopts segments by business group as the reporting format. Segments by business group comprise Intelligent Devices Group ("IDG"), Infrastructure Solutions Group ("ISG") and Solutions and Services Group ("SSG"). Revenue and operating profit/(loss) for reportable segments are as follows:

	2026		2025	
	Revenue	**Operating profit**	Revenue	Operating profit/(loss)
	US$'000	***US$'000***	*US$'000*	*US$'000*
IDG	**58,935,405**	**4,219,900**	50,534,350	3,622,559
ISG	**19,187,742**	**73,367**	14,523,268	(68,501)
SSG	**10,028,274**	**2,241,311**	8,457,084	1,784,832
Total	**88,151,421**	**6,534,578**	73,514,702	5,338,890
Eliminations	**(5,076,866)**	**(1,794,435)**	(4,437,734)	(1,421,467)
	83,074,555	**4,740,143**	69,076,968	3,917,423
Unallocated:				
Headquarters and corporate income/(expenses) – net		**(1,941,641)**		(1,733,060)
Depreciation and amortization		**(373,154)**		(437,179)
Impairment and write-off of intangible assets		**(216,272)**		(114,478)
Impairment of construction-in-progress		**(3,137)**		-
Finance income		**99,947**		85,306
Finance costs		**(124,058)**		(181,502)
Share of losses of associates and joint ventures		**(16,181)**		(22,242)
Loss on disposal of property, plant and equipment		**(874)**		(4,108)
Fair value gain on financial assets at fair value through profit or loss		**326,645**		58,777
Fair value gain/(loss) on derivative financial liabilities relating to warrants		**230,423**		(118,275)
Impairment of interests in associates		**(58,117)**		-
Dilution gain on interest in a joint venture		**2,204**		-
Dilution gain on interests in associates		**752**		-
Gain on disposal of interest in an associate		**99**		-
Gain on deemed disposal of a subsidiary		**-**		22,627
Dividend income		**3,129**		7,581
Consolidated profit before taxation		**2,669,908**		1,480,870

Headquarters and corporate income/(expenses) – net for the year comprise various expenses, after appropriate allocations to business groups, of US$1,942 million (2025: US$1,733 million) such as employee benefit costs, legal, professional and consulting expenses, and research and technology expenses. The increase primarily arises from higher employee benefit costs, driven by performance-based bonus and severance costs associated with the restructuring. The increase also reflects higher advertising and promotional expenses, as well as a larger net foreign exchange loss compared to last year.

Fourth Quarter 2025/26 compared to Fourth Quarter 2024/25

	3 months ended March 31, 2026 ***US$ million***	3 months ended March 31, 2025 *US$ million*	Year-on-year change
Revenue	**21,588**	16,984	27%
Gross profit	**3,539**	2,783	27%
Gross profit margin	**16.4%**	16.4%	0 pt
Operating expenses	**(2,653)**	(2,452)	8%
Operating profit	**886**	331	167%
Other non-operating income/(expenses) – net	**(151)**	(153)	(2)%
Profit before taxation	**735**	178	314%
Profit for the period	**594**	124	378%
Profit attributable to equity holders of the Company	**521**	90	479%
Earnings per share attributable to equity holders of the Company			
Basic	**US4.32 cents**	US0.73 cents	US3.59 cents
Diluted	**US3.80 cents**	US0.71 cents	US3.09 cents

For the three months ended March 31, 2026, the Group achieved total sales of approximately US$21,588 million. When compared to the corresponding period of last year, gross profit margin maintained at 16.4 percent; profit attributable to equity holders for the period increased by US$431 million to approximately US$521 million. Basic and diluted earnings per share were US4.32 cents and US3.80 cents, representing an increase of US3.59 cents and US3.09 cents respectively. Net profit margin attributable to equity holders of the Company increased by 1.9 percentage points to 2.4 percent.

Analysis of operating expenses by function for the three months ended March 31, 2026 and 2025 is as follows:

	3 months ended March 31, 2026 ***US$'000***	3 months ended March 31, 2025 *US$'000*
Selling and distribution expenses	**(1,071,277)**	(927,485)
Administrative expenses	**(884,711)**	(714,217)
Research and development expenses	**(747,890)**	(643,892)
Other operating income/(expenses) – net	**50,135**	(165,645)
	(2,653,743)	(2,451,239)

Operating expenses for the period increased by 8 percent as compared with the corresponding period of last year. Employee benefit costs increased by US$247 million due to increase in headcount, performance-based bonus and sales commissions. The Group recorded fair value gain on derivative financial liabilities relating to warrants of US$40 million (2025: fair value loss of US$118 million). Research and development related laboratory testing, services and supplies increased by US$39 million, driven by the Group's continued investment in the research and development of new products. Fair value gain from strategic investments amounted to US$85 million (2025: US$19 million), reflecting the change in value of the Group's portfolio. The Group recorded impairment of interests in associates of US$58 million (2025: nil).

Key expenses by nature comprise:

	3 months ended March 31, 2026 *US$'000*	3 months ended March 31, 2025 *US$'000*
Depreciation of property, plant and equipment	**(55,732)**	(49,596)
Depreciation of right-of-use assets	**(24,182)**	(23,960)
Amortization of intangible assets, excluding internal use software	**(37,616)**	(28,798)
Impairment and write-off of intangible assets	**(944)**	(32,406)
Impairment of property, plant and equipment	**(261)**	-
Employee benefit costs, including	**(1,556,822)**	(1,309,871)
- long-term incentive awards	***(83,482)***	*(78,631)*
- severance and related costs	***(13,772)***	*(21,541)*
Rental expenses	**(2,335)**	(2,658)
Net foreign exchange loss	**(10,188)**	(3,512)
Advertising and promotional expenses	**(276,051)**	(278,855)
Legal, professional and consulting expenses	**(107,544)**	(88,963)
Information technology expenses, including	**(83,148)**	(102,007)
- amortization of internal use software	***(46,242)***	*(57,086)*
Increase in loss allowance of trade receivables	**(32,423)**	(28,049)
Unused amounts of loss allowance of trade receivables reversed	**18,343**	35,708
Increase in loss allowance of lease receivables	**(3,434)**	(379)
Unused amounts of loss allowance of lease receivables reversed	**655**	-
Research and development related laboratory testing, services and supplies	**(192,225)**	(152,758)
Loss on disposal of property, plant and equipment	**(2,456)**	(3,634)
Loss on disposal of intangible assets	**-**	(2,653)
Loss on disposal of construction-in-progress	**-**	(413)
Fair value gain on financial assets at fair value through profit or loss	**84,643**	18,791
Fair value gain/(loss) on derivative financial liabilities relating to warrants	**39,621**	(118,275)
Impairment of interests in associates	**(58,117)**	-
Dilution gain on interest in a joint venture	**2,204**	-
Dilution gain on interest in an associate	**320**	-
Others	**(356,051)**	(278,951)
	(2,653,743)	(2,451,239)

Other non-operating income/(expenses) – net for the three months ended March 31, 2026 and 2025 comprise:

	3 months ended March 31, 2026 *US$'000*	3 months ended March 31, 2025 *US$'000*
Finance income	**27,146**	27,521
Finance costs	**(172,326)**	(181,148)
Share of losses of associates and joint ventures	**(5,041)**	(56)
	(150,221)	(153,683)

Finance income mainly represents interest on bank deposits.

Finance costs for the period decreased by 5 percent as compared with the corresponding period of last year. The decrease is mainly attributable to the decrease in interest on notes of US$14 million and factoring costs of US$3 million, partly offset by increase in interest on bank loans and overdrafts of US$3 million and interest on convertible bonds of US$4 million.

Share of losses of associates and joint ventures primarily represents operating losses arising from principal business activities of respective associates and joint ventures.

The Group adopts segments by business group as the reporting format. Segments by business group comprise IDG, ISG and SSG. Revenue and operating profit for reportable segments are as follows:

	3 months ended March 31, 2026		3 months ended March 31, 2025	
	Revenue *US$'000*	**Operating profit** *US$'000*	Revenue *US$'000*	Operating profit *US$'000*
IDG	**14,613,719**	**1,015,351**	11,814,393	804,341
ISG	**5,634,663**	**201,775**	4,119,623	3,499
SSG	**2,562,536**	**573,305**	2,150,329	487,091
Total	**22,810,918**	**1,790,431**	18,084,345	1,294,931
Eliminations	**(1,222,588)**	**(476,397)**	(1,100,807)	(371,792)
	21,588,330	**1,314,034**	16,983,538	923,139
Unallocated:				
Headquarters and corporate income/(expenses) – net		**(528,023)**		(527,899)
Depreciation and amortization		**(93,365)**		(94,514)
Impairment and write-off of intangible assets		**-**		(23,744)
Finance income		**24,989**		19,927
Finance costs		**(47,633)**		(18,572)
Share of losses of associates and joint ventures		**(3,676)**		(3,989)
Loss on disposal of property, plant and equipment		**(329)**		(326)
Fair value gain on financial assets at fair value through profit or loss		**85,309**		19,167
Fair value gain/(loss) on derivative financial liabilities relating to warrants		**39,621**		(118,275)
Impairment of interests in associates		**(58,117)**		-
Dilution gain on interest in a joint venture		**2,204**		-
Dilution gain on interest in an associate		**320**		-
Dividend income		**-**		2,784
Consolidated profit before taxation		**735,334**		177,698

Headquarters and corporate income/(expenses) – net for the period comprise various expenses, after appropriate allocations to business groups, of US$528 million (2025: US$528 million) such as employee benefit costs, legal, professional and consulting expenses, and research and technology expenses. Overall expenses remained stable as compared with the corresponding period of last year.

Use of non-HKFRS measures

To supplement Lenovo's consolidated financial statements prepared and presented in accordance with HKFRS Accounting Standards ("HKFRS"), we utilize non-HKFRS adjusted profit as an additional financial measure.

We define adjusted profit as profit for the year/period by excluding (i) net fair value changes on financial assets at fair value through profit or loss, (ii) amortization of intangible assets resulting from mergers and acquisitions, (iii) gain on deemed disposal of a subsidiary, (iv) impairment and write-off of intangible assets, property, plant and equipment and construction-in-progress, (v) fair value change on derivative financial liabilities relating to warrants, (vi) notional interest on convertible bonds, (vii) dilution gain on interests in associates and a joint venture, (viii) impairment of interests in associates, (ix) restructuring charges, and (x) one-time income tax credit; and the corresponding income tax effects, if any.

More specifically, management excludes each of those items mentioned above for the following reasons:

(i) Lenovo recognizes fair value gains or losses from its strategic investments. The change in fair value included revaluation gains or losses on new investment rounds on unlisted holdings and mark-to-market gains or losses on listed holdings. Lenovo excludes this item for the purposes of calculating the non-HKFRS measure to facilitate a more meaningful evaluation of Lenovo's current operating performance and comparisons to operating performance in other periods.

(ii) Lenovo incurs charges related to the amortization of intangible assets resulting from mergers and acquisitions. Those charges are included in Lenovo's net profit prepared under HKFRS. Such charges are significantly impacted by the timing and magnitude of Lenovo's acquisitions and any related impairment charges. Consequently, Lenovo excludes these charges for the purposes of calculating the non-HKFRS measure to facilitate a more meaningful evaluation of Lenovo's current operating performance and comparisons to operating performance in other periods.

(iii) Lenovo recognizes gain on deemed disposal of a subsidiary. Such gains or losses are inconsistent in amount and frequency and are significantly impacted by the timing and nature of the transactions. Lenovo excludes this item for the purposes of calculating the non-HKFRS measure to facilitate a more meaningful evaluation of Lenovo's current operating performance and comparisons to operating performance in other periods.

(iv) Lenovo records impairment and write-off of intangible assets, property, plant and equipment and construction-in-progress, which are inconsistent in amount and frequency. Lenovo excludes these charges for the purposes of calculating the non-HKFRS measure to facilitate a more meaningful evaluation of Lenovo's current operating performance and comparisons to operating performance in other periods.

(v) Lenovo recognizes fair value change on derivative financial liabilities relating to warrants. Lenovo excludes this item for the purposes of calculating the non-HKFRS measure to facilitate a more meaningful evaluation of Lenovo's current operating performance and comparisons to operating performance in other periods.

(vi) Lenovo incurs notional interest on convertible bonds, which is non-cash in nature. Lenovo excludes these charges for the purposes of calculating the non-HKFRS measure to facilitate a more meaningful evaluation of Lenovo's current operating performance and comparisons to operating performance in other periods.

(vii) Lenovo recognizes dilution gain on interests in associates and a joint venture. Such gains or losses are inconsistent in amount and frequency and are significantly impacted by the timing and nature of the transactions. Lenovo excludes this item for the purposes of calculating the non-HKFRS measure to facilitate a more meaningful evaluation of Lenovo's current operating performance and comparisons to operating performance in other periods.

(viii) Lenovo records impairment of interests in associates, which are inconsistent in amount and frequency. Lenovo excludes these charges for the purposes of calculating the non-HKFRS measure to facilitate a more meaningful evaluation of Lenovo's current operating performance and comparisons to operating performance in other periods.

(ix) Lenovo incurs restructuring charges that are primarily costs associated with restructuring plans which are related to employee separation from service and non-recurring costs for assets impairment. Lenovo excludes these charges for the purposes of calculating the non-HKFRS measure to facilitate a more meaningful evaluation of Lenovo's current operating performance and comparisons to operating performance in other periods.

(x) Lenovo recognizes one-time income tax credit, which is non-recurring in nature. Some organizational changes have been made to support the Group's future business planning and the growth of its global business, which resulted in one-time income tax credit. Lenovo excludes this item for the purposes of calculating the non-HKFRS measure to facilitate a more meaningful evaluation of Lenovo's current operating performance and comparisons to operating performance in other periods.

This non-HKFRS financial measure is not computed in accordance with, or as an alternative to, HKFRS. Management uses this non-HKFRS financial measure for the purposes of evaluating Lenovo's historical and prospective financial performance. Management believes that excluding the items mentioned above for this non-HKFRS financial measure allows management to better understand Lenovo's consolidated financial performance in relation to its operating results, as management does not believe that the excluded items are reflective of ongoing operating results.

However, the use of this particular non-HKFRS measure has limitations as an analytical tool, and should not be considered in isolation from, or as a substitute for analysis of, the results of operations or financial conditions as reported under HKFRS. In addition, this non-HKFRS financial measure may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures used by other companies.

Reconciliations of the non-HKFRS financial measure to the most directly comparable HKFRS financial measure are included in the tables below.

Year ended March 31, 2026

	Operating profit *US$'000*	**Profit before taxation** *US$'000*	**Profit for the year** *US$'000*	**Profit attributable to equity holders** *US$'000*
As reported	**3,261,743**	**2,669,908**	**2,159,913**	**1,911,951**
Non-HKFRS adjustments				
Net fair value changes on financial assets at fair value through profit or loss	**(330,266)**	**(330,266)**	**(284,630)**	**(104,053)**
Amortization of intangible assets resulting from mergers and acquisitions	**65,152**	**69,884**	**54,581**	**54,581**
Impairment and write-off of intangible assets, property, plant and equipment and construction-in-progress	**18,449**	**18,449**	**18,075**	**17,668**
Fair value gain on derivative financial liabilities relating to warrants	**(230,423)**	**(230,423)**	**(230,423)**	**(230,423)**
Notional interest on convertible bonds	**-**	**113,679**	**113,679**	**113,679**
Dilution gain on interests in associates and a joint venture	**(2,956)**	**(2,956)**	**(2,583)**	**(2,306)**
Impairment of interests in associates	**58,117**	**58,117**	**50,497**	**48,301**
Restructuring charges	**284,823**	**284,823**	**284,823**	**284,823**
One-time income tax credit	**-**	**-**	**(45,482)**	**(45,482)**
Adjusted	**3,124,639**	**2,651,215**	**2,118,450**	**2,048,739**

Year ended March 31, 2025

	Operating profit *US$'000*	Profit before taxation *US$'000*	Profit for the year *US$'000*	Profit attributable to equity holders *US$'000*
As reported	2,164,153	1,480,870	1,461,952	1,384,445
Non-HKFRS adjustments				
Net fair value changes on financial assets at fair value through profit or loss	(59,552)	(59,552)	(44,530)	(29,489)
Amortization of intangible assets resulting from mergers and acquisitions	130,735	135,467	106,616	106,616
Gain on deemed disposal of a subsidiary	(22,627)	(22,627)	(19,233)	(19,233)
Impairment and write-off of intangible assets	123,140	123,140	123,140	123,140
Fair value loss on derivative financial liabilities relating to warrants	118,275	118,275	118,275	118,275
Notional interest on convertible bonds	-	39,537	39,537	39,537
One-time income tax credit	-	-	(282,000)	(282,000)
Adjusted	2,454,124	1,815,110	1,503,757	1,441,291

Three months ended March 31, 2026

	Operating profit *US$'000*	**Profit before taxation** *US$'000*	**Profit for the period** *US$'000*	**Profit attributable to equity holders** *US$'000*
As reported	**885,555**	**735,334**	**594,101**	**520,806**
Non-HKFRS adjustments				
Net fair value changes on financial assets at fair value through profit or loss	**(84,643)**	**(84,643)**	**(78,271)**	**(11,377)**
Amortization of intangible assets resulting from mergers and acquisitions	**16,132**	**17,315**	**13,524**	**13,524**
Impairment of intangible assets and property, plant and equipment	**1,205**	**1,205**	**831**	**424**
Fair value gain on derivative financial liabilities relating to warrants	**(39,621)**	**(39,621)**	**(39,621)**	**(39,621)**
Notional interest on convertible bonds	**-**	**28,557**	**28,557**	**28,557**
Dilution gain on interests in an associate and a joint venture	**(2,524)**	**(2,524)**	**(2,151)**	**(1,874)**
Impairment of interests in associates	**58,117**	**58,117**	**50,497**	**48,301**
Adjusted	**834,221**	**713,740**	**567,467**	**558,740**

Three months ended March 31, 2025

	Operating profit *US$'000*	Profit before taxation *US$'000*	Profit for the period *US$'000*	Profit attributable to equity holders *US$'000*
As reported	331,381	177,698	124,418	89,878
Non-HKFRS adjustments				
Net fair value changes on financial assets at fair value through profit or loss	(18,791)	(18,791)	(15,907)	236
Amortization of intangible assets resulting from mergers and acquisitions	17,969	19,152	12,413	12,413
Impairment and write-off of intangible assets	32,406	32,406	32,406	32,406
Fair value loss on derivative financial liabilities relating to warrants	118,275	118,275	118,275	118,275
Notional interest on convertible bonds	-	25,200	25,200	25,200
Adjusted	481,240	353,940	296,805	278,408

Capital Expenditure

The Group incurred capital expenditure of US$1,859 million (2025: US$1,151 million) during the year ended March 31, 2026, mainly for the acquisition of property, plant and equipment, additions to construction-in-progress and intangible assets. The higher capital expenditure incurred in current year is mainly attributable to more investments in patent and technology, assets under construction and equipment held for lease.

Liquidity and Financial Resources

At March 31, 2026, total assets of the Group amounted to US$57,129 million (2025: US$44,231 million), which were financed by equity attributable to owners of the Company of US$7,635 million (2025: US$6,069 million), other non-controlling interests (net of put option written on non-controlling interests) of US$809 million (2025: US$591 million), and total liabilities of US$48,685 million (2025: US$37,571 million). At March 31, 2026, the current ratio of the Group was 0.95 (2025: 0.93).

At March 31, 2026, bank deposits and cash and cash equivalents totaling US$4,983 million (2025: US$4,817 million) analyzed by major currency are as follows:

	2026	2025
	%	%
US dollar	**47.0**	43.6
Renminbi	**22.1**	21.2
Japanese Yen	**5.7**	8.4
Euro	**5.3**	5.7
Australian dollar	**0.5**	1.2
Other currencies	**19.4**	19.9
Total	**100.0**	100.0

The Group adopts a conservative policy to invest the surplus cash generated from operations. At March 31, 2026, 75 percent (2025: 68 percent) of cash are bank deposits, and 25 percent (2025: 32 percent) are investments in liquid money market funds of investment grade.

The Group has consistently maintained a very liquid position, along with abundant banking facilities standing by for future business development. The Group has also entered into factoring arrangements in the ordinary course of business to improve its balance sheet efficiency.

The Group has the following banking facilities:

Type	Date of agreement	Principal amount	Term	Utilized amount at 2026	2025
		US$ million		*US$ million*	*US$ million*
Revolving loan facility	July 4, 2022	2,000	5 years	**-**	-
Revolving loan facility	March 11, 2025	500	1 year	**N/A**	-
Revolving loan facility	March 12, 2025	350	1 year	**N/A**	-

The Group has also arranged other short-term credit facilities as follows:

Credit facilities	Total available amount at 2026	2025	Utilized amount at 2026	2025
	US$ million	*US$ million*	*US$ million*	*US$ million*
Trade lines	**7,225**	6,200	**4,930**	4,370
Short-term money market facilities	**3,488**	3,194	**269**	62
Forward foreign exchange contracts	**17,678**	16,009	**17,651**	15,982

Apart from the above facilities, notes and convertible bonds issued by the Group and outstanding at March 31, 2026 are as follows. Further details of borrowings are set out in Note 13 to the Financial Information.

	Issue date	Principal amount	Term	Interest/coupon rate per annum	Due date	Use of proceeds
2030 Notes	November 2, 2020	US$900 million	10 years	3.421%	November 2030	For repurchase of perpetual securities and previous Notes
2028 Notes	July 27, 2022	US$600 million	5.5 years	5.831%	January 2028	For repayment of previous Notes and general corporate purposes
2032 Notes	July 27, 2022	US$563 million	10 years	6.536%	July 2032	For financing of eligible projects under the Green Finance Framework
2029 Convertible Bonds	August 26, 2022	US$675 million	7 years	2.5%	August 2029	For repayment of previous convertible bonds and general corporate purposes
2028 Convertible Bonds	January 8, 2025	US$2,000 million	3 years	0%	January 2028	For repayment of existing debts and general corporate purposes

Net cash/(debt) position and gearing ratio of the Group at March 31, 2026 and 2025 are as follows:

	2026 *US$ million*	2025 *US$ million*
Bank deposits and cash and cash equivalents	**4,983**	4,817
Borrowings		
- Short-term loans	**281**	65
- Notes	**2,053**	3,015
- Convertible bonds	**2,407**	2,288
Net cash/(debt) position	**242**	(551)
Total equity	**8,444**	6,660
Gearing ratio (Borrowings divided by total equity)	**0.56**	0.81

The Group is confident that the facilities on hand can meet the funding requirements of the Group's operations and business development. The Group is in full compliance with all the banking covenants.

The Group adopts a consistent hedging policy for business transactions to reduce the risk of currency fluctuation arising from daily operations. At March 31, 2026, the Group had commitments in respect of outstanding forward foreign exchange contracts amounting to US$17,651 million (2025: US$15,982 million). The Group's forward foreign exchange contracts are either used to hedge a percentage of future transactions which are highly probable, or used as fair value hedges for identified assets and liabilities.

Contingent Liabilities

The Group, in the ordinary course of its business, is involved in various claims, suits, investigations, and legal proceedings that arise from time to time. Although the Group does not expect that the outcome in any of these legal proceedings, individually or collectively, will have a material adverse effect on its financial position or results of operations, litigation is inherently unpredictable. Therefore, the Group could incur judgments or enter into settlements of claims that could adversely affect its operating results or cash flows in a particular period.

Human Resources

By the end of FY2025/26, the Group had a headcount of approximately 73,500 worldwide.

The Group implements a remuneration policy that includes base salary, bonus, an employee share purchase plan and long-term incentive program with reference to the performance of the Group and individual employees. The Group also provides benefits such as insurance, medical coverage, and retirement funds to maintain its competitive position.

CONSOLIDATED INCOME STATEMENT

	Note	2026 *US$'000*	2025 *US$'000*
Revenue	*2*	**83,074,555**	69,076,968
Cost of sales		**(70,265,133)**	(57,979,358)
Gross profit		**12,809,422**	11,097,610
Selling and distribution expenses		**(4,049,100)**	(3,584,534)
Administrative expenses		**(3,092,286)**	(2,822,604)
Research and development expenses		**(2,490,403)**	(2,288,204)
Other operating income/(expenses) – net		**84,110**	(238,115)
Operating profit	*3*	**3,261,743**	2,164,153
Finance income	*4(a)*	**110,929**	109,964
Finance costs	*4(b)*	**(688,102)**	(773,269)
Share of losses of associates and joint ventures		**(14,662)**	(19,978)
Profit before taxation		**2,669,908**	1,480,870
Taxation	*5*	**(509,995)**	(18,918)
Profit for the year		**2,159,913**	1,461,952
Profit attributable to:			
Equity holders of the Company		**1,911,951**	1,384,445
Other non-controlling interests		**247,962**	77,507
		2,159,913	1,461,952
Earnings per share attributable to equity holders of the Company			
Basic	*6(a)*	**US15.63 cents**	US11.30 cents
Diluted	*6(b)*	**US13.91 cents**	US10.62 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2026	2025
	US$'000	*US$'000*
Profit for the year	**2,159,913**	1,461,952
Other comprehensive income/(loss):		
Items that will not be reclassified to profit or loss		
Remeasurements of post-employment benefit obligations, net of taxes	**11,746**	5,561
Fair value change on financial assets at fair value through other comprehensive income, net of taxes	**2,735**	(11,369)
Items that have been reclassified or may be subsequently reclassified to profit or loss		
Fair value change on cash flow hedges from foreign exchange forward contracts, net of taxes		
- Fair value (loss)/gain, net of taxes	**(95,438)**	80,174
- Reclassified to consolidated income statement	**259,914**	(182,314)
Currency translation differences	**359,741**	(377,729)
Other comprehensive income/(loss) for the year	**538,698**	(485,677)
Total comprehensive income for the year	**2,698,611**	976,275
Total comprehensive income attributable to:		
Equity holders of the Company	**2,474,902**	893,258
Other non-controlling interests	**223,709**	83,017
	2,698,611	976,275

CONSOLIDATED BALANCE SHEET

	Note	2026 US$'000	2025 US$'000
Non-current assets			
Property, plant and equipment		**2,323,913**	2,026,280
Right-of-use assets		**648,835**	592,340
Construction-in-progress		**546,072**	282,309
Intangible assets		**7,920,745**	8,232,977
Interests in associates and joint ventures		**266,950**	315,704
Deferred income tax assets		**3,761,785**	3,055,905
Financial assets at fair value through profit or loss		**2,030,501**	1,464,384
Financial assets at fair value through other comprehensive income		**49,648**	45,382
Other non-current assets		**378,349**	311,448
		17,926,798	16,326,729
Current assets			
Inventories	*8*	**11,720,885**	7,923,804
Trade, lease and notes receivables	*9(a)*	**14,502,738**	10,506,610
Derivative financial assets		**174,916**	53,690
Deposits, prepayments and other receivables	*10*	**7,429,782**	4,223,658
Income tax recoverable		**390,444**	379,590
Bank deposits		**96,369**	88,607
Cash and cash equivalents		**4,887,162**	4,728,124
		39,202,296	27,904,083
Total assets		**57,129,094**	44,230,812

CONSOLIDATED BALANCE SHEET (CONTINUED)

	Note	**2026**	2025
		US$'000	*US$'000*
Share capital	*15*	**3,500,987**	3,500,987
Reserves		**4,134,062**	2,568,000
Equity attributable to owners of the Company		**7,635,049**	6,068,987
Other non-controlling interests		**1,355,917**	1,138,283
Put option written on non-controlling interests	*11(a)*	**(547,353)**	(547,353)
Total equity		**8,443,613**	6,659,917
Non-current liabilities			
Borrowings	*13*	**3,862,595**	4,337,806
Warranty provision	*11(b)*	**169,547**	159,400
Deferred revenue		**1,969,201**	1,628,942
Retirement benefit obligations		**203,822**	220,784
Deferred income tax liabilities		**310,638**	270,268
Derivative financial liabilities	*14*	**45,182**	241,778
Other non-current liabilities	*12*	**766,920**	717,784
		7,327,905	7,576,762
Current liabilities			
Trade and notes payables	*9(b)*	**19,236,706**	11,978,933
Derivative financial liabilities	*14*	**99,239**	197,196
Other payables and accruals	*11(a)*	**17,279,079**	13,904,384
Provisions	*11(b)*	**945,068**	852,593
Deferred revenue		**1,987,839**	1,565,459
Income tax payable		**931,202**	465,216
Borrowings	*13*	**878,443**	1,030,352
		41,357,576	29,994,133
Total liabilities		**48,685,481**	37,570,895
Total equity and liabilities		**57,129,094**	44,230,812

CONSOLIDATED CASH FLOW STATEMENT

	Note	**2026**	2025
		US$'000	*US$'000*
Cash flows from operating activities			
Net cash generated from operations	*16(a)*	**5,304,003**	2,312,940
Interest paid		**(585,595)**	(725,686)
Tax paid		**(694,703)**	(487,432)
Net cash generated from operating activities		**4,023,705**	1,099,822
Cash flows from investing activities			
Purchase of property, plant and equipment		**(653,978)**	(352,979)
Sale of property, plant and equipment		**46,390**	38,918
Acquisition of businesses, net of cash acquired		-	(1,537)
Interests acquired in associates		**(7,145)**	(8,917)
Deemed disposal of a subsidiary, net of cash disposed		-	(14,272)
Loans to an associate and a joint venture		**(49,785)**	(26,564)
Repayment of loan by an associate		**15,703**	29,971
Payment for construction-in-progress		**(608,017)**	(313,499)
Payment for intangible assets		**(596,979)**	(484,674)
Purchase of financial assets at fair value through profit or loss		**(284,028)**	(155,775)
Purchase of financial assets at fair value through other comprehensive income		**-**	(14)
Net proceeds from sale of financial assets at fair value through profit or loss		**117,709**	138,041
Net proceeds from disposal of interests in associates		**4,144**	-
Increase in bank deposits		**(7,762)**	(23,052)
Dividends received		**3,682**	8,114
Interest received		**110,929**	109,964
Net cash used in investing activities		**(1,909,137)**	(1,056,275)
Cash flows from financing activities	*16(b)*		
Capital contribution from other non-controlling interests		**86,949**	91,783
Distribution to other non-controlling interests		**(3,649)**	(12,516)
Purchase of shares by employee share trusts		**(565,261)**	(252,389)
Acquisition of additional interest in a subsidiary		**-**	(12,861)
Principal elements of lease payments		**(102,058)**	(121,071)
Dividends paid		**(612,512)**	(608,351)
Dividends paid to other non-controlling interests		**(66,218)**	(59,286)
Proceeds from warrants subscription		**-**	211,652
Proceeds from issue of convertible bonds		**-**	2,000,000
Issuing cost of convertible bonds		**-**	(20,192)
Proceeds from loans		**13,193,602**	17,014,380
Repayments of loans		**(12,985,189)**	(17,041,262)
Repayment of notes		**(965,000)**	-
Proceeds from factoring of operating lease receivables		**25,531**	-
Repayments of factored operating lease receivables		**(3,607)**	-
Net cash (used in)/generated from financing activities		**(1,997,412)**	1,189,887
Increase in cash and cash equivalents		**117,156**	1,233,434
Effect of foreign exchange rate changes		**41,882**	(65,141)
Cash and cash equivalents at the beginning of the year		**4,728,124**	3,559,831
Cash and cash equivalents at the end of the year		**4,887,162**	4,728,124

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company										
	Share capital	Investment revaluation reserve	Employee share trusts	Share-based compensation reserve	Hedging reserve	Exchange reserve	Other reserves	Retained earnings	Other non-controlling interests	Put option written on non-controlling interests	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
At April 1, 2025	3,500,987	(79,741)	(141,352)	(802,729)	(59,997)	(2,822,347)	502,588	5,971,578	1,138,283	(547,353)	6,659,917
Profit for the year	–	–	–	–	–	–	–	1,911,951	247,962	–	2,159,913
Other comprehensive income/(loss)	–	2,735	–	–	164,476	383,994	–	11,746	(24,253)	–	538,698
Total comprehensive income for the year	–	2,735	–	–	164,476	383,994	–	1,923,697	223,709	–	2,698,611
Transfer to statutory reserves	–	–	–	–	–	–	21,813	(21,813)	–	–	–
Transfer of investment revaluation reserve upon disposal of financial assets at fair value through other comprehensive income to retained earnings	–	10,988	–	–	–	–	–	(10,988)	–	–	–
Vesting of shares under long-term incentive program	–	–	292,266	(368,636)	–	–	–	–	–	–	(76,370)
Deferred tax in relation to long-term incentive program	–	–	–	(2,816)	–	–	–	–	–	–	(2,816)
Settlement of bonus through long-term incentive program	–	–	–	13,071	–	–	–	–	–	–	13,071
Share-based compensation	–	–	–	335,048	–	–	–	–	–	–	335,048
Purchase of shares by employee share trusts	–	–	(565,261)	–	–	–	–	–	–	–	(565,261)
Dividends paid	–	–	–	–	–	–	–	(612,512)	–	–	(612,512)
Dividends paid to other non-controlling interests	–	–	–	–	–	–	–	–	(66,218)	–	(66,218)
Capital contribution from other non-controlling interests	–	–	–	–	–	–	–	–	63,792	–	63,792
Distribution to other non-controlling interests	–	–	–	–	–	–	–	–	(3,649)	–	(3,649)
At March 31, 2026	3,500,987	(66,018)	(414,347)	(826,062)	104,479	(2,438,353)	524,401	7,249,962	1,355,917	(547,353)	8,443,613
At April 1, 2024	3,500,987	(68,662)	(207,487)	(650,435)	42,143	(2,425,595)	184,534	5,207,108	1,045,947	(547,353)	6,081,187
Profit for the year	–	–	–	–	–	–	–	1,384,445	77,507	–	1,461,952
Other comprehensive (loss)/income	–	(11,369)	–	–	(102,140)	(383,239)	–	5,561	5,510	–	(485,677)
Total comprehensive (loss)/income for the year	–	(11,369)	–	–	(102,140)	(383,239)	–	1,390,006	83,017	–	976,275
Transfer to statutory reserves	–	–	–	–	–	–	16,895	(16,895)	–	–	–
Deemed disposal of a subsidiary	–	–	–	–	–	(13,513)	(135)	–	(718)	–	(14,366)
Transfer of investment revaluation reserve upon disposal of financial assets at fair value through other comprehensive income to retained earnings	–	290	–	–	–	–	–	(290)	–	–	–
Vesting of shares under long-term incentive program	–	–	318,524	(448,422)	–	–	–	–	–	–	(129,898)
Deferred tax in relation to long-term incentive program	–	–	–	5,322	–	–	–	–	–	–	5,322
Settlement of bonus through long-term incentive program	–	–	–	561	–	–	–	–	–	–	561
Share-based compensation	–	–	–	290,245	–	–	–	–	–	–	290,245
Purchase of shares by employee share trusts	–	–	(252,389)	–	–	–	–	–	–	–	(252,389)
Dividends paid	–	–	–	–	–	–	–	(608,351)	–	–	(608,351)
Dividends paid to other non-controlling interests	–	–	–	–	–	–	–	–	(59,286)	–	(59,286)
Capital contribution from other non-controlling interests	–	–	–	–	–	–	13,067	–	92,319	–	105,386
Distribution to other non-controlling interests	–	–	–	–	–	–	–	–	(12,516)	–	(12,516)
Change of ownership of subsidiaries without loss of control	–	–	–	–	–	–	(2,381)	–	(10,480)	–	(12,861)
Issue of convertible bonds	–	–	–	–	–	–	290,608	–	–	–	290,608
At March 31, 2025	3,500,987	(79,741)	(141,352)	(802,729)	(59,997)	(2,822,347)	502,588	5,971,578	1,138,283	(547,353)	6,659,917

Notes

1 General information and basis of preparation

The financial information relating to the years ended March 31, 2026 and 2025 included in the FY2025/26 annual results announcement does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those consolidated financial statements. Further information relating to these statutory consolidated financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the consolidated financial statements for the year ended March 31, 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance, and will deliver the consolidated financial statements for the year ended March 31, 2026 in due course.

The Company's auditor has reported on those consolidated financial statements of the Group. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

Basis of preparation

The financial information presented above and notes thereto are extracted from the Group's consolidated financial statements and presented in accordance with Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Board is responsible for the preparation of the Group's consolidated financial statements. The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards. The consolidated financial statements have been prepared under the historical cost convention except that plan assets under defined benefit pension plans and certain financial assets and financial liabilities are stated at fair values.

The accounting policies adopted are consistent with those of the previous financial year. The following amendments to existing standard became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amendments to existing standard.

- Amendments to HKAS 21, Lack of exchangeability

2 Segment information

Management has determined the operating segments based on the reports reviewed by the Lenovo Executive Committee (the "LEC"), the chief operating decision-maker, that are used to make strategic decisions. Segments by business group comprise Intelligent Devices Group ("IDG"), Infrastructure Solutions Group ("ISG") and Solutions and Services Group ("SSG").

The LEC assesses the performance of the operating segments based on a measure of operating profit/loss. This measurement basis excludes the effects of non-cash merger and acquisition related accounting charges and non-recurring expenses such as restructuring costs from the business groups. The measurement basis also excludes the effects of allocation from headquarters certain income and expenses such as fair value change of financial instruments and disposal gain/loss of property, plant and equipment that are from activities driven by headquarters and centralized functions. Certain finance income and costs are allocated to business groups when they are directly attributed to their business activities.

(a) Revenue and operating profit/(loss) for reportable segments

	2026		2025	
	Revenue	**Operating profit**	Revenue	Operating profit/(loss)
	US$'000	***US$'000***	*US$'000*	*US$'000*
IDG	**58,935,405**	**4,219,900**	50,534,350	3,622,559
ISG	**19,187,742**	**73,367**	14,523,268	(68,501)
SSG	**10,028,274**	**2,241,311**	8,457,084	1,784,832
Total	**88,151,421**	**6,534,578**	73,514,702	5,338,890
Eliminations	**(5,076,866)**	**(1,794,435)**	(4,437,734)	(1,421,467)
	83,074,555	**4,740,143**	69,076,968	3,917,423
Unallocated:				
Headquarters and corporate income/(expenses) – net		**(1,941,641)**		(1,733,060)
Depreciation and amortization		**(373,154)**		(437,179)
Impairment and write-off of intangible assets		**(216,272)**		(114,478)
Impairment of construction-in-progress		**(3,137)**		-
Finance income		**99,947**		85,306
Finance costs		**(124,058)**		(181,502)
Share of losses of associates and joint ventures		**(16,181)**		(22,242)
Loss on disposal of property, plant and equipment		**(874)**		(4,108)
Fair value gain on financial assets at fair value through profit or loss		**326,645**		58,777
Fair value gain/(loss) on derivative financial liabilities relating to warrants		**230,423**		(118,275)
Impairment of interests in associates		**(58,117)**		-
Dilution gain on interest in a joint venture		**2,204**		-
Dilution gain on interests in associates		**752**		-
Gain on disposal of interest in an associate		**99**		-
Gain on deemed disposal of a subsidiary		**-**		22,627
Dividend income		**3,129**		7,581
Consolidated profit before taxation		**2,669,908**		1,480,870

(b) Analysis of revenue by geography

	2026	2025
	US$'000	*US$'000*
China	**18,471,599**	15,901,218
Asia Pacific ("AP")	**15,874,137**	12,942,052
Europe-Middle East-Africa ("EMEA")	**20,540,077**	16,936,250
Americas ("AG")	**28,188,742**	23,297,448
	83,074,555	69,076,968

(c) Analysis of revenue by timing of revenue recognition

	2026	2025
	US$'000	*US$'000*
Point in time	**79,205,191**	66,028,793
Over time	**3,432,800**	2,779,104
Lease revenue	**436,564**	269,071
	83,074,555	69,076,968

(d) Other segment information

	IDG		ISG		SSG		Total	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025
	US$'000	*US$'000*	***US$'000***	*US$'000*	***US$'000***	*US$'000*	***US$'000***	*US$'000*
For the years ended March 31								
Depreciation and amortization	**735,808**	716,066	**291,518**	248,622	**17,751**	17,268	**1,045,077**	981,956
Finance income	**9,020**	19,735	**293**	3,059	**1,669**	1,864	**10,982**	24,658
Finance costs	**319,420**	334,089	**241,952**	254,816	**2,672**	2,862	**564,044**	591,767

(e) The directors review goodwill and trademarks and trade names with indefinite useful lives with an aggregate amount of US$6,203 million (2025: US$6,118 million). The carrying amounts of goodwill and trademarks and trade names with indefinite useful lives are presented below:

At March 31, 2026

	China	**AP**	**EMEA**	**AG**	**Total**
	US$ million	***US$ million***	***US$ million***	***US$ million***	***US$ million***
Goodwill					
- IDG	**944**	**471**	**300**	**1,583**	**3,298**
- ISG	**490**	**122**	**65**	**349**	**1,026**
- SSG (Note)	**N/A**	**N/A**	**N/A**	**N/A**	**609**
Trademarks and trade names with indefinite useful lives					
- IDG	**182**	**55**	**125**	**480**	**842**
- ISG	**162**	**54**	**31**	**123**	**370**
- SSG (Note)	**N/A**	**N/A**	**N/A**	**N/A**	**58**

At March 31, 2025

	China	AP	EMEA	AG	Total
	US$ million	*US$ million*	*US$ million*	*US$ million*	*US$ million*
Goodwill					
- IDG	905	493	286	1,558	3,242
- ISG	468	132	59	344	1,003
- SSG (Note)	N/A	N/A	N/A	N/A	606
Trademarks and trade names with indefinite useful lives					
- IDG	182	55	122	480	839
- ISG	162	54	31	123	370
- SSG (Note)	N/A	N/A	N/A	N/A	58

Note: SSG is monitored as a whole and there is no allocation to geography or market.

The directors are of the view that there was no impairment of goodwill and trademarks and trade names with indefinite useful lives based on impairment tests performed at March 31, 2026 (2025: nil).

3 Operating profit

Operating profit is stated after charging/(crediting) the following:

	2026	2025
	US$'000	*US$'000*
Depreciation of property, plant and equipment	**521,892**	453,861
Depreciation of right-of-use assets	**118,381**	115,965
Amortization of intangible assets	**777,958**	849,309
Impairment and write-off of intangible assets	**234,316**	123,140
Impairment and write-off of construction-in-progress	**3,258**	-
Impairment and write-off of property, plant and equipment	**284**	-
Employee benefit costs, including	**6,906,355**	6,220,476
– long-term incentive awards	***335,048***	*290,245*
– severance and related costs	***92,112***	*21,541*
Rental expenses	**18,715**	15,816
Loss on disposal of property, plant and equipment	**4,316**	3,596
Loss on disposal of intangible assets	**812**	2,954
Loss on disposal of construction-in-progress	**385**	535
Fair value gain on financial assets at fair value through profit or loss	**(330,266)**	(59,552)
Fair value (gain)/loss on derivative financial liabilities relating to warrants	**(230,423)**	118,275
Impairment of interests in associates	**58,117**	-
Dilution gain on interest in a joint venture	**(2,204)**	-
Dilution gain on interests in associates	**(752)**	-
Gain on disposal of interests in associates	**(826)**	-
Gain on deemed disposal of a subsidiary	**-**	(22,627)

4 Finance income and costs

(a) Finance income

	2026	2025
	US$'000	*US$'000*
Interest on bank deposits	**95,179**	83,997
Interest on money market funds	**15,750**	8,625
Interest income on finance lease	**-**	17,342
	110,929	109,964

(b) Finance costs

	2026	2025
	US$'000	*US$'000*
Interest on bank loans and overdrafts	**43,659**	57,730
Interest on convertible bonds	**136,990**	58,580
Interest on notes	**108,699**	161,678
Interest on lease liabilities	**22,366**	13,953
Factoring costs	**369,676**	476,525
Interest on written put option liabilities	**2,376**	1,654
Others	**4,336**	3,149
	688,102	773,269

5 Taxation

The amount of taxation in the consolidated income statement represents:

	2026	2025
	US$'000	*US$'000*
Current tax		
Profits tax in Hong Kong S.A.R. of China	**2,067**	33,093
Taxation outside Hong Kong S.A.R. of China	**1,164,222**	584,217
Deferred tax		
Credit for the year	**(656,294)**	(598,392)
	509,995	18,918

Profits tax in Hong Kong S.A.R. of China has been provided for at the rate of 16.5% (2025: 16.5%) on the estimated assessable profit for the year. Taxation outside Hong Kong S.A.R. of China represents income and irrecoverable withholding taxes of subsidiaries operating in the Chinese Mainland and overseas, calculated at rates applicable in the respective jurisdictions.

6 Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year after adjusting shares held by employee share trusts for the purposes of awarding shares to eligible employees under the long-term incentive program.

	2026	2025
Weighted average number of ordinary shares in issue	**12,404,659,302**	12,404,659,302
Adjustment for shares held by employee share trusts	**(174,439,954)**	(150,624,455)
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**12,230,219,348**	12,254,034,847

	2026	2025
	US$'000	*US$'000*
Profit attributable to equity holders of the Company used in calculating basic earnings per share	**1,911,951**	1,384,445

(b) Diluted

The calculation of the diluted earnings per share is based on the profit attributable to equity holders of the Company, adjusted to reflect the impact from any dilutive potential ordinary shares that would have been outstanding, as appropriate. The weighted average number of ordinary shares used in calculating diluted earnings per share is the weighted average number of ordinary shares, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The Group has four (2025: four) categories of potential ordinary shares, namely long-term incentive awards, warrants, put option written on non-controlling interests and convertible bonds (2025: long-term incentive awards, warrants, put option written on non-controlling interests and convertible bonds). Long-term incentive awards and convertible bonds were dilutive for the years ended March 31, 2026 and 2025. Warrants and put option written on non-controlling interests were anti-dilutive for the years ended March 31, 2026 and 2025.

	2026	2025
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**12,230,219,348**	12,254,034,847
Adjustment for long-term incentive awards	**351,263,091**	409,681,272
Adjustment for convertible bonds	**2,150,353,424**	928,245,369
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	**14,731,835,863**	13,591,961,488

	2026	2025
	US$'000	*US$'000*
Profit attributable to equity holders of the Company used in calculating basic earnings per share	**1,911,951**	1,384,445
Adjustment for interest on convertible bonds, net of tax	**136,990**	58,580
Profit attributable to equity holders of the Company used in calculating diluted earnings per share	**2,048,941**	1,443,025

7 Dividends

	2026	2025
	US$'000	*US$'000*
Interim dividend of HK8.5 cents (2025: HK8.5 cents) per ordinary share, paid on December 24, 2025	**135,417**	135,518
Proposed final dividend – HK33.7 cents (2025: HK30.5 cents) per ordinary share	**533,748**	483,338
	669,165	618,856

8 Inventories

	2026	2025
	US$'000	*US$'000*
Raw materials and work-in-progress	**7,042,166**	3,995,173
Finished goods	**4,151,949**	3,320,441
Service parts	**526,770**	608,190
	11,720,885	7,923,804

9 Trade, lease and notes receivables and trade and notes payables

(a) Details of trade, lease and notes receivables are as follows:

	2026	2025
	US$'000	*US$'000*
Trade receivables	**14,134,149**	10,257,738
Lease receivables (Note)	**308,663**	188,330
Notes receivable	**59,926**	60,542
	14,502,738	10,506,610

Note: At March 31, 2026, non-current portion of lease receivables of US$228,660,000 (2025: US$170,987,000) is included in other non-current assets.

Customers are generally granted credit terms ranging from 0 to 120 days. Ageing analysis of trade receivables of the Group at the balance sheet date, based on invoice date, is as follows:

	2026	2025
	US$'000	*US$'000*
0 – 30 days	**12,340,792**	7,641,864
31 – 60 days	**1,051,467**	1,542,382
61 – 90 days	**355,763**	398,285
Over 90 days	**589,663**	839,886
	14,337,685	10,422,417
Less: loss allowance	**(203,536)**	(164,679)
Trade receivables – net	**14,134,149**	10,257,738

At March 31, 2026, trade receivables, net of loss allowance, of US$590,155,000 (2025: US$879,681,000) were past due. The ageing of these receivables, based on due date, is as follows:

	2026	2025
	US$'000	*US$'000*
Within 30 days	**327,205**	445,354
31 – 60 days	**93,254**	189,241
61 – 90 days	**49,018**	83,515
Over 90 days	**120,678**	161,571
	590,155	879,681

Movements in the loss allowance of trade and lease receivables are as follows:

	Trade receivables	**Lease receivables**	**Total**
	US$'000	***US$'000***	***US$'000***
Year ended March 31, 2025			
At the beginning of the year	132,095	672	132,767
Exchange adjustment	161	-	161
Increase in loss allowance recognized in profit or loss	102,905	3,671	106,576
Uncollectible receivables written off	(12,859)	(1,918)	(14,777)
Unused amounts credited to profit or loss	(57,623)	-	(57,623)
At the end of the year	164,679	2,425	167,104

	Trade receivables *US$'000*	Lease receivables *US$'000*	Total *US$'000*
Year ended March 31, 2026			
At the beginning of the year	**164,679**	**2,425**	**167,104**
Exchange adjustment	**1,395**	**100**	**1,495**
Increase in loss allowance recognized in profit or loss	**94,035**	**15,046**	**109,081**
Uncollectible receivables written off	**(11,242)**	**(1,821)**	**(13,063)**
Unused amounts credited to profit or loss	**(45,331)**	**(655)**	**(45,986)**
At the end of the year	**203,536**	**15,095**	**218,631**

At March 31, 2026, included in the loss allowance of lease receivables are current portion of US$6,243,000 (2025: US$1,504,000) and non-current portion of US$8,852,000 (2025: US$921,000).

Notes receivable of the Group are bank accepted notes mainly with maturity dates within six months.

(b) Details of trade and notes payables are as follows:

	2026 *US$'000*	2025 *US$'000*
Trade payables	**15,338,443**	8,561,393
Notes payable	**3,898,263**	3,417,540
	19,236,706	11,978,933

Ageing analysis of trade payables of the Group at the balance sheet date, based on invoice date, is as follows:

	2026 *US$'000*	2025 *US$'000*
0 – 30 days	**9,551,590**	4,527,503
31 – 60 days	**3,685,844**	2,465,757
61 – 90 days	**1,494,616**	898,452
Over 90 days	**606,393**	669,681
	15,338,443	8,561,393

Notes payable of the Group are mainly repayable within three months.

10 Deposits, prepayments and other receivables

Details of deposits, prepayments and other receivables are as follows:

	2026 *US$'000*	2025 *US$'000*
Deposits	**36,037**	26,779
Other receivables	**5,744,849**	2,874,521
Prepayments	**1,648,896**	1,322,358
	7,429,782	4,223,658

Other receivables mainly comprise amounts due from subcontractors for components delivered in the ordinary course of business.

11 Provisions, other payables and accruals

(a) Details of other payables and accruals are as follows:

	2026	2025
	US$'000	*US$'000*
Accruals	**5,128,209**	4,391,239
Allowance for billing adjustments (i)	**3,166,899**	2,152,336
Written put option liabilities (ii)	**291,101**	303,099
Other payables (iii)	**8,582,853**	6,962,738
Lease liabilities	**110,017**	94,972
	17,279,079	13,904,384

Notes:

(i) Allowance for billing adjustments relates primarily to allowances for future volume discounts, price protection, rebates, and customer sales returns.

(ii) - Pursuant to the joint venture agreement entered into between the Company and Fujitsu Limited ("Fujitsu"), the Company and Fujitsu are respectively granted call and put options which entitle the Company to purchase from Fujitsu and Development Bank of Japan ("DBJ"), or Fujitsu and DBJ to sell to the Company, the 49% interest in Fujitsu Client Computing Limited and its subsidiaries (together "FCCL"). Fujitsu currently owns 49% interest in FCCL. Both options are exercisable at March 31, 2026 and 2025. The exercise price for the call and put options will be determined based on the fair value of the 49% interest as of the day of exercising the option.

- During the year ended March 31, 2019, Hefei Zhi Ju Sheng Bao Equity Investment Co., Ltd ("ZJSB") acquired the 49% interest in a joint venture company ("JV Co") from Compal Electronics, Inc. The Company and ZJSB respectively own 51% and 49% of the interest in the JV Co. Pursuant to the option agreement entered into between a wholly owned subsidiary of the Group and Hefei Yuan Jia Start-up Investment LLP ("Yuan Jia"), which holds 99.31% interest in ZJSB, the Group and Yuan Jia are respectively granted call and put options which entitle the Group to purchase from Yuan Jia, or Yuan Jia to sell to the Group, the 99.31% interest in ZJSB.

  During the option exercise period, Yuan Jia notified the Group of its intention to exercise its put option. On December 28, 2021, ZJSB, Yuan Jia and the Group entered into an agreement pursuant to which ZJSB transferred 39% interest in the JV Co to the Group at an exercise price of RMB1,895 million (approximately US$274 million). Upon completion on January 10, 2022, the Company and ZJSB respectively own 90% and 10% of the interest in the JV Co.

  Yuan Jia continues to hold 99.31% interest in ZJSB and is subject to a new option agreement entered into on January 11, 2022 whereby the Group and Yuan Jia are respectively granted call and put options which entitle the Group to purchase from Yuan Jia, or Yuan Jia to sell to the Group, the 99.31% interest in ZJSB. The call and put options will be exercisable after 54 months and from the 48 months to the 54 months respectively from the date of the new option agreement. The exercise price for the call and put options will be determined in accordance with the new option agreement, and up to a maximum of RMB500 million (approximately US$72 million). At March 31, 2026 and 2025, the written put option liabilities to Yuan Jia is classified as current liabilities as the written put option will be exercisable within the next twelve months.

The financial liability that may become payable under the put option is initially recognized at present value of redemption amount within other non-current liabilities with a corresponding charge directly to equity, as a put option written on non-controlling interest.

The put option liability shall be re-measured as a result of the change in the expected performance at each balance sheet date, with any resulting gain or loss recognized in the consolidated income statement. In the event that the put option lapses unexercised, the liability will be derecognized with a corresponding adjustment to equity.

(iii) Majority of other payables are obligations to pay for finished goods and services that have been acquired in the ordinary course of business from subcontractors.

(iv) The carrying amounts of other payables and accruals approximate their fair values.

(b) The components of provisions are as follows:

	Warranty *US$'000*	**Environmental restoration** *US$'000*	**Restructuring** *US$'000*	**Total** *US$'000*
Year ended March 31, 2025				
At the beginning of the year	969,591	25,336	108,939	1,103,866
Exchange adjustment	(6,690)	(313)	546	(6,457)
Provisions made	725,885	16,443	-	742,328
Amounts utilized	(718,097)	(14,935)	(71,553)	(804,585)
	970,689	26,531	37,932	1,035,152
Long-term portion classified as non-current liabilities	(159,400)	(23,159)	-	(182,559)
At the end of the year	811,289	3,372	37,932	852,593
Year ended March 31, 2026				
At the beginning of the year	**970,689**	**26,531**	**37,932**	**1,035,152**
Exchange adjustment	**9,333**	**(866)**	**709**	**9,176**
Provisions made	**851,276**	**26,035**	**54,783**	**932,094**
Amounts utilized	**(776,622)**	**(23,854)**	**(38,231)**	**(838,707)**
	1,054,676	**27,846**	**55,193**	**1,137,715**
Long-term portion classified as non-current liabilities	**(169,547)**	**(23,100)**	**-**	**(192,647)**
At the end of the year	**885,129**	**4,746**	**55,193**	**945,068**

The Group records its warranty liability at the time of sales based on estimated costs. Warranty claims are reasonably predictable based on historical failure rate information. The warranty accrual is reviewed quarterly to verify it properly reflects the outstanding obligation over the warranty period. Certain of these costs are reimbursable from the suppliers in accordance with the terms of relevant arrangements with them.

The Group records its environmental restoration provision at the time of sales based on estimated costs of environmentally-sound disposal of waste electrical and electronic equipment upon return from end-customers and with reference to the historical or projected future return rate. The environmental restoration provision is reviewed at least annually to assess its adequacy to meet the Group's obligation.

Restructuring costs provision mainly comprises employee termination payments, arising from a series of restructuring actions to reduce costs and enhance operational efficiency. The Group records its restructuring costs provision when it has a present legal or constructive obligation as a result of restructuring actions.

12 Other non-current liabilities

Details of other non-current liabilities are as follows:

	2026	2025
	US$'000	*US$'000*
Deferred consideration (a)	**25,072**	25,072
Lease liabilities	**305,397**	269,828
Environmental restoration (Note 11(b))	**23,100**	23,159
Government incentives and grants received in advance (b)	**133,731**	98,350
Others	**279,620**	301,375
	766,920	717,784

Notes:

(a) Pursuant to the joint venture agreement entered into with NEC Corporation, the Group is required to pay in cash to NEC Corporation deferred consideration. At March 31, 2026, the potential undiscounted amount of future payment in respect of the deferred consideration that the Group could be required to make amounted to US$25 million (2025: US$25 million).

(b) Government incentives and grants received in advance by certain group companies included in other non-current liabilities mainly relate to research and development projects and construction of property, plant and equipment. These group companies are obliged to fulfill certain conditions under the terms of the government incentives and grants. The government incentives and grants, upon fulfillment of those conditions, are credited to the consolidated income statement immediately or recognized on a straight-line basis over the expected life of the related assets.

13 Borrowings

	2026	2025
	US$'000	*US$'000*
Current liabilities		
Short-term loans (a)	**280,678**	65,364
Notes (b)	**-**	964,988
Convertible bonds (c)	**597,765**	-
	878,443	1,030,352
Non-current liabilities		
Notes (b)	**2,052,709**	2,050,271
Convertible bonds (c)	**1,809,886**	2,287,535
	3,862,595	4,337,806
	4,741,038	5,368,158

Notes:

(a) Majority of the short-term loans are denominated in United States dollars. At March 31, 2026, the Group has total revolving and short-term loan facilities of US$5,488 million (2025: US$6,044 million) which has been utilized to the extent of US$269 million (2025: US$62 million).

(b) Details of the outstanding notes are as follows:

Issue date	**Outstanding principal amount**	**Term**	**Interest rate per annum**	**Due date**	**2026** ***US$'000***	2025 *US$'000*
April 24, 2020 and May 12, 2020	US$965 million	5 years	5.875%	April 2025	-	964,988
November 2, 2020	US$900 million	10 years	3.421%	November 2030	**895,922**	895,032
July 27, 2022	US$600 million	5.5 years	5.831%	January 2028	**597,628**	596,607
July 27, 2022	US$563 million	10 years	6.536%	July 2032	**559,159**	558,632
					2,052,709	3,015,259

(c) Details of the outstanding convertible bonds are as follows:

Issue date	**Outstanding principal amount**	**Term**	**Coupon rate per annum**	**Due date**	**2026** ***US$'000***	2025 *US$'000*
August 26, 2022 (i)	US$675 million	7 years	2.5%	August 2029	**597,765**	576,812
January 8, 2025 (ii)	US$2,000 million	3 years	0%	January 2028	**1,809,886**	1,710,723
					2,407,651	2,287,535

(i) On August 26, 2022, the Company completed the issuance of 7-Year US$675 million convertible bonds bearing annual interest at 2.5% due in August 2029 ("the 2029 Convertible Bonds") to the bondholders. The proceeds were used to repay previous convertible bonds and for general corporate purposes. The bondholders have the right, at any time on or after 41 days after the date of issue and up to the 10th day prior to the maturity date, to convert part or all of the outstanding principal amount of the 2029 Convertible Bonds into ordinary shares of the Company at a conversion price of HK$9.94 per share, subject to adjustments. The conversion price was adjusted to HK$8.67 per share effective on August 2, 2025. Assuming full conversion of the 2029 Convertible Bonds at the conversion price of HK$8.67 per share, the 2029 Convertible Bonds will be convertible into 610,263,840 shares.

The outstanding principal amount of the 2029 Convertible Bonds is repayable by the Company upon the maturity of the 2029 Convertible Bonds on August 26, 2029 if not previously redeemed, converted or purchased and cancelled. On August 26, 2026, the bondholders will have the right, at the bondholders' option, to require the Company to redeem part or all of the 2029 Convertible Bonds at their principal amount. At March 31, 2026, the 2029 Convertible Bonds are classified as current liabilities, as this redemption option is exercisable on August 26, 2026, which is within the next twelve months.

At any time after September 9, 2026 and prior to August 26, 2029, the Company will have the right to redeem in whole, but not in part, the 2029 Convertible Bonds for the time being outstanding at their principal amount upon occurrence of certain specified conditions.

(ii) On January 8, 2025, the Company completed the issuance of 3-Year US$2,000 million zero-coupon convertible bonds due in January 2028 ("the 2028 Convertible Bonds") to the bondholder, subject to three months extension upon occurrence of specified condition. The proceeds were used to repay the existing debts and for general corporate purposes. The bondholder has the right, at any time up to 15 calendar days prior to the maturity date, to exercise the conversion right to convert part or all of the outstanding principal amount of the 2028 Convertible Bonds into ordinary shares of the Company at a conversion price of HK$10.02 per share, subject to adjustments. The conversion price was adjusted to HK$9.70 per share effective on August 2, 2025. Upon exercise of the conversion right, the conversion shall take place on the maturity date. Assuming full conversion of the 2028 Convertible Bonds at the conversion price of HK$9.70 per share, the 2028 Convertible Bonds will be convertible into 1,610,618,556 shares.

The outstanding principal amount of the 2028 Convertible Bonds is repayable by the Company upon the maturity of the 2028 Convertible Bonds on January 8, 2028 if not previously redeemed or converted. At any time prior to the maturity date, the bondholder will have the right to require the Company to redeem all of the 2028 Convertible Bonds at their principal amount or plus interest of 4.5% per annum upon occurrence of certain specified conditions.

The initial fair value of the liability portion of the convertible bonds was determined using a market interest rate for an equivalent non-convertible bond at the issue date. The liability is subsequently recognized on an amortized cost basis until extinguished on conversion, redemption or maturity of the bonds. The remainder of the proceeds was allocated to the conversion option and recognized in shareholders' equity, net of income tax, and not subsequently remeasured.

The Group expects that it will be able to meet its redemption obligations based on the financial position of the Group had conversion of the 2029 Convertible Bonds and 2028 Convertible Bonds not exercised on maturity.

At March 31, 2026 and 2025, the Group's borrowings were repayable as follows:

	2026 ***US$'000***	2025 *US$'000*
Within 1 year	**878,443**	1,030,352
Over 1 to 2 years	**2,407,514**	-
Over 2 to 5 years	**895,922**	2,884,142
Over 5 years	**559,159**	1,453,664
	4,741,038	5,368,158

14 Derivative financial liabilities

	2026	2025
	US$'000	*US$'000*
Current liabilities		
Foreign currency forward and option contracts	**47,602**	109,277
Warrants (Note)	**51,637**	87,919
	99,239	197,196
Non-current liabilities		
Warrants (Note)	**45,182**	241,778
	144,421	438,974

Note:

On January 8, 2025, an aggregate of 1,150,000,000 warrants have been fully subscribed and issued with gross proceeds of HK$1,645 million (approximately US$212 million).

Subject to the terms of the warrants, including the transfer and exercise limit in respect of each 12-month period from the issue date, the warrants holders have the right, at any time up to January 8, 2028, which may be extended by three months, to subscribe for the Company's shares at an initial subscription price of HK$12.31 per share, subject to adjustments. The subscription price was adjusted to HK$11.92 per share effective on August 2, 2025. The Company has the option to satisfy such exercise rights by allotment and issue of the Company's shares, or through cash payments, which is determined with reference to the market price of the Company's shares.

The warrants issued by the Company are initially recognized as financial liabilities at fair value through profit or loss and are subsequently re-measured at each balance sheet date, with any resulting gain or loss recognized as "other operating income/(expenses) – net" in the consolidated income statement.

The fair value of the warrant derivative liabilities as of March 31, 2026, after recognizing fair value gain of US$230,423,000 (2025: fair value loss of US$118,275,000), amounted to US$96,819,000 (2025: US$329,697,000).

15 Share capital

	2026		2025	
	Number of shares	***US$'000***	*Number of shares*	*US$'000*
Issued and fully paid:				
Voting ordinary shares:				
At the beginning and end of the year	**12,404,659,302**	**3,500,987**	12,404,659,302	3,500,987

16 Note to the consolidated cash flow statement

(a) Reconciliation of profit before taxation to net cash generated from operations

	2026	2025
	US$'000	*US$'000*
Profit before taxation	**2,669,908**	1,480,870
Share of losses of associates and joint ventures	**14,662**	19,978
Finance income	**(110,929)**	(109,964)
Finance costs	**688,102**	773,269
Depreciation of property, plant and equipment	**521,892**	453,861
Depreciation of right-of-use assets	**118,381**	115,965
Amortization of intangible assets	**777,958**	849,309
Impairment and write-off of property, plant and equipment	**284**	-
Impairment and write-off of construction-in-progress	**3,258**	-
Impairment and write-off of intangible assets	**234,316**	123,140
Impairment of interests in associates	**58,117**	-
Allowance/(reversal of allowance) for inventories	**139,049**	(62,123)
Increase in loss allowance of trade receivables	**94,035**	102,905
Unused amounts of loss allowance of trade receivables reversed	**(45,331)**	(57,623)
Increase in loss allowance of lease receivables	**15,046**	3,671
Unused amounts of loss allowance of lease receivables reversed	**(655)**	-
Share-based compensation	**335,048**	290,245
Loss on disposal of property, plant and equipment	**4,316**	3,596
Loss on disposal of intangible assets	**812**	2,954
Loss on disposal of construction-in-progress	**385**	535
Gain on deemed disposal of a subsidiary	**-**	(22,627)
Gain on disposal of interests in associates	**(826)**	-
Dilution gain on interests in associates	**(752)**	-
Dilution gain on interest in a joint venture	**(2,204)**	-
Fair value change on financial instruments	**(18,424)**	(19,541)
Fair value change on financial assets at fair value through profit or loss	**(330,266)**	(59,552)
Fair value (gain)/loss on derivative financial liabilities relating to warrants	**(230,423)**	118,275
Dividend income	**(3,682)**	(8,114)
Increase in inventories	**(3,935,889)**	(1,294,730)
Increase in trade, lease and notes receivables, deposits, prepayments and other receivables	**(7,060,703)**	(3,001,091)
Increase in trade and notes payables, provisions, other payables and accruals	**11,377,932**	2,562,146
Effect of foreign exchange rate changes	**(9,414)**	47,586
Net cash generated from operations	**5,304,003**	2,312,940

(b) Reconciliation of financing liabilities

This section sets out an analysis of financing liabilities and the movements in financing liabilities for the years presented.

Financing liabilities	**2026** ***US$'000***	2025 *US$'000*
Short-term loans – current	**280,678**	65,364
Notes – current	**-**	964,988
Notes – non-current	**2,052,709**	2,050,271
Convertible bonds – current	**597,765**	-
Convertible bonds – non-current	**1,809,886**	2,287,535
Derivative financial liabilities relating to warrants – current	**51,637**	87,919
Derivative financial liabilities relating to warrants – non-current	**45,182**	241,778
Lease liabilities – current	**110,017**	94,972
Lease liabilities – non-current	**305,397**	269,828
Other payables – current	**8,447**	-
Other payables – non-current	**13,395**	-
	5,275,113	6,062,655

Short-term loans – variable interest rates	**270,979**	36,415
Short-term loans – fixed interest rates	**9,699**	28,949
Notes – fixed interest rates	**2,052,709**	3,015,259
Convertible bonds – fixed interest rates	**2,407,651**	2,287,535
Derivative financial liabilities relating to warrants – non-interest bearing	**96,819**	329,697
Lease liabilities – fixed interest rates	**415,414**	364,800
Other payables – fixed interest rates	**21,842**	-
	5,275,113	6,062,655

	Short-term loans current *US$'000*	**Notes current** *US$'000*	**Notes non-current** *US$'000*	**Convertible bonds non-current** *US$'000*	**Derivative financial liabilities relating to warrants current** *US$'000*	**Derivative financial liabilities relating to warrants non-current** *US$'000*	**Lease liabilities current** *US$'000*	**Lease liabilities non-current** *US$'000*	**Total** *US$'000*
Financing liabilities at April 1, 2024	50,431	-	3,012,637	556,592	-	-	101,580	240,449	3,961,689
Proceeds from borrowings	17,014,380	-	-	2,000,000	-	-	-	-	19,014,380
Proceeds from issue of warrants	-	-	-	-	56,440	155,212	-	-	211,652
Repayments of borrowings	(17,041,262)	-	-	-	-	-	-	-	(17,041,262)
Issuing cost of borrowings	-	-	-	(20,192)	-	-	-	-	(20,192)
Reclassification	-	964,814	(964,814)	-	-	-	92,620	(92,620)	-
Principal elements of lease payments	-	-	-	-	-	-	(121,071)	-	(121,071)
Foreign exchange adjustments	41,815	-	-	-	(61)	(169)	(1,044)	(7,863)	32,678
Equity component for issue of convertible bonds	-	-	-	(290,608)	-	-	-	-	(290,608)
Other non-cash movements	-	174	2,448	41,743	31,540	86,735	22,887	129,862	315,389
Financing liabilities at March 31, 2025	65,364	964,988	2,050,271	2,287,535	87,919	241,778	94,972	269,828	6,062,655

	Short-term loans current US$'000	Notes current US$'000	Notes non-current US$'000	Convertible bonds current US$'000	Convertible bonds non-current US$'000	Derivative financial liabilities relating to warrants current US$'000	Derivative financial liabilities relating to warrants non-current US$'000	Lease liabilities current US$'000	Lease liabilities non-current US$'000	Other payables current US$'000	Other payables non-current US$'000	Total US$'000
Financing liabilities at April 1, 2025	65,364	964,988	2,050,271	-	2,287,535	87,919	241,778	94,972	269,828	-	-	6,062,655
Proceeds from borrowings	13,193,602	-	-	-	-	-	-	-	-	-	-	13,193,602
Repayments of borrowings	(12,985,189)	(965,000)	-	-	-	-	-	-	-	-	-	(13,950,189)
Reclassification	-	-	-	597,765	(597,765)	25,827	(25,827)	93,241	(93,241)	-	-	-
Principal elements of lease payments	-	-	-	-	-	-	-	(102,058)	-	-	-	(102,058)
Foreign exchange adjustments	6,901	-	-	-	-	(663)	(1,792)	834	1,639	(57)	(90)	6,772
Other non-cash movements	-	12	2,438	-	120,116	(61,446)	(168,977)	23,028	127,171	29	36	42,407
Proceeds from factoring of operating lease receivables	-	-	-	-	-	-	-	-	-	12,082	13,449	25,531
Repayments of factored operating lease receivables	-	-	-	-	-	-	-	-	-	(3,607)	-	(3,607)
Financing liabilities at March 31, 2026	280,678	-	2,052,709	597,765	1,809,886	51,637	45,182	110,017	305,397	8,447	13,395	5,275,113

17 Non-adjusting event after the reporting period

On April 9, 2026, the Group completed the acquisition of 100% in Infinidat Ltd. ("Infinidat"). Infinidat is a global provider of high-performance enterprise storage solutions. The transaction strengthens the Group's position in enterprise storage and enhances its ability to deliver resilient, intelligent, AI-ready data infrastructure to customers worldwide. Infinidat will operate within ISG, with a continued focus on product innovation, customer success, and global expansion. The initial accounting for the business combination is incomplete at the date the consolidated financial statements are authorized for issue. Accordingly, certain information, including the fair values of identifiable assets acquired and liabilities assumed, and the amount of goodwill, has not been disclosed as the valuation process is still in progress.

CONVERTIBLE BONDS

On August 26, 2022, the Company issued US$675,000,000 2.50% convertible bonds due 2029 (the "2029 Convertible Bonds"), which are listed on the The Stock Exchange of Hong Kong Limited, to professional investors. The 2029 Convertible Bonds, assuming full conversion at the adjusted conversion price of HK$8.67 per share, are convertible into 610,263,840 shares of the Company. As at March 31, 2026, the total outstanding principal amount of the 2029 Convertible Bonds was US$675,000,000. Please refer to the announcements of the Company dated August 17, 2022, August 18, 2022, August 26, 2022, August 29, 2022 and July 17, 2025 for further details about the 2029 Convertible Bonds.

On January 8, 2025, the Company issued US$2,000,000,000 zero coupon convertible bonds due 2028 to Alat International Investments Company, a wholly-owned subsidiary of Alat Technologies Company (the "Alat Convertible Bonds"). The Alat Convertible Bonds, assuming full conversion at the adjusted conversion price of HK$9.70 per share, are convertible into 1,610,618,556 shares of the Company. As at March 31, 2026, the total outstanding principal amount of the Alat Convertible Bonds was US$2,000,000,000. Pursuant to the terms and conditions of the Alat Convertible Bonds, the Alat Convertible Bonds can only be converted into shares upon maturity and can only be redeemed prior to maturity upon occurrence of certain redemption events. Please refer to the announcements of the Company dated May 29, 2024, January 8, 2025 and July 17, 2025 and the Company's circular dated August 19, 2024 for further details about the Alat Convertible Bonds.

There had not been any conversion of the 2029 Convertible Bonds and the Alat Convertible Bonds, and no redemption right had been exercised by the Company in respect of the 2029 Convertible Bonds and the Alat Convertible Bonds for the financial year ended March 31, 2026. Please refer to the relevant note to the consolidated financial statements and the Company's 2025/26 Annual Report to be published for further details of the 2029 Convertible Bonds and the Alat Convertible Bonds.

DEBENTURES

Save as disclosed, the Company did not issue, purchase, redeem or cancel any debentures during the financial year ended March 31, 2026.

WARRANTS

On January 8, 2025, the Company issued 1,150,000,000 warrants (the "Warrants") at the issue price of HK$1.43 per Warrant to Sureinvest Holdings Limited, an entity wholly owned by Mr. Yang Yuanqing (a connected person of the Company), Wisdom Summit Limited, the investment holding vehicle for certain management members of the Company (which include connected persons of the Company at subsidiary level), as well as certain independent professional investors. Assuming the full exercise of the Warrants at the adjusted exercise price of HK$11.92 per share, it will result in the issue of 1,187,625,838 shares of the Company. There had not been any exercise of the Warrants for the financial year ended March 31, 2026. Please refer to the announcements of the Company dated May 29, 2024, July 15, 2024, January 8, 2025 and July 17, 2025 and the Company's circular dated August 19, 2024 for further details about the Warrants.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Save as the respective trustee of the long-term incentive program and the employee share purchase plan of the Company purchased a total of 466,370,409 shares from the market for award to employees upon vesting, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended March 31, 2026. Details of these program and plan are set out in the 2025/26 Annual Report of the Company.

REVIEW BY AUDIT COMMITTEE

The Audit Committee of the Company has reviewed the audited annual results of the Group for the financial year ended March 31, 2026. It meets regularly with the management, the external auditor and the internal audit personnel to discuss the accounting principles and practices adopted by the Group and internal control and financial reporting matters. Currently, the Audit Committee comprises three independent non-executive directors and one non-executive director, including Mr. Woo Chin Wan Raymond, being the Chairman, Mr. Gordon Robert Halyburton Orr, Mr. Kasper Bo Roersted and Mr. Wong Wai Ming.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

Throughout the financial year ended March 31, 2026, the Company has complied with the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules"), and where appropriate, met the recommended best practices in the CG Code, with the exception that the roles of the chairman of the Board (the "Chairman") and the chief executive officer of the Company (the "CEO") have not been segregated as required by code provision C.2.1 of the CG Code.

The Board has reviewed the Group's organization human resources planning and considers that combining the roles of Chairman and CEO by Mr. Yang Yuanqing ("Mr. Yang") is appropriate and beneficial to the Group as it provides consistency of the strategy execution and stability of the operations. The Board, comprising a majority of independent non-executive directors, meets regularly on a quarterly basis to review the Group's operations led by Mr. Yang.

The Board also appointed Mr. John Lawson Thornton as the lead independent director (the "Lead Independent Director") with broad authorities and responsibilities. Such authorities and responsibilities include serving as chairman of the Nomination and Governance Committee meeting and/or the Board meeting considering the combined roles of Chairman and CEO; in consultation with all other Board members, to prepare an assessment of the performance of the Chairman and/or CEO; calls and chair meeting(s) with all non-executive directors at least once a year on matters deemed appropriate and provide feedback to the Chairman and/or CEO; and serves a key role in the Board evaluation process. Accordingly, the Board believes that the current Board structure with combined roles of Chairman and CEO, the appointment of Lead Independent Director and a majority of independent non-executive directors provide an effective check and balance of power between the Board and the management of the Company.

In relation to the recommended best practices in the CG Code, the Company published quarterly financial results and business reviews in addition to interim and annual results. Quarterly financial results enhanced the shareholders' ability to assess the performance, financial position and prospects of the Company. The quarterly financial results were prepared using the accounting standards consistent with the policies applied to the interim and annual financial statements.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on website of The Stock Exchange of Hong Kong Limited (https://www.hkexnews.hk) and the Group's website (https://investor.lenovo.com/en/publications/news.php). The 2025/26 annual report of the Company will be available on the same websites and despatched to shareholders of the Company in accordance with the requirements of the Listing Rules in due course.

By Order of the Board
Yang Yuanqing
Chairman and Chief Executive Officer

May 22, 2026

As at the date of this announcement, the executive director is Mr. Yang Yuanqing; the non-executive directors are Mr. Zhu Linan, Mr. Zhao John Huan, Mr. Wong Wai Ming and Ms. Laura Green Quatela; and the independent non-executive directors are Mr. John Lawson Thornton, Mr. Gordon Robert Halyburton Orr, Mr. Woo Chin Wan Raymond, Ms. Yang Lan, Ms. Cher Wang Hsiueh Hong, Professor Xue Lan and Mr. Kasper Bo Roersted (alias Kasper Bo Rorsted).